

City of Canal Fulton, Ohio

Annual Comprehensive Financial Report



For the Year Ended December 31, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

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

We have reviewed the *Independent Auditors' Report* of the City of Canal Fulton, Stark County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

July 12, 2022

Introductory Section

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CITY OF CANAL FULTON, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2021

Prepared by The Department of Finance

William Rouse
Director of Finance

City of Canal Fulton, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
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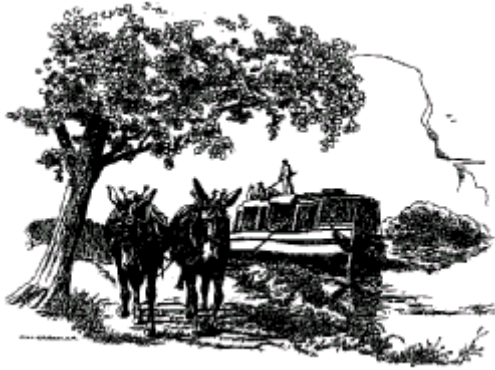
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City of Canal Fulton

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June 22, 2022

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

We are pleased to present our 2021 Annual Comprehensive Financial Report for the City of Canal Fulton for your review. This report, for the year ended December 31, 2021, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Canal Fulton (the City). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every general purpose local government prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have an annual audit. This report is published to fulfill that requirement for the year ended December 31, 2021.

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

State statutes require the City to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. Clark, Schaefer and Hackett was selected to perform these services and has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2021. The Independent Auditors’ Report on the basic financial statements is included in the financial section of this report.

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

Profile of the Government

History of Canal Fulton

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

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

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

Profile of the City

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

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

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

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

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

Economic Condition

Summary of Local Economy

While there is some commercial property within the City, Canal Fulton is generally classified as a bedroom community with most residents commuting to work outside the City. As a result, the City's local economy is dependent on conditions throughout Stark County and the surrounding areas. The economic conditions in Stark County have been steadily improving since the start of the COVID-19 pandemic in 2020. For example, the Stark County unemployment rate reached a high of 14.9 percent in April, 2020, but has now declined to 3.6 percent in December, 2021, which is now lower than any time in 2018 and 2019 before the pandemic. The local economic conditions have a significant impact on the City's income tax collections, which accounts for over 59 percent of the funding for the City's general government operations. The following table shows the City's income tax collections the last seven years by component:

Income Tax Collections

Year of Collection	Collections from Individual Returns	Collections from Business Net Profit Returns	Collections from Payroll Withholdings	Total Collections
2014	\$866,349	\$171,789	\$1,265,245	\$2,303,383
2015	902,118	216,211	1,300,300	2,418,629
2016	842,049	168,704	1,424,034	2,434,787
2017	763,713	176,184	1,380,269	2,320,166
2018	728,448	170,562	1,434,264	2,333,274
2019	758,368	194,279	1,481,923	2,434,570
2020	589,430	335,091	1,830,459	2,754,980
2021	475,948	403,012	1,940,206	2,819,166

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

The table above shows that the City’s total income tax collections achieved an average annual growth rate of over three percent between 2014 and 2021. Although some of the fluctuations can be attributed to the local economy, it is important to note that the State of Ohio also passed House Bill 5 in 2014, which changed the laws governing municipal income tax collections for the 2016 tax year (2017 collection year for individuals). Some of the changes include revisions to the due dates for submitting payroll withholdings, higher thresholds for requiring individuals and businesses to submit estimated tax payments, and uniform rules for processing business net profit/loss returns. The City also passed a tax reform in 2019 that raised the tax rate from 1.5 percent to 2.0 percent, while giving the citizens full credit for taxes paid to other cities, taking effect January 1, 2020. Prior to the recent tax reform, the City only gave Citizens credit for 50 percent of taxes paid to other cities. The new laws, the City’s tax reform, and the improving economy contribute to the variances shown in the table.

The City’s residential tax base consists of approximately 2,400 housing units and includes new construction as well as a collection of century homes located in the historic district. Property values inside the City increased roughly 1 percent from 2020 to 2021 due to continued commercial and residential development within the City. The U.S. Census Bureau reports that the City’s homeowner vacancy rate was 4.7 percent during the 2020 census, which was slightly higher than the 3.5 percent from the 2010 census. This is further illustrated by the City’s total population reported in the 2020 census (5,325) and the 2010 census (5,479) remaining relatively stable when compared to the 2000 census (5,061). Given the City’s status as a bedroom community, this stability has been important in ensuring consistent tax revenues and the overall health of the community.

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

Long-Term Financial Planning

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

With the recent growth in income tax revenues, the City has made it a priority to set aside resources to help maintain long-term financial stability. Specifically, the City established the capital projects reserve fund to be used in accumulating resources to replace vehicles and equipment in the future. The City had \$124,108 unencumbered balances available in this fund, on a cash basis, as of December 31, 2021. Similarly, the City had \$248,100 unencumbered balances, on a cash basis, set aside for emergencies as of December 31, 2021.

Relevant Financial Policies

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

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

Major Initiatives

The City worked on the following initiatives in 2021:

- The City spent over \$300,000 on road improvements that include resurfacing Erie avenue leading to Northwest High School, finalizing plans to resurface all of State Route 93/Cherry Street inside the City limits in 2022, and performing various asphalt, concrete and other road repairs throughout the City.
- The City spent approximately \$326,000 replacing the waterline on State Route 93/Cherry Street.
- Major capital expenditures in 2021 included purchasing vehicles for the Police and Street Departments.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

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

William Rouse
Finance Director
City of Canal Fulton

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

*Principal Officials
December 31, 2021*

Elected Officials

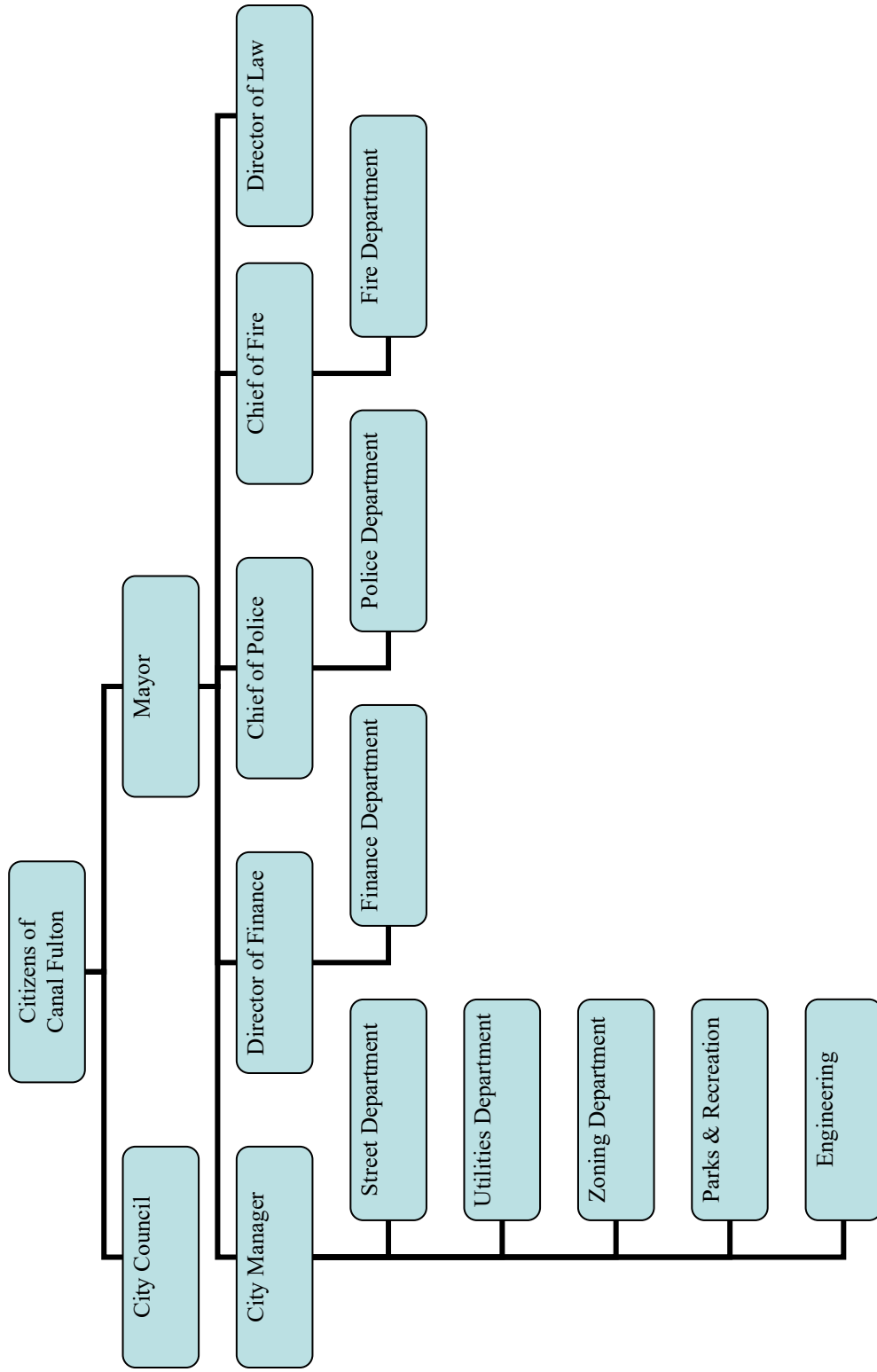
Mayor Joseph Schultz
City Council President Susan Mayberry
City Council Member Bonnie Donaldson
City Council Member Scott Svab
City Council Member Eric Whittington
City Council Member Jeanann VanDenberg
City Council Member Doug Morgan

Appointed Officials

City Manager William Rouse (1)
Director of Finance Blake Fuller (2)
Director of Law Dan Bucher, Jr.
Chief of Police Doug Swartz
Chief of Fire Shawn Yerian

- (1) On January 1, 2022, William Rouse became the City’s Director of Finance.
- (2) On January 1, 2022, Blake Fuller resigned and Dan Bucher, Jr. became the City Manager on January 1, 2022.

**City of Canal Fulton
Organization Chart – December 31, 2021**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Canal Fulton
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

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Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canal Fulton, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 22, 2022

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City of Canal Fulton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The discussion and analysis for the City of Canal Fulton's (the City) financial statements provide an overall review of the financial activity of the City for the twelve months ended December 31, 2021. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Financial highlights for 2021 are as follows:

- The 2021 income tax collections on a cash basis were \$2,819,166, which was 2.3 percent higher than the prior year. The higher income tax collections are primarily due to growth in employment and wages inside the City during 2021.
- In 2020, the City used its general fund emergency reserve fund to establish a Small Business Loan program, which was an effort by the City to help local businesses during the pandemic. The balance in the general fund emergency reserve fund at the start of the program was \$250,000. At the conclusion of 2021, the majority of the loans have been repaid and the balance in the general fund emergency reserve fund has been restored to \$248,100. The fund balance in the capital projects reserve fund declined in 2021 from \$320,001 to \$189,283 due to a roofing repair at the service building and purchasing a new dump truck.
- The City's 2021 water and sewer charges for services, on a cash basis, increased by 5.1 percent and decreased by 1.46 percent, respectively. The changes were due to the City's utility billing ordinances, which tie annual rate increases to changes in the consumer price index.
- The City started a comprehensive water meter replacement program in 2019. The intent of the program is to replace every residential and commercial meter in the City with automated meter reading technology. The program is estimated to be completed in 2022, and will significantly improve the efficiency of the City utility billing function.

Using this Annual Financial Report

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

The statement of net position and the statement of activities provide information from a summary perspective showing the effects of the operations for the year 2021 and how they affected the operations of the City as a whole.

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

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Reporting the City of Canal Fulton as a Whole

Statement of Net Position and Statement of Activities

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

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

The City of Canal Fulton as a Whole

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2021 as it compares to 2020.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$5,399,842	\$4,441,955	\$2,449,441	\$2,330,897	\$7,849,283	\$6,772,852
Net Pension Asset	42,992	29,788	54,710	37,906	97,702	67,694
Net OPEB Asset	56,733	0	72,200	0	128,933	0
Capital Assets, Net	12,891,015	13,043,279	11,043,198	11,056,302	23,934,213	24,099,581
<i>Total Assets</i>	<u>18,390,582</u>	<u>17,515,022</u>	<u>13,619,549</u>	<u>13,425,105</u>	<u>32,010,131</u>	<u>30,940,127</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	1,738	4,639	6,986	4,757	8,724	9,396
Pension	297,298	331,133	103,610	128,184	400,908	459,317
OPEB	174,752	218,317	40,974	87,240	215,726	305,557
<i>Total Deferred Outflows of Resources</i>	<u>473,788</u>	<u>554,089</u>	<u>151,570</u>	<u>220,181</u>	<u>625,358</u>	<u>774,270</u>
Liabilities						
Current and Other Liabilities	478,170	217,461	82,414	82,819	560,584	300,280
Long-Term Liabilities:						
Due Within One Year	257,579	241,404	234,463	226,997	492,042	468,401
Due in More than One Year:						
Net Pension Liability	2,044,681	2,258,497	555,594	722,576	2,600,275	2,981,073
Net OPEB Liability	249,940	680,698	0	550,814	249,940	1,231,512
Other Amounts	658,497	912,950	1,754,405	1,654,083	2,412,902	2,567,033
<i>Total Liabilities</i>	<u>3,688,867</u>	<u>4,311,010</u>	<u>2,626,876</u>	<u>3,237,289</u>	<u>6,315,743</u>	<u>7,548,299</u>
Deferred Inflows of Resources						
Property Taxes	462,307	452,338	0	0	462,307	452,338
Pension	534,440	462,991	272,808	204,128	807,248	667,119
OPEB	291,914	183,942	228,034	96,252	519,948	280,194
<i>Total Deferred Inflows of Resources</i>	<u>1,288,661</u>	<u>1,099,271</u>	<u>500,842</u>	<u>300,380</u>	<u>1,789,503</u>	<u>1,399,651</u>
Net Position						
Net Investment in Capital Assets	12,012,038	11,931,755	9,076,475	9,194,164	21,088,513	21,125,919
Restricted for:						
Debt Service	39,338	23,315	0	0	39,338	23,315
Capital Projects	776,354	339,139	0	0	776,354	339,139
Street Repair and Maintenance	593,610	626,934	0	0	593,610	626,934
Police Protection	492,595	496,454	0	0	492,595	496,454
Other Purposes	36,359	17,372	0	0	36,359	17,372
Unclaimed Monies	8,085	8,085	0	0	8,085	8,085
Unrestricted (Deficit)	(71,537)	(784,224)	1,566,926	913,453	1,495,389	129,229
<i>Total Net Position</i>	<u>\$13,886,842</u>	<u>\$12,658,830</u>	<u>\$10,643,401</u>	<u>\$10,107,617</u>	<u>\$24,530,243</u>	<u>\$22,766,447</u>

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets increased in 2021 as a result of a decrease in administrative and security of persons and property related expenses during the year as a result of changes in the net pension and OPEB liabilities due to changes in assumptions for benefits, contribution rates, and return on investments.

As current liabilities increased, long-term liabilities decreased during the year. This was due primarily to the payment of debt and decreases in net pension and OPEB liabilities due to changes in assumptions, as mentioned previously.

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

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Table 2 shows the change in net position for 2021 as it compares to 2020.

Table 2
Change in Net Position

	Governmental		Business - Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services and Sales	\$259,630	\$268,567	\$2,112,227	\$2,096,202	\$2,371,857	\$2,364,769
Operating Grants and Contributions	837,583	904,344	0	0	837,583	904,344
Capital Grants and Contributions	41,293	47,528	44,200	0	85,493	47,528
Total Program Revenues	<u>1,138,506</u>	<u>1,220,439</u>	<u>2,156,427</u>	<u>2,096,202</u>	<u>3,294,933</u>	<u>3,316,641</u>
General Revenues:						
Property Taxes	460,571	455,198	0	0	460,571	455,198
Income Taxes	2,937,575	2,747,457	0	0	2,937,575	2,747,457
Grants and Entitlements	319,214	146,112	0	0	319,214	146,112
Unrestricted Contributions	600	50	0	0	600	50
Interest	4,381	31,491	2,229	0	6,610	31,491
Gain on Sale of Capital Assets	2,952	0	4,906	0	7,858	0
Other	69,431	197,578	88,894	57,490	158,325	255,068
Total General Revenues	<u>3,794,724</u>	<u>3,577,886</u>	<u>96,029</u>	<u>57,490</u>	<u>3,890,753</u>	<u>3,635,376</u>
Total Revenues	<u>4,933,230</u>	<u>4,798,325</u>	<u>2,252,456</u>	<u>2,153,692</u>	<u>7,185,686</u>	<u>6,952,017</u>
Program Expenses						
General Government	644,608	729,108	0	0	644,608	729,108
Security of Persons and Property	2,141,061	2,410,912	0	0	2,141,061	2,410,912
Transportation	777,193	639,771	0	0	777,193	639,771
Leisure Time Activities	99,825	126,669	0	0	99,825	126,669
Interest and Fiscal Charges	42,531	45,096	0	0	42,531	45,096
Water	0	0	741,574	851,549	741,574	851,549
Sewer	0	0	887,879	1,089,560	887,879	1,089,560
Storm Sewer	0	0	87,219	80,052	87,219	80,052
Total Program Expenses	<u>3,705,218</u>	<u>3,951,556</u>	<u>1,716,672</u>	<u>2,021,161</u>	<u>5,421,890</u>	<u>5,972,717</u>
Increase in Net Position	1,228,012	846,769	535,784	132,531	1,763,796	979,300
Net Position Beginning of Year	<u>12,658,830</u>	<u>11,812,061</u>	<u>10,107,617</u>	<u>9,975,086</u>	<u>22,766,447</u>	<u>21,787,147</u>
Net Position End of Year	<u>\$13,886,842</u>	<u>\$12,658,830</u>	<u>\$10,643,401</u>	<u>\$10,107,617</u>	<u>\$24,530,243</u>	<u>\$22,766,447</u>

Governmental Activities

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

The City's income tax was established to be effective January 1, 1984 at a rate of 0.5 percent. The City's income tax rate gradually increased since then through a series of voter approved levies, with the most recent occurring in November, 2019 when voters elected to increase the income tax rate to 2.0 percent effective January 1, 2020. Also, January 1, 2020, the City Council approved a 100 percent credit of the City's income tax rate for taxes paid to other political subdivisions in Ohio, up to 2.0 percent. The City's income tax collections equaled \$2,937,575 in 2021, which was 6.9 percent higher than 2020 (\$2,747,457).

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

Business-Type Activities

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

The water utility services 2,229 customer accounts, which include customers within the City as well as customers outside of the City. The City owns and maintains the water treatment plant, which is located within the City, and the water lines of the distribution system, which are primarily located within the City, used to service the customers of the water utility.

Residential water customers within the City pay a water rate of \$2.50 per thousand gallons of usage plus a minimum fixed-rate charge of \$21.01 per month. Residential water customers outside the City pay a water rate of \$6.25 per thousand gallons of usage plus a minimum fixed-rate charge of \$21.01 per month. The City's utility billing ordinance stipulates that the per gallon water usage charge and minimum fixed-rate monthly charge are subject to inflationary increases based on the Consumer Price Index (CPI).

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

The sewer utility services 2,176 customer accounts. The City owns and maintains the sewer lines of the collection system, which are located primarily within the City, and the wastewater treatment plant, which is located in neighboring Lawrence Township.

Sewer customers with a water meter pay a sewer rate of \$3.04 per thousand gallons of usage plus a minimum fixed-rate charge of \$20.50 per month. Sewer customers without a water meter pay an unmetered flat sewer rate of \$34.17 per month. As of December 31, 2021, there were 55 sewer customer accounts paying the flat sewer rate. The City's utility billing ordinance stipulates that the per gallon sewer charge and minimum fixed-rate monthly charge are subject to inflationary increases based on CPI.

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

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

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As of December 31, 2021, the Joint User Cost System had 3,430 single family home equivalent connections, of which the combined total of all City sewer customers comprised 83.6 percent of the single family home equivalent connections and the remaining 16.4 percent were located in the Stark County Metropolitan Sewer District. In 2021, the City sewer utility received \$90,536 (on a cash basis) from the Stark County Metropolitan Sewer District for the operations of the Joint User Cost System.

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

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

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. The City's general fund reflected an increase in fund balance, which was due primarily to an increase in intergovernmental revenues from sales tax distribution. The street maintenance fund had a decrease in fund balance due to a decrease in revenue and an increase in transportation expenses. The police fund had a decrease in fund balance due transfers in still not covering its operating deficit. The fire/EMS fund had an increase in fund balance due to an increase in charges for services and intergovernmental receipts and transfers in. The American rescue plan fund saw no change in fund balance due to its nature with costs being reimbursed by grants. The capital projects reserve fund had a decrease in fund balance due to not having current year revenues and the City spending down fund balance.

Information about the proprietary funds starts on page 29. These funds are accounted for on an accrual basis. The water and sewer funds had operating income due to charges being sufficient to cover the cost of operations. The storm sewer fund had an operating loss due to the storm sewer charge not being able to cover all costs of maintaining storm sewer infrastructure, with depreciation being the largest expense.

Budgeting Highlights

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

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

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

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

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

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land and construction in progress, are reported net of depreciation. Additions to capital assets included a new waterline, dump truck and police vehicle. Due to annual depreciation, capital assets decreased from the prior fiscal year. For more information on capital assets, refer to Note 17 of the basic financial statements.

Debt Administration

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

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

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

The OPWC loans are comprised of eleven separate, zero percent interest loans. The purpose of these loans are for the construction and improvement of various water, sewer, and storm sewer projects, which the most notable is the Water Treatment Plant project. These loans will be repaid over a period of 30 years by user fees. The loans will be retired anywhere from 2022 to 2051.

As of December 31, 2021, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$10,608,805 and the unvoted legal debt margin was \$4,951,947.

See Note 15 in the financial statements for more information regarding the City's debt.

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Current Financial Issues

Over the past twenty years, income tax collections (on a cash basis) have increased from \$425,403 in 1993, to \$2,819,166 in 2021. This is largely attributed to a combination of annexing the Northwest Local School District in 2008 and various voter approved, tax increases, bringing the City's income tax rate to 2 percent in 2020. The Northwest Local School District was the City's largest employer in 2021. Based on the voter approved ballot language, one tenth of a percent of the City's income tax is dedicated to the Police Department. The remaining one and nine tenths of a percent is receipted into the general fund, from where it is distributed to various City departments and funds via transfers in the annual appropriation ordinances adopted by City Council. Transfers from the general fund to the various funds are used to support the operating expenses and capital improvements for all City departments except the water and sewer utilities. Because income taxes represent the primary source for funding the City's traditional government functions (Police, Fire, Administration, etc.), it is important that the City continue to promote economic development.

The majority of the City's debt consists of bonds and zero percent interest OPWC loans owed by the water and sewer utilities, which will be repaid from user fees charged by the respective utility. In 2015, the City issued \$1.0 million in bond anticipation notes to pay the up-front engineering and design costs associated with the Cherry and Locust Street intersection project. The City also issued \$730,000 of bond anticipation notes in 2017 to purchase and renovate a building to house the City's service and utility departments. The City retired both of these debt issues in 2018, issuing \$825,000 in 15-year bonds and using grants and local resources to pay the difference. The 15-year bond was then refinanced in 2020, to take advantage of the lower interest rates, issuing \$800,000 in 14-year bonds which will be repaid through a combination of general fund, water and sewer enterprise fund resources.

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

In addition to building reserve balances in the utility funds, the City has an emergency reserve with a total balance of \$248,100 at the end of 2021. This reserve was originally established by City Council in 2010 to accumulate resources to help the City better withstand downturns in the local economy or the sudden loss of key revenues. Similarly, City Council created a capital projects reserve fund in 2015 to accumulate resources to help replace vehicles and equipment in the future. In 2021, the City used this fund to replace the roof on the service department building and to purchase a new dump truck for the Street Department. The capital projects reserve fund had a balance of \$189,283 remaining at the end of 2021.

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

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Contacting the City's Finance Department

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

City of Canal Fulton, Ohio
Statement of Net Position
December 31, 2021

	Governmental Activities *	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,685,977	\$2,288,666	\$5,974,643
Cash and Cash Equivalents with Escrow Agents	187,930	0	187,930
Materials and Supplies Inventory	27,119	3,951	31,070
Accounts Receivable	23,773	156,824	180,597
Intergovernmental Receivable	353,398	0	353,398
Income Taxes Receivable	639,905	0	639,905
Property Taxes Receivable	481,740	0	481,740
Net Pension Asset (See Note 18)	42,992	54,710	97,702
Net OPEB Asset (See Note 19)	56,733	72,200	128,933
Nondepreciable Capital Assets	4,090,507	560,969	4,651,476
Depreciable Capital Assets, Net	8,800,508	10,482,229	19,282,737
<i>Total Assets</i>	<u>18,390,582</u>	<u>13,619,549</u>	<u>32,010,131</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	1,738	6,986	8,724
Pension	297,298	103,610	400,908
OPEB	174,752	40,974	215,726
<i>Total Deferred Outflows of Resources</i>	<u>473,788</u>	<u>151,570</u>	<u>625,358</u>
Liabilities			
Accounts Payable	87,292	21,094	108,386
Accrued Wages	63,637	24,182	87,819
Contracts Payable	5,040	3,060	8,100
Intergovernmental Payable	24,971	9,828	34,799
Accrued Interest Payable	2,674	3,271	5,945
Vacation Benefits Payable	7,046	5,524	12,570
Deposits Held Payable	40,384	15,455	55,839
Unearned Revenue	247,126	0	247,126
Long-Term Liabilities:			
Due Within One Year	257,579	234,463	492,042
Due In More Than One Year:			
Net Pension Liability (See Note 18)	2,044,681	555,594	2,600,275
Net OPEB Liability (See Note 19)	249,940	0	249,940
Other Amounts	658,497	1,754,405	2,412,902
<i>Total Liabilities</i>	<u>3,688,867</u>	<u>2,626,876</u>	<u>6,315,743</u>
Deferred Inflows of Resources			
Property Taxes	462,307	0	462,307
Pension	534,440	272,808	807,248
OPEB	291,914	228,034	519,948
<i>Total Deferred Inflows of Resources</i>	<u>1,288,661</u>	<u>500,842</u>	<u>1,789,503</u>
Net Position			
Net Investment in Capital Assets	12,012,038	9,076,475	21,088,513
Restricted for:			
Debt Service	39,338	0	39,338
Capital Projects	776,354	0	776,354
Street Repair and Maintenance	593,610	0	593,610
Police Protection	492,595	0	492,595
Other Purposes	36,359	0	36,359
Unclaimed Monies	8,085	0	8,085
Unrestricted (Deficit)	(71,537)	1,566,926	1,495,389
<i>Total Net Position</i>	<u>\$13,886,842</u>	<u>\$10,643,401</u>	<u>\$24,530,243</u>

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

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Activities
For the Year Ended December 31, 2021

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$644,608	\$40,789	\$36,279	\$0
Security of Persons and Property	2,141,061	194,383	285,712	0
Transportation	777,193	0	514,916	41,293
Leisure Time Activities	99,825	24,458	676	0
Interest and Fiscal Charges	42,531	0	0	0
<i>Total Governmental Activities</i>	<u>3,705,218</u>	<u>259,630</u>	<u>837,583</u>	<u>41,293</u>
Business-Type Activities:				
Water	741,574	1,053,991	0	0
Sewer	887,879	997,781	0	0
Storm Sewer	87,219	60,455	0	44,200
<i>Total Business-Type Activities</i>	<u>1,716,672</u>	<u>2,112,227</u>	<u>0</u>	<u>44,200</u>
<i>Total</i>	<u><u>\$5,421,890</u></u>	<u><u>\$2,371,857</u></u>	<u><u>\$837,583</u></u>	<u><u>\$85,493</u></u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

 Capital Projects

Income Tax Levied for:

 General Purposes

 Other Purposes

Grants and Entitlements not

 Restricted to Specific Programs

Unrestricted Contributions

Interest

Gain on Sale of Capital Assets

Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$567,540)	\$0	(\$567,540)
(1,660,966)	0	(1,660,966)
(220,984)	0	(220,984)
(74,691)	0	(74,691)
(42,531)	0	(42,531)
<u>(2,566,712)</u>	<u>0</u>	<u>(2,566,712)</u>
0	312,417	312,417
0	109,902	109,902
0	17,436	17,436
<u>0</u>	<u>439,755</u>	<u>439,755</u>
<u>(2,566,712)</u>	<u>439,755</u>	<u>(2,126,957)</u>
252,472	0	252,472
111,130	0	111,130
96,969	0	96,969
2,793,587	0	2,793,587
143,988	0	143,988
319,214	0	319,214
600	0	600
4,381	2,229	6,610
2,952	4,906	7,858
69,431	88,894	158,325
<u>3,794,724</u>	<u>96,029</u>	<u>3,890,753</u>
1,228,012	535,784	1,763,796
<u>12,658,830</u>	<u>10,107,617</u>	<u>22,766,447</u>
<u>\$13,886,842</u>	<u>\$10,643,401</u>	<u>\$24,530,243</u>

City of Canal Fulton, Ohio

Balance Sheet

Governmental Funds

December 31, 2021

	General	Street Maintenance	Police	Fire/ EMS
Assets				
Equity in Pooled Cash and Cash Equivalents	\$976,837	\$177,579	\$514,791	\$513,382
Cash and Cash Equivalents with Escrow Agents	149,000	38,930	0	0
Materials and Supplies Inventory	0	27,119	0	0
Accounts Receivable	3,639	0	700	19,434
Intergovernmental Receivable	69,465	196,855	0	23,264
Income Taxes Receivable	607,910	0	31,995	0
Property Taxes Receivable	262,067	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	12,625	0	0	0
<i>Total Assets</i>	<u>\$2,081,543</u>	<u>\$440,483</u>	<u>\$547,486</u>	<u>\$556,080</u>
Liabilities				
Accounts Payable	\$28,551	\$2,554	\$28,973	\$22,212
Accrued Wages	9,715	5,869	34,390	13,663
Contracts Payable	4,020	1,020	0	0
Intergovernmental Payable	5,949	2,232	16,377	413
Unearned Revenue	0	0	0	0
Deposits Held Payable from Restricted Assets	949	0	0	0
<i>Total Liabilities</i>	<u>49,184</u>	<u>11,675</u>	<u>79,740</u>	<u>36,288</u>
Deferred Inflows of Resources				
Property Taxes	251,929	0	0	0
Unavailable Revenue	376,295	130,459	16,652	0
<i>Total Deferred Inflows of Resources</i>	<u>628,224</u>	<u>130,459</u>	<u>16,652</u>	<u>0</u>
Fund Balances				
Nonspendable	11,676	27,119	0	0
Restricted	0	271,230	451,094	0
Committed	0	0	0	519,792
Assigned	63,922	0	0	0
Unassigned	1,328,537	0	0	0
<i>Total Fund Balances</i>	<u>1,404,135</u>	<u>298,349</u>	<u>451,094</u>	<u>519,792</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,081,543</u>	<u>\$440,483</u>	<u>\$547,486</u>	<u>\$556,080</u>

See accompanying notes to the basic financial statements

American Rescue Plan	Capital Projects Reserve	Other Governmental Funds	Total Governmental Funds
\$248,247	\$189,283	\$1,013,798	\$3,633,917
0	0	0	187,930
0	0	0	27,119
0	0	0	23,773
0	0	63,814	353,398
0	0	0	639,905
0	0	219,673	481,740
0	0	39,435	52,060
<u>\$248,247</u>	<u>\$189,283</u>	<u>\$1,336,720</u>	<u>\$5,399,842</u>
\$1,279	\$0	\$3,723	\$87,292
0	0	0	63,637
0	0	0	5,040
0	0	0	24,971
246,968	0	158	247,126
0	0	39,435	40,384
<u>248,247</u>	<u>0</u>	<u>43,316</u>	<u>468,450</u>
0	0	210,378	462,307
0	0	54,576	577,982
0	0	264,954	1,040,289
0	0	0	38,795
0	0	1,023,031	1,745,355
0	189,283	5,419	714,494
0	0	0	63,922
0	0	0	1,328,537
0	189,283	1,028,450	3,891,103
<u>\$248,247</u>	<u>\$189,283</u>	<u>\$1,336,720</u>	<u>\$5,399,842</u>

City of Canal Fulton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2021*

Total Governmental Fund Balances		\$3,891,103
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		12,891,015
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	19,433	
Income Taxes	333,037	
Intergovernmental	225,512	
Total	577,982	577,982
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(7,046)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.		1,738
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(2,674)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(759,152)	
Capital Lease Payable	(124,111)	
Compensated Absences	(32,813)	
Total	(916,076)	(916,076)
The net pension/OPEB assets/liabilities are not available, or due and payable, in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	42,992	
Net OPEB Asset	56,733	
Deferred Outflows - Pension	297,298	
Deferred Outflows - OPEB	174,752	
Net Pension Liability	(2,044,681)	
Net OPEB Liability	(249,940)	
Deferred Inflows - Pension	(534,440)	
Deferred Inflows - OPEB	(291,914)	
Total	(2,549,200)	(2,549,200)
 <i>Net Position of Governmental Activities</i>		 \$13,886,842

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	Street Maintenance	Police	Fire/ EMS
Revenues				
Property Taxes	\$251,669	\$0	\$0	\$0
Income Taxes	2,742,126	0	142,916	0
Special Assessments	3,465	0	0	0
Charges for Services	771	0	0	193,053
Licenses and Permits	36,553	0	0	0
Fines and Forfeitures	0	0	138	0
Intergovernmental	290,037	365,950	112,262	146,780
Interest	4,095	208	0	0
Rent	5,005	0	0	0
Contributions and Donations	600	0	7,513	1,090
Other	36,098	4,053	2,853	10,243
<i>Total Revenues</i>	<u>3,370,419</u>	<u>370,211</u>	<u>265,682</u>	<u>351,166</u>
Expenditures				
Current:				
General Government	768,405	0	0	0
Security of Persons and Property	0	0	1,290,299	713,163
Transportation	21,176	461,169	0	0
Leisure Time Activities	91,991	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>881,572</u>	<u>461,169</u>	<u>1,290,299</u>	<u>713,163</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,488,847</u>	<u>(90,958)</u>	<u>(1,024,617)</u>	<u>(361,997)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	9,050	3,695	0
Transfers In	0	0	1,004,000	499,000
Transfers Out	(2,300,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,300,000)</u>	<u>9,050</u>	<u>1,007,695</u>	<u>499,000</u>
<i>Net Change in Fund Balances</i>	188,847	(81,908)	(16,922)	137,003
<i>Fund Balances Beginning of Year</i>	<u>1,215,288</u>	<u>380,257</u>	<u>468,016</u>	<u>382,789</u>
<i>Fund Balances End of Year</i>	<u>\$1,404,135</u>	<u>\$298,349</u>	<u>\$451,094</u>	<u>\$519,792</u>

See accompanying notes to the basic financial statements

(continued)

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	American Rescue Plan	Capital Projects Reserve	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$0	\$0	\$207,409	\$459,078
Income Taxes	0	0	0	2,885,042
Special Assessments	0	0	0	3,465
Charges for Services	0	0	19,453	213,277
Licenses and Permits	0	0	0	36,553
Fines and Forfeitures	0	0	1,192	1,330
Intergovernmental	36,279	0	189,073	1,140,381
Interest	0	0	78	4,381
Rent	0	0	0	5,005
Contributions and Donations	0	0	676	9,879
Other	0	0	16,184	69,431
<i>Total Revenues</i>	<u>36,279</u>	<u>0</u>	<u>434,065</u>	<u>4,827,822</u>
Expenditures				
Current:				
General Government	36,279	0	1,787	806,471
Security of Persons and Property	0	0	18,072	2,021,534
Transportation	0	0	100,882	583,227
Leisure Time Activities	0	0	21,142	113,133
Capital Outlay	0	163,093	328,373	491,466
Debt Service:				
Principal Retirement	0	0	235,448	235,448
Interest and Fiscal Charges	0	0	41,010	41,010
<i>Total Expenditures</i>	<u>36,279</u>	<u>163,093</u>	<u>746,714</u>	<u>4,292,289</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(163,093)</u>	<u>(312,649)</u>	<u>535,533</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	32,375	0	45,120
Transfers In	0	0	797,000	2,300,000
Transfers Out	0	0	0	(2,300,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>32,375</u>	<u>797,000</u>	<u>45,120</u>
<i>Net Change in Fund Balances</i>	0	(130,718)	484,351	580,653
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>320,001</u>	<u>544,099</u>	<u>3,310,450</u>
<i>Fund Balances End of Year</i>	<u>\$0</u>	<u>\$189,283</u>	<u>\$1,028,450</u>	<u>\$3,891,103</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021*

Net Change in Fund Balances - Total Governmental Funds		\$580,653
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlay as an expenditure; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital Asset Additions	620,438	
Current Year Depreciation	(730,534)	
Total		(110,096)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(42,168)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	1,493	
Income Taxes	52,533	
Intergovernmental	48,430	
Total		102,456
Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		235,448
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued Interest	744	
Amortization of Deferred Charges	(2,901)	
Amortization of Premiums on Debt	636	
Total		(1,521)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Vacation Benefits Payable	3,356	
Compensated Absences	2,194	
Total		5,550
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	188,386	
OPEB	3,160	
Total		191,546
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB assets/liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	(66,650)	
OPEB	332,794	
Total		266,144
<i>Change in Net Position of Governmental Activities</i>		<u>\$1,228,012</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$234,628	\$248,520	\$251,669	\$3,149
Income Taxes	2,313,050	2,450,000	2,678,208	228,208
Special Assessments	2,360	2,500	3,465	965
Charges for Services	6,137	6,500	471	(6,029)
Licenses and Permits	27,294	28,910	36,243	7,333
Intergovernmental	107,883	114,270	136,144	21,874
Interest	37,764	40,000	4,095	(35,905)
Rent	2,360	2,500	5,005	2,505
Contributions and Donations	472	500	600	100
Other	21,101	22,350	31,293	8,943
<i>Total Revenues</i>	2,753,049	2,916,050	3,147,193	231,143
Expenditures				
Current:				
General Government	828,209	896,609	800,922	95,687
Transportation	25,198	25,198	24,198	1,000
Leisure Time Activities	78,658	105,258	96,916	8,342
<i>Total Expenditures</i>	932,065	1,027,065	922,036	105,029
<i>Excess of Revenues Over Expenditures</i>	1,820,984	1,888,985	2,225,157	336,172
Other Financing Uses				
Transfers Out	(2,062,000)	(2,346,000)	(2,300,000)	46,000
<i>Net Change in Fund Balance</i>	(241,016)	(457,015)	(74,843)	382,172
<i>Fund Balance Beginning of Year</i>	664,930	664,930	664,930	0
Prior Year Encumbrances Appropriated	80,613	80,613	80,613	0
<i>Fund Balance End of Year</i>	\$504,527	\$288,528	\$670,700	\$382,172

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$389,850	\$389,850	\$365,631	(\$24,219)
Interest	2,400	2,400	208	(2,192)
Other	2,750	2,750	4,053	1,303
<i>Total Revenues</i>	395,000	395,000	369,892	(25,108)
Expenditures				
Current:				
Transportation	508,768	554,198	528,876	25,322
<i>Excess of Revenues Under Expenditures</i>	(113,768)	(159,198)	(158,984)	214
Other Financing Sources				
Sale of Capital Assets	0	0	9,050	9,050
<i>Net Change in Fund Balance</i>	(113,768)	(159,198)	(149,934)	9,264
<i>Fund Balance Beginning of Year</i>	257,860	257,860	257,860	0
Prior Year Encumbrances Appropriated	51,729	51,729	51,729	0
<i>Fund Balance End of Year</i>	<u>\$195,821</u>	<u>\$150,391</u>	<u>\$159,655</u>	<u>\$9,264</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$167,771	\$167,771	\$140,958	(\$26,813)
Fines and Forfeitures	450	450	138	(312)
Intergovernmental	135,000	135,000	112,262	(22,738)
Contributions and Donations	0	0	7,513	7,513
Other	17,779	17,779	2,153	(15,626)
<i>Total Revenues</i>	321,000	321,000	263,024	(57,976)
Expenditures				
Current:				
Security of Persons and Property	1,530,507	1,608,007	1,461,422	146,585
<i>Excess of Revenues Under Expenditures</i>	(1,209,507)	(1,287,007)	(1,198,398)	88,609
Other Financing Sources				
Sale of Capital Assets	0	0	3,695	3,695
Transfers In	1,094,000	1,004,000	1,004,000	0
<i>Total Other Financing Sources</i>	1,094,000	1,004,000	1,007,695	3,695
<i>Net Change in Fund Balance</i>	(115,507)	(283,007)	(190,703)	92,304
<i>Fund Balance Beginning of Year</i>	373,911	373,911	373,911	0
Prior Year Encumbrances Appropriated	121,493	121,493	121,493	0
<i>Fund Balance End of Year</i>	\$379,897	\$212,397	\$304,701	\$92,304

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$150,000	\$150,000	\$189,647	\$39,647
Intergovernmental	97,000	97,000	193,105	96,105
Contributions and Donations	0	0	1,090	1,090
Other	1,000	1,000	8,208	7,208
<i>Total Revenues</i>	248,000	248,000	392,050	144,050
Expenditures				
Current:				
Security of Persons and Property	803,392	943,263	836,784	106,479
<i>Excess of Revenues Under Expenditures</i>	(555,392)	(695,263)	(444,734)	250,529
Other Financing Sources				
Transfers In	453,000	499,000	499,000	0
<i>Net Change in Fund Balance</i>	(102,392)	(196,263)	54,266	250,529
<i>Fund Balance Beginning of Year</i>	232,251	232,251	232,251	0
Prior Year Encumbrances Appropriated	100,086	100,086	100,086	0
<i>Fund Balance End of Year</i>	<u>\$229,945</u>	<u>\$136,074</u>	<u>\$386,603</u>	<u>\$250,529</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
American Rescue Plan Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$283,247	\$283,247	\$283,247	\$0
Expenditures				
Current:				
General Government	283,247	283,247	35,000	248,247
<i>Net Change in Fund Balance</i>	0	0	248,247	248,247
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$248,247</u>	<u>\$248,247</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2021

	Water	Sewer	Storm Sewer	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,205,568	\$1,023,648	\$43,995	\$2,273,211
Materials and Supplies Inventory	649	3,302	0	3,951
Accounts Receivable	81,958	70,282	4,584	156,824
Restricted Cash and Cash Equivalents	8,037	6,955	463	15,455
<i>Total Current Assets</i>	<u>1,296,212</u>	<u>1,104,187</u>	<u>49,042</u>	<u>2,449,441</u>
<i>Noncurrent Assets:</i>				
Nondepreciable Capital Assets	394,255	166,714	0	560,969
Depreciable Capital Assets, Net	4,544,396	3,532,815	2,405,018	10,482,229
Net Pension Asset	27,355	27,355	0	54,710
Net OPEB Asset	36,100	36,100	0	72,200
<i>Total Noncurrent Assets</i>	<u>5,002,106</u>	<u>3,762,984</u>	<u>2,405,018</u>	<u>11,170,108</u>
<i>Total Assets</i>	<u>6,298,318</u>	<u>4,867,171</u>	<u>2,454,060</u>	<u>13,619,549</u>
Deferred Outflows of Resources				
Deferred Charge on Refunding	3,493	3,493	0	6,986
Deferred Outflows - Pension	51,805	51,805	0	103,610
Deferred Outflows - OPEB	20,487	20,487	0	40,974
<i>Total Deferred Outflows of Resources</i>	<u>75,785</u>	<u>75,785</u>	<u>0</u>	<u>151,570</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	3,636	17,458	0	21,094
Accrued Wages	12,091	12,091	0	24,182
Contracts Payable	1,020	1,020	1,020	3,060
Intergovernmental Payable	4,914	4,914	0	9,828
Deposits Held Payable	8,037	6,955	463	15,455
Accrued Interest Payable	2,948	323	0	3,271
Vacation Benefits Payable	2,762	2,762	0	5,524
General Obligation Bonds Payable	57,655	12,654	0	70,309
OPWC Loans Payable	100,686	41,651	6,887	149,224
Compensated Absences Payable	7,465	7,465	0	14,930
<i>Total Current Liabilities</i>	<u>201,214</u>	<u>107,293</u>	<u>8,370</u>	<u>316,877</u>
<i>Long-Term Liabilities:</i>				
General Obligation Bonds Payable	316,309	160,544	0	476,853
OPWC Loans Payable	1,012,303	178,473	82,636	1,273,412
Compensated Absences Payable	2,070	2,070	0	4,140
Net Pension Liability	277,797	277,797	0	555,594
<i>Total Long-Term Liabilities</i>	<u>1,608,479</u>	<u>618,884</u>	<u>82,636</u>	<u>2,309,999</u>
<i>Total Liabilities</i>	<u>1,809,693</u>	<u>726,177</u>	<u>91,006</u>	<u>2,626,876</u>
Deferred Inflows of Resources				
Deferred Inflows - Pension	136,403	136,405	0	272,808
Deferred Inflows - OPEB	114,017	114,017	0	228,034
<i>Total Deferred Inflows of Resources</i>	<u>250,420</u>	<u>250,422</u>	<u>0</u>	<u>500,842</u>
Net Position				
Net Investment in Capital Assets	3,451,280	3,309,700	2,315,495	9,076,475
Unrestricted	862,710	656,657	47,559	1,566,926
<i>Total Net Position</i>	<u>\$4,313,990</u>	<u>\$3,966,357</u>	<u>\$2,363,054</u>	<u>\$10,643,401</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021*

	Water	Sewer	Storm Sewer	Total
Operating Revenues				
Charges for Services	\$1,053,991	\$997,781	\$60,455	\$2,112,227
Other	50,893	35,629	2,372	88,894
<i>Total Operating Revenues</i>	<u>1,104,884</u>	<u>1,033,410</u>	<u>62,827</u>	<u>2,201,121</u>
Operating Expenses				
Personal Services	214,776	214,779	0	429,555
Contractual Services	217,036	375,372	28,982	621,390
Materials and Supplies	53,102	63,308	0	116,410
Depreciation	201,866	194,682	54,470	451,018
Other	41,342	35,604	2,372	79,318
<i>Total Operating Expenses</i>	<u>728,122</u>	<u>883,745</u>	<u>85,824</u>	<u>1,697,691</u>
<i>Operating Income (Loss)</i>	<u>376,762</u>	<u>149,665</u>	<u>(22,997)</u>	<u>503,430</u>
Non-Operating Revenues (Expenses)				
Investment Income	1,114	1,115	0	2,229
Gain on Sale of Capital Assets	2,453	2,453	0	4,906
Loss on Disposal	0	0	(1,395)	(1,395)
Interest and Fiscal Charges	(13,452)	(4,134)	0	(17,586)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(9,885)</u>	<u>(566)</u>	<u>(1,395)</u>	<u>(11,846)</u>
<i>Income (Loss) before Capital Contributions</i>	366,877	149,099	(24,392)	491,584
Capital Contributions	0	0	44,200	44,200
<i>Change in Net Position</i>	366,877	149,099	19,808	535,784
<i>Net Position Beginning of Year</i>	<u>3,947,113</u>	<u>3,817,258</u>	<u>2,343,246</u>	<u>10,107,617</u>
<i>Net Position End of Year</i>	<u>\$4,313,990</u>	<u>\$3,966,357</u>	<u>\$2,363,054</u>	<u>\$10,643,401</u>

See accompanying notes to the basic financial statements

City of Canal Fulton, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Water	Sewer	Storm Sewer	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,058,738	\$996,090	\$60,593	\$2,115,421
Other Cash Receipts	50,893	35,629	2,372	88,894
Cash Payments to Employees for Services	(476,111)	(476,114)	0	(952,225)
Cash Payments for Goods and Services	(271,193)	(441,912)	(29,357)	(742,462)
Other Cash Payments	(43,193)	(37,566)	(2,491)	(83,250)
<i>Net Cash Provided by Operating Activities</i>	<u>319,134</u>	<u>76,127</u>	<u>31,117</u>	<u>426,378</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds from Sale of Capital Assets	3,848	3,848	0	7,696
Capital Contributions	0	0	44,200	44,200
OPWC Loans Issued	325,585	0	0	325,585
Principal Paid on Bonds	(57,407)	(12,407)	0	(69,814)
Interest Paid on Bonds	(14,170)	(4,158)	0	(18,328)
Principal Paid on OPWC Loans	(94,668)	(52,080)	(6,886)	(153,634)
Payments for Capital Acquisitions	(352,659)	(5,313)	(84,127)	(442,099)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(189,471)</u>	<u>(70,110)</u>	<u>(46,813)</u>	<u>(306,394)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	129,663	6,017	(15,696)	119,984
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,083,942</u>	<u>1,024,586</u>	<u>60,154</u>	<u>2,168,682</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,213,605</u>	<u>\$1,030,603</u>	<u>\$44,458</u>	<u>\$2,288,666</u>

(continued)

City of Canal Fulton, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2021

	Water	Sewer	Storm Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$376,762	\$149,665	(\$22,997)	\$503,430
Adjustments:				
Depreciation	201,866	194,682	54,470	451,018
(Increase) Decrease in Assets:				
Materials and Supplies Inventory	(288)	(1,466)	0	(1,754)
Accounts Receivable	4,748	(1,692)	138	3,194
Net Pension Asset	(3,232)	(3,232)	0	(6,464)
Net OPEB Asset	(174,469)	(174,469)	0	(348,938)
Decrease in Deferred Outflows of Resources:				
Pension	57,357	57,359	0	114,716
OPEB	34,743	34,743	0	69,486
Increase (Decrease) in Liabilities:				
Accounts Payable	(236)	(860)	0	(1,096)
Accrued Wages	2,096	2,096	0	4,192
Contracts Payable	(375)	(375)	(375)	(1,125)
Intergovernmental Payable	(150)	(525)	0	(675)
Deposit Accounts Payable	(1,851)	(1,962)	(119)	(3,932)
Vacation Benefits Payable	1,359	1,359	0	2,718
Compensated Absences Payable	2,953	2,953	0	5,906
Net Pension Liability	(1,488)	(1,488)	0	(2,976)
Decrease in Deferred Inflows of Resources:				
Pension	(97,904)	(97,904)	0	(195,808)
OPEB	(82,757)	(82,757)	0	(165,514)
<i>Net Cash Provided by Operating Activities</i>	<u>\$319,134</u>	<u>\$76,127</u>	<u>\$31,117</u>	<u>\$426,378</u>

See accompanying notes to the basic financial statements

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City participates in the Local Organized Governments in Cooperation, which is defined as a joint venture, the Northwest Stark Senior Citizens Commission, which is defined as a related organization, as well as the Stark County Regional Planning Commission, the Stark Council of Governments, and the Stark County District Board of Health as jointly governed organizations. These organizations are presented in Notes 12, 13, and 14 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

Fund Accounting

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

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

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

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

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

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

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

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

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

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

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

Measurement Focus

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

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

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for the deferred charges on refundings, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 18 and 19.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes income taxes, delinquent property taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 20. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 18 and 19).

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

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

Cash and Cash Equivalents

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

During 2021, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2021 amounted to \$4,095, which includes \$3,034 assigned from other City funds.

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

Inventory

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

Unearned Revenue

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

Restricted Assets

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

legislation. Restricted assets in the general fund represent money set aside for unclaimed monies, general trust and for amounts held on deposit for contractors. Restricted assets in other governmental and proprietary funds represent fire demolition deposits and various utility deposits, respectively.

Capital Assets

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

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

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

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

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

Contributions of Capital

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

Compensated Absences

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balances

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

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by ordinance or by State Statute. State Statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The City assigned fund balance to cover a gap between 2022's estimated revenues and appropriated budget.

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

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

Net Position

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

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

Operating Revenues and Expenses

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

City of Canal Fulton, Ohio
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Internal Activity

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

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

Premiums

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

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

Deferred Charge on Refunding

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

Estimates

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

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the corresponding governmental funds. These custodial funds are not required to be budgeted and appropriated and therefore are not included in the Compliance note (Note 4). The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and

City of Canal Fulton, Ohio
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individual object level within each department for all funds. Any budgetary modifications at this level may only be made by resolution of City Council. Authority to further allocate Council appropriations within departments has been given to the Finance Director.

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

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

Note 3 – Change in Accounting Principle

For 2021, the City implemented the Governmental Accounting Standards Board's (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City is also implementing *Implementation Guide No. 2019-1*. These changes were incorporated in the City's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Compliance

Contrary to Ohio Revised Code Section 5705.39, the coronavirus relief special revenue fund had original and final appropriations in excess of certified available resources in the amounts of \$133 each. Management has indicated that this will be closely monitored to ensure no future violations.

Note 5 – Budgetary Basis of Accounting

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

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

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Budgetary revenues and expenditures of the park deposits and budget stabilization funds are reclassified to the general fund for GAAP reporting.

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4. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP).

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

Net Change in Fund Balance					
General and Major Special Revenue Funds					
	General	Street Maintenance	Police	Fire/EMS	American Rescue Plan
GAAP Basis	\$188,847	(\$81,908)	(\$16,922)	\$137,003	\$0
Net Adjustment for Revenue Accruals	(67,826)	(319)	(2,658)	40,884	246,968
Net Adjustment for Expenditure Accruals	(132,652)	(49,783)	38,967	3,158	1,279
Perspective Differences:					
Park Deposits	225	0	0	0	0
Budget Stabilization	(5,400)	0	0	0	0
Encumbrances	(58,037)	(17,924)	(210,090)	(126,779)	0
Budget Basis	<u>(\$74,843)</u>	<u>(\$149,934)</u>	<u>(\$190,703)</u>	<u>\$54,266</u>	<u>\$248,247</u>

Note 6 – Deposits and Investments

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

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

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

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

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

City of Canal Fulton, Ohio
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Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

City of Canal Fulton, Ohio
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The City has passed an ordinance allowing the City to invest any monies not required to be used for a period of six months or more in the following:

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

Investments

As of December 31, 2021, the City had investments in STAR Ohio in the amount of \$5,720,713. The investments in STAR Ohio are valued at net asset value (NAV) per share and had an average maturity of 51.3 days as of December 31, 2021.

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

Note 7 – Receivables

Receivables at December 31, 2021, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, and accounts (billings for utility service). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes were levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

City of Canal Fulton, Ohio
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The full tax rate for all City operations for the year ended December 31, 2021, was \$4.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

	Assessed Value
Real Property	\$110,810,310
Public Utility Property	2,326,840
Total	\$113,137,150

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Canal Fulton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2021, and for which there is an enforceable legal claim. In governmental funds, the entire receivable has been offset by deferred inflows of resources – property taxes since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes during the available period are not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

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

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
<i>Governmental Activities:</i>	
Gasoline Tax	\$162,568
Motor Vehicle License Tax	50,248
Local Government	49,954
Permissive Motor Vehicle License Tax	39,290
Homestead	24,873
SAFER Grant	16,198
Public Safety Grant	6,961
Recycling Grant	3,200
Other	106
Total Governmental Activities	\$353,398

Note 8 – Contingencies

Litigation

The City was in litigation with a former employee as of December 31, 2021; which has since been settled.

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2021.

Note 9 – Other Employee Benefits

Compensated Absences

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

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

Medical and Dental Insurance

The City provides medical, dental, and vision benefits to employees through the Stark County Educational Service Center. The City also provides \$25,000 of life insurance for employees through the Stark County Educational Service Center. The City's portion of monthly premiums for 2021 were \$1,950.78 for family and \$801.37 for single.

City of Canal Fulton, Ohio
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For the Year Ended December 31, 2021

Note 10 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the City contracted with The Ohio Municipal Joint Self Insurance Pool for various types of insurance.

The coverage and deductible are as follows:

Type of Coverage	Deductible	Coverage
General Liability	\$1,000	\$3,000,000
Employers Liability	0	1,000,000
Employee Benefits	1,000	1,000,000
Law Enforcement Officers Liability	5,000	3,000,000
Public Officials Liability	1,000	3,000,000
Automobile	0	3,000,000
Property	1,000	16,194,133
Electronic Equipment/Media Coverage	500	73,000
Public Employee Dishonesty	500	10,000
Boiler and Machinery	1,000	16,194,133
Emergency Medical Services Liability	1,000	3,000,000
Municipal Attorney and Law Director	1,000	1,000,000

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

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

Note 11 – Internal Activity

Interfund Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following:

Transfer to	Transfer From General
Police	\$1,004,000
Fire/EMS	499,000
Other Governmental Funds	797,000
Total	<u>\$2,300,000</u>

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

Note 12 – Joint Venture

The City participates in the Local Organized Governments in Cooperation (LOGIC), a statutorily created political subdivision of the State formed in 1986 to provide safety dispatching services. LOGIC is a joint venture among the City, Jackson Township, Lawrence Township, City of Massillon, and Hills and Dales Village, with each participant providing one representative to serve on the board. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of LOGIC, including budgeting, appropriating, contracting, and designating management. Continued existence of LOGIC is dependent on the City's continued participation; however, the City does not have an equity interest in the LOGIC. LOGIC does not provide specific financial benefits or impose specific financial burdens on the City. During 2021, the City made contributions of \$110,609, but does not have an equity interest in LOGIC. Financial statements of LOGIC may be obtained from Local Organized Governments in Cooperation, 2601 Cleveland Avenue, Canton, Ohio 44709.

Note 13 – Related Organization

Four of the nine members of the Northwest Stark Senior Citizens Commission (Senior Citizens Commission) are appointed by the Mayor of the City. Four of the nine members of the Senior Citizens Commission are elected by the members of the Northwest Stark Senior Center. These eight members of the Senior Citizens Commission elect the remaining member. The Senior Citizens Commission administers its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the Senior Citizens Commission nor is the Senior Citizens Commission financially dependent on the City. During 2021, the City paid \$533 to the Senior Citizens Commission in 2021. Financial information may be obtained by contacting the Senior Citizens Commission at 853 Locust Street, Canal Fulton, Ohio 44614.

Note 14 – Jointly Governed Organizations

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Planning Commission), which is a statutorily created political subdivision of the State. The Planning Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 64 member board, the City appoints one member. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Planning Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Planning Commission. These include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Planning Commission's liabilities. In 2021, the City contributed a total of \$548 to the Planning Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, 201 3rd Street NE, Suite 201, Canton, Ohio 44702.

Stark Council of Governments

The City participates in the Stark Council of Governments (Council) which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships which direct the operations of the Stark County Metropolitan Narcotics Unit and the Stark County Crime Laboratory. Of the 27 members, the City has one appointed member. Each member's control over the operation of the Council is limited to its representation on the board. The board exercises total authority over the operation of the Council including budgeting, appropriation,

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contracting, and designating management. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City did not contribute any funds to the Council in 2021. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

Stark County District Board of Health

The City participates in the Stark County District Board of Health (Health District) which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Canal Fulton, the City of Louisville, and the City of North Canton. Of the 8 board members, the City has one appointed member. The board is made up of various professionals who are equally representative of the general health district. The board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$24,734 to the Health District in 2021. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

Note 15 – Long-Term Obligations

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

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

	Amount Outstanding 12/31/2020	Additions	Deletions	Amount Outstanding 12/31/2021	Amounts Due in One Year
<i>Governmental Activities:</i>					
<i>General Obligation Bonds:</i>					
Fire Station Bonds 1	\$250,000	\$0	\$45,000	\$205,000	\$50,000
Premium on Fire Station Bonds 1	2,251	0	450	1,801	0
Fire Station Bonds 2	245,000	0	45,000	200,000	45,000
Premium on Fire Station Bonds 2	933	0	186	747	0
2020 Various Purpose Refunding Bonds	376,790	0	25,186	351,604	25,691
Total General Obligation Bonds	<u>874,974</u>	<u>0</u>	<u>115,822</u>	<u>759,152</u>	<u>120,691</u>
<i>Other Long-Term Obligations:</i>					
Capital Leases	244,373	0	120,262	124,111	124,111
Compensated Absences	35,007	3,762	5,956	32,813	12,777
Total Other Long-Term Obligations	<u>279,380</u>	<u>3,762</u>	<u>126,218</u>	<u>156,924</u>	<u>136,888</u>
<i>Net Pension Liability:</i>					
OPERS	567,728	0	131,198	436,530	0
OPF	1,690,769	0	82,618	1,608,151	0
Total Net Pension Liability	<u>2,258,497</u>	<u>0</u>	<u>213,816</u>	<u>2,044,681</u>	<u>0</u>
<i>Net OPEB Liability:</i>					
OPERS	432,781	0	432,781	0	0
OPF	247,917	2,023	0	249,940	0
Total Net OPEB Liability	<u>680,698</u>	<u>2,023</u>	<u>432,781</u>	<u>249,940</u>	<u>0</u>
Total Governmental Activities	<u>\$4,093,549</u>	<u>\$5,785</u>	<u>\$888,637</u>	<u>\$3,210,697</u>	<u>\$257,579</u>

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Notes to the Basic Financial Statements
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	Amount Outstanding 12/31/2020	Additions	Deletions	Amount Outstanding 12/31/2021	Amounts Due in One Year
<i>Business-Type Activities</i>					
<i>General Obligation Bonds:</i>					
<i>Northwest Waterline Bonds:</i>					
Term Bonds - Water	\$245,000	\$0	\$45,000	\$200,000	\$45,000
Premium on Northwest Waterline Bonds	1,021	0	255	766	0
<i>Various Purpose Refunding Bonds 2020:</i>					
Serial Bonds - Water	185,605	0	12,407	173,198	12,655
Serial Bonds - Sewer	185,605	0	12,407	173,198	12,654
Total General Obligation Bonds	617,231	0	70,069	547,162	70,309
<i>OPWC Loans from Direct Borrowings:</i>					
Water - Treatment Plant	105,104	0	30,030	75,074	30,029
Water - Milan Street	82,912	0	16,583	66,329	16,582
Water - Wooster/Milan	426,729	0	26,670	400,059	26,670
Water - Poplar/Steiner	243,919	0	15,245	228,674	15,245
Water - Locust Abandonment	23,408	0	1,463	21,945	1,463
Water - Cherry Street	0	325,585	4,677	320,908	10,697
Sewer - Denshire Sanitary Sewer	31,289	0	20,860	10,429	10,429
Sewer - Solids Handling Improvement	37,610	0	18,805	18,805	18,805
Sewer - High Street Sanitary Sewer	79,511	0	3,878	75,633	3,879
Sewer - WWTP Screening Improvements	123,794	0	8,537	115,257	8,538
Storm Sewer - Wooster Street Storm Sewer	96,409	0	6,886	89,523	6,887
Total OPWC Loans	1,250,685	325,585	153,634	1,422,636	149,224
Compensated Absences	13,164	14,132	8,226	19,070	14,930
<i>Net Pension Liability - OPERS:</i>					
Water	361,289	0	83,492	277,797	0
Sewer	361,287	0	83,490	277,797	0
Total Net Pension Liability - OPERS	722,576	0	166,982	555,594	0
<i>Net OPEB Liability - OPERS:</i>					
Water	275,407	0	275,407	0	0
Sewer	275,407	0	275,407	0	0
Total Net OPEB Liability - OPERS	550,814	0	550,814	0	0
Total Business-Type Activities	\$3,154,470	\$339,717	\$949,725	\$2,544,462	\$234,463

The fire station bonds 1 and 2 and the governmental portion of the 2019 and 2020 various purpose improvement bonds are paid from the general obligation debt retirement fund, while the capital leases are paid from the general obligation debt retirement debt service fund and the fire equipment capital projects fund.

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Redemption Provisions

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

Year	Principal Amount
2021	\$45,000
2022	45,000
2023	50,000
2024	50,000

On September 3, 2020, the City issued general obligation bonds, in the amount of \$800,000, to refund the 2018 various purpose improvement bonds in order to take advantage of lower interest rates. The bonds were issued with an interest rates of 2.24 percent. The bonds were issued for a 14 year period with a final maturity on December 1, 2033. The bonds will be retired through the downtown improvement debt service fund, water fund, and sewer fund. Net proceeds of \$795,066 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded bonds. As a result, \$785,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. As of December 31, 2021, \$693,999 of the defeased bonds remain outstanding.

The City has pledged future water revenues net of expenses to repay OPWC loans. These loans are payable solely from net revenues and are payable through 2051. Annual principal payments on these loans are expected to require less than 17 percent of net revenues and less than 9 percent of total revenues. The total principal remaining to be paid on the loans is \$1,112,989. Principal paid for the current year was \$94,668, total net revenues were \$578,628, and total operating revenues were \$1,104,884.

The City has pledged future sewer revenues net of expenses to repay OPWC loans. These loans are payable solely from net revenues and are payable through 2041. Annual principal payments on these loans are expected to require less than 16 percent of net revenues and less than 6 percent of total revenues. The total principal remaining to be paid on the loans is \$220,124. Principal paid for the current year was \$52,080, total net revenues were \$344,347, and total operating revenues were \$1,033,410.

The City has pledged future storm sewer revenues net of expenses to repay an OPWC loan. This loan is payable solely from net revenues and is payable though 2034. Annual principal payments on this loan are expected to require less than 22 percent of net revenues and less than 11 percent of total revenues. The total principal remaining to be paid on the loan is \$89,523. Principal paid for the current year was \$6,886, total net revenues were \$31,473, and total operating revenues were \$62,827.

The City's outstanding OPWC loans from direct borrowings related to business-type activities of \$1,422,636 contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and, as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

City of Canal Fulton, Ohio
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For the Year Ended December 31, 2021

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

As of December 31, 2021, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$10,608,805 and the unvoted legal debt margin was \$4,951,947.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2021, are as follows:

Governmental Activities					
General Obligation					
Bonds					
Year	Principal		Interest		
2022	\$120,691		\$28,126		
2023	126,194		22,800		
2024	126,698		17,214		
2025	137,705		11,616		
2026	28,209		5,495		
2027-2031	151,623		17,693		
2032-2033	65,484		2,212		
Total	\$756,604		\$105,156		

Business-Type Activities					
General Obligation Bonds					From Direct
Year	Serial		Term		Borrowings
	Principal	Interest	Principal	Interest	OPWC Loans
2022	\$25,309	\$7,759	\$45,000	\$7,988	\$149,224
2023	25,806	7,192	50,000	5,850	119,990
2024	26,798	6,614	50,000	3,600	104,975
2025	27,294	6,014	55,000	1,238	89,960
2026	27,792	5,404	0	0	73,378
2027-2031	148,881	17,388	0	0	366,890
2032-2036	64,516	2,176	0	0	340,310
2037-2041	0	0	0	0	70,939
2042-2046	0	0	0	0	53,485
2047-2051	0	0	0	0	53,485
Total	\$346,396	\$52,547	\$200,000	\$18,676	\$1,422,636

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
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Note 16 – Capital Leases

During 2018, the City entered into a capital lease with Huntington Public Capital Corporation for a fire truck, dump truck, and ambulance. The lease will end in 2022. The lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The capital assets were capitalized at the present value of the minimum lease payments at the time the leases were entered into.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Vehicles	\$575,493
Less: Accumulated depreciation	<u>(175,819)</u>
Total	<u><u>\$399,674</u></u>

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

	<u>Governmental Activities</u>
2022	<u>\$128,083</u>
Less: Amount Representing Interest	<u>(3,972)</u>
Present Value of Minimum Lease Payments	<u><u>\$124,111</u></u>

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 17 – Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/2020	Additions	Deductions	Balance 12/31/2021
Governmental Activities				
<i>Capital Assets, not being depreciated and amortized</i>				
Land	\$3,356,218	\$0	\$0	\$3,356,218
Construction in Progress	829,131	78,419	(173,261)	734,289
Total Capital Assets, not being depreciated and amortized	4,185,349	78,419	(173,261)	4,090,507
<i>Capital Assets, being depreciated and amortized:</i>				
Buildings and Improvements	5,541,267	220,792	0	5,762,059
Equipment and Machinery	1,410,597	23,363	0	1,433,960
Vehicles	2,490,766	162,701	(519,723)	2,133,744
Infrastructure:				
Roads	6,719,684	308,424	0	7,028,108
Total Capital Assets, being depreciated and amortized	16,162,314	715,280	(519,723)	16,357,871
Less Accumulated Depreciation and Amortization:				
Buildings and Improvements	(2,843,408)	(108,584)	0	(2,951,992)
Equipment and Machinery	(926,264)	(143,332)	0	(1,069,596)
Vehicles	(1,418,765)	(127,213)	477,555	(1,068,423)
Infrastructure:				
Roads	(2,115,947)	(351,405)	0	(2,467,352)
Total Accumulated Depreciation and Amortization	(7,304,384)	(730,534) *	477,555	(7,557,363)
<i>Total Capital Assets being depreciated and amortized, Net</i>	<u>8,857,930</u>	<u>(15,254)</u>	<u>(42,168)</u>	<u>8,800,508</u>
Governmental Activities Capital Assets, Net	<u>\$13,043,279</u>	<u>\$63,165</u>	<u>(\$215,429)</u>	<u>\$12,891,015</u>

* Depreciation expense was charged to governmental activities as follows:

General Government	\$13,316
Security of Persons and Property	268,696
Transportation	423,840
Leisure Time Activities	24,682
Total Depreciation Expense	<u><u>\$730,534</u></u>

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	Balance 12/31/2020	Additions	Deductions	Balance 12/31/2021
Business-Type Activities				
<i>Capital Assets, not being depreciated and amortized</i>				
Land	\$350,014	\$0	\$0	\$350,014
Construction in Progress	321,888	326,919	(437,852)	210,955
Total Capital Assets, not being depreciated and amortized	671,902	326,919	(437,852)	560,969
<i>Capital Assets, being depreciated and amortized:</i>				
Buildings and Improvements	5,629,023	20,428	0	5,649,451
Equipment and Machinery	256,256	128,205	(4,185)	380,276
Vehicles	243,469	0	(11,404)	232,065
Infrastructure:				
Water Lines	7,171,384	325,585	0	7,496,969
Sewer Lines	5,214,142	0	0	5,214,142
Storm Sewers	4,727,568	78,814	0	4,806,382
Total Capital Assets, being depreciated and amortized	23,241,842	553,032	(15,589)	23,779,285
Less Accumulated Depreciation and Amortization:				
Buildings and Improvements	(3,274,879)	(161,701)	0	(3,436,580)
Equipment and Machinery	(188,578)	(40,065)	0	(228,643)
Vehicles	(170,090)	(12,888)	11,404	(171,574)
Infrastructure:				
Water Lines	(3,868,571)	(124,383)	0	(3,992,954)
Sewer Lines	(2,989,590)	(60,748)	0	(3,050,338)
Storm Sewers	(2,365,734)	(51,233)	0	(2,416,967)
Total Accumulated Depreciation and Amortization	(12,857,442)	(451,018)	11,404	(13,297,056)
<i>Total Capital Assets being depreciated and amortized, Net</i>	10,384,400	102,014	(4,185)	10,482,229
Business-Type Activities Capital Assets, Net	\$11,056,302	\$428,933	(\$442,037)	\$11,043,198

Note 18 – Defined Benefit Pension Plans

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

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

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

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

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 19 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

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

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

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

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

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

For 2021, the City’s contractually required contribution was \$139,616 for the traditional plan, \$15,623 for the combined plan and \$0 for the member-directed plan. Of these amounts, \$14,969 is reported as an intergovernmental payable for the traditional plan, \$1,674 for the combined plan, and \$0 for the member-directed plan.

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

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.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

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

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

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

	Police	Firefighters
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
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 \$120,079 for 2021. Of this amount, \$13,354 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City’s proportion of the net pension liability (asset) was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City’s defined benefit pension plans:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.00670000%	0.03384600%	0.02359000%	
Prior Measurement Date	0.00652800%	0.03246200%	0.02509850%	
Change in Proportionate Share	0.00017200%	0.00138400%	-0.00150850%	
Proportionate Share of the:				
Net Pension Asset	\$0	\$97,702	\$0	\$97,702
Net Pension Liability	992,124	0	1,608,151	2,600,275
Pension Expense	(7,868)	1,561	69,357	63,050

2021 pension expense for the member-directed defined contribution plan was \$167. The aggregate pension expense for all pension plans was \$63,215 for 2021.

City of Canal Fulton, Ohio
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At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$0	\$0	\$67,226	\$67,226
Changes of assumptions	0	6,101	26,969	\$33,070
Changes in proportion and differences between City contributions and proportionate share of contributions	23,682	0	1,612	25,294
City contributions subsequent to the measurement date	<u>139,616</u>	<u>15,623</u>	<u>120,079</u>	<u>275,318</u>
Total Deferred Outflows of Resources	<u><u>\$163,298</u></u>	<u><u>\$21,724</u></u>	<u><u>\$215,886</u></u>	<u><u>\$400,908</u></u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$41,501	\$18,432	\$62,649	\$122,582
Net difference between projected and actual earnings on pension plan investments	386,701	14,530	78,006	479,237
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>21,220</u>	<u>4,154</u>	<u>180,055</u>	<u>205,429</u>
Total Deferred Inflows of Resources	<u><u>\$449,422</u></u>	<u><u>\$37,116</u></u>	<u><u>\$320,710</u></u>	<u><u>\$807,248</u></u>

\$275,318 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2022. 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 <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:				
2022	(\$168,754)	(\$7,605)	(\$55,641)	(\$232,000)
2023	(46,613)	(5,054)	(14,360)	(66,027)
2024	(157,632)	(8,405)	(112,719)	(278,756)
2025	(52,741)	(4,239)	(35,338)	(92,318)
2026	0	(2,163)	(6,845)	(9,008)
Thereafter	<u>0</u>	<u>(3,549)</u>	<u>0</u>	<u>(3,549)</u>
Total	<u><u>(\$425,740)</u></u>	<u><u>(\$31,015)</u></u>	<u><u>(\$224,903)</u></u>	<u><u>(\$681,658)</u></u>

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Actuarial Assumptions – OPERS

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

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, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented as follows:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-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 allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were

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provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

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

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 7.2 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City’s proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$1,892,482	\$992,124	\$243,478
OPERS Combined Plan	(68,030)	(97,702)	(119,815)

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples

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include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, are presented as follows:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. 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

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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, 2020, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2.5x

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$2,238,753	\$1,608,151	\$1,080,402

Note 19 – Defined Benefit OPEB Plans

See Note 18 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced later for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

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

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

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$3,160 for 2021. Of this amount, \$351 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.00723700%	0.02359000%	
Prior Measurement Date	<u>0.00712100%</u>	<u>0.02509850%</u>	
Change in Proportionate Share	<u><u>0.00011600%</u></u>	<u><u>-0.00150850%</u></u>	
Proportionate Share of the:			
Net Pension Asset	(\$128,933)	\$0	(\$128,933)
Net Pension Liability	0	249,940	249,940
OPEB Expense	(796,221)	18,461	(777,760)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes of assumptions	\$63,385	\$138,078	\$201,463
Changes in proportion and differences between City contributions and proportionate share of contributions	9,783	1,320	11,103
City contributions subsequent to the measurement date	<u>0</u>	<u>3,160</u>	<u>3,160</u>
Total Deferred Outflows of Resources	<u><u>\$73,168</u></u>	<u><u>\$142,558</u></u>	<u><u>\$215,726</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$116,362	\$41,227	\$157,589
Changes of assumptions	208,910	39,845	248,755
Net difference between projected and actual earnings on OPEB plan investments	68,671	9,289	77,960
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>13,258</u>	<u>22,386</u>	<u>35,644</u>
Total Deferred Inflows of Resources	<u><u>\$407,201</u></u>	<u><u>\$112,747</u></u>	<u><u>\$519,948</u></u>

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\$3,160 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in 2022. 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
2022	(\$179,858)	\$5,261	(\$174,597)
2023	(116,242)	7,460	(108,782)
2024	(29,842)	3,993	(25,849)
2025	(8,091)	5,802	(2,289)
2026	0	2,785	2,785
Thereafter	0	1,350	1,350
Total	(\$334,033)	\$26,651	(\$307,382)

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial
Prior Measurement date	3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial
Prior Measurement date	3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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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. Postretirement 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. Postretirement 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 allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City’s proportionate share of the net OPEB liability (asset)	(\$32,060)	(\$128,933)	(\$208,570)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City’s proportionate share of the net OPEB liability (asset)	(\$132,075)	(\$128,933)	(\$125,417)

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	2.2 percent simple

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

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

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

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan (see Note 18).

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$311,661	\$249,940	\$199,027

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 20 – Encumbrances

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

Governmental Funds:		Proprietary Funds:	
General	\$58,037	Water	\$153,151
Street Maintenance	17,924	Sewer	147,293
Police	210,090	Storm Sewer	4,603
Fire/EMS	126,779		
Capital Projects Reserve	65,175	Total	\$305,047
Other Governmental Funds	126,307		
Total	\$604,312		

City of Canal Fulton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 21 – Fund Balances

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

Fund Balances	General	Street Maintenance	Police	Fire/ EMS	Capital Projects Reserve	Other Governmental Funds	Total
<u>Nonspendable:</u>							
Materials and Supplies Inventory	\$0	\$27,119	\$0	\$0	\$0	\$0	\$27,119
General Trust	3,591	0	0	0	0	0	3,591
Unclaimed Monies	8,085	0	0	0	0	0	8,085
<i>Total Nonspendable</i>	<u>11,676</u>	<u>27,119</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,795</u>
<u>Restricted to:</u>							
Street Repair and Maintenance	0	271,230	0	0	0	136,945	408,175
Police Protection	0	0	451,094	0	0	50,261	501,355
St. Helena II	0	0	0	0	0	32,768	32,768
Debt Service	0	0	0	0	0	32,404	32,404
Capital Projects	0	0	0	0	0	770,653	770,653
<i>Total Restricted</i>	<u>0</u>	<u>271,230</u>	<u>451,094</u>	<u>0</u>	<u>0</u>	<u>1,023,031</u>	<u>1,745,355</u>
<u>Committed to:</u>							
Fire Protection	0	0	0	519,792	0	0	519,792
Capital Projects	0	0	0	0	189,283	5,419	194,702
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>519,792</u>	<u>189,283</u>	<u>5,419</u>	<u>714,494</u>
<u>Assigned to:</u>							
2022 Appropriations	17,351	0	0	0	0	0	17,351
Purchases on Order:							
General Government	35,031	0	0	0	0	0	35,031
Transportation	3,022	0	0	0	0	0	3,022
Leisure Time Activities	8,518	0	0	0	0	0	8,518
<i>Total Assigned</i>	<u>63,922</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,922</u>
Unassigned	<u>1,328,537</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,328,537</u>
Total Fund Balances	<u><u>\$1,404,135</u></u>	<u><u>\$298,349</u></u>	<u><u>\$451,094</u></u>	<u><u>\$519,792</u></u>	<u><u>\$189,283</u></u>	<u><u>\$1,028,450</u></u>	<u><u>\$3,891,103</u></u>

In addition to the above fund balance constraints, the City has a general fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the City established a budget stabilization by resolution to provide options to respond to unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. City Council authorized the funding of this arrangement as resources become available in the general fund. The fund balance should not exceed 30 percent of the general fund average revenues. The balance in the reserve at December 31, 2021, was \$248,100.

Note 22 – Asset Retirement Obligations

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

Note 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

Required Supplementary Information

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

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.00670000%	0.00652800%	0.00697900%	0.00704100%
City's Proportionate Share of the Net Pension Liability	\$992,124	\$1,290,304	\$1,911,407	\$1,104,597
City's Covered Payroll	\$943,714	\$918,429	\$943,886	\$929,262
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.13%	140.49%	202.50%	118.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%

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

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

See accompanying notes to the required supplementary information.

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

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

	2021	2020	2019	2018
City's Proportion of the Net Pension Asset	0.03384600%	0.03246200%	0.03083000%	0.03035700%
City's Proportionate Share of the Net Pension Asset	\$97,702	\$67,694	\$34,475	\$41,325
City's Covered Payroll	\$149,157	\$144,507	\$131,857	\$124,331
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	65.50%	46.84%	26.15%	33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	157.67%	145.28%	126.64%	137.28%

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

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

See accompanying notes to the required supplementary information.

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability/Asset	0.00723700%	0.00712100%	0.00755000%	0.00757000%	0.00766000%
City's Proportionate Share of the Net OPEB Asset	\$128,933	\$0	\$0	\$0	\$0
City's Proportionate Share of the Net OPEB Liability	\$0	\$983,595	\$984,341	\$822,045	\$773,685
City's Covered Payroll	\$1,094,546	\$1,075,886	\$1,075,743	\$1,053,593	\$1,046,375
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-11.78%	91.42%	91.50%	78.02%	73.94%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	115.57%	47.80%	46.33%	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information.

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

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.02359000%	0.02509850%	0.02501600%	0.02499900%
City's Proportionate Share of the Net Pension Liability	\$1,608,151	\$1,690,769	\$2,041,966	\$1,534,302
City's Covered Payroll	\$645,026	\$612,437	\$670,011	\$609,637
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	249.32%	276.07%	304.77%	251.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%

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

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

See accompanying notes to the required supplementary information.

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

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.02359000%	0.02509850%	0.02501600%	0.02499900%	0.02550200%
City's Proportionate Share of the Net OPEB Liability	\$249,940	\$247,917	\$227,811	\$1,416,407	\$1,210,523
City's Covered Payroll	\$645,026	\$612,437	\$670,011	\$609,637	\$607,695
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.75%	40.48%	34.00%	232.34%	199.20%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.08%	46.57%	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information.

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City of Canal Fulton, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Nine Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$139,616	\$132,120	\$128,580	\$132,144
Contributions in Relation to the Contractually Required Contribution	<u>(139,616)</u>	<u>(132,120)</u>	<u>(128,580)</u>	<u>(132,144)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$997,257	\$943,714	\$918,429	\$943,886
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Liability/Asset - Combined Plan (3)				
Contractually Required Contribution	\$15,623	\$20,882	\$20,231	\$18,460
Contributions in Relation to the Contractually Required Contribution	<u>(15,623)</u>	<u>(20,882)</u>	<u>(20,231)</u>	<u>(18,460)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$111,593	\$149,157	\$144,507	\$131,857
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability/Asset - OPEB Plan (3)				
Contractually Required Contribution	\$0	\$67	\$518	\$824
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>(67)</u>	<u>(518)</u>	<u>(824)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$1,108,850	\$1,094,546	\$1,075,886	\$1,075,743
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.01%</u>	<u>0.05%</u>	<u>0.08%</u>

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

(3) Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability				
Contractually Required Contribution	\$120,079	\$122,555	\$116,363	\$127,302
Contributions in Relation to the Contractually Required Contribution	<u>(120,079)</u>	<u>(122,555)</u>	<u>(116,363)</u>	<u>(127,302)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$631,995	\$645,026	\$612,437	\$670,011
Pension Contributions as a Percentage of Covered Payroll	<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$3,160	\$3,225	\$3,062	\$3,350
Contributions in Relation to the Contractually Required Contribution	<u>(3,160)</u>	<u>(3,225)</u>	<u>(3,062)</u>	<u>(3,350)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

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

City of Canal Fulton, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented as follows:

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

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

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

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

City of Canal Fulton, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS Pension – Combined Plan

For 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

Changes in Assumptions – OP&F Pension

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

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

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

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

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

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

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

City of Canal Fulton, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

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

Changes in Benefit Terms – OPERS OPEB

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

Changes in Benefit Terms – OP&F OPEB

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

**Combining and Individual Fund Statements and
Schedules**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

Fire Demolition Fund – To account for and report insurance settlement monies held by the City until such time that the properties have been suitably demolished.

Unclaimed Monies Fund – To account for and report nonspendable revenues received from various unclaimed funds. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. The fund did not have any budgetary activity in 2021; therefore, budgetary information is not provided.

General Trust Fund – To account for and report nonspendable revenues received as donations to various City departments. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. The fund did not have any budgetary activity in 2021; therefore, budgetary information is not provided.

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

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

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

Capital Improvements Fund – To account for and report grant monies restricted for the purchase of capital assets.

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

City of Canal Fulton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$204,339	\$32,404	\$777,055	\$1,013,798
Intergovernmental Receivable	55,252	7,177	1,385	63,814
Property Taxes Receivable	0	114,816	104,857	219,673
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	39,435	0	0	39,435
<i>Total Assets</i>	<u>\$299,026</u>	<u>\$154,397</u>	<u>\$883,297</u>	<u>\$1,336,720</u>
Liabilities				
Accounts Payable	\$2,740	\$0	\$983	\$3,723
Unearned Revenue	158	0	0	158
Deposits Held Payable from Restricted Assets	39,435	0	0	39,435
<i>Total Liabilities</i>	<u>42,333</u>	<u>0</u>	<u>983</u>	<u>43,316</u>
Deferred Inflows of Resources				
Property Taxes	0	109,837	100,541	210,378
Unavailable Revenue	36,719	12,156	5,701	54,576
<i>Total Deferred Inflows of Resources</i>	<u>36,719</u>	<u>121,993</u>	<u>106,242</u>	<u>264,954</u>
Fund Balances				
Restricted	219,974	32,404	770,653	1,023,031
Committed	0	0	5,419	5,419
<i>Total Fund Balances</i>	<u>219,974</u>	<u>32,404</u>	<u>776,072</u>	<u>1,028,450</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$299,026</u>	<u>\$154,397</u>	<u>\$883,297</u>	<u>\$1,336,720</u>

City of Canal Fulton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$110,734	\$96,675	\$207,409
Charges for Services	19,453	0	0	19,453
Fines and Forfeitures	1,192	0	0	1,192
Intergovernmental	130,657	14,353	44,063	189,073
Interest	78	0	0	78
Contributions and Donations	676	0	0	676
Other	1,289	0	14,895	16,184
<i>Total Revenues</i>	<u>153,345</u>	<u>125,087</u>	<u>155,633</u>	<u>434,065</u>
Expenditures				
Current:				
General Government	0	1,787	0	1,787
Security of Persons and Property	18,072	0	0	18,072
Transportation	100,882	0	0	100,882
Leisure Time Activities	21,142	0	0	21,142
Capital Outlay	0	0	328,373	328,373
Debt Service:				
Principal Retirement	0	144,064	91,384	235,448
Interest and Fiscal Charges	0	35,068	5,942	41,010
<i>Total Expenditures</i>	<u>140,096</u>	<u>180,919</u>	<u>425,699</u>	<u>746,714</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	13,249	(55,832)	(270,066)	(312,649)
Other Financing Sources				
Transfers In	20,000	70,000	707,000	797,000
<i>Net Change in Fund Balances</i>	33,249	14,168	436,934	484,351
<i>Fund Balances Beginning of Year</i>	<u>186,725</u>	<u>18,236</u>	<u>339,138</u>	<u>544,099</u>
<i>Fund Balances End of Year</i>	<u><u>\$219,974</u></u>	<u><u>\$32,404</u></u>	<u><u>\$776,072</u></u>	<u><u>\$1,028,450</u></u>

City of Canal Fulton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	State Highway	Motor Vehicle License	Enforcement and Education
Assets			
Equity in Pooled Cash and Cash Equivalents	\$41,406	\$79,746	\$17,817
Intergovernmental Receivable	15,962	39,290	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	0	0	0
<i>Total Assets</i>	<u>\$57,368</u>	<u>\$119,036</u>	<u>\$17,817</u>
Liabilities			
Accounts Payable	\$1,390	\$1,350	\$0
Unearned Revenue	0	0	0
Deposits Held Payable from Restricted Assets	0	0	0
<i>Total Liabilities</i>	1,390	1,350	0
Deferred Inflows of Resources			
Unavailable Revenue	10,578	26,141	0
Fund Balances			
Restricted	45,400	91,545	17,817
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$57,368</u>	<u>\$119,036</u>	<u>\$17,817</u>

Law Enforcement Trust	Coronavirus Relief	Canal Boat	Fire Demolition	Total Nonmajor Special Revenue Funds
\$32,444	\$158	\$32,768	\$0	\$204,339
0	0	0	0	55,252
0	0	0	39,435	39,435
<u>\$32,444</u>	<u>\$158</u>	<u>\$32,768</u>	<u>\$39,435</u>	<u>\$299,026</u>
\$0	\$0	\$0	\$0	\$2,740
0	158	0	0	158
0	0	0	39,435	39,435
0	158	0	39,435	42,333
0	0	0	0	36,719
<u>32,444</u>	<u>0</u>	<u>32,768</u>	<u>0</u>	<u>219,974</u>
<u>\$32,444</u>	<u>\$158</u>	<u>\$32,768</u>	<u>\$39,435</u>	<u>\$299,026</u>

City of Canal Fulton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021

	State Highway	Motor Vehicle License	Enforcement and Education
Revenues			
Charges for Services	\$0	\$0	\$0
Fines and Forfeitures	0	0	495
Intergovernmental	29,614	82,976	0
Interest	28	45	0
Contributions and Donations	0	0	0
Other	0	1,289	0
<i>Total Revenues</i>	<u>29,642</u>	<u>84,310</u>	<u>495</u>
Expenditures			
Current:			
Security of Persons and Property	0	0	0
Transportation	22,498	78,384	0
Leisure Time Activities	0	0	0
<i>Total Expenditures</i>	<u>22,498</u>	<u>78,384</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	7,144	5,926	495
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	7,144	5,926	495
<i>Fund Balances Beginning of Year</i>	<u>38,256</u>	<u>85,619</u>	<u>17,322</u>
<i>Fund Balances End of Year</i>	<u><u>\$45,400</u></u>	<u><u>\$91,545</u></u>	<u><u>\$17,817</u></u>

Law Enforcement Trust	Coronavirus Relief	Canal Boat	Total Nonmajor Special Revenue Funds
\$0	\$0	\$19,453	\$19,453
697	0	0	1,192
0	18,067	0	130,657
0	5	0	78
0	0	676	676
0	0	0	1,289
697	18,072	20,129	153,345
0	18,072	0	18,072
0	0	0	100,882
0	0	21,142	21,142
0	18,072	21,142	140,096
697	0	(1,013)	13,249
0	0	20,000	20,000
697	0	18,987	33,249
31,747	0	13,781	186,725
\$32,444	\$0	\$32,768	\$219,974

City of Canal Fulton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	Parks and Recreation Capital Projects	Downtown Capital Improvement	Capital Improvements	Fire Equipment	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$5,419	\$412,420	\$287,187	\$72,029	\$777,055
Intergovernmental Receivable	0	0	0	1,385	1,385
Property Taxes Receivable	0	0	0	104,857	104,857
<i>Total Assets</i>	<u>\$5,419</u>	<u>\$412,420</u>	<u>\$287,187</u>	<u>\$178,271</u>	<u>\$883,297</u>
Liabilities					
Accounts Payable	\$0	\$0	\$983	\$0	\$983
Deferred Inflows of Resources					
Property Taxes	0	0	0	100,541	100,541
Unavailable Revenue	0	0	0	5,701	5,701
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>106,242</u>	<u>106,242</u>
Fund Balances					
Restricted	0	412,420	286,204	72,029	770,653
Committed	5,419	0	0	0	5,419
<i>Total Fund Balances</i>	<u>5,419</u>	<u>412,420</u>	<u>286,204</u>	<u>72,029</u>	<u>776,072</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,419</u>	<u>\$412,420</u>	<u>\$287,187</u>	<u>\$178,271</u>	<u>\$883,297</u>

City of Canal Fulton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021

	Parks and Recreation Capital Projects	Downtown Capital Improvement	Capital Improvements	Fire Equipment	Total Nonmajor Capital Projects Funds
Revenues					
Property Taxes	\$0	\$0	\$0	\$96,675	\$96,675
Intergovernmental	0	0	41,293	2,770	44,063
Other	0	9,395	5,500	0	14,895
<i>Total Revenues</i>	<u>0</u>	<u>9,395</u>	<u>46,793</u>	<u>99,445</u>	<u>155,633</u>
Expenditures					
Capital Outlay	0	6,505	319,643	2,225	328,373
Debt Service:					
Principal Retirement	0	0	0	91,384	91,384
Interest and Fiscal Charges	0	0	0	5,942	5,942
<i>Total Expenditures</i>	<u>0</u>	<u>6,505</u>	<u>319,643</u>	<u>99,551</u>	<u>425,699</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	2,890	(272,850)	(106)	(270,066)
Other Financing Sources					
Transfers In	0	350,000	357,000	0	707,000
<i>Net Change in Fund Balances</i>	0	352,890	84,150	(106)	436,934
<i>Fund Balances Beginning of Year</i>	<u>5,419</u>	<u>59,530</u>	<u>202,054</u>	<u>72,135</u>	<u>339,138</u>
<i>Fund Balances End of Year</i>	<u><u>\$5,419</u></u>	<u><u>\$412,420</u></u>	<u><u>\$286,204</u></u>	<u><u>\$72,029</u></u>	<u><u>\$776,072</u></u>

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

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$234,628	\$248,520	\$251,669	\$3,149
Income Taxes	2,313,050	2,450,000	2,678,208	228,208
Special Assessments	2,360	2,500	3,465	965
Charges for Services	6,137	6,500	471	(6,029)
Licenses and Permits	27,294	28,910	36,243	7,333
Intergovernmental	107,883	114,270	136,144	21,874
Interest	37,764	40,000	4,095	(35,905)
Rent	2,360	2,500	5,005	2,505
Contributions and Donations	472	500	600	100
Other	21,101	22,350	31,293	8,943
<i>Total Revenues</i>	2,753,049	2,916,050	3,147,193	231,143
Expenditures				
Current:				
General Government				
City Council				
Personal Services	24,623	24,623	21,807	2,816
Contractual Services	600	600	0	600
Materials and Supplies	700	700	0	700
City Council Total	25,923	25,923	21,807	4,116
Mayor's Office				
Personal Services	115,275	130,275	124,102	6,173
Contractual Services	97,400	98,691	93,759	4,932
Materials and Supplies	13,813	12,922	11,926	996
Capital Outlay	7,700	7,400	7,282	118
Other	200	100	0	100
Mayor's Office Total	234,388	249,388	237,069	12,319
Finance Department				
Personal Services	84,340	58,340	38,607	19,733
Contractual Services	39,557	41,807	36,140	5,667
Materials and Supplies	8,379	6,044	4,534	1,510
Capital Outlay	45	130	85	45
Finance Department Total	132,321	106,321	79,366	26,955
Legal Department				
Personal Services	18,581	38,581	37,212	1,369
Contractual Services	55,428	54,928	46,197	8,731
Materials and Supplies	0	500	172	328
Legal Department Total	\$74,009	\$94,009	\$83,581	\$10,428

(continued)

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Engineering Department				
Contractual Services	\$20,702	\$20,702	\$20,634	\$68
Materials and Supplies	3,000	3,000	3,000	0
Engineering Department Total	23,702	23,702	23,634	68
Land/Buildings				
Personal Services	56,332	60,732	55,166	5,566
Contractual Services	71,269	75,717	70,515	5,202
Materials and Supplies	6,716	7,268	5,896	1,372
Capital Outlay	5,000	0	0	0
Land/Buildings Total	139,317	143,717	131,577	12,140
Community Service				
Personal Services	19,933	19,933	7,326	12,607
Contractual Services	1,678	2,928	1,965	963
Materials and Supplies	3,060	1,410	270	1,140
Capital Outlay	500	900	861	39
Community Service Total	25,171	25,171	10,422	14,749
Income Tax				
Personal Services	84,168	84,168	81,594	2,574
Contractual Services	30,089	28,589	23,084	5,505
Materials and Supplies	13,090	9,590	3,323	6,267
Capital Outlay	400	400	100	300
Other	45,631	105,631	105,365	266
Income Tax Total	173,378	228,378	213,466	14,912
General Government Total	828,209	896,609	800,922	95,687
Transportation				
Contractual Services	25,198	25,198	24,198	1,000
Leisure Time Activities				
Personal Services	28,844	55,444	50,396	5,048
Contractual Services	39,068	39,043	36,215	2,828
Materials and Supplies	10,246	10,271	10,011	260
Capital Outlay	500	500	294	206
Leisure Time Activities Total	78,658	105,258	96,916	8,342
<i>Total Expenditures</i>	\$932,065	\$1,027,065	\$922,036	\$105,029

(continued)

City of Canal Fulton, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of Revenues Over Expenditures</i>	\$1,820,984	\$1,888,985	\$2,225,157	\$336,172
Other Financing Uses				
Transfers Out	(2,062,000)	(2,346,000)	(2,300,000)	46,000
<i>Net Change in Fund Balance</i>	(241,016)	(457,015)	(74,843)	382,172
<i>Fund Balance Beginning of Year</i>	664,930	664,930	664,930	0
Prior Year Encumbrances Appropriated	80,613	80,613	80,613	0
<i>Fund Balance End of Year</i>	\$504,527	\$288,528	\$670,700	\$382,172

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$389,850	\$389,850	\$365,631	(\$24,219)
Interest	2,400	2,400	208	(2,192)
Other	2,750	2,750	4,053	1,303
<i>Total Revenues</i>	395,000	395,000	369,892	(25,108)
Expenditures				
Current:				
Transportation				
Personal Services	217,640	217,640	212,007	5,633
Contractual Services	95,459	99,909	82,854	17,055
Materials and Supplies	182,623	57,073	55,196	1,877
Capital Outlay	13,046	179,476	178,794	682
Other	0	100	25	75
<i>Total Expenditures</i>	508,768	554,198	528,876	25,322
<i>Excess of Revenues Under Expenditures</i>	(113,768)	(159,198)	(158,984)	214
Other Financing Sources				
Sale of Capital Assets	0	0	9,050	9,050
<i>Net Change in Fund Balance</i>	(113,768)	(159,198)	(149,934)	9,264
<i>Fund Balance Beginning of Year</i>	257,860	257,860	257,860	0
Prior Year Encumbrances Appropriated	51,729	51,729	51,729	0
<i>Fund Balance End of Year</i>	\$195,821	\$150,391	\$159,655	\$9,264

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$167,771	\$167,771	\$140,958	(\$26,813)
Fines and Forfeitures	450	450	138	(312)
Intergovernmental	135,000	135,000	112,262	(22,738)
Contributions and Donations	0	0	7,513	7,513
Other	17,779	17,779	2,153	(15,626)
<i>Total Revenues</i>	321,000	321,000	263,024	(57,976)
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	1,272,176	1,272,176	1,134,773	137,403
Contractual Services	194,707	184,477	181,423	3,054
Materials and Supplies	48,598	54,848	51,903	2,945
Capital Outlay	15,026	96,506	93,323	3,183
<i>Total Expenditures</i>	1,530,507	1,608,007	1,461,422	146,585
<i>Excess of Revenues Under Expenditures</i>	(1,209,507)	(1,287,007)	(1,198,398)	88,609
Other Financing Sources				
Sale of Capital Assets	0	0	3,695	3,695
Transfers In	1,094,000	1,004,000	1,004,000	0
<i>Total Other Financing Sources</i>	1,094,000	1,004,000	1,007,695	3,695
<i>Net Change in Fund Balance</i>	(115,507)	(283,007)	(190,703)	92,304
<i>Fund Balance Beginning of Year</i>	373,911	373,911	373,911	0
Prior Year Encumbrances Appropriated	121,493	121,493	121,493	0
<i>Fund Balance End of Year</i>	\$379,897	\$212,397	\$304,701	\$92,304

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/EMS Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$150,000	\$150,000	\$189,647	\$39,647
Intergovernmental	97,000	97,000	193,105	96,105
Contributions and Donations	0	0	1,090	1,090
Other	1,000	1,000	8,208	7,208
<i>Total Revenues</i>	248,000	248,000	392,050	144,050
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	442,487	488,487	434,404	54,083
Contractual Services	182,727	162,721	162,721	0
Materials and Supplies	106,682	227,405	227,405	0
Capital Outlay	16,260	11,347	11,347	0
Other	55,236	53,303	907	52,396
<i>Total Expenditures</i>	803,392	943,263	836,784	106,479
<i>Excess of Revenues Under Expenditures</i>	(555,392)	(695,263)	(444,734)	250,529
Other Financing Sources				
Transfers In	453,000	499,000	499,000	0
<i>Net Change in Fund Balance</i>	(102,392)	(196,263)	54,266	250,529
<i>Fund Balance Beginning of Year</i>	232,251	232,251	232,251	0
Prior Year Encumbrances Appropriated	100,086	100,086	100,086	0
<i>Fund Balance End of Year</i>	\$229,945	\$136,074	\$386,603	\$250,529

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
American Rescue Plan Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$283,247	\$283,247	\$283,247	\$0
Expenditures				
Current:				
General Government				
Capital Outlay	283,247	283,247	35,000	248,247
<i>Net Change in Fund Balance</i>	0	0	248,247	248,247
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$248,247</u>	<u>\$248,247</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Projects Reserve Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Transportation				
Capital Outlay	244,127	244,127	228,268	15,859
<i>Excess of Revenues Under Expenditures</i>	(244,127)	(244,127)	(228,268)	0
Other Financing Sources				
Sale of Capital Assets	0	0	32,375	32,375
<i>Net Change in Fund Balance</i>	(244,127)	(244,127)	(195,893)	0
<i>Fund Balance Beginning of Year</i>	225,874	225,874	225,874	0
Prior Year Encumbrances Appropriated	94,127	94,127	94,127	0
<i>Fund Balance End of Year</i>	<u>\$75,874</u>	<u>\$75,874</u>	<u>\$124,108</u>	<u>\$0</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,006,600	\$1,006,600	\$1,058,738	\$52,138
Sale of Capital Assets	0	0	3,848	3,848
Proceeds of OPWC Loan	0	377,392	325,585	(51,807)
Other	3,400	3,400	50,893	47,493
<i>Total Revenues</i>	<u>1,010,000</u>	<u>1,387,392</u>	<u>1,439,064</u>	<u>51,672</u>
Expenses				
Personal Services	570,376	560,376	498,904	61,472
Contractual Services	247,186	253,985	246,589	7,396
Materials and Supplies	47,696	65,897	56,767	9,130
Capital Outlay	412,981	532,731	450,854	81,877
Other	0	0	43,192	(43,192)
Debt Service:				
Principal Retirement	148,931	153,931	152,075	1,856
Interest and Fiscal Charges	18,218	18,218	14,170	4,048
<i>Total Expenses</i>	<u>1,445,388</u>	<u>1,585,138</u>	<u>1,462,551</u>	<u>122,587</u>
<i>Net Change in Fund Equity</i>	(435,388)	(197,746)	(23,487)	174,259
<i>Fund Equity Beginning of Year</i>	646,848	646,848	646,848	0
Prior Year Encumbrances Appropriated	437,093	437,093	437,093	0
<i>Fund Equity End of Year</i>	<u>\$648,553</u>	<u>\$886,195</u>	<u>\$1,060,454</u>	<u>\$174,259</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$991,000	\$991,000	\$996,090	\$5,090
Sale of Capital Assets	0	0	3,848	3,848
Other	0	0	35,629	35,629
<i>Total Revenues</i>	991,000	991,000	1,035,567	44,567
Expenses				
Personal Services	570,376	560,376	498,907	61,469
Contractual Services	450,068	447,525	420,944	26,581
Materials and Supplies	60,315	72,265	68,640	3,625
Capital Outlay	20,321	95,914	82,141	13,773
Other	1,000	1,000	37,567	(36,567)
Debt Service:				
Principal Retirement	66,342	66,342	64,487	1,855
Interest and Fiscal Charges	4,641	4,641	4,158	483
<i>Total Expenses</i>	1,173,063	1,248,063	1,176,844	71,219
<i>Net Change in Fund Equity</i>	(182,063)	(257,063)	(141,277)	115,786
<i>Fund Equity Beginning of Year</i>	920,629	920,629	920,629	0
Prior Year Encumbrances Appropriated	103,958	103,958	103,958	0
<i>Fund Equity End of Year</i>	\$842,524	\$767,524	\$883,310	\$115,786

City of Canal Fulton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Storm Sewer Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$60,000	\$60,000	\$60,593	\$593
Intergovernmental	0	44,200	44,200	0
Other	0	0	2,372	2,372
<i>Total Revenues</i>	60,000	104,200	107,165	2,965
Expenses				
Contractual Services	74,228	32,906	32,565	341
Materials and Supplies	0	1,395	1,395	0
Capital Outlay	0	84,127	84,127	0
Other	0	0	2,491	(2,491)
Debt Service:				
Principal Retirement	6,886	6,886	6,886	0
<i>Total Expenses</i>	81,114	125,314	127,464	(2,150)
<i>Net Change in Fund Equity</i>	(21,114)	(21,114)	(20,299)	815
<i>Fund Equity Beginning of Year</i>	60,154	60,154	60,154	0
<i>Fund Equity End of Year</i>	\$39,040	\$39,040	\$39,855	\$815

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$29,000	\$29,000	\$29,587	\$587
Interest	0	0	28	28
<i>Total Revenues</i>	<u>29,000</u>	<u>29,000</u>	<u>29,615</u>	<u>615</u>
Expenditures				
Current:				
Transportation				
Contractual Services	23,000	23,869	23,869	0
Materials and Supplies	4,569	3,700	1,323	2,377
<i>Total Expenditures</i>	<u>27,569</u>	<u>27,569</u>	<u>25,192</u>	<u>2,377</u>
<i>Net Change in Fund Balance</i>	1,431	1,431	4,423	2,992
<i>Fund Balance Beginning of Year</i>	31,030	31,030	31,030	0
Prior Year Encumbrances Appropriated	<u>1,869</u>	<u>1,869</u>	<u>1,869</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$34,330</u>	<u>\$34,330</u>	<u>\$37,322</u>	<u>\$2,992</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$81,000	\$85,186	\$83,823	(\$1,363)
Interest	0	0	45	45
Other	0	0	1,289	1,289
<i>Total Revenues</i>	<u>81,000</u>	<u>85,186</u>	<u>85,157</u>	<u>(29)</u>
Expenditures				
Current:				
Transportation				
Contractual Services	21,590	16,590	12,443	4,147
Materials and Supplies	84,826	89,826	88,617	1,209
<i>Total Expenditures</i>	<u>106,416</u>	<u>106,416</u>	<u>101,060</u>	<u>5,356</u>
<i>Net Change in Fund Balance</i>	(25,416)	(21,230)	(15,903)	5,327
<i>Fund Balance Beginning of Year</i>	75,511	75,511	75,511	0
Prior Year Encumbrances Appropriated	11,416	11,416	11,416	0
<i>Fund Balance End of Year</i>	<u>\$61,511</u>	<u>\$65,697</u>	<u>\$71,024</u>	<u>\$5,327</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Fines and Forfeitures	\$1,500	\$1,500	\$495	(\$1,005)
Expenditures				
Current:				
Security of Persons and Property				
Materials and Supplies	1,500	1,500	0	1,500
<i>Net Change in Fund Balance</i>	0	0	495	495
<i>Fund Balance Beginning of Year</i>	17,322	17,322	17,322	0
<i>Fund Balance End of Year</i>	<u>\$17,322</u>	<u>\$17,322</u>	<u>\$17,817</u>	<u>\$495</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$2,000	\$2,000	\$697	(\$1,303)
Expenditures				
Current:				
Security of Persons and Property				
Capital Outlay	4,000	4,000	0	4,000
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	697	2,697
<i>Fund Balance Beginning of Year</i>	29,747	29,747	29,747	0
Prior Year Encumbrances Appropriated	2,000	2,000	2,000	0
<i>Fund Balance End of Year</i>	\$29,747	\$29,747	\$32,444	\$2,697

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Coronavirus Relief Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$0	\$5	\$5
Expenditures				
Current:				
Security of Persons and Property				
Capital Outlay	18,358	18,358	18,230	128
<i>Net Change in Fund Balance</i>	(18,358)	(18,358)	(18,225)	133
<i>Fund Balance Beginning of Year</i>	25	25	25	0
Prior Year Encumbrances Appropriated	18,200	18,200	18,200	0
<i>Fund Balance (Deficit) End of Year</i>	(\$133)	(\$133)	\$0	\$133

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Canal Boat Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$51,100	\$51,100	\$19,453	(\$31,647)
Contributions and Donations	4,900	4,900	676	(4,224)
<i>Total Revenues</i>	<u>56,000</u>	<u>56,000</u>	<u>20,129</u>	<u>(35,871)</u>
Expenditures				
Current:				
Leisure Time Activities				
Personal Services	27,740	27,740	2,266	25,474
Contractual Services	27,132	9,282	4,221	5,061
Materials and Supplies	2,782	18,582	17,747	835
Capital Outlay	2,525	3,075	3,024	51
Other	1,000	2,500	2,355	145
<i>Total Expenditures</i>	<u>61,179</u>	<u>61,179</u>	<u>29,613</u>	<u>31,566</u>
<i>Excess of Revenues Under Expenditures</i>	(5,179)	(5,179)	(9,484)	(4,305)
Other Financing Sources				
Transfers In	20,000	20,000	20,000	0
<i>Net Change in Fund Balance</i>	14,821	14,821	10,516	(4,305)
<i>Fund Balance Beginning of Year</i>	10,711	10,711	10,711	0
Prior Year Encumbrances Appropriated	4,139	4,139	4,139	0
<i>Fund Balance End of Year</i>	<u>\$29,671</u>	<u>\$29,671</u>	<u>\$25,366</u>	<u>(\$4,305)</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Demolition Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$0	\$0	\$14,535	\$14,535
Expenditures				
	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	14,535	14,535
<i>Fund Balance Beginning of Year</i>	24,900	24,900	24,900	0
<i>Fund Balance End of Year</i>	<u>\$24,900</u>	<u>\$24,900</u>	<u>\$39,435</u>	<u>\$14,535</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Deposits Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$1,000	\$1,000	\$1,000	\$0
Expenditures				
Current:				
Leisure Time Activities				
Other	0	0	1,225	(1,225)
<i>Net Change in Fund Balance</i>	1,000	1,000	(225)	(1,225)
<i>Fund Balance Beginning of Year</i>	1,174	1,174	1,174	0
<i>Fund Balance End of Year</i>	<u>\$2,174</u>	<u>\$2,174</u>	<u>\$949</u>	<u>(\$1,225)</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Budget Stabilization Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$0	\$0	\$149,000	\$149,000
Other	0	0	5,400	5,400
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>154,400</u>	<u>154,400</u>
Expenditures				
Current:				
Transportation:				
Capital Outlay	149,000	149,000	149,000	0
Leisure Time Activities				
Other	41,000	41,000	0	41,000
<i>Total Expenditures</i>	<u>190,000</u>	<u>190,000</u>	<u>149,000</u>	<u>41,000</u>
<i>Net Change in Fund Balance</i>	(190,000)	(190,000)	5,400	195,400
<i>Fund Balance Beginning of Year</i>	201,700	201,700	201,700	0
Prior Year Encumbrances Appropriated	41,000	41,000	41,000	0
<i>Fund Balance End of Year</i>	<u>\$52,700</u>	<u>\$52,700</u>	<u>\$248,100</u>	<u>\$195,400</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Debt Retirement Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues				
Property Taxes	\$109,389	\$109,389	\$110,734	\$1,345
Intergovernmental	14,917	14,917	14,353	(564)
<i>Total Revenues</i>	<u>124,306</u>	<u>124,306</u>	<u>125,087</u>	<u>781</u>
Expenditures				
Current:				
General Government				
Contractual Services	3,500	3,500	1,787	1,713
Debt Service:				
Principal Retirement	147,517	147,517	144,064	3,453
Interest and Fiscal Charges	35,926	35,926	35,068	858
<i>Total Debt Service</i>	<u>183,443</u>	<u>183,443</u>	<u>179,132</u>	<u>4,311</u>
<i>Total Expenditures</i>	<u>186,943</u>	<u>186,943</u>	<u>180,919</u>	<u>6,024</u>
<i>Excess of Revenues Under Expenditures</i>	(62,637)	(62,637)	(55,832)	6,805
Other Financing Sources				
Transfers In	70,000	70,000	70,000	0
<i>Net Change in Fund Balance</i>	7,363	7,363	14,168	6,805
<i>Fund Balance Beginning of Year</i>	13,925	13,925	13,925	0
Prior Year Encumbrances Appropriated	4,311	4,311	4,311	0
<i>Fund Balance End of Year</i>	<u>\$25,599</u>	<u>\$25,599</u>	<u>\$32,404</u>	<u>\$6,805</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Parks and Recreation Capital Projects Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	419	418	0	418
<i>Net Change in Fund Balance</i>	(419)	(418)	0	418
<i>Fund Balance Beginning of Year</i>	5,419	5,419	5,419	0
<i>Fund Balance End of Year</i>	<u>\$5,000</u>	<u>\$5,001</u>	<u>\$5,419</u>	<u>\$418</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Downtown Capital Improvement Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$0	\$0	\$9,395	9,395
Expenditures				
Capital Outlay	100,000	100,000	7,286	92,714
<i>Excess of Revenues Over (Under) Expenditures</i>	(100,000)	(100,000)	2,109	102,109
Other Financing Sources				
Transfers In	50,000	50,000	350,000	300,000
<i>Net Change in Fund Balance</i>	(50,000)	(50,000)	352,109	402,109
<i>Fund Balance Beginning of Year</i>	59,530	59,530	59,530	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$9,530</u>	<u>\$9,530</u>	<u>\$411,639</u>	<u>\$402,109</u>

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$26,885	\$41,293	\$14,408
Other	0	0	5,500	5,500
<i>Total Revenues</i>	0	26,885	46,793	19,908
Expenditures				
Current:				
General Government				
Capital Outlay	46,436	150,936	143,032	7,904
Security of Persons and Property				
Capital Outlay	169,677	104,677	102,797	1,880
Transportation				
Capital Outlay	123,786	183,786	178,209	5,577
<i>Total Expenditures</i>	339,899	439,399	424,038	15,361
<i>Excess of Revenues Under Expenditures</i>	(339,899)	(412,514)	(377,245)	35,269
Other Financing Sources				
Transfers In	250,000	357,000	357,000	0
<i>Net Change in Fund Balance</i>	(89,899)	(55,514)	(20,245)	35,269
<i>Fund Balance Beginning of Year</i>	195,373	195,373	195,373	0
Prior Year Encumbrances Appropriated	6,899	6,899	6,899	0
<i>Fund Balance End of Year</i>	\$112,373	\$146,758	\$182,027	\$35,269

City of Canal Fulton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Equipment Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$99,540	\$99,540	\$96,675	(\$2,865)
Intergovernmental	0	0	2,770	2,770
<i>Total Revenues</i>	99,540	99,540	99,445	(95)
Expenditures				
Current:				
Security of Persons and Property:				
Contractual Services	2,500	2,500	2,225	275
Capital Outlay	46,000	0	0	0
Total Security of Persons and Property	48,500	2,500	2,225	275
Debt Service:				
Principal Retirement	91,384	91,384	91,384	0
Interest and Fiscal Charges	5,942	5,942	5,942	0
Total Debt Service	97,326	97,326	97,326	0
<i>Total Expenditures</i>	145,826	99,826	99,551	275
<i>Net Change in Fund Balance</i>	(46,286)	(286)	(106)	180
<i>Fund Balance Beginning of Year</i>	72,135	72,135	72,135	0
<i>Fund Balance End of Year</i>	\$25,849	\$71,849	\$72,029	\$180

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Statistical Section

Statistical Section

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

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

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

City of Canal Fulton, Ohio

Net Position By Component

Last Ten Years

(Accrual Basis of Accounting)

	2021	2020	2019	2018 (1)
Governmental Activities				
Net Investment in Capital Assets	\$12,012,038	\$11,931,755	\$11,479,443	\$10,876,002
Restricted:				
Debt Service	39,338	23,315	39,289	20,276
Capital Projects	776,354	339,139	323,330	432,538
Street Repair and Maintenance	593,610	626,934	568,174	425,479
Police Protection	492,595	496,454	346,339	214,246
Other Purposes	36,359	17,372	17,916	7,366
Unclaimed Monies	8,085	8,085	1,956	1,956
Unrestricted (Deficit)	<u>(71,537)</u>	<u>(784,224)</u>	<u>(964,386)</u>	<u>(1,549,033)</u>
<i>Total Governmental Activities Net Position</i>	<u>13,886,842</u>	<u>12,658,830</u>	<u>11,812,061</u>	<u>10,428,830</u>
Business-Type Activities				
Net Investment in Capital Assets	9,076,475	9,194,164	9,139,463	8,987,568
Unrestricted	<u>1,566,926</u>	<u>913,453</u>	<u>835,623</u>	<u>1,256,400</u>
<i>Total Business-Type Activities Net Position</i>	<u>10,643,401</u>	<u>10,107,617</u>	<u>9,975,086</u>	<u>10,243,968</u>
Primary Government				
Net Investment in Capital Assets	21,088,513	21,125,919	20,618,906	19,863,570
Restricted	1,946,341	1,511,299	1,297,004	1,101,861
Unrestricted	<u>1,495,389</u>	<u>129,229</u>	<u>(128,763)</u>	<u>(292,633)</u>
<i>Total Primary Government Net Position</i>	<u>\$24,530,243</u>	<u>\$22,766,447</u>	<u>\$21,787,147</u>	<u>\$20,672,798</u>

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

2017 (2)	2016 (3)	2015	2014 (4)	2013	2012
\$9,814,140	\$9,442,004	\$9,570,228	\$9,686,893	\$9,286,839	\$8,417,409
0	12,121	17,928	0	0	0
1,128,667	1,334,524	425,433	229,167	141,739	203,907
440,477	447,347	396,260	476,418	445,553	448,063
288,092	230,585	259,268	193,117	194,407	204,411
17,777	13,501	9,843	10,104	14,168	11,386
1,956	1,956	1,956	2,825	2,825	2,825
(1,808,732)	(268,626)	258,710	264,745	1,994,711	1,876,011
9,882,377	11,213,412	10,939,626	10,863,269	12,080,242	11,164,012
8,641,577	8,544,408	6,621,541	6,542,902	6,523,767	6,484,989
1,421,426	1,569,975	1,238,405	1,125,947	1,220,427	1,022,573
10,063,003	10,114,383	7,859,946	7,668,849	7,744,194	7,507,562
18,455,717	17,986,412	16,191,769	16,229,795	15,810,606	14,902,398
1,876,969	2,040,034	1,110,688	911,631	798,692	870,592
(387,306)	1,301,349	1,497,115	1,390,692	3,215,138	2,898,584
\$19,945,380	\$21,327,795	\$18,799,572	\$18,532,118	\$19,824,436	\$18,671,574

City of Canal Fulton, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2021	2020	2019	2018 (1)
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$40,789	\$85,571	\$30,084	\$41,894
Security of Persons and Property	194,383	178,411	148,765	146,856
Transportation	0	4,585	0	1,311
Leisure Time Activities	24,458	0	34,497	41,238
Community Environment	0	0	0	0
Subtotal - Charges for Services	<u>259,630</u>	<u>268,567</u>	<u>213,346</u>	<u>231,299</u>
Operating Grants and Contributions:				
General Government	36,279	0	0	0
Security of Persons and Property	285,712	483,337	149,696	439,612
Transportation	514,916	415,151	484,481	361,949
Leisure Time Activities	676	5,856	2,944	4,188
Subtotal - Operating Grants and Contributions	<u>837,583</u>	<u>904,344</u>	<u>637,121</u>	<u>805,749</u>
Capital Grants and Contributions:				
General Government	0	0	0	69,742
Security of Persons and Property	0	0	49,479	102,509
Transportation	41,293	42,941	0	92,414
Leisure Time Activities	0	4,587	681,802	7,485
Subtotal - Capital Grants and Contributions	<u>41,293</u>	<u>47,528</u>	<u>731,281</u>	<u>272,150</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,138,506</u>	<u>1,220,439</u>	<u>1,581,748</u>	<u>1,309,198</u>
Business-type Activities:				
Charges for Services:				
Water	1,053,991	1,025,182	984,545	948,232
Sewer	997,781	1,011,138	911,741	906,509
Storm Sewer	60,455	59,882	58,808	58,023
Operating Grants and Contributions				
Storm Sewer	0	0	16,640	0
Capital Grants and Contributions				
Water	0	0	0	38,099
Sewer	0	0	0	45,040
Storm Sewer	44,200	0	0	112,314
<i>Total Business-type Activities Program Revenues</i>	<u>2,156,427</u>	<u>2,096,202</u>	<u>1,971,734</u>	<u>2,108,217</u>
<i>Total Primary Government Program Revenues</i>	<u>3,294,933</u>	<u>3,316,641</u>	<u>3,553,482</u>	<u>3,417,415</u>
Expenses				
Governmental Activities:				
General Government	644,608	729,108	797,909	749,583
Security of Persons and Property	2,141,061	2,410,912	1,181,505	2,181,540
Transportation	777,193	639,771	854,859	813,188
Leisure Time Activities	99,825	126,669	196,714	143,612
Interest and Fiscal Charges	42,531	45,096	57,345	92,628
<i>Total Governmental Activities Expenses</i>	<u>3,705,218</u>	<u>3,951,556</u>	<u>3,088,332</u>	<u>3,980,551</u>
Business-Type Activities				
Water	741,574	851,549	1,129,232	916,730
Sewer	887,879	1,089,560	1,096,143	1,024,207
Storm Sewer	87,219	80,052	55,941	70,993
<i>Total Business-Type Activities Expenses</i>	<u>1,716,672</u>	<u>2,021,161</u>	<u>2,281,316</u>	<u>2,011,930</u>
<i>Total Primary Government Expenses</i>	<u>5,421,890</u>	<u>5,972,717</u>	<u>5,369,648</u>	<u>5,992,481</u>
Net (Expense)/Revenue				
Governmental Activities	(2,566,712)	(2,731,117)	(1,506,584)	(2,671,353)
Business-Type Activities	439,755	75,041	(309,582)	96,287
<i>Total Primary Government Net Expense</i>	<u>(2,126,957)</u>	<u>(2,656,076)</u>	<u>(1,816,166)</u>	<u>(2,575,066)</u>

2017	2016	2015 (2)	2014	2013	2012
\$38,739	\$43,865	\$16,811	\$23,265	\$12,625	\$65,015
136,847	118,968	131,280	126,494	124,829	132,350
1,284	1,794	306	451	274	1,461
51,440	57,297	43,181	43,346	40,977	43,426
0	0	0	0	0	0
228,310	221,924	191,578	193,556	178,705	242,252
0	0	9,285	17,832	1,323	2,172
41,002	4,065	8,622	46,069	5,293	7,717
334,599	350,761	330,533	351,170	322,892	314,221
4,079	168	41	63	439	243
379,680	354,994	348,481	415,134	329,947	324,353
0	0	0	0	0	0
0	0	0	0	0	0
196,221	2,416,960	20	375,769	765,074	0
2,326	2,751	5,180	11,989	250	75
198,547	2,419,711	5,200	387,758	765,324	75
806,537	2,996,629	545,259	996,448	1,273,976	566,680
931,320	922,925	886,090	855,225	834,882	791,011
901,630	969,515	979,301	860,934	838,437	747,401
52,372	0	0	0	0	0
0	0	0	0	0	0
0	0	0	82	0	0
0	0	0	10,204	0	0
352,701	0	0	0	0	0
2,238,023	1,892,440	1,865,391	1,726,445	1,673,319	1,538,412
3,044,560	4,889,069	2,410,650	2,722,893	2,947,295	2,105,092
968,111	1,055,431	1,016,114	897,594	763,165	690,025
1,894,929	2,027,991	1,811,002	1,743,433	1,592,712	1,401,939
557,060	205,825	507,694	562,997	481,443	439,701
112,419	120,034	123,410	136,787	124,813	140,071
67,326	57,890	56,621	51,445	54,716	57,128
3,599,845	3,467,171	3,514,841	3,392,256	3,016,849	2,728,864
873,302	762,036	680,771	680,780	648,508	608,981
1,002,379	870,450	935,430	786,729	861,574	767,769
79,452	0	0	0	0	0
1,955,133	1,632,486	1,616,201	1,467,509	1,510,082	1,376,750
5,554,978	5,099,657	5,131,042	4,859,765	4,526,931	4,105,614
(2,793,308)	(470,542)	(2,969,582)	(2,395,808)	(1,742,873)	(2,162,184)
282,890	259,954	249,190	258,936	163,237	161,662
(2,510,418)	(210,588)	(2,720,392)	(2,136,872)	(1,579,636)	(2,000,522)

(continued)

City of Canal Fulton, Ohio

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

	2021	2020	2019	2018 (1)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$252,472	\$248,814	\$242,040	\$215,404
Debt Service	111,130	109,729	106,101	103,926
Capital Projects	96,969	96,655	84,597	85,410
Income Taxes levied for:				
General Purposes	2,793,587	2,600,921	2,276,114	2,162,932
Other Purposes	143,988	146,536	163,476	155,323
Grants and Entitlements not Restricted to				
Specific Programs	319,214	146,112	135,532	122,413
Unrestricted Contributions	600	50	4,451	0
Interest	4,381	31,491	104,471	97,077
Gain on Sale of Capital Assets	2,952	0	0	168,058
Other	69,431	197,578	65,133	103,672
<i>Total Governmental Activities</i>	<u>3,794,724</u>	<u>3,577,886</u>	<u>3,181,915</u>	<u>3,214,215</u>
Business-Type Activities				
Interest	2,229	0	0	0
Gain on Sale of Capital Assets	4,906	0	0	0
Other	88,894	57,490	40,700	84,678
<i>Total Business-Type Activities</i>	<u>96,029</u>	<u>57,490</u>	<u>40,700</u>	<u>84,678</u>
<i>Total Primary Government</i>	<u>3,890,753</u>	<u>3,635,376</u>	<u>3,222,615</u>	<u>3,298,893</u>
Transfers				
Governmental Activities	0	0	0	0
Business-Type Activities	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position				
Governmental Activities	1,228,012	846,769	1,675,331	542,862
Business-type Activities	535,784	132,531	(268,882)	180,965
	<u>\$1,763,796</u>	<u>\$979,300</u>	<u>\$1,406,449</u>	<u>\$723,827</u>

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

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

2017	2016	2015 (2)	2014	2013	2012
\$207,001	\$209,304	\$188,988	\$184,963	\$184,194	\$232,614
85,639	91,915	97,869	118,647	95,904	0
89,069	0	0	0	0	111,663
2,305,909	2,037,563	2,327,106	2,139,654	2,099,510	2,051,620
165,590	146,321	167,111	153,652	150,770	147,229
88,763	123,128	119,315	113,121	145,860	133,897
0	0	0	0	0	0
27,022	2,897	4,875	2,178	1,232	80
0	0	15,000	0	0	0
66,737	51,879	61,075	64,497	41,633	63,475
3,035,730	2,663,007	2,981,339	2,776,712	2,719,103	2,740,578
0	0	0	0	0	0
0	0	0	0	0	0
62,210	75,804	6,507	34,289	13,395	3,472
62,210	75,804	6,507	34,289	13,395	3,472
3,097,940	2,738,811	2,987,846	2,811,001	2,732,498	2,744,050
0	0	64,600	(55,000)	(60,000)	(60,000)
0	0	(64,600)	55,000	60,000	60,000
0	0	0	0	0	0
242,422	2,192,465	76,357	325,904	916,230	518,394
345,100	335,758	191,097	348,225	236,632	225,134
\$587,522	\$2,528,223	\$267,454	\$674,129	\$1,152,862	\$743,528

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

	2021	2020	2019	2018
General Fund				
Nonspendable	\$11,676	\$11,676	\$5,547	\$5,547
Assigned	63,922	72,661	37,449	84,712
Unassigned	1,328,537	1,130,951	1,013,272	919,076
Total General Fund	<u>1,404,135</u>	<u>1,215,288</u>	<u>1,056,268</u>	<u>1,009,335</u>
All Other Governmental Funds				
Nonspendable	27,119	27,242	32,535	32,212
Restricted	1,745,355	1,359,711	1,097,741	1,297,131
Committed	714,494	708,209	446,801	409,891
Assigned	0	0	0	1,644
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>2,486,968</u>	<u>2,095,162</u>	<u>1,577,077</u>	<u>1,740,878</u>
Total Governmental Funds	<u>\$3,891,103</u>	<u>\$3,310,450</u>	<u>\$2,633,345</u>	<u>\$2,750,213</u>

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

2017	2016	2015	2014	2013	2012
\$1,956	\$1,956	\$1,956	\$2,825	\$2,825	\$2,825
36,113	64,161	154,679	93,874	3,436	2,509
984,782	890,246	931,960	1,167,137	1,360,605	1,206,894
1,022,851	956,363	1,088,595	1,263,836	1,366,866	1,212,228
27,024	26,722	25,867	25,386	17,868	25,942
1,506,928	1,803,102	1,441,228	741,365	687,320	747,026
305,908	246,618	250,382	170,026	210,813	249,540
1,644	1,644	1,855	33,596	16,071	21,041
(996,274)	0	0	(87,303)	0	0
845,230	2,078,086	1,719,332	883,070	932,072	1,043,549
\$1,868,081	\$3,034,449	\$2,807,927	\$2,146,906	\$2,298,938	\$2,255,777

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

	2021	2020	2019	2018
Revenues				
Property Taxes	\$459,078	\$449,600	\$437,049	\$399,281
Income Taxes	2,885,042	2,787,670	2,430,744	2,320,096
Special Assessments	3,465	2,875	2,700	0
Charges for Services	213,277	184,137	183,907	187,995
Fines, Licenses and Permits	37,883	79,530	23,629	43,304
Intergovernmental	1,140,381	1,133,681	1,503,716	752,953
Interest	4,381	31,491	104,471	97,077
Rent	5,005	2,025	3,110	0
Contributions and Donations	9,879	6,056	8,275	17,499
Other	69,431	197,578	65,133	103,672
<i>Total Revenues</i>	<u>4,827,822</u>	<u>4,874,643</u>	<u>4,762,734</u>	<u>3,921,877</u>
Expenditures				
Current:				
General Government	806,471	790,301	691,029	691,533
Security of Persons and Property	2,021,534	2,157,407	1,924,474	1,947,734
Transportation	583,227	406,934	391,499	415,029
Leisure Time Activities	113,133	102,391	98,600	109,666
Capital Outlay	491,466	432,392	1,480,406	803,384
Debt Service:				
Principal Retirement	235,448	260,805	232,362	220,849
Interest and Fiscal Charges	41,010	47,308	61,232	89,990
Issuance Costs	0	2,486	0	0
<i>Total Expenditures</i>	<u>4,292,289</u>	<u>4,200,024</u>	<u>4,879,602</u>	<u>4,278,185</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>535,533</u>	<u>674,619</u>	<u>(116,868)</u>	<u>(356,308)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	45,120	0	0	173,058
Refunding Bonds Issued	0	402,984	0	415,577
Payment to Refunding Bond Escrow Agent	0	(400,498)	0	0
Inception of Capital Lease	0	0	0	580,340
Notes Issued	0	0	0	0
Premium on Note Issuance	0	0	0	0
Transfers In	2,300,000	2,148,000	1,984,025	2,999,248
Transfers Out	(2,300,000)	(2,148,000)	(1,984,025)	(2,999,248)
<i>Total Other Financing Sources (Uses)</i>	<u>45,120</u>	<u>2,486</u>	<u>0</u>	<u>1,168,975</u>
<i>Net Change in Fund Balances</i>	<u>\$580,653</u>	<u>\$677,105</u>	<u>(\$116,868)</u>	<u>\$812,667</u>
Debt Service as a Percentage of Noncapital Expenditures (1)	7.5%	9.3%	8.3%	9.1%

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

2017	2016	2015	2014	2013	2012
\$383,734	\$299,717	\$286,690	\$303,213	\$281,651	\$340,925
2,350,351	2,440,861	2,432,858	2,266,371	2,240,289	2,209,364
0	0	0	0	0	0
190,094	171,885	177,251	171,066	176,795	170,362
38,216	50,039	14,327	22,490	11,531	70,872
717,700	2,890,064	518,265	853,520	1,228,594	479,962
27,022	3,185	4,875	2,178	1,232	80
0	0	0	0	0	0
10,255	3,684	3,579	4,572	6,624	4,698
66,737	51,879	61,075	64,497	41,633	63,475
<u>3,784,109</u>	<u>5,911,314</u>	<u>3,498,920</u>	<u>3,687,907</u>	<u>3,988,349</u>	<u>3,339,738</u>
897,086	1,026,444	970,280	806,201	697,133	619,642
1,756,630	1,827,881	1,706,800	1,627,886	1,497,832	1,303,885
586,499	496,842	554,821	335,527	341,090	292,365
106,870	96,704	98,481	110,282	99,009	115,295
409,955	2,031,999	577,517	901,987	1,116,792	281,740
1,105,799	1,123,953	95,818	88,241	77,576	68,546
87,638	60,371	48,700	52,542	55,756	57,045
0	6,400	7,460	0	0	0
<u>4,950,477</u>	<u>6,670,594</u>	<u>4,059,877</u>	<u>3,922,666</u>	<u>3,885,188</u>	<u>2,738,518</u>
<u>(1,166,368)</u>	<u>(759,280)</u>	<u>(560,957)</u>	<u>(234,759)</u>	<u>103,161</u>	<u>601,220</u>
0	0	15,000	0	0	0
0	0	0	0	0	0
0	0	0	137,727	0	0
0	0	134,918	0	0	93,047
0	1,000,000	1,000,000	0	0	0
0	6,400	7,460	0	0	0
1,791,200	1,776,600	1,828,940	1,627,000	1,463,000	1,290,000
<u>(1,791,200)</u>	<u>(1,776,600)</u>	<u>(1,764,340)</u>	<u>(1,682,000)</u>	<u>(1,523,000)</u>	<u>(1,350,000)</u>
<u>0</u>	<u>1,006,400</u>	<u>1,221,978</u>	<u>82,727</u>	<u>(60,000)</u>	<u>33,047</u>
<u>(\$1,166,368)</u>	<u>\$247,120</u>	<u>\$661,021</u>	<u>(\$152,032)</u>	<u>\$43,161</u>	<u>\$634,267</u>
28.5%	29.4%	4.5%	4.5%	4.8%	5.1%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2021	\$82,802,100	\$28,008,210	\$316,600,886	\$2,326,840	\$9,307,360
2020	81,602,610	27,855,630	312,737,829	2,185,560	8,742,240
2019	80,144,960	27,888,470	308,666,943	2,009,780	8,039,120
2018	71,388,160	23,213,080	270,289,257	1,936,070	7,744,280
2017	70,381,950	22,898,350	266,515,143	1,805,160	7,220,640
2016	69,985,570	22,700,260	264,816,657	1,656,380	6,625,520
2015	62,658,180	21,382,750	240,116,943	1,560,960	6,243,840
2014	61,875,110	21,604,180	238,512,257	1,432,390	5,729,560
2013	61,758,210	21,178,040	236,960,714	1,308,760	5,235,040
2012	71,120,910	23,447,950	270,196,744	1,193,020	4,772,080

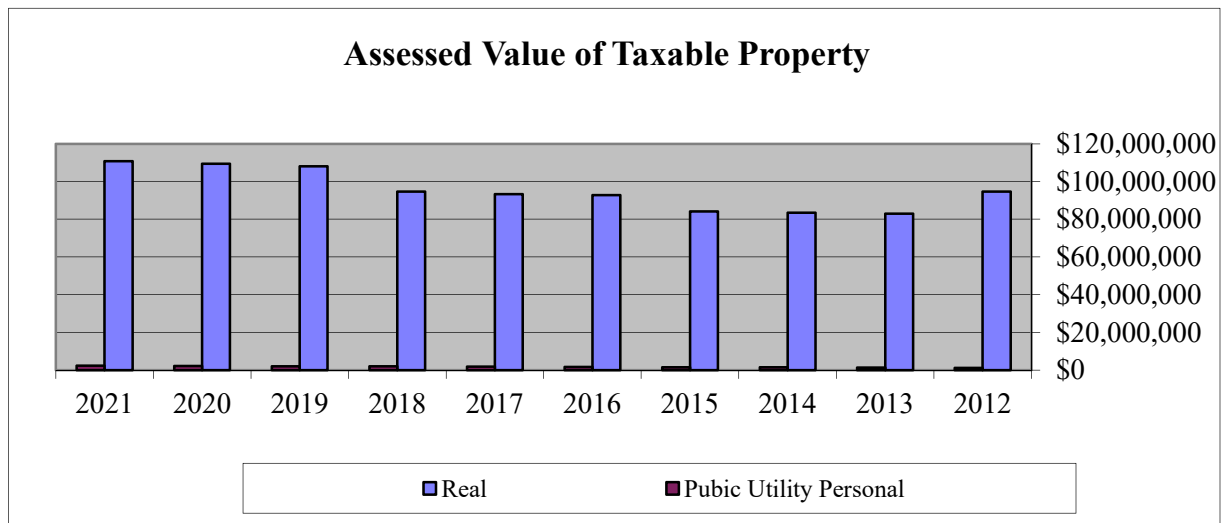
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

The tangible personal property values associated with each year were the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Source: Stark County Auditor

Assessed Value	Total		Direct Tax Rate
	Estimated Actual Value	Ratio	
\$113,137,150	\$325,908,246	34.71%	\$4.60
111,643,800	321,480,069	34.71	4.60
110,043,210	316,706,063	34.75	4.60
96,537,310	278,033,537	34.72	4.60
95,085,460	273,735,783	34.74	4.70
94,342,210	271,442,177	34.76	4.60
85,601,890	246,360,783	34.75	3.80
84,911,680	244,241,817	34.77	4.10
84,245,010	242,195,754	34.78	3.80
95,761,880	274,968,823	34.83	3.70



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

	2021	2020	2019	2018
Unvoted Millage				
Operating	\$2.5000	\$2.5000	\$2.5000	\$2.5000
Debt	1.1000	1.1000	1.1000	1.1000
Capital Projects	1.0000	1.0000	1.0000	1.0000
Total Unvoted Millage	\$4.6000	\$4.6000	\$4.6000	\$4.6000
Overlapping Rates by Taxing District				
Northwest Local School District				
Residential/Agricultural Real	\$29.6000	\$29.6000	\$30.5000	\$31.6000
Commercial/Industrial and Public Utility Real	29.6648	29.6648	30.7693	31.7305
General Business and Public Utility Personal	52.4000	52.4000	53.3000	54.4000
Stark County JVSD				
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000
Commercial/Industrial and Public Utility Real	2.0000	2.0000	2.0000	2.0000
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000
Stark County				
Residential/Agricultural Real	8.2811	8.2811	8.0589	8.0803
Commercial/Industrial and Public Utility Real	9.0099	9.0091	8.8684	8.7898
General Business and Public Utility Personal	11.5000	11.5000	11.5000	11.5000
Canal Fulton Library				
Residential/Agricultural Real	1.5489	0.7743	0.7969	0.8004
Commercial/Industrial and Public Utility Real	1.6710	0.8347	0.8448	0.8366
General Business and Public Utility Personal	2.0000	1.0000	1.0000	1.0000
Stark County Parks				
Residential/Agricultural Real	0.8204	0.8204	0.8237	0.8267
Commercial/Industrial and Public Utility Real	0.8376	0.8376	0.8467	0.8367
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000

Source: Ohio Department of Taxation

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

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

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

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

2017	2016	2015	2014	2013	2012
\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000
1.2000	2.1000	1.3000	1.6000	1.3000	1.2000
1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>\$4.7000</u>	<u>\$4.6000</u>	<u>\$3.8000</u>	<u>\$4.1000</u>	<u>\$3.8000</u>	<u>\$3.7000</u>

\$32.6561	\$33.2000	\$35.8668	\$35.8785	\$36.0069	\$32.4480
35.0735	35.0700	36.6052	36.5338	36.5711	32.5809
55.0000	55.1000	56.0000	56.0000	56.1000	55.0000

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

8.6770	8.7200	9.2924	9.3007	9.3131	8.9180
9.6374	9.6100	10.0762	10.0757	10.0727	9.5921
11.5000	11.5000	11.5000	11.5000	11.5000	11.5000

0.8846	0.9100	1.9977	1.9971	0.9955	0.9668
0.9737	0.9700	2.0000	1.9986	1.0000	0.8522
1.0000	1.0000	2.0000	2.0000	1.0000	1.0000

0.9106	0.9200	0.9971	0.9986	1.0000	0.5000
0.9443	0.9400	1.0000	1.0000	1.0000	0.5000
1.0000	1.0000	1.0000	1.0000	1.0000	0.5000

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

Year	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2021	\$506,583	\$496,836	98.08 %	\$11,986	\$508,822
2020	500,254	488,257	97.60	10,310	498,567
2019	493,267	476,071	96.51	10,453	486,524
2018	453,161	436,658	96.36	9,419	446,077
2017	437,470	422,071	96.48	7,262	429,333
2016	339,632	335,105	98.67	6,460	341,565
2015	325,287	320,379	98.49	7,339	327,718
2014	348,138	341,300	98.04	7,846	349,146
2013	320,428	315,135	98.35	7,804	322,939
2012	354,319	348,580	98.38	36,380	384,960

Source: Stark County Fiscal Officer

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

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

<u>Percentage of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
100.44 %	\$19,433	3.84 %
99.66	17,940	3.59
98.63	12,241	2.48
98.44	16,653	3.67
98.14	14,731	3.37
100.57	12,554	3.70
100.75	10,843	3.33
100.29	10,675	3.07
100.78	10,278	3.21
108.65	11,080	3.13

City of Canal Fulton, Ohio
Principal Real Estate Property Taxpayers
2021 and 2012

<i>2021</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Real Property Assessed Valuation
Schalmo Properties, Incorporated	\$4,673,650	4.22 %
United Church Homes, Incorporated	2,099,520	1.89
G & B Properties, Incorporated	1,429,520	1.29
Centennial Apartments, LTD	1,400,040	1.26
Avalon Food Service, Incorporated	1,192,560	1.08
Campbell Oil Company	770,840	0.70
Vandenberg E.K.	736,720	0.66
KHELP Properties, LTD	617,380	0.56
Exchangeright Net Leased Portfolio 33	573,100	0.52
Willison Realty, LLC	558,220	0.50
Total	\$14,051,550	12.68 %
Total Real Property Assessed Valuation	\$110,810,310	

<i>2012</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Real Real Assessed Valuation
Schalmo Properties, Incorporated	\$5,126,620	5.42 %
Avalon Food Service, Incorporated	1,115,210	1.18
United Church Homes, Incorporated	988,390	1.05
KHELP Properties, LTD	692,930	0.73
Vandenberg E.K.	620,260	0.66
Centennial Apartments, LTD	612,540	0.65
G & B Properties, Incorporated	560,250	0.59
CFO Realty Associates	470,760	0.49
McCully Properties	422,900	0.45
Elm Ridge Ave Realty, LLC	421,400	0.44
Total	\$11,031,260	11.66 %
Total Real Property Assessed Valuation	\$94,568,860	

Source: Stark County Auditor

(1) The amounts presented represent the assessed values upon which 2021 and 2012 collections were based.

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

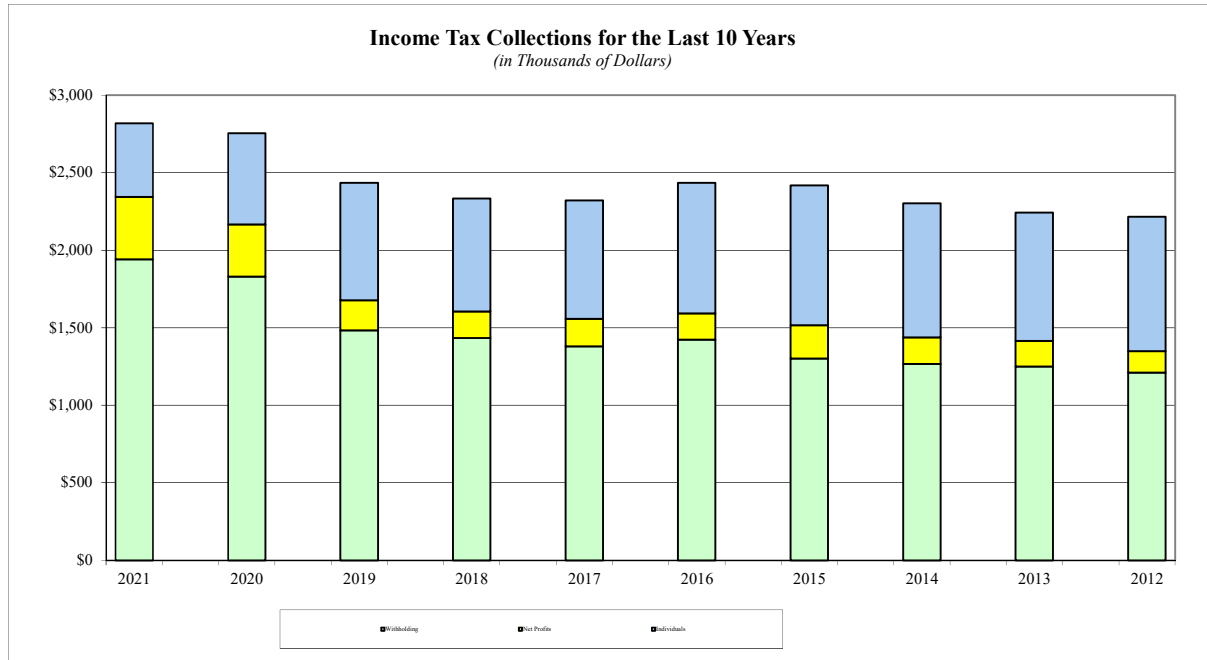
Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2021	2.00%	\$2,819,166	\$1,940,150	68.82%	\$403,141	14.30%	\$475,875	16.88%
2020	2.00	2,754,980	1,830,459	66.44	335,091	12.16	589,430	21.40
2019	1.50	2,434,570	1,481,923	60.87	194,279	7.98	758,368	31.15
2018	1.50	2,333,274	1,434,264	61.47	170,562	7.31	728,448	31.22
2017	1.50	2,320,166	1,380,269	59.49	176,184	7.59	763,713	32.92
2016	1.50	2,434,787	1,424,034	58.49	168,704	6.93	842,049	34.58
2015	1.50	2,418,629	1,300,300	53.76	216,211	8.94	902,118	37.30
2014	1.50	2,303,383	1,265,245	54.93	171,789	7.46	866,349	37.61
2013	1.50	2,243,532	1,248,925	55.67	166,361	7.42	828,246	36.92
2012	1.50	2,215,042	1,211,004	54.67	138,164	6.24	865,874	39.09

Source: City Income Tax Department

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

(2) Gross Collections - Cash Basis of Accounting

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



City of Canal Fulton, Ohio

Legal Debt Margin

Last Ten Years

	2021	2020	2019	2018
Total Assessed Property Value	<u>\$113,137,150</u>	<u>\$111,643,800</u>	<u>\$110,043,210</u>	<u>\$96,537,310</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$11,879,401</u>	<u>\$11,722,599</u>	<u>\$11,554,537</u>	<u>\$10,136,418</u>
Debt Outstanding:				
Various Purpose General Obligation Bonds	1,103,000	1,243,000	1,370,000	1,490,000
Water Improvement Enterprise Bonds	200,000	245,000	285,000	325,000
Various Purpose Notes	0	0	0	0
OPWC Loans	<u>1,422,636</u>	<u>1,250,685</u>	<u>1,399,642</u>	<u>1,548,602</u>
Total Gross Indebtedness	2,725,636	2,738,685	3,054,642	3,363,602
Less:				
OPWC Loans	(1,422,636)	(1,250,685)	(1,399,642)	(1,548,602)
Various Purpose Notes	0	0	0	0
Amount Available in Debt Service	<u>(32,404)</u>	<u>(18,236)</u>	<u>(38,193)</u>	<u>(21,722)</u>
Total Net Debt Applicable to Debt Limit	<u>1,270,596</u>	<u>1,469,764</u>	<u>1,616,807</u>	<u>1,793,278</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$10,608,805</u>	<u>\$10,252,835</u>	<u>\$9,937,730</u>	<u>\$8,343,140</u>
Legal Debt Margin as a Percentage of the Debt Limit	89.30%	87.46%	86.01%	82.31%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$6,222,543</u>	<u>\$6,140,409</u>	<u>\$6,052,377</u>	<u>\$5,309,552</u>
Total Gross Indebtedness	2,725,636	2,738,685	3,054,642	3,363,602
Less:				
Total Debt Outside Limitations	(1,422,636)	(1,250,685)	(1,399,642)	(1,548,602)
Amount Available in Debt Service	<u>(32,404)</u>	<u>(18,236)</u>	<u>(38,193)</u>	<u>(21,722)</u>
Net Debt Within 5 ½ % Limitations	<u>1,270,596</u>	<u>1,469,764</u>	<u>1,616,807</u>	<u>1,793,278</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$4,951,947</u>	<u>\$4,670,645</u>	<u>\$4,435,570</u>	<u>\$3,516,274</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	79.58%	76.06%	73.29%	66.23%

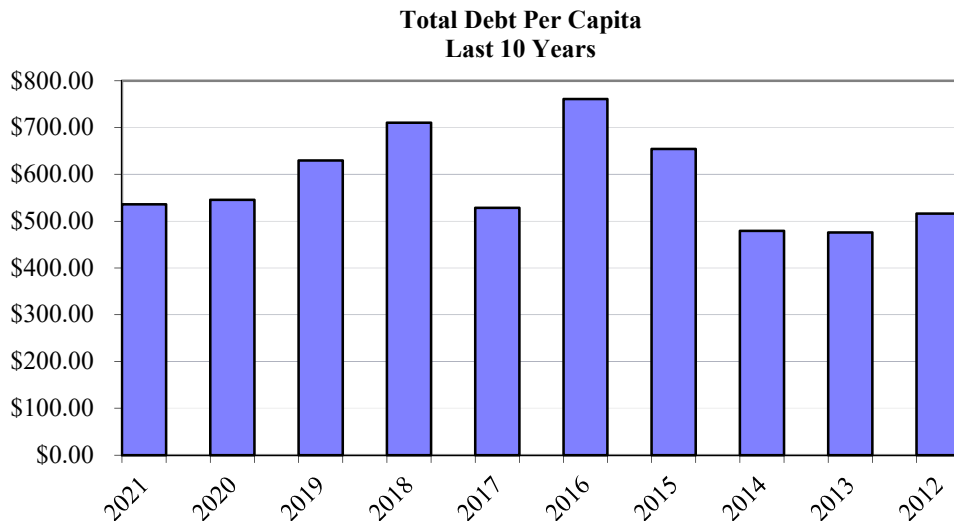
Source: City Financial Records

2017	2016	2015	2014	2013	2012
<u>\$95,085,460</u>	<u>\$94,342,210</u>	<u>\$85,601,890</u>	<u>\$84,911,680</u>	<u>\$84,245,010</u>	<u>\$95,761,880</u>
<u>\$9,983,973</u>	<u>\$9,905,932</u>	<u>\$8,988,198</u>	<u>\$8,915,726</u>	<u>\$8,845,726</u>	<u>\$10,054,997</u>
745,000	815,000	885,000	955,000	1,025,000	1,085,000
365,000	400,000	435,000	470,000	505,000	535,000
1,730,000	1,000,000	1,000,000	0	0	0
<u>1,697,558</u>	<u>1,821,273</u>	<u>1,084,526</u>	<u>1,141,090</u>	<u>1,000,932</u>	<u>1,113,368</u>
4,537,558	4,036,273	3,404,526	2,566,090	2,530,932	2,733,368
(1,697,558)	(1,821,273)	(1,084,526)	(1,141,090)	(1,000,932)	(1,113,368)
(1,730,000)	(1,000,000)	(1,000,000)	0	0	0
<u>(22,649)</u>	<u>(26,085)</u>	<u>(28,080)</u>	<u>(33,598)</u>	<u>(16,072)</u>	<u>(21,041)</u>
<u>1,087,351</u>	<u>1,188,915</u>	<u>1,291,920</u>	<u>1,391,402</u>	<u>1,513,928</u>	<u>1,598,959</u>
<u>\$8,896,622</u>	<u>\$8,717,017</u>	<u>\$7,696,278</u>	<u>\$7,524,324</u>	<u>\$7,331,798</u>	<u>\$8,456,038</u>
89.11%	88.00%	85.63%	84.39%	82.89%	84.10%
<u>\$5,229,700</u>	<u>\$5,188,822</u>	<u>\$4,708,104</u>	<u>\$4,670,142</u>	<u>\$4,633,476</u>	<u>\$5,266,903</u>
4,537,558	4,036,273	3,404,526	2,566,090	2,530,932	2,733,368
(1,697,558)	(1,821,273)	(1,084,526)	(1,141,090)	(1,000,932)	(1,113,368)
<u>(22,649)</u>	<u>(26,085)</u>	<u>(28,080)</u>	<u>(33,598)</u>	<u>(16,072)</u>	<u>(21,041)</u>
<u>2,817,351</u>	<u>2,188,915</u>	<u>2,291,920</u>	<u>1,391,402</u>	<u>1,513,928</u>	<u>1,598,959</u>
<u>\$2,412,349</u>	<u>\$2,999,907</u>	<u>\$2,416,184</u>	<u>\$3,278,740</u>	<u>\$3,119,548</u>	<u>\$3,667,944</u>
46.13%	57.81%	51.32%	70.21%	67.33%	69.64%

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

Governmental Activities				
Year	General Obligation Bonds	Bond Anticipation Notes	OPWC Loans	Capital Leases
2021	\$759,152	\$0	\$0	\$124,111
2020	874,974	0	0	244,373
2019	984,348	0	0	388,984
2018	1,085,035	0	0	521,296
2017	750,095	0	0	81,805
2016	820,731	1,006,400	123,954	117,604
2015	891,368	1,007,460	130,841	164,670
2014	962,005	0	137,727	48,684
2013	1,032,642	0	0	66,925
2012	1,093,279	0	0	84,501

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



Business-Type Activities

Water Utility Bonds	General Obligation Bonds	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
\$200,766	\$346,396	\$1,422,636	\$2,853,061	1.77 %	\$535.79
246,021	371,210	1,250,685	2,987,263	2.48	545.22
286,276	389,473	1,399,642	3,448,723	2.87	629.44
326,531	409,423	1,548,602	3,890,887	3.24	710.15
366,787	0	1,697,558	2,896,245	2.41	528.61
402,043	0	1,697,319	4,168,051	3.47	760.73
437,298	0	953,685	3,585,322	2.98	654.38
472,554	0	1,003,363	2,624,333	2.18	478.98
507,809	0	1,000,932	2,608,308	2.17	476.06
538,064	0	1,113,368	2,829,212	2.35	516.37

City of Canal Fulton, Ohio
*Ratio of General Obligation Bonded Debt to Estimated
 Actual Value and Bonded Debt Per Capita
 Last Ten Years*

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2021	5,325	\$325,908,246	\$1,306,314	0.40 %	\$245
2020	5,479	321,480,069	1,492,205	0.46	272
2019	5,479	316,706,063	1,660,097	0.52	303
2018	5,479	278,033,537	1,820,989	0.65	332
2017	5,479	273,735,783	1,116,882	0.41	204
2016	5,479	271,442,177	1,222,774	0.45	223
2015	5,479	246,360,783	1,328,666	0.54	243
2014	5,479	244,241,817	1,434,559	0.59	262
2013	5,479	242,195,754	1,540,451	0.64	281
2012	5,479	274,968,823	1,631,343	0.59	298

(1) U. S. Bureau of Census, Census of Population. 2021 from 2020 Federal Census; 2012-2020 from 2010 Federal Census.

(2) Stark County Auditor

(3) Includes all general obligation bonded debt.

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

City of Canal Fulton, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2021

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Canal Fulton			
General Obligation Bonds	\$759,152	100 %	\$759,152
Capital Leases	124,111	100	124,111
<i>Total Direct Debt</i>	<u>883,263</u>		<u>883,263</u>
Overlapping			
Northwest Local School District			
General Obligation Bonds	10,752,858	35.30	3,795,759
Stark County			
General Obligation Bonds	11,775,000	1.31	154,253
Wayne Public Library District			
General Obligation Bonds	1,660,000	3.08	51,128
<i>Total Overlapping Debt</i>	<u>24,187,858</u>		<u>4,001,139</u>
Total	<u><u>\$25,071,121</u></u>		<u><u>\$4,884,402</u></u>

Source: Stark County Auditor

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

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

Year	Water Operating Revenues	Water Operating Expenses (1)	Net Available Revenues	Principal (2)	Coverage
2021	\$1,104,884	\$526,256	\$578,628	\$94,668	6.11
2020	1,054,640	660,867	393,773	89,991	4.38
2019	998,428	927,100	71,328	89,991	0.79
2018	989,301	711,472	277,829	89,991	3.09
2017	971,931	688,252	283,679	89,991	3.15
2016	957,241	618,596	338,645	46,612	7.27
2015	886,553	535,285	351,268	57,750	6.08
2014	886,075	536,165	349,910	68,892	5.08
2013	840,874	506,507	334,367	68,893	4.85
2012	792,812	449,424	343,388	68,893	4.98

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

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

Source: City financial records

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

Year	Sewer Operating Revenues	Sewer Operating Expenses (1)	Net Available Revenues	Principal (2)	Coverage
2021	\$1,033,410	\$689,063	\$344,347	\$52,080	6.61
2020	1,039,004	894,811	144,193	52,080	2.77
2019	938,459	890,431	48,028	52,082	0.92
2018	950,118	822,236	127,882	52,080	2.46
2017	923,229	807,406	115,823	52,081	2.22
2016	1,011,003	686,562	324,441	52,080	6.23
2015	985,345	767,950	217,395	47,812	4.55
2014	864,373	634,295	230,078	43,543	5.28
2013	845,840	711,765	134,075	43,543	3.08
2012	749,072	616,552	132,520	43,544	3.04

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

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

Source: City financial records

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

Year	Storm Sewer Operating Revenues	Storm Sewer Operating Expenses (1)	Net Available Revenues	Principal (2)	Coverage
2021	\$62,827	\$31,354	\$31,473	\$6,886	4.57
2020	60,048	29,871	30,177	6,886	4.38
2019	58,907	5,877	53,030	6,887	7.70
2018	58,023	27,669	30,354	6,885	4.41
2017	52,372	26,291	26,081	6,887	3.79
2016	0	0	0	0	0.00
2015	0	0	0	0	0.00
2014	0	0	0	0	0.00
2013	0	0	0	0	0.00
2012	0	0	0	0	0.00

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

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

Source: City financial records

City of Canal Fulton, Ohio

Principal Employers

2021 and 2012

2021	
<u>Employer</u>	<u>Employees</u>
Northwest Local School District	356
Echoing Hills Village, Incorporated	275
United Church Homes, Incorporated	245
City of Canal Fulton	116
Skipco Financial Adjusters, Incorporated	111
Avalon Foodservice, Incorporated	92
Bell Stores, Incorporated	91
YMCA of Central Stark County	80
Blind & Son, LLC	75
Canal Fulton Specialty Meats	<u>68</u>
Total	<u><u>1,509</u></u>
Total Employment within the City	<u><u>3,721</u></u>

2012	
<u>Employer</u>	<u>Employees</u>
Northwest Local School District	427
Echoing Hills Village, Incorporated	280
United Church Homes, Incorporated	246
Skipco Financial Adjusters, Incorporated	131
City of Canal Fulton	100
Communication Exhibits, Incorporated	94
Hydrochem Industrial Services, Incorporated	94
Tomtreycos, Incorporated	85
Avalon Foodservice, Incorporated	74
ZVN Properties, Incorporated	<u>72</u>
Total	<u><u>1,603</u></u>
Total Employment within the City	<u><u>3,567</u></u>

Source: City Records

N/A - Information not available

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2021	5,325	\$161,613,750	\$30,350	\$48,908	43.4
2020	5,479	120,214,739	21,941	50,332	40.3
2019	5,479	120,214,739	21,941	50,332	40.3
2018	5,479	120,214,739	21,941	50,332	40.3
2017	5,479	120,214,739	21,941	50,332	40.3
2016	5,479	120,214,739	21,941	50,332	40.3
2015	5,479	120,214,739	21,941	50,332	40.3
2014	5,479	120,214,739	21,941	50,332	40.3
2013	5,479	120,214,739	21,941	50,332	40.3
2012	5,479	120,214,739	21,941	50,332	40.3

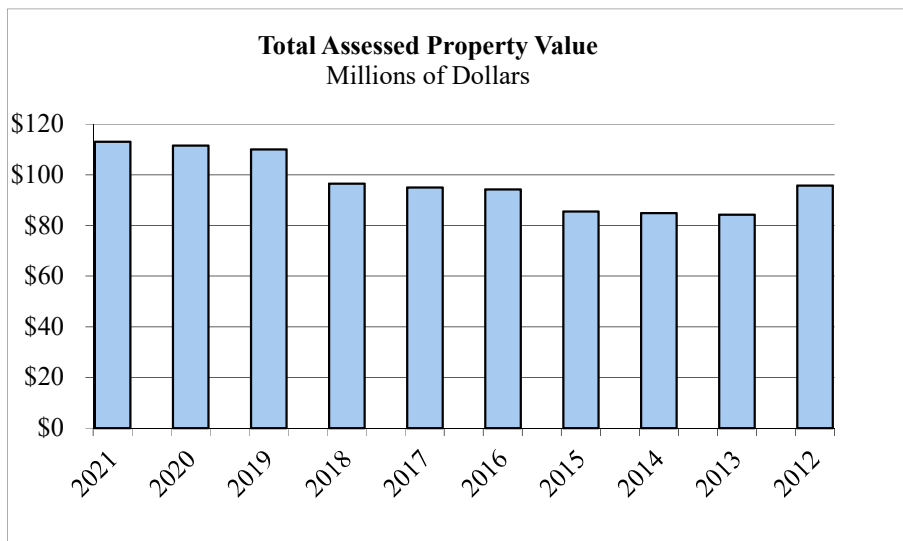
(1) Source: U. S. Census - 2021 from 2020 Federal Census; 2012-2020 from 2010 Federal Census

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

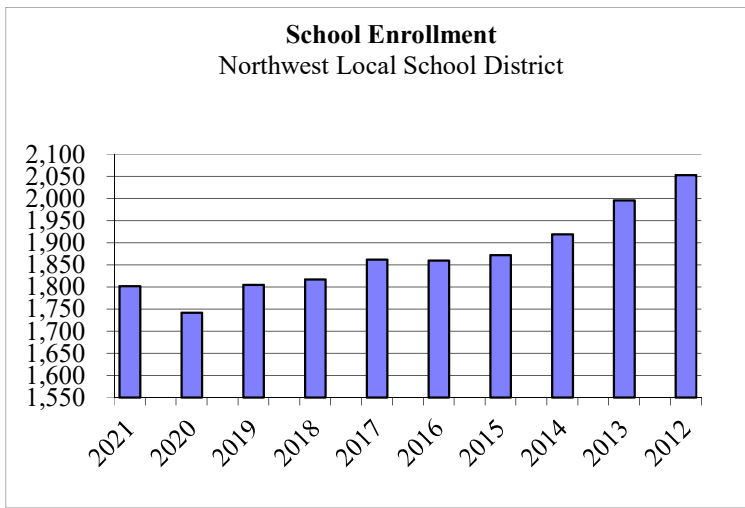
(3) Source: Ohio Department of Job and Family Services & Stark County Annual Comprehensive Financial Report.

(4) Source: Stark County Auditor's Office

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



Educational Attainment: Bachelor's Degree or Higher (1)	Public School Enrollment (2)	Stark County Unemployment Rate (3)	Total Assessed Property Value (4)
27.2 %	1,802	3.6 %	\$113,137,150
20.5	1,742	4.4	111,643,800
20.5	1,805	4.4	110,043,210
20.5	1,817	5.2	96,537,310
20.5	1,862	5.0	95,085,460
20.5	1,860	5.2	94,342,210
20.5	1,872	5.3	85,601,890
20.5	1,919	4.8	84,911,680
20.5	1,996	6.8	84,245,010
20.5	2,053	7.3	95,761,880



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

Function/Program	2021	2020	2019	2018
General Government				
Council	3.00	3.00	3.00	3.00
Administration	3.00	3.00	3.00	3.00
Finance	3.50	4.50	3.50	3.50
Law	1.50	1.50	0.50	0.50
Community Service	0.00	0.50	0.50	0.50
Other	0.00	0.00	1.20	2.70
Security of Persons and Property				
Police	13.50	14.00	14.00	13.00
Fire	32.50	36.00	27.50	27.00
Leisure Time Activities				
Recreation and Parks	3.50	1.80	1.10	1.10
Canal Boat	0.00	0.00	3.00	3.00
Transportation				
Streets	4.00	5.00	4.00	4.00
Utilities				
Water	3.50	3.50	3.50	3.50
Sewer	3.50	3.50	3.50	3.50
Totals:	<u>71.50</u>	<u>76.30</u>	<u>68.30</u>	<u>68.30</u>

Source: City Payroll Department W2 Listing

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

2017	2016	2015	2014	2013	2012
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	4.00	4.00	4.00
3.50	3.50	3.50	3.50	4.00	3.50
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
0.90	1.50	1.80	1.80	1.80	0.00
12.00	12.50	12.50	12.50	13.50	13.50
23.50	23.00	21.00	20.50	21.00	14.50
1.30	1.40	1.40	1.40	1.40	2.30
3.30	2.70	3.30	3.60	3.30	2.40
4.00	4.00	4.00	4.00	4.00	5.50
3.50	3.75	3.75	3.75	3.50	3.50
3.50	3.75	3.75	3.75	3.50	3.50
<u>62.50</u>	<u>63.10</u>	<u>62.00</u>	<u>62.80</u>	<u>64.00</u>	<u>56.70</u>

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

Function/Program	2021	2020	2019	2018
General Government				
<i>Council and Clerk</i>				
Number of ordinances proposed	40	36	43	53
Number of resolutions proposed	22	17	16	32
<i>Finance Department</i>				
Value of payments issued (1)	\$6,824,180	\$6,423,693	\$6,854,906	\$10,204,363
General fund interest earnings for fiscal year (cash basis)	\$4,095	\$29,211	\$99,156	\$92,764
Number of receipt transactions processed (1)	1,893	1,729	1,774	1,808
General fund receipts (cash basis in thousands)	\$3,147	\$3,136	\$2,792	\$2,676
General fund expenditures/net financing (cash basis in thousands)	\$3,222	\$3,096	\$2,787	\$2,972
Ending general fund balance (cash basis in thousands)	\$671	\$665	\$566	\$541
<i>Income Tax Department</i>				
Number of annual withholding forms processed	4,323	3,945	4,477	5,065
Number of business net profit forms processed	333	324	364	386
Number of individual returns processed	1,945	2,174	2,802	2,887
Amount of penalties and interest collected	\$11,612	\$9,785	\$59,415	\$67,675
Annual number of balance due/estimated payment forms processed	852	953	2,342	2,700
Annual number of reconciliations of withholdings processed	609	546	689	710
Security of Persons and Property				
<i>Police</i>				
Number of traffic stops	1,361	1,260	2,482	2,104
Number of arrests	130	78	127	133
DUI arrests	38	15	21	23
Motor vehicle accidents	81	89	100	114
<i>Fire</i>				
EMS calls for service	600	526	675	617
Fire calls for service	196	216	274	239
Fire safety inspections	12	64	183	120
Number of times mutual aid given	2	9	18	32
Number of times mutual aid received	18	23	11	63
Transportation				
Street resurfacing (miles)	4.15	0	1.02	2.40
Tons of salt used	736	400	775	882
Utilities				
<i>Water</i>				
Minimum water rate	\$21.01	\$20.80	\$20.41	\$19.97
Rate per thousand gallons used	\$2.50	\$2.47	\$2.43	\$2.38
Number of water accounts (1)	2,229	2,160	2,128	2,109
Total water collections (2)	\$987,087	\$971,594	\$963,333	\$948,741
<i>Sewer</i>				
Minimum sewer rate	\$20.50	\$20.30	\$19.92	\$19.49
Rate per thousand gallons used	\$3.04	\$3.01	\$2.95	\$2.89
Number of sewer accounts (1)	2,176	2,038	2,007	1,990
Total sewer collections (2)	\$862,980	\$854,361	\$826,518	\$814,079

Source: City Records (unless otherwise noted)

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

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

2017	2016	2015	2014	2013	2012
39	36	35	31	32	44
35	29	41	32	33	31
\$7,305,062	\$9,069,803	\$5,785,401	\$5,562,203	\$5,489,015	\$4,082,749
\$25,727	\$4,640	\$4,302	\$1,022	\$764	\$72
1,752	1,727	1,695	1,647	1,533	1,552
\$2,565	\$2,649	\$2,591	\$2,498	\$2,439	\$2,552
\$2,578	\$2,647	\$2,382	\$2,571	\$2,729	\$2,007
\$778	\$770	\$768	\$559	\$632	\$923
6,471	5,756	4,230	3,807	3,767	3,342
399	438	494	442	441	427
3,195	3,041	3,353	3,384	3,213	3,123
\$62,649	\$56,291	\$63,374	\$54,432	\$62,453	\$48,691
2,588	2,385	1,726	1,861	1,956	1,919
712	676	699	652	639	597
1,575	1,041	1,237	1,596	1,636	1,417
140	106	119	133	159	208
17	19	29	22	34	42
116	115	120	97	113	108
596	602	859	795	804	713
269	270	379	402	358	315
165	206	154	147	155	130
28	16	29	27	20	16
58	18	54	60	31	18
2.63	2.56	3.81	3.00	3.63	3.76
392	384	877	563	392	636
\$19.66	\$19.50	\$18.75	\$17.50	\$16.25	\$15.00
\$2.34	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32
2,158	2,075	2,122	2,105	2,040	2,188
\$929,492	\$916,961	\$879,656	\$856,655	\$807,497	\$781,055
\$19.18	\$19.03	\$18.03	\$16.53	\$15.33	\$13.83
\$2.84	\$2.82	\$2.82	\$2.82	\$2.82	\$2.82
2,023	1,957	1,963	2,019	1,912	2,052
\$797,063	\$790,189	\$758,970	\$739,134	\$692,142	\$665,795

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

Function/Program	2021	2020	2019	2018
General Government				
Buildings	3	3	3	3
Vehicles	2	2	2	2
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	15	18	15	14
Fire				
Stations	2	2	2	2
Vehicles	7	11	10	9
Leisure Time Activities				
Recreation				
Buildings	7	7	7	7
Vehicles	0	0	0	0
Transportation				
Service				
Buildings	3.3	3.3	3.3	3.3
Vehicles	9	10	10	9
Utilities				
Water				
Buildings	1.3	1.3	1.3	1.3
Vehicles	7.5	8.5	8.5	7.5
Sewer				
Buildings	10.3	10.3	10.3	10.3
Vehicles	7.5	8.5	8.5	7.5

Source: City Records

2017	2016	2015	2014	2013	2012
4 2	4 2	4 2	4 2	4 2	4 2
1 12	1 11	1 10	1 11	1 11	1 9
2 8	2 8	2 8	2 8	2 8	2 8
7 0	7 0	7 0	7 0	7 0	7 0
3 8	3 7	3 6	3 6	3 6	3 6
1 7	1 7	1 9	1 8	1 7	1 7
10 7	10 7	10 9	10 7	10 6	10 6

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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

REGULAR AUDIT

FOR YEAR ENDED DECEMBER 31, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canal Fulton, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 22, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings and responses as item 2021-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of audit findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 22, 2022

Finding 2021-001: Financial Reporting

We identified certain items reported by the City within the Police Fund which ultimately resulted in audit adjustments being posted to the final financial statements. Audit adjustments were proposed, and subsequently posted to the financial statements by the City, to record accounts payable not initially reported in the police fund during the preparation process as well as correct the allocation of components of income tax receivable between the general and police fund. Other adjustments, which were not significant to any opinion unit were also noted during the audit and corrected by the City in the final financial statements.

We recommend the City work with the its third-party preparer to help ensure the final financial statements presented for audit are properly stated.

Management's Response: The City concurred with the audit adjustments proposed and posted them to the 2021 financial statements. The City will continue to improve financial reporting procedures to ensure such issues are not repeated in the future.

Finding 2020-001: Financial Reporting

Audit adjustments were necessary to correct an overstatement of income taxes receivable for the year, to record an intergovernmental receivable for a reimbursement grant for which the City made qualifying expenditures prior to the end of the year, to reduce intergovernmental receivable in another fund in which the City did not make qualifying expenditures prior to year-end, and adjustments to the budgetary amounts within the budgetary comparison statement and schedules which did not originally include all appropriation amendments.

Status: Comment repeated for different issues in current audit. See Finding 2021-001.



OHIO AUDITOR OF STATE KEITH FABER



CITY OF CANAL FULTON

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/26/2022

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