



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**CITY OF NORTH CANTON  
STARK COUNTY  
SINGLE AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2022**



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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Members of Council  
City of North Canton  
145 North Main Street  
North Canton, Ohio 44720

We have reviewed the *Independent Auditor's Report* of the City of North Canton, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 06, 2023

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CITY OF NORTH CANTON  
STARK COUNTY

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2023, wherein we noted that the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

***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 purposes of expressing our opinion 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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

**Perry and Associates**  
Certified Public Accountants, A.C.  
*Marietta, Ohio*

June 30, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED  
BY THE UNIFORM GUIDANCE**

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

To the City Council:

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the **City of North Canton's** (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on City of North Canton's major federal program for the year ended December 31, 2022. City of North Canton's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

In our opinion, City of North Canton complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect its major federal program for the year ended December 31, 2022.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

The City's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.



City of North Canton  
Stark County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control  
Over Compliance and on the Schedule of Expenditures of Federal  
Awards Required by the Uniform Guidance

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

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

City of North Canton  
Stark County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control  
Over Compliance and on the Schedule of Expenditures of Federal  
Awards Required by the Uniform Guidance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of North Canton (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 30, 2023. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

June 30, 2023

CITY OF NORTH CANTON  
STARK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<b>Federal Highway Administration</b>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning & Construction	20.205		
East Maple Street Enhancements		104863	\$ 127,267
Glenwood Street Resurfacing		116875	444,832
Total Highway Planning and Construction Cluster			<u>572,099</u>
<b>Total U.S. Department of Transportation</b>			<u><u>572,099</u></u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Office of Budget and Management</i>			
Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	N/A	<u>649,200</u>
<b>Total U.S. Department of Treasury</b>			<u><u>649,200</u></u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through the Stark County Regional Planning Commission</i>			
Community Development Block Grants/Entitlement Grants (CDBG)	14.218	N/A	<u>249,950</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u><u>249,950</u></u>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<u><u>\$ 1,471,249</u></u>

*The accompanying notes are an integral part of this schedule.*

**CITY OF NORTH CANTON  
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of City of North Canton, Stark County (the City) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**CITY OF NORTH CANTON  
STARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2022**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material weakness in internal control reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under 2 CFR §200.516(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	AL #21.027
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

# City of North Canton, Ohio



Annual Comprehensive Financial Report

For the Year Ended December 31, 2022



**CITY OF NORTH CANTON, OHIO**  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022



JINA E. ALABACK  
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT





# Introductory Section





**CITY OF NORTH CANTON, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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# CITY OF NORTH CANTON

145 North Main Street  
North Canton, OH 44720

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June 30, 2023

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

## Transmittal Letter

The Annual Comprehensive Financial Report (ACFR) of the City of North Canton, Ohio (the “City”) is hereby presented. This Annual Report represents the official report of the City of North Canton's operations and financial position for the year ended December 31, 2022, and has been developed to accurately detail the status of City finances to North Canton residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

State statutes require the City to be subjected to an annual audit by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The firm of Perry & Associates, CPA's A.C. has performed the City audit as of December 31, 2022 and they have issued an unmodified (“clean”) opinion. The Independent Auditor's Report on the basic financial statements and the combining and individual fund statements and schedules are included financial section of this report.

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

As part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2022 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.



## **Reporting Entity**

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

## **Profile of the Government**

The City acquired its first existence as a recognized political entity when the Village plat was recorded on February 19, 1831 as New Berlin. As a result of sentiment against Germany during World War I, the name of the Village was changed to North Canton on January 31, 1918. The City gained formal status as a City effective January 1, 1962. The City is located in the northern half of Stark County and is approximately 7.15 square miles in size. The City's population, according to the 2020 census, was 17,842.

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

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

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

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

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

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

The Council is required to adopt a permanent appropriation measure within ninety days of the beginning of the year covered by such ordinance. The annual budget serves as the foundation for the City of North Canton's financial planning and control. The budget is prepared by fund and department. Transfers between funds need special approval from Council.

## **North Canton Local Economy**

### ***Background***

The City of North Canton is located in Northeast Ohio along the Interstate 77 corridor with convenient access to markets in Cleveland, Akron and Canton. The Akron Canton Regional Airport is located within a five-minute drive from the City's corporate limits and provides nationwide passenger and commercial airfreight services to the region. Major Airlines, such as American Airlines, Delta Airlines, Spirit Airlines, and United Airlines, provide passenger service at the facility and the passenger traffic at the airport represents approximately twenty percent of all air travel growth in Ohio. The airport continues to have approximately two million customers annually.

North Canton's location allows business and industry to take advantage of a regional academic cluster that contains six universities/colleges that offer high tech programs in biosciences, bioinformatics, fuel cells and information technology. These colleges and universities include Walsh University, Stark State College, Kent State University, University of Akron, Malone University, and University of Mount Union.

### ***Recent Economic History***

The City of North Canton was the home for the Hoover Company for over 100 years and the company employed over 4,000 persons locally at its peak. In 2007, the Hoover Manufacturing Company's parent company, the Maytag Corporation, was purchased by the Whirlpool Corporation as part of a larger acquisition package and then subsequently sold to Techtronic Industries Company Ltd. (TTI) for approximately \$107 million. TTI decided they would close the North Canton Hoover Manufacturing Plant at the end of the third quarter of 2007. At the time of TTI's announcement, the employment levels at the North Canton Hoover facility were about 800 hourly workers. The plant was officially closed on September 27, 2007.

After the closure, California based Industrial Realty Group (IRG) and Industrial Commerce Realty (ICR), national and regional real estate development companies that specialize in redevelopment of older industrial buildings, purchased the former Hoover site on January 28, 2008. The official ownership of the site is Maple Street Commerce, LLC. The City and Developer have renamed the site as the "Hoover District" to connect the past community history with the new marketing efforts to redevelop the site. City officials continue to work with IRG as each phase of the Hoover District project progresses.

### ***Current Local Economy***

For fifteen years, the City of North Canton and Hoover District developers have been strengthening their efforts to bring new employees and increased income tax revenues to the City and additional property taxes to our schools.

Currently, ten companies call the Hoover District their home, which represents 23 percent of the City's annual withholding tax revenue for the 2022 calendar year.

The City is excited to witness the second phase buildout of a portion of the District dedicated to manufacturing. A four-story 18,000 sq. ft. manufacturing warehouse has been constructed for Diebold Nixdorf to house their total North American manufacturing operations, relocating approximately 600 manufacturing, research and development jobs. The Hoover District developers continue to explore and pursue development opportunities for office, limited retail, and residential housing usage.

The City strives to be the small business capital of Stark County, and we are pleased to see small businesses continue to grow and thrive in our community. A recent survey of the Main Street Business District showed 95 percent occupancy rates. By streamlining regulations, reevaluating zoning codes, and pursuing multiple new economic development incentives such as CRA agreements, TIF agreements, façade improvement grants, and outdoor dining grants, we progress with further support and encouragement of small businesses, since they are a critical part of our local economy.

### **Long-Term Financial Planning**

The City's income tax ordinance provided for 0.30 percent of the first 1 percent tax rate (after paying all costs associated with the collection of the income tax) be used for capital improvements and 0.70 percent of the first 1 percent be used for general operations of the City. The remaining 0.5 percent tax rate was to be used for either general operations of the City or capital improvements. As the cost of general operations increased at a greater pace than income tax collections, the amount directed to capital improvements had been reduced to the minimum amount allowed. This minimum amount was about 20 percent of the full 1.5 percent tax. As there were fewer funds for capital projects, the City looked at other means to finance equipment purchases and road, curb and gutter improvements. These financing options included capital leasing, grants and zero interest loans. Although the City will continue to explore all financing options, the income tax ordinance was revised in 2017. This allocation is reviewed each year as the budget is prepared for the following year and can be adjusted to meet the priorities of each year's budget. For 2017 through 2022, 30 percent of the full 1.5 percent income tax rate (after paying all costs associated with the collection of the income tax) was used for capital improvements and the remaining 70 percent was used for general operations of the City. The funding plan for future capital improvements will continue to include allocations from the income tax, lease-purchase financing for equipment, and applying for grants.

### **Relevant Financial Policies**

The City maintains several reserve funds to accumulate resources for future needs. One such fund is for the payout of earned vacation and eligible sick leave to employees who terminate employment with the City. No contributions to this fund has been necessary since 2016, as the amount in the fund is sufficient to cover anticipated termination payments. In addition, the City is accumulating a reserve for improvements to the police department firing range and Dogwood Pool.

## **Major Initiatives**

Through the North Canton Community Improvement Corporation, the City's land-banking initiative for redevelopment began in May 2020 with the purchase of a vacant Kmart building along with 24 acres of surrounding land. Over the past few years, the City has sold the entirety of the land and secured redevelopment by following our 10 key criteria for selecting buyers or tenants:

1. Is there payroll density?
2. Is there growth in the industry or sector?
3. Will there be desirability of remaining land, if any?
4. Will the businesses or the jobs persevere in an economic downturn?
5. Is there substantive capital investment in facilities?
6. Will there be community engagement opportunities?
7. Is there minimal incentive assistance?
8. Will the business' presence create leverage opportunities?
9. Is the land properly zoned?
10. Is there a foreseeable path to generate profits that can be invested in other development projects in the City?

As of April 2023, a portion of the land is under construction by Meijer for a new \$20 million superstore that will establish over 350 new jobs. Other area development projects include a new full-service family dining restaurant, 3 new quick service restaurants, a full-service car wash, and additional retail options. These properties were purchased by the City, funded with the Economic Development Bond Anticipation Notes, for a total of \$4 million and sold for a total of \$7.3 million. Across all development projects on the sold properties, a total of approximately \$27 million in new private capital will be invested, and over 400 new jobs will be created.

The City of North Canton and the North Canton Community Improvement Corporation continue to make strategic acquisitions in order to maximize North Canton's business and commercial footprint to the benefit of our community for generations to come.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Annual Comprehensive Financial Report for the year ended December 31, 2021. This was the 17<sup>th</sup> consecutive year that the government has achieved this prestigious national award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,

A handwritten signature in blue ink that reads "Jina E. Alaback". The signature is written in a cursive style with a large initial "J" and "A".

Jina E. Alaback  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of North Canton  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

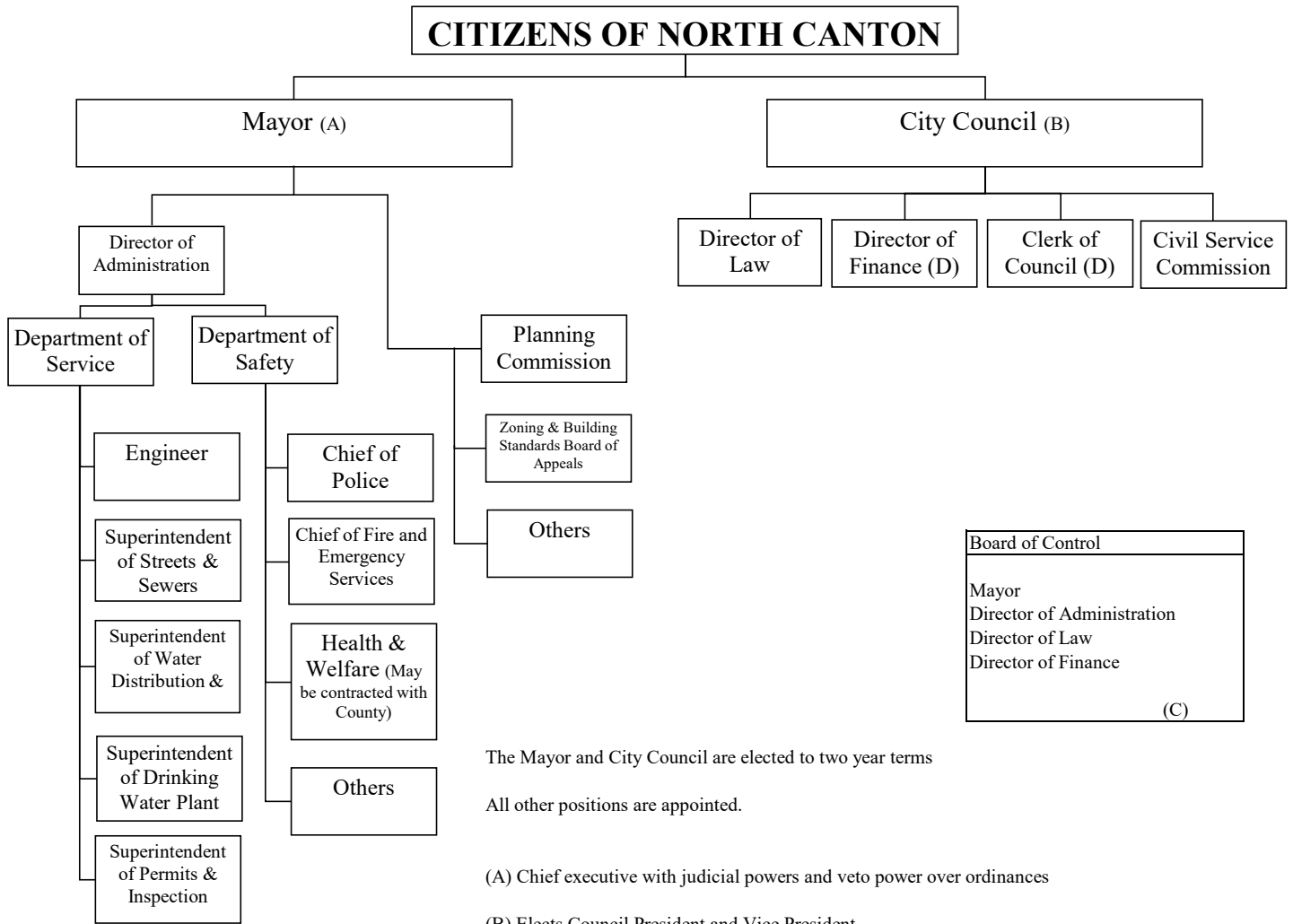
December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

**CITY OF NORTH CANTON, OHIO**

**CHARTER GOVERNMENT  
ORGANIZATIONAL CHART**



The Mayor and City Council are elected to two year terms

All other positions are appointed.

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

(B) Elects Council President and Vice President

(C) Awards contracts over Ohio Revised Code bidding limit

(D) May be combined

**CITY OF NORTH CANTON, OHIO**

LIST OF PRINCIPAL OFFICIALS  
AS OF DECEMBER 31, 2022

**ELECTED CITY OFFICIALS**

**MAYOR**

HONORABLE STEPHAN B. WILDER

**CITY COUNCIL**

MATTHEW STROIA, PRESIDENT, AT-LARGE  
STEPHANIE S. WERREN, VICE PRESIDENT, WARD 3  
DAVID METHENEY, WARD 2  
JAMIE MCCLEASTER, WARD 1  
CHRISTINA WEYRICK, AT-LARGE  
JOHN ORR, WARD 4  
DARYL REVOLDT, AT-LARGE

**APPOINTED CITY OFFICIALS**

**DIRECTOR OF ADMINISTRATION**

PATRICK A. DE ORIO

**DIRECTOR OF FINANCE**

JINA E. ALABACK

**DIRECTOR OF LAW**

Wayne A. Boyer, Attorney at Krugliak, Wilkins, Griffiths & Dougherty Co, LPA

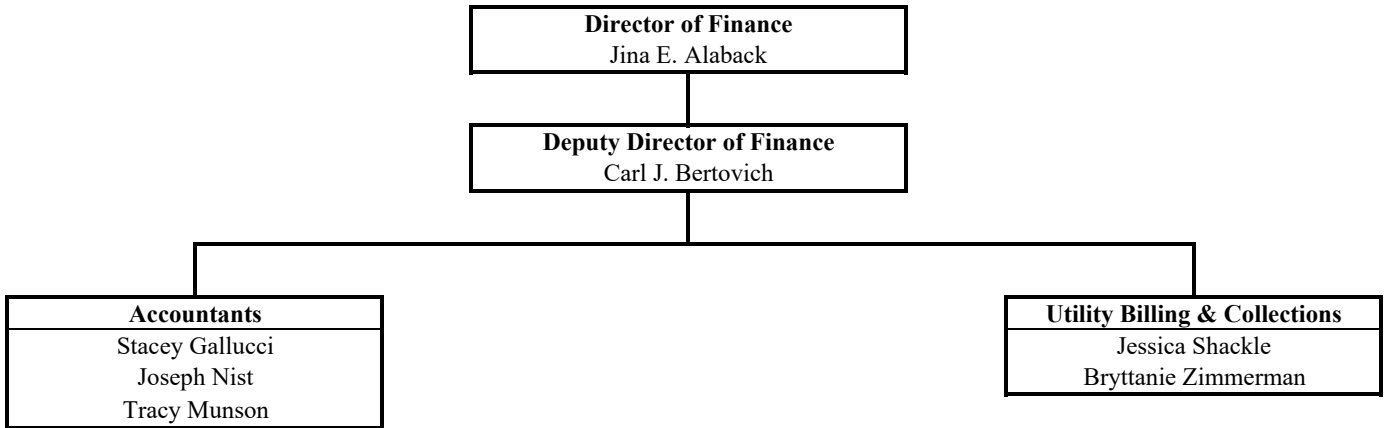
**CLERK OF COUNCIL**

BENJAMIN YOUNG



**CITY OF NORTH CANTON, OHIO**

DEPARTMENT OF FINANCE  
ORGANIZATIONAL CHART  
AS OF DECEMBER 31, 2022



# Financial Section





**INDEPENDENT AUDITOR'S REPORT**

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

To the City Council:

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Emergency Medical Services Levy funds for the year then ended in accordance with the 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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's 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.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2022, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

***Auditor's 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 auditor's 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 schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 and individual nonmajor fund financial statements and 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, these 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 financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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 30, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

June 30, 2023

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## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

The Management's Discussion and Analysis for the City of North Canton's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

#### Financial Highlights

Key financial highlights for 2022 are as follows:

- The total net position of the City decreased \$1,931,945. Net position of governmental activities decreased \$3,674,827 or 7.42% from December 31, 2021's net position and business-type activities increased \$1,742,882 or 3.74% over December 31, 2021's net position.
- General revenues accounted for \$13,213,921 or 72.60% of total governmental activities revenue. Program specific revenues accounted for \$4,987,373 or 27.40% of total governmental activities revenue.
- The City had \$18,647,107 in expenses related to governmental activities; \$4,987,373 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$13,659,734 were not offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$13,213,921.
- The general fund had revenues and other financing sources of \$12,694,470 in 2022. The expenditures and other financing uses of the general fund totaled \$17,203,347 in 2022. The net decrease in the fund balance for the general fund was \$4,041,790 or 43.36%, from \$9,321,170 to \$5,279,380.
- The emergency medical services levy fund had revenues and other financing sources of \$2,341,227 in 2022. The emergency medical services levy fund had expenditures of \$2,347,305. The fund balance of the emergency medical services levy fund decreased \$6,078 from \$501,244 to \$495,166.
- The capital improvement major fund had revenues and other financing sources of \$5,503,849 and expenditures of \$6,230,787 in 2022. The fund balance for the capital improvement fund decreased \$726,938 or 13.47%, from \$5,395,152 to \$4,668,214.
- Net position for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$1,742,882 from a net position of \$44,851,083 to \$46,593,965 in 2022.
- The water fund had \$6,913,744 in operating revenues and \$4,701,440 in operating expenses in 2022. The water fund also had nonoperating expenses of \$356,005 and capital contributions of \$249,950. The net position of the water fund increased \$2,106,249 or 6.12%.
- The sewer fund had \$3,738,531 in operating revenues and \$3,104,403 in operating expenses in 2022. The sewer fund also had non-operating expenses of \$77,978 and a special item of \$1,064,792. The net position of the sewer fund decreased \$508,642 or 5.26%.
- The garbage fund had \$1,221,575 in operating revenues and \$1,192,620 in operating expenses in 2022. The garbage fund also had non-operating revenues of \$55,055. The net position of the garbage fund increased \$83,710 or 18.51%.



## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

#### **Using this Annual Comprehensive Financial Report (ACFR)**

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

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

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

#### **Reporting the City as a Whole**

##### *Statement of Net Position and Statement of Activities*

The analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2022?" The Statement of Net Position and the Statement of Activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

The City-wide financial statements can be found on pages 23-25 of this report.

#### **Fund Financial Statements**

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

## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

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

#### *Governmental Funds*

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

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 26-31 of this report.

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

#### *Proprietary Funds*

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water system, sewer and garbage. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-insurance programs for medical-related employee benefits. The basic proprietary fund statements can be found on pages 32-35 of this report.

#### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. Custodial funds are the City's only fiduciary fund type. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The basic fiduciary fund financial statements can be found on pages 36-37 of this report.

#### *Notes to the Basic Financial Statements*

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 39-99 of this report.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

*Required Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and net OPEB liability/asset. The required supplementary information can be found on pages 102-121 of this report.

**Government-Wide Financial Analysis**

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

The table below provides a summary of the City's net position at December 31, 2022 compared to December 31, 2021. Amounts at December 31, 2021 have been restated as described in Note 3.

	Governmental Activities		Business-Type Activities		Total	
	2022	Restated 2021	2022	Restated 2021	2022	Restated 2021
<b><u>Assets</u></b>						
Current assets	\$ 29,417,711	\$ 28,486,728	\$ 12,231,262	\$ 11,459,602	\$ 41,648,973	\$ 39,946,330
Capital assets, net	45,569,208	44,911,171	44,830,964	44,134,172	90,400,172	89,045,343
Total assets	<u>74,986,919</u>	<u>73,397,899</u>	<u>57,062,226</u>	<u>55,593,774</u>	<u>132,049,145</u>	<u>128,991,673</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	41,284	46,498	88,759	99,971	130,043	146,469
Pension	3,728,662	2,275,030	533,837	519,689	4,262,499	2,794,719
OPEB	1,112,966	1,464,039	57,854	256,098	1,170,820	1,720,137
Total deferred outflows of resources	<u>4,882,912</u>	<u>3,785,567</u>	<u>680,450</u>	<u>875,758</u>	<u>5,563,362</u>	<u>4,661,325</u>
<b><u>Liabilities</u></b>						
Current liabilities	5,065,505	2,102,375	612,232	588,950	5,677,737	2,691,325
Long-term liabilities:						
Due within one year	516,512	361,086	1,618,032	1,188,126	2,134,544	1,549,212
Net pension liability	8,413,252	9,373,499	955,704	1,820,266	9,368,956	11,193,765
Net OPEB liability	1,240,733	1,101,851	-	-	1,240,733	1,101,851
Other amounts	9,366,385	8,638,089	6,231,666	6,337,897	15,598,051	14,975,986
Total liabilities	<u>24,602,387</u>	<u>21,576,900</u>	<u>9,417,634</u>	<u>9,935,239</u>	<u>34,020,021</u>	<u>31,512,139</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	4,423,226	2,759,504	-	-	4,423,226	2,759,504
Leases	53,671	75,881	-	-	-	-
Pension	3,961,580	1,892,675	1,341,855	923,870	5,303,435	2,816,545
OPEB	948,074	1,322,786	389,222	759,340	1,337,296	2,082,126
Total deferred inflows of resources	<u>9,386,551</u>	<u>6,050,846</u>	<u>1,731,077</u>	<u>1,683,210</u>	<u>11,063,957</u>	<u>7,658,175</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	34,648,962	36,942,454	37,269,026	36,927,021	71,917,988	73,869,475
Restricted	4,286,804	3,820,299	-	-	4,286,804	3,820,299
Unrestricted	6,945,127	8,792,967	9,324,939	7,924,062	16,270,066	16,717,029
Total net position	<u>\$ 45,880,893</u>	<u>\$ 49,555,720</u>	<u>\$ 46,593,965</u>	<u>\$ 44,851,083</u>	<u>\$ 92,474,858</u>	<u>\$ 94,406,803</u>

## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2022, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$92,474,858. At year-end, net position was \$45,880,893 and \$46,593,965 for the governmental activities and the business-type activities, respectively.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2022, capital assets represented 68.46% of total assets. Capital assets include land, easements and rights of way, construction in progress (CIP), land improvements, buildings, equipment, software, sewer rights, intangible right to use assets, and infrastructure. Net investment in capital assets at December 31, 2022, was \$34,468,962 and \$37,589,543 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Assets of governmental activities increased \$1,589,020 or 2.17%. This increase can mainly be attributed to a increase equity in pooled cash, property taxes receivable, and municipal income taxes receivable. The increase in capital assets was the result of new construction in progress and street programs that were purchased during the year. Liabilities of the governmental activities increased by \$3,025,487 or 14.02% which is due primarily to the issuance of notes payable.

Assets of business-type activities increased \$1,468,452 or 2.64%. This increase was the result of an increase in equity in pooled cash and investments and capital assets. Liabilities of the business-type activities decreased by \$517,605 or 5.21%. This decrease was primarily due to a decrease in net pension liability.

As of December 31, 2022, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net position, \$4,286,804, represents resources that are subject to external restriction on how they may be used. This is an increase of \$466,505 from 2021. In the governmental activities, the remaining balance of unrestricted net position of \$6,945,127 may be used to meet the City's ongoing obligations to citizens and creditors.

**Statement of Activities**

The table below shows the changes in net position for years 2022 and 2021.

	<b>Change in Net Position</b>					
	Governmental	Governmental	Business-Type	Business-Type		
	Activities	Activities	Activities	Activities	2022	2021
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Total</u>	<u>Total</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,774,899	\$ 1,442,945	\$ 11,862,739	\$ 11,517,287	\$ 13,637,638	\$ 12,960,232
Operating grants and contributions	1,762,904	1,318,776	55,055	34,730	1,817,959	1,353,506
Capital grants and contributions	<u>1,449,570</u>	<u>1,585,419</u>	<u>249,950</u>	<u>68,747</u>	<u>1,699,520</u>	<u>1,654,166</u>
Total program revenues	<u>4,987,373</u>	<u>4,347,140</u>	<u>12,167,744</u>	<u>11,620,764</u>	<u>17,155,117</u>	<u>15,967,904</u>
General revenues:						
Taxes	12,738,131	10,611,494	-	-	12,738,131	10,611,494
Grants and entitlements	848,464	802,466	-	-	848,464	802,466
Investment earnings	(381,420)	(393,036)	-	-	(381,420)	(393,036)
Miscellaneous	<u>8,746</u>	<u>49,436</u>	<u>10,811</u>	<u>20,055</u>	<u>19,557</u>	<u>69,491</u>
Total general revenues	<u>13,213,921</u>	<u>11,070,360</u>	<u>10,811</u>	<u>20,055</u>	<u>13,224,732</u>	<u>11,090,415</u>
Total revenues	<u>18,201,294</u>	<u>15,417,500</u>	<u>12,178,555</u>	<u>11,640,819</u>	<u>30,379,849</u>	<u>27,058,319</u>

--Continued

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

	<b>Change in Net Position - (Continued)</b>					
	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>	Business-type Activities <u>2022</u>	Business-type Activities <u>2021</u>	<u>2022</u> Total	<u>2021</u> Total
Expenses:						
General government	2,486,895	1,852,191	-	-	2,486,895	1,852,191
Security of persons and property:			-	-		
Police	4,612,550	4,187,909	-	-	4,612,550	4,187,909
Fire	959,325	883,297	-	-	959,325	883,297
Public health and welfare	2,447,310	2,056,123	-	-	2,447,310	2,056,123
Transportation	4,536,609	3,752,186	-	-	4,536,609	3,752,186
Community environment	1,140,853	1,391,347	-	-	1,140,853	1,391,347
Leisure time activities	1,460,583	863,713	-	-	1,460,583	863,713
Basic utility services	770,956	363,001	-	-	770,956	363,001
Economic development	27,300	9,270	-	-	27,300	9,270
Interest and fiscal charges	204,726	144,560	-	-	204,726	144,560
Water	-	-	5,012,750	5,021,009	5,012,750	5,021,009
Sewer	-	-	3,167,134	2,630,900	3,167,134	2,630,900
Garbage	-	-	1,190,997	1,121,213	1,190,997	1,121,213
Total expenses	<u>18,647,107</u>	<u>15,503,597</u>	<u>9,370,881</u>	<u>8,773,122</u>	<u>28,017,988</u>	<u>24,276,719</u>
Change before special items and transfers	<u>(445,813)</u>	<u>(86,097)</u>	<u>2,807,274</u>	<u>2,867,697</u>	<u>2,361,461</u>	<u>2,781,600</u>
Special item - sale of easement	467,087	-	-	-	467,087	-
Special item - loss on disposal of sewer rights	-	-	(1,064,792)	-	-	-
Transfers	<u>(3,696,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,696,101)</u>	<u>-</u>
Total special items and transfers	<u>(3,229,014)</u>	<u>-</u>	<u>(1,064,792)</u>	<u>-</u>	<u>(3,229,014)</u>	<u>-</u>
Change in net position	(3,674,827)	(86,097)	1,742,882	2,867,697	(1,931,945)	2,781,600
Net position at beginning of year	<u>49,555,720</u>	<u>49,641,817</u>	<u>44,851,083</u>	<u>41,983,386</u>	<u>94,406,803</u>	<u>91,625,203</u>
Net position at end of year	<u>\$ 45,880,893</u>	<u>\$ 49,555,720</u>	<u>\$ 46,593,965</u>	<u>\$ 44,851,083</u>	<u>\$ 92,474,858</u>	<u>\$ 94,406,803</u>

*Governmental Activities*

Governmental activities net position decreased \$3,674,827 in 2022.

Expenses increased in all categories during the year excluding community environment. The largest increases were in general government, security of persons and property, and transportation. General government expenses totaled \$18,647,107. General government expenses were partially funded by \$1,774,899 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$1,762,904 in operating grants and contributions. The increase in operating grants and contributions was due to the City receiving money from the American Rescue Plan Act (ARPA) that was spent on basic utility services. Capital grants and contributions increased intergovernmental revenue from the State of Ohio and contributions and donations in the park development capital project fund (a nonmajor governmental fund).

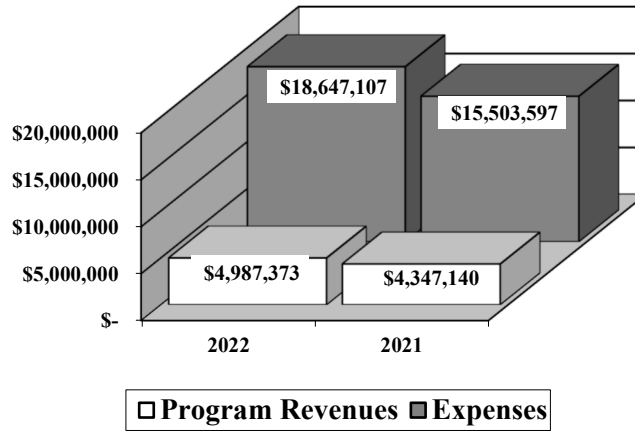
General revenues totaled \$13,213,921 and amounted to 72.60% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$12,738,131. This increase was the result of an increase in income tax revenue as result of better collections.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

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

**Governmental Activities - Program Revenues vs. Total Expenses**



**Governmental Activities**

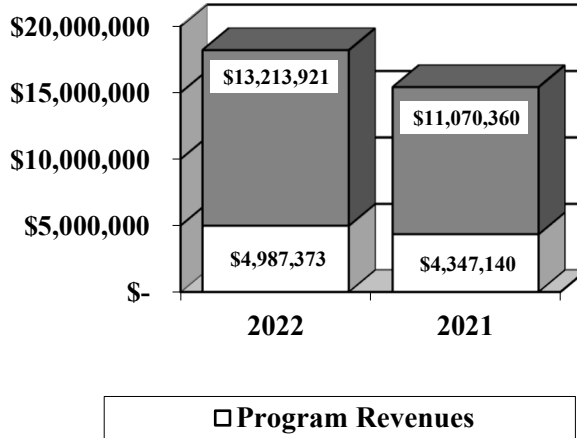
	<b>Total Cost of Services 2022</b>	<b>Net Cost of Services 2022</b>	<b>Total Cost of Services 2021</b>	<b>Net Cost of Services 2021</b>
<b><u>Program expenses:</u></b>				
General government	\$ 2,486,895	\$ 2,477,813	\$ 1,852,191	\$ 1,851,544
Security of persons and property:				
Police	4,612,550	4,422,775	4,187,909	4,001,563
Fire	959,325	954,442	883,297	728,559
Public health and welfare	2,447,310	1,738,613	2,056,123	1,381,880
Transportation	4,536,609	2,838,905	3,752,186	1,558,385
Community environment	1,140,853	585,563	1,391,347	1,031,629
Leisure time activities	1,460,583	318,939	863,713	602,908
Economic development	27,300	8,202	9,270	(507,572)
Basic utility services	770,956	109,756	363,001	363,001
Interest and fiscal charges	204,726	204,726	144,560	144,560
<b>Total Expenses</b>	<b>\$ 18,647,107</b>	<b>\$ 13,659,734</b>	<b>\$ 15,503,597</b>	<b>\$ 11,156,457</b>

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

The dependence upon general revenues for governmental activities is apparent, with 70.86% of expenses supported through taxes and other general revenues in 2022.

**Governmental Activities – General and Program Revenues**

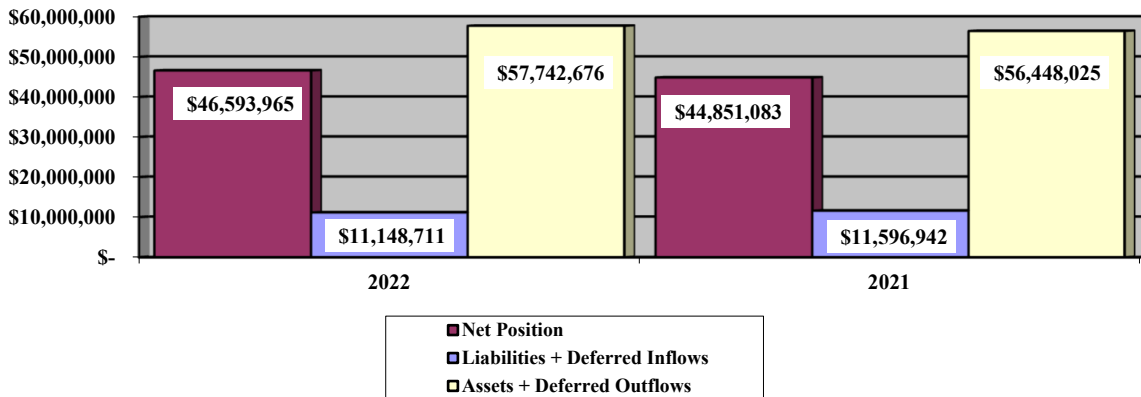


**Business-Type Activities**

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$12,167,744, expenses of \$9,370,881 and general revenues of \$10,811 for 2022. Additional discussion on the enterprise funds can be found on the subsequent pages.

The graph below shows the business-type activities assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2022 and 2021.

**Net Position in Business - Type Activities**





**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

**Governmental Funds**

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

The City's governmental funds reported a combined fund balance of \$15,073,083 which is \$4,302,823 lower than last year's total of \$19,375,906. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2022 for all major and nonmajor governmental funds.

	Fund Balances 12/31/22	Fund Balances 12/31/21	Change
Major Funds:			
General	\$ 5,279,380	\$ 9,321,170	\$ (4,041,790)
Emergency Medical Services Levy	495,166	501,244	(6,078)
Capital Improvement	4,668,214	5,395,152	(726,938)
Other Nonmajor Governmental Funds	<u>4,630,323</u>	<u>4,158,340</u>	<u>471,983</u>
Total	<u>\$ 15,073,083</u>	<u>\$ 19,375,906</u>	<u>\$ (4,302,823)</u>

**General Fund**

The City's general fund balance decreased \$4,041,790. The table that follows assists in illustrating the revenues of the general fund.

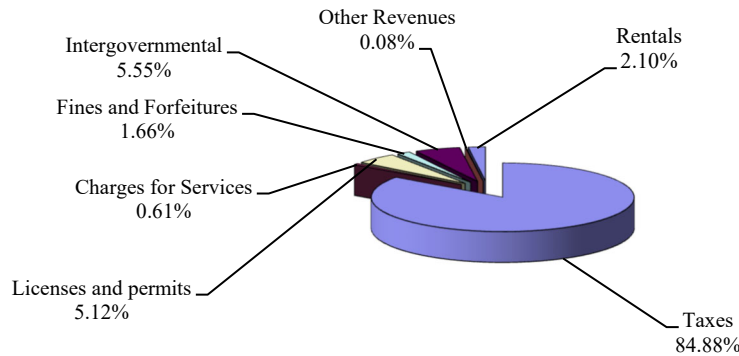
	2022 Amount	2021 Amount	Change	Percentage Change
<b>Revenues</b>				
Taxes	\$ 9,213,507	\$ 7,670,268	\$ 1,543,239	20.12 %
Charges for services	66,505	50,053	16,452	32.87 %
Licenses and permits	555,290	359,718	195,572	54.37 %
Fines and forfeitures	179,894	180,601	(707)	(0.39) %
Intergovernmental	602,945	548,631	54,314	9.90 %
Interest	(371,835)	(396,331)	24,496	(6.18) %
Rentals	227,818	208,195	19,623	9.43 %
Contributions and donations	-	20,000	(20,000)	(100.00) %
Other	<u>8,746</u>	<u>29,436</u>	<u>(20,690)</u>	<u>(70.29) %</u>
Total	<u>\$ 10,482,870</u>	<u>\$ 8,670,571</u>	<u>\$ 1,812,299</u>	20.90 %

**CITY OF NORTH CANTON, OHIO**

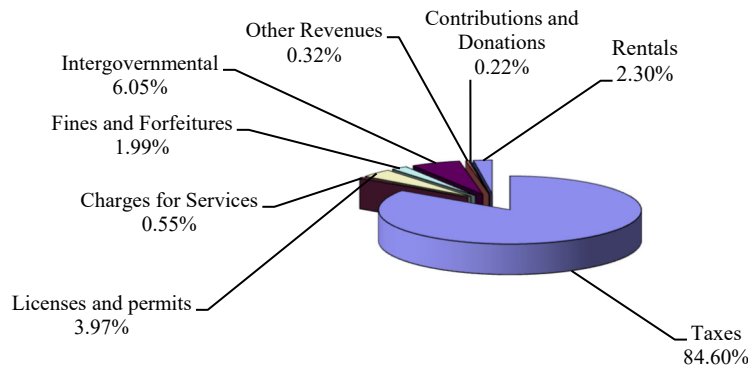
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

Revenues of the general fund increased \$1,812,299 or 20.90%. The largest revenue source, tax revenues, increased by \$1,543,239. This increase was the result of better income tax collections compared to the prior year and increase in property valuations. Licenses and permits also increased due to an increase in permit fees collected by the City.

**Revenues – 2022**



**Revenues – 2021**



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

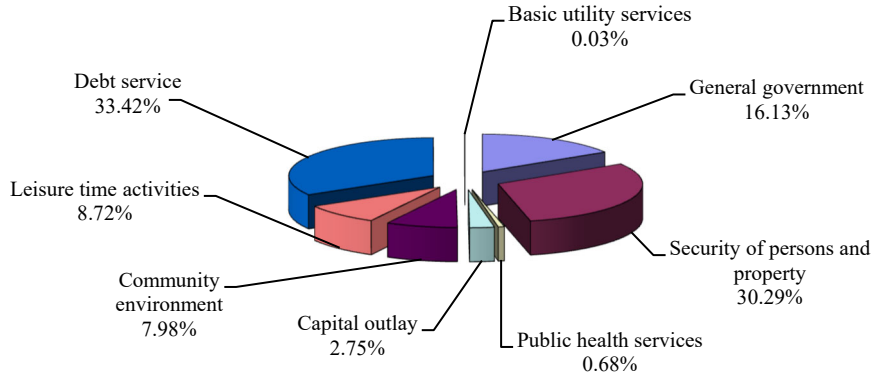
	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
General government	\$ 2,336,523	\$ 2,185,909	\$ 150,614	6.89 %
Security of persons and property:				
Police	4,387,141	4,220,564	166,577	3.95 %
Public health and welfare	99,113	117,782	(18,669)	(15.85) %
Transportation	-	24,372	(24,372)	(100.00) %
Community environment	1,155,337	1,447,866	(292,529)	(20.20) %
Leisure time activities	1,262,147	1,041,817	220,330	21.15 %
Basic utility services	3,745	80,107	(76,362)	(95.33) %
Capital outlay	397,600	-	397,600	100.00 %
Debt service	4,839,991	4,750,816	89,175	1.88 %
<b>Total</b>	<b><u>\$ 14,481,597</u></b>	<b><u>\$ 13,869,233</u></b>	<b><u>\$ 612,364</u></b>	<b>4.42 %</b>

**CITY OF NORTH CANTON, OHIO**

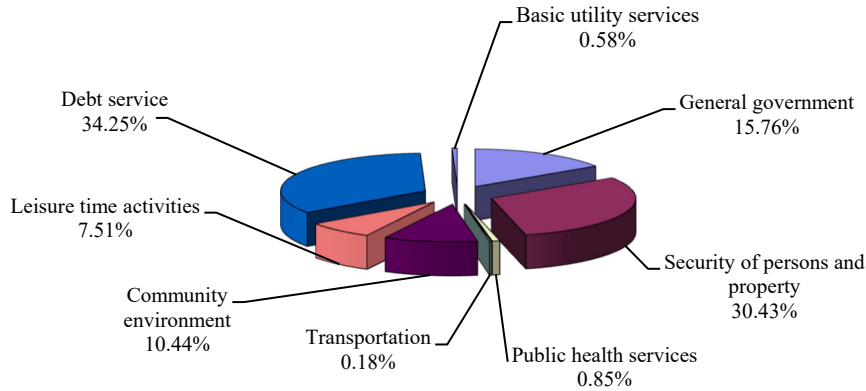
**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)**

Expenditures of the general fund increased \$612,364 or 4.42%. The largest increases were in the areas of capital outlay, security of persons and property - police, and general government which increased \$397,600, \$166,577 and \$150,614, respectively. The increase in general government was the result of increased spending by the Mayor, Director of Administration, Director of Finance and Engineer. The increase in capital outlay is due primarily to the City entering into notes payable - financed purchase agreements. The increase in security of persons and property - police was due to an increase in wages and benefits.

**Expenditures – 2022**



**Expenditures – 2021**



***Emergency Medical Services Levy***

The emergency medical services levy fund had revenues and other financing sources of \$2,341,227. The emergency medical services levy fund had expenditures of \$2,347,305. The fund balance of the emergency medical services levy fund decreased \$6,078 during 2022 from \$501,244 to \$495,166. The fund balance decreased due to higher expenditures compared to revenues.

***Capital Improvement Fund***

The capital improvement major fund had \$5,503,849 in revenues and other financing sources and \$6,230,787 in expenditures in 2022. The fund balance for the capital improvement fund decreased \$726,938, from \$5,395,152 to \$4,668,214 in 2022. The decrease in fund balance was primarily the result of the City transferring assets held for resale to the North Canton CIC.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
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**Budgeting Highlights – General Fund**

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$21,213,178 were lower than the final budget amount by \$67,208. This decrease is due to the interest revenue and advances in being less than it was budgeted for.

Actual expenditures and other financing uses of \$16,715,988 were lower than the final budget amount by \$82,293. This decrease was primarily due to conservative spending in the police department, community environment, leisure time activities, and general government. Final appropriations were \$109,373 lower than original appropriations. The City was able to reallocate costs between departments and lower other amounts in order to stay on budget as well as decrease the City’s transfers out.

**Proprietary Funds**

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

The City’s business-type funds reported a combined net position of \$46,219,938, which is \$1,681,317 higher than last year’s total of \$44,538,621.

The schedule below indicates the net position and the total change in net position as of December 31, 2022 and December 31, 2021 for all major business-type funds.

	<u>Net Position</u> <u>12/31/22</u>	<u>Net Position</u> <u>12/31/21</u>	<u>Change</u>
Major Funds:			
Water	\$ 36,528,576	\$ 34,422,327	\$ 2,106,249
Sewer	9,155,400	9,664,042	(508,642)
Garbage	<u>535,962</u>	<u>452,252</u>	<u>83,710</u>
Total	<u>\$ 46,219,938</u>	<u>\$ 44,538,621</u>	<u>\$ 1,681,317</u>

**Water Fund**

The water fund had \$6,9143,744 in operating revenues and \$4,701,440 in operating expenses during 2022. The water fund also had \$356,005 in nonoperating expenses and \$249,950 in capital contributions. The net position of the water fund increased \$2,106,249 from \$34,422,327 to \$36,528,576. This increase was the result of water rates being sufficient to cover the costs needing to operate the water department.

**Sewer Fund**

The sewer fund had \$3,738,531 in operating revenues and \$3,104,403 in operating expenses during 2022. The sewer fund also had \$77,978 in nonoperating expenses and a special item - loss on disposal of sewer rights of \$1,064,792. The net position of the sewer fund decreased \$508,642 from \$9,664,042 to \$9,155,400. This decrease is the result of City disposing of sewer rights during 2022.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

***Garbage Fund***

The garbage fund had \$1,221,275 in operating revenues and \$1,192,620 in operating expenses in 2022. The garbage fund also had non-operating revenues of \$55,055. The net position of the garbage fund increased \$83,710 from \$452,252 to \$535,962. The fund balance increased due primarily to a charges for services increasing year over year.

**Capital Assets and Debt Administration**

***Capital Assets***

At December 31, 2022, the City had \$90,400,172 (net of accumulated depreciation/amortization) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software, intangible right to use assets, sewer rights, and infrastructure. Of this total, \$45,569,208 was reported in governmental activities and \$44,830,964 was reported in business-type activities. See Note 11 in the basic financial statements for additional capital asset disclosure. The table on the following page shows December 31, 2022 balances compared to December 31, 2021. The capital assets at December 31, 2021 have been restated as described in Note 3.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	Restated <u>2021</u>	<u>2022</u>	Restated <u>2021</u>	<u>2022</u>	Restated <u>2021</u>
Land	\$ 8,699,439	\$ 8,301,839	\$ 1,023,702	\$ 1,023,702	\$ 9,723,141	\$ 9,325,541
Easements and right of ways	658,336	658,336	-	-	658,336	658,336
Construction in progress	59,859	1,864,402	580,183	2,441,573	640,042	4,305,975
Land improvements	3,807,385	3,101,277	1,104,849	980,266	4,912,234	4,081,543
Buildings	4,472,117	4,039,526	7,091,274	7,439,546	11,563,391	11,479,072
Equipment	3,894,429	3,440,487	2,731,970	2,603,968	6,626,399	6,044,455
Software	6,499	12,098	2,424	7,272	8,923	19,370
Intangible right to use assets:						
Leased land	12,822	13,087	-	-	12,822	13,087
Leased equipment	21,710	34,690	16,716	21,507	38,426	56,197
Sewer rights	-	-	2,556,761	714,796	2,556,761	714,796
Infrastructure	<u>23,936,612</u>	<u>23,445,429</u>	<u>29,723,085</u>	<u>28,901,542</u>	<u>53,659,697</u>	<u>52,346,971</u>
Totals	<u>\$ 45,569,208</u>	<u>\$ 44,911,171</u>	<u>\$ 44,830,964</u>	<u>\$ 44,134,172</u>	<u>\$ 90,400,172</u>	<u>\$ 89,045,343</u>

## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

#### **Debt**

The City had the following long-term obligations outstanding at December 31, 2022 and 2021. The outstanding debt at December 31, 2021 has been restated as described in Note 3.

	Governmental Activities <u>2022</u>	Restated Governmental Activities <u>2021</u>
General obligation bonds	\$ 3,114,516	\$ 3,385,988
Various purpose notes	4,314,000	4,500,000
Notes payable - financed purchase	691,932	-
Leases payable	<u>34,065</u>	<u>47,777</u>
Total governmental activities long-term obligations	<u>\$ 8,154,513</u>	<u>\$ 7,933,765</u>
	Business-type Activities <u>2022</u>	Restated Business-type Activities <u>2021</u>
OWDA loans	\$ 1,983,199	\$ 2,715,897
Intergovernmental loans	2,637,119	1,406,649
OPWC loans	963,551	1,079,451
General obligation bonds	1,754,484	2,094,012
Notes payable - financed purchase	309,305	-
Leases payable	<u>16,921</u>	<u>21,507</u>
Total business-type activities long-term obligations	<u>\$ 7,664,579</u>	<u>\$ 7,317,516</u>

See Note 15 in the basic financial statements for additional disclosures and detail regarding the City's debt activity.

#### **Economic Factors and Next Year's Budget**

Despite the significant economic challenges presented by the great recession, the closure of the Hoover Company, and the COVID-19 pandemic, the City of North Canton has rebounded, with our local and regional economies continuing to grow in several key sectors. The educational sector is led by Walsh University and the North Canton City School District. Walsh University is the City's largest employer by number of employees, and second largest employer by income tax withholding. The University continues to thrive as a private institution offering nearly 100 academic majors and minors, with over 2,300 students enrolled and over 17,000 alumni to date. In 2018, the University opened a new 44,000 square foot signature building on its main campus known as the "Marlene and Joe Toot Global Learning Center". The University invested approximately \$20,000,000 to construct classroom and office space with a heavy emphasis on digital and high technology.

The North Canton City School District is the City's largest employer by income tax withholding, second largest employer by number of employees, and has been recognized for numerous awards by the Ohio Department of Education within the last five years, including an Overall A Award on the State report card for Northwood Elementary School, a Momentum Award for Orchard Hill Intermediate School, and a Momentum Award for the School District as a whole. The School District was one of only 51 school districts in Ohio to receive this recognition. In addition to their academic success, the School District also partnered with the City to increase school safety by implementing a School Resource Officer program staffed by two City police officers. The City and the School District share the costs of these officers, increasing safety in the school buildings and the community. In late 2021, the School District broke ground on two new school buildings: the new districtwide Pre-Kindergarten-2<sup>nd</sup> Grade building on Charlotte Street NW and the districtwide 3<sup>rd</sup>-5<sup>th</sup> Grade building on East Maple Street. As of April 2023, construction is underway at both buildings. With both external structures largely complete, focus will soon be shifting to the completion of interior buildouts. Both buildings are scheduled to open in August 2023, with two additional School Resource Officers set to service the new schools.

## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

The City is experiencing continued growth in the medical sector. In 2018, Akron Children's Hospital broke ground on a \$13,800,000 project to expand pediatric services in North Canton. The Hospital and the City signed a 10-year Industrial and Commercial Job Creation Incentive Grant Agreement for this project. The City returns a portion of new income tax generated by the facility to the Hospital to provide for further capital investments in equipment for the facility.

The City is experiencing expanded growth in the industrial sector. Diebold Nixdorf built off its millions in initial investment in North Canton for a manufacturing/assembly plant, with announced plans to expand their footprint with a \$16 million building addition and up to 500 new jobs. The first and second phases of this employee expansion, which took place in December 2022 and February 2023 respectively, accounted for approximately 250 of those estimated jobs. The third and final phase of employment expansion, which will include research & development and back-office support positions, will occur in May 2023. Construction continues with expected completion in May 2023.

To accommodate the Diebold Nixdorf expansion as well as the School District's new PK- 2<sup>nd</sup> Grade building, the City is pursuing a \$3 million improvement to the Charlotte Street corridor which will include the construction of various turn lanes and a modern roundabout at the 5-way Charlotte/Portage/Willaman intersection at the west terminus of the project. The City commenced work on the Phase I of the Charlotte Street Expansion and Streetscape project in March 2023, which will include the widening of Charlotte Street between Hillcrest Avenue NW and Orchard Avenue NE; the widening of North Main Street between Viking Street NW and Charlotte Street to construct a southbound right-turn lane; and the installation of decorative sidewalks and streetlights on both sides of Charlotte Street. Economic growth in this corridor has enabled the City to secure five respective grant awards totaling over \$1.74 million in support of this project. Phase I of this project will be completed by the end of August 2023, in time for the opening of the new PK-2 school building in September 2023. Phase II of the project will commence in fall 2023 or early 2024, and will involve the construction of the roundabout at the Portage Street/Charlotte Street/Willaman Avenue 5-way intersection.

Beginning in 2020, the City launched a land bank initiative by acquiring more than a dozen commercial properties for the purposes of controlled redevelopment that included 30 acres around and including the bankrupt Kmart property. In April 2023, the City announced the sale of 24 acres of that property for the commercial development of four new business locations, including a new Meijer store and fuel station, Sgt. Clean Car Wash, Seven Brew Coffee, and Bojangles. This project successfully concludes a first-of-its-kind City project estimated to yield over \$8.8 million in economic value over the next ten years. This development project has also leveraged interest for additional commercial development in the area, with at least three additional businesses planning to locate in the surrounding area. The City has also coordinated with Meijer to retain a portion of property off Stratavon Drive NW to build city-owned Community Multipurpose Athletic Fields. Overall, the City considers this project to be an outstanding financial, economic and community success, bolstering income and property tax values and enhancing our local economy to the benefit of our community.

The City's income tax revenue continues to climb as the general economy continues to improve. Income tax revenues (net of the cost of tax collection) are to be split 70 percent to the general fund and 30 percent to the capital improvement fund. Dedicating 30 percent of the City's largest revenue source to capital improvements demonstrates the City's commitment to keeping infrastructure well-maintained.

The City is dedicated to ensuring that its streets, sewer systems, waterlines, and other infrastructure are maintained in the best condition possible for our community. Key infrastructure work that took place in 2022 included the Glenwood SW Waterline Replacement and Repaving Projects, which were supported by nearly \$650,000 in ARPA federal COVID relief funding and \$495,000 in federal grant funding, respectively; the 10<sup>th</sup> St. NE Sanitary Sewer and Roadway Project, which included the complete reconstruction, curb and gutter of the street; annual repaving projects with a standard annual investment of approximately \$350,000; the repaving of approximately 7 alleyways using the City's brand-new paving machine; and various parks improvements to enhance visitor amenities. Although the capital improvement fund is primarily used for governmental capital assets such as these, the City is committed to the repair and maintenance of business type capital assets as well. Water rates were adjusted in 2021 to take effect in 2022, with rates set for a 5 percent increase each year from 2022-2024. In May 2023, after reviewing the water asset management plan, Council adjusted water rates to continue increasing at 5 percent annually for 2025-2026.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

**Requests for Information**

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



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CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 18,968,371	\$ 9,929,000	\$ 28,897,371	\$ -
Cash and cash equivalents				
With fiscal agents	-	-	-	1,323,298
Deposits	-	-	-	5,000
Receivables:				
Property taxes	4,521,483	-	4,521,483	-
Municipal income taxes	3,075,690	-	3,075,690	-
Accounts	130,701	1,001,318	1,132,019	-
Intergovernmental	964,734	10,598	975,332	12,962
Special assessments	3,725	17,571	21,296	-
Leases	54,148	-	54,148	-
Accrued interest	42,704	-	42,704	-
Due from component units	1,149,378	-	1,149,378	-
Materials and supplies inventory	207,400	447,844	655,244	-
Prepayments	58,411	12,733	71,144	-
Assets held for resale	-	-	-	2,226,278
Net pension asset	118,525	84,447	202,972	-
Net OPEB asset	496,468	353,724	850,192	-
Internal balance	(374,027)	374,027	-	-
Capital assets:				
Non-depreciable/amortizable capital assets	9,417,634	1,603,885	11,021,519	2,555,464
Depreciable/amortizable capital assets, net	36,151,574	43,227,079	79,378,653	1,251,299
Total capital assets, net	45,569,208	44,830,964	90,400,172	3,806,763
<b>Total assets</b>	<b>74,986,919</b>	<b>57,062,226</b>	<b>132,049,145</b>	<b>7,374,301</b>
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding	41,284	88,759	130,043	-
Pension	3,728,662	533,837	4,262,499	-
OPEB	1,112,966	57,854	1,170,820	-
<b>Total deferred outflows of resources</b>	<b>4,882,912</b>	<b>680,450</b>	<b>5,563,362</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts payable	222,624	241,623	464,247	14,201
Contracts payable	17,200	-	17,200	-
Notes payable	2,717,500	-	2,717,500	-
Accrued wages and benefits payable	462,146	104,835	566,981	-
Intergovernmental payable	240,560	217,598	458,158	74,472
Due to primary government	-	-	-	1,149,378
Accrued interest payable	77,347	48,176	125,523	-
Claims payable	52,953	-	52,953	-
Unearned revenue	1,275,175	-	1,275,175	-
Long-term liabilities:				
Due within one year	516,512	1,618,032	2,134,544	34,505
Due in more than one year:				
Net pension liability	8,413,252	955,704	9,368,956	-
Net OPEB liability	1,240,733	-	1,240,733	-
Other amounts	9,366,385	6,231,666	15,598,051	542,884
<b>Total liabilities</b>	<b>24,602,387</b>	<b>9,417,634</b>	<b>34,020,021</b>	<b>1,815,440</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	4,423,226	-	4,423,226	-
Leases	53,671	-	53,671	-
Pension	3,961,580	1,341,855	5,303,435	-
OPEB	948,074	389,222	1,337,296	-
<b>Total deferred inflows of resources</b>	<b>9,386,551</b>	<b>1,731,077</b>	<b>11,117,628</b>	<b>-</b>
<b>Net position:</b>				
Net investment in capital assets	34,648,962	37,269,026	71,917,988	3,229,374
Restricted for:				
Capital projects	796,977	-	796,977	-
Security of persons and property - police	96,878	-	96,878	-
Transportation	2,578,334	-	2,578,334	-
Basic utilities	757,846	-	757,846	-
General trust	52,233	-	52,233	-
Other purposes	4,536	-	4,536	-
Unrestricted	6,945,127	9,324,939	16,270,066	2,329,487
<b>Total net position</b>	<b>\$ 45,880,893</b>	<b>\$ 46,593,965</b>	<b>\$ 92,474,858</b>	<b>\$ 5,558,861</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Current:				
General government	\$ 2,486,895	\$ 7,822	\$ 1,260	\$ -
Security of persons and property:				
Police	4,612,550	176,256	13,519	-
Fire	959,325	2,335	2,548	-
Public health and welfare	2,447,310	705,620	3,077	-
Transportation	4,536,609	-	1,043,068	654,636
Community environment	1,140,853	555,290	-	-
Leisure time activities	1,460,583	327,576	19,134	794,934
Economic development	27,300	-	19,098	-
Basic utility services	770,956	-	661,200	-
Interest and fiscal charges	204,726	-	-	-
Total governmental activities	<u>18,647,107</u>	<u>1,774,899</u>	<u>1,762,904</u>	<u>1,449,570</u>
<b>Business-type activities:</b>				
Water	5,012,750	6,902,933	-	249,950
Sewer	3,167,134	3,738,531	-	-
Garbage	1,190,997	1,221,275	55,055	-
Total business-type activities	<u>9,370,881</u>	<u>11,862,739</u>	<u>55,055</u>	<u>249,950</u>
Total primary government	<u>\$ 28,017,988</u>	<u>\$ 13,637,638</u>	<u>\$ 1,817,959</u>	<u>\$ 1,699,520</u>
<b>Component Unit:</b>				
North Canton Community Improvement Corporation	<u>\$ 632,349</u>	<u>\$ 72,067</u>	<u>\$ 228,454</u>	<u>\$ 150,066</u>

**General revenues:**

Property taxes levied for:  
    General purposes  
    Fire operating levy  
    Emergency medical services levy  
    Storm sewer levy  
    Street levy  
Income taxes levied for:  
    General purposes  
    Capital improvement  
Grants and entitlements not restricted  
to specific programs  
Investment earnings  
Sale of property  
Loss on disposal of capital assets  
Miscellaneous

Total general revenues

Special item - sale of easement  
Special item- loss on disposal of sewer rights  
Transfers

Total general revenues, special items,  
and transfers

Change in net position

**Net position at beginning of year**

**Net position at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>North Canton Community Improvement Corporation</b>
\$ (2,477,813)	\$ -	\$ (2,477,813)	\$ -
(4,422,775)	-	(4,422,775)	-
(954,442)	-	(954,442)	-
(1,738,613)	-	(1,738,613)	-
(2,838,905)	-	(2,838,905)	-
(585,563)	-	(585,563)	-
(318,939)	-	(318,939)	-
(8,202)	-	(8,202)	-
(109,756)	-	(109,756)	-
(204,726)	-	(204,726)	-
<u>(13,659,734)</u>	<u>-</u>	<u>(13,659,734)</u>	<u>-</u>
-	2,140,133	2,140,133	-
-	571,397	571,397	-
-	85,333	85,333	-
<u>-</u>	<u>2,796,863</u>	<u>2,796,863</u>	<u>-</u>
<u>(13,659,734)</u>	<u>2,796,863</u>	<u>(10,862,871)</u>	<u>-</u>
-	-	-	(181,762)
1,052,124	-	1,052,124	-
170,494	-	170,494	-
852,473	-	852,473	-
340,989	-	340,989	-
340,989	-	340,989	-
8,369,760	-	8,369,760	-
1,611,302	-	1,611,302	-
848,464	-	848,464	-
(381,420)	-	(381,420)	1,023
-	-	-	12,846
-	-	-	(168,987)
<u>8,746</u>	<u>10,811</u>	<u>19,557</u>	<u>-</u>
<u>13,213,921</u>	<u>10,811</u>	<u>13,224,732</u>	<u>(155,118)</u>
467,087	-	467,087	-
-	(1,064,792)	(1,064,792)	-
<u>(3,696,101)</u>	<u>-</u>	<u>(3,696,101)</u>	<u>3,696,101</u>
<u>9,984,907</u>	<u>(1,053,981)</u>	<u>8,930,926</u>	<u>3,540,983</u>
(3,674,827)	1,742,882	(1,931,945)	3,359,221
<u>49,555,720</u>	<u>44,851,083</u>	<u>94,406,803</u>	<u>2,199,640</u>
<u>\$ 45,880,893</u>	<u>\$ 46,593,965</u>	<u>\$ 92,474,858</u>	<u>\$ 5,558,861</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 7,728,976	\$ 571,977	\$ 3,392,632	\$ 5,868,953	\$ 17,562,538
Receivables:					
Property taxes	1,096,823	1,787,133	-	1,637,527	4,521,483
Municipal income taxes	2,516,473	-	559,217	-	3,075,690
Accounts	5,069	125,497	-	135	130,701
Intergovernmental	335,796	62,649	-	566,289	964,734
Special assessments	3,725	-	-	-	3,725
Leases	54,148	-	-	-	54,148
Interfund loans	83,020	-	-	-	83,020
Accrued interest	42,704	-	-	-	42,704
Due from component units	-	-	1,149,378	-	1,149,378
Materials and supplies inventory	54,049	10,044	-	143,307	207,400
Prepayments	42,158	4,273	-	11,980	58,411
Total assets	<u>\$ 11,962,941</u>	<u>\$ 2,561,573</u>	<u>\$ 5,101,227</u>	<u>\$ 8,228,191</u>	<u>\$ 27,853,932</u>
<b>Liabilities:</b>					
Accounts payable	\$ 181,682	\$ 13,195	\$ -	\$ 25,738	\$ 220,615
Contracts payable	-	-	17,200	-	17,200
Accrued wages and benefits payable	304,903	88,134	-	69,109	462,146
Notes payable	2,717,500	-	-	-	2,717,500
Interfund loans payable	-	-	-	83,020	83,020
Intergovernmental payable	171,693	43,611	-	25,256	240,560
Unearned revenue	-	-	-	1,275,175	1,275,175
Total liabilities	<u>3,375,778</u>	<u>144,940</u>	<u>17,200</u>	<u>1,478,298</u>	<u>5,016,216</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year	1,058,483	1,757,175	-	1,607,568	4,423,226
Delinquent property tax revenue not available	38,340	29,958	-	29,959	98,257
Accrued interest not available	19,057	-	-	-	19,057
Leases	53,671	-	-	-	53,671
Special assessments and miscellaneous not available	3,725	71,685	-	-	75,410
Income tax revenue not available	1,871,156	-	415,813	-	2,286,969
Intergovernmental revenues not available	263,351	62,649	-	482,043	808,043
Total deferred inflows of resources	<u>3,307,783</u>	<u>1,921,467</u>	<u>415,813</u>	<u>2,119,570</u>	<u>7,764,633</u>
<b>Fund balances:</b>					
Nonspendable	112,150	14,317	-	155,287	281,754
Restricted	-	480,849	-	4,165,316	4,646,165
Committed	1,148,510	-	4,668,214	309,720	6,126,444
Assigned	3,345,459	-	-	-	3,345,459
Unassigned	673,261	-	-	-	673,261
Total fund balances	<u>5,279,380</u>	<u>495,166</u>	<u>4,668,214</u>	<u>4,630,323</u>	<u>15,073,083</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,962,941</u>	<u>\$ 2,561,573</u>	<u>\$ 5,101,227</u>	<u>\$ 8,228,191</u>	<u>\$ 27,853,932</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2022

<b>Total governmental fund balances</b>		\$	15,073,083
<i>Amounts reported for governmental activities on the Statement of Net Position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			45,569,208
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	98,257	
Municipal income taxes receivable		2,286,969	
Accounts receivable		71,685	
Special assessments receivable		3,725	
Intergovernmental receivable		808,043	
Accrued interest receivable		19,057	
Total		3,287,736	3,287,736
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Position.			1,350,871
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.			(374,027)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(77,347)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			41,284
Unamortized premiums on bond issuances are not recognized in the funds.			(72,316)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		118,525	
Deferred outflows of resources		3,728,662	
Deferred inflows of resources		(3,961,580)	
Net pension liability		(8,413,252)	
Total		(8,527,645)	(8,527,645)
The net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds.			
Net OPEB asset		496,468	
Deferred outflows of resources		1,112,966	
Deferred inflows of resources		(948,074)	
Net OPEB liability		(1,240,733)	
Total		(579,373)	(579,373)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(1,656,068)	
General obligation bonds payable		(3,114,516)	
Leases payable		(34,065)	
Notes payable - financed purchases		(691,932)	
Notes payable		(4,314,000)	
Total		(9,810,581)	(9,810,581)
<b>Net position of governmental activities</b>		\$	45,880,893

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>General</b>	<b>Emergency Medical Services Levy</b>	<b>Capital Improvement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 1,041,615	\$ 845,918	\$ -	\$ 845,917	\$ 2,733,450
Municipal income taxes	8,171,892	-	1,607,813	-	9,779,705
Charges for services	66,505	687,719	-	35,588	789,812
Licenses and permits	555,290	-	-	-	555,290
Fines and forfeitures	179,894	-	-	8,308	188,202
Intergovernmental	602,945	107,590	478,478	2,653,334	3,842,347
Interest	(371,835)	-	-	-	(371,835)
Rentals	227,818	-	-	-	227,818
Contributions and donations	-	-	-	165,441	165,441
Other	8,746	-	-	14,271	23,017
<b>Total revenues</b>	<b>10,482,870</b>	<b>1,641,227</b>	<b>2,086,291</b>	<b>3,722,859</b>	<b>17,933,247</b>
<b>Expenditures:</b>					
Current:					
General government	2,336,523	-	-	22,715	2,359,238
Security of persons and property:					
Police	4,387,141	-	-	24,056	4,411,197
Fire	-	-	-	805,299	805,299
Public health and welfare	99,113	2,345,482	-	4,399	2,448,994
Transportation	-	-	-	1,885,442	1,885,442
Community environment	1,155,337	-	-	-	1,155,337
Leisure time activities	1,262,147	-	-	27,351	1,289,498
Economic development	-	-	-	27,300	27,300
Basic utility services	3,745	-	-	370,678	374,423
Capital outlay	397,600	-	2,299,991	1,603,563	4,301,154
Debt service:					
Principal retirement	4,701,206	1,746	203,712	1,746	4,908,410
Interest and fiscal charges	107,285	77	30,983	77	138,422
Bond issuance cost	31,500	-	-	-	31,500
<b>Total expenditures</b>	<b>14,481,597</b>	<b>2,347,305</b>	<b>2,534,686</b>	<b>4,772,626</b>	<b>24,136,214</b>
Excess of expenditures over revenues	(3,998,727)	(706,078)	(448,395)	(1,049,767)	(6,202,967)
<b>Other financing sources (uses):</b>					
Note issuance	1,814,000	-	2,500,000	-	4,314,000
Notes payable - financed purchase proceeds	397,600	-	417,558	-	815,158
Transfers in	-	700,000	500,000	1,521,750	2,721,750
Transfers out	(2,721,750)	-	(3,696,101)	-	(6,417,851)
<b>Total other financing sources (uses)</b>	<b>(510,150)</b>	<b>700,000</b>	<b>(278,543)</b>	<b>1,521,750</b>	<b>1,433,057</b>
Special item - sale of easement	467,087	-	-	-	467,087
Net change in fund balances	(4,041,790)	(6,078)	(726,938)	471,983	(4,302,823)
<b>Fund balance at beginning of year</b>	<b>9,321,170</b>	<b>501,244</b>	<b>5,395,152</b>	<b>4,158,340</b>	<b>19,375,906</b>
<b>Fund balances at end of year</b>	<b>\$ 5,279,380</b>	<b>\$ 495,166</b>	<b>\$ 4,668,214</b>	<b>\$ 4,630,323</b>	<b>\$ 15,073,083</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>(4,302,823)</b>
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	\$ 3,723,256	
Current year depreciation/amortization	<u>(3,035,219)</u>	
Total		688,037
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(30,000)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	23,619	
Municipal income taxes	201,357	
Charges for services	13,365	
Intergovernmental	35,566	
Special assessments	3,725	
Interest	<u>(9,585)</u>	
Total		268,047
Repayment of bond, notes, and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.		
		4,908,410
The issuance of long-term liabilities is recorded as an other financing source in the governmental funds; however, the proceeds increase long-term liabilities on the statement of net assets.		
Notes payable	(4,314,000)	
Notes payable - financed purchase	<u>(815,158)</u>	
Total		(5,129,158)
In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued interest payable	(38,724)	
Amortization of deferred amounts on refunding	9,134	
Amortization of bond premiums	<u>(5,214)</u>	
Total		(34,804)
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(672,108)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
Pension	1,042,724	
OPEB	<u>19,960</u>	
		1,062,684
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability/asset are reported as pension/OPEB expense in the Statement of Activities.		
Pension	(671,472)	
OPEB	<u>77,267</u>	
		(594,205)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>161,093</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>(3,674,827)</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF NORTH CANTON, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes	\$ 1,098,000	\$ 1,041,700	\$ 1,041,615	\$ (85)
Municipal income taxes	7,200,000	12,563,986	12,563,986	-
Charges for services	80,000	66,525	66,505	(20)
Licenses and permits	368,000	554,300	554,266	(34)
Fines and forfeitures	212,000	180,400	180,424	24
Intergovernmental	528,500	604,175	604,175	-
Interest	350,000	315,000	331,071	16,071
Rentals	288,500	223,900	223,772	(128)
Contributions and donations	25,000	-	-	-
Other	50,000	-	-	-
<b>Total revenues</b>	<u>10,200,000</u>	<u>15,549,986</u>	<u>15,565,814</u>	<u>15,828</u>
<b>Expenditures:</b>				
Current:				
General government	2,624,158	2,093,927	2,079,407	14,520
Security of persons and property:				
Police	4,628,484	4,551,113	4,488,162	62,951
Public health and welfare	108,000	99,125	99,113	12
Community environment	1,227,150	1,240,285	1,238,067	2,218
Leisure time activities	1,272,162	1,262,931	1,260,384	2,547
Debt service:				
Principal retirement	4,691,000	4,691,000	4,690,986	14
Interest and fiscal charges	106,700	106,650	106,619	31
Bond issuance costs	-	31,500	31,500	-
<b>Total expenditures</b>	<u>14,657,654</u>	<u>14,076,531</u>	<u>13,994,238</u>	<u>82,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,457,654)</u>	<u>1,473,455</u>	<u>1,571,576</u>	<u>98,121</u>
<b>Other financing sources (uses):</b>				
Bond issuance	-	4,531,500	4,531,500	-
Sale of capital assets	4,700,000	467,100	467,087	(13)
Advances in	-	731,800	648,777	(83,023)
Transfers out	(2,250,000)	(2,721,750)	(2,721,750)	-
<b>Total other financing sources (uses)</b>	<u>2,450,000</u>	<u>3,008,650</u>	<u>2,925,614</u>	<u>(83,036)</u>
Net change in fund balances	(2,007,654)	4,482,105	4,497,190	15,085
<b>Fund balances at beginning of year</b>	2,824,731	2,824,731	2,824,731	-
<b>Prior year encumbrances appropriated</b>	161,154	161,154	161,154	-
<b>Fund balance at end of year</b>	<u>\$ 978,231</u>	<u>\$ 7,467,990</u>	<u>\$ 7,483,075</u>	<u>\$ 15,085</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 EMERGENCY MEDICAL SERVICES LEVY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes	\$ 991,200	\$ 846,000	\$ 845,918	\$ (82)
Charges for services	607,500	703,050	703,058	8
Intergovernmental	99,100	110,250	110,223	(27)
Other	2,200	-	-	-
Total revenues	<u>1,700,000</u>	<u>1,659,300</u>	<u>1,659,199</u>	<u>(101)</u>
<b>Expenditures:</b>				
Current:				
Public health and welfare	2,460,288	2,429,915	2,399,059	30,856
Total expenditures	<u>2,460,288</u>	<u>2,429,915</u>	<u>2,399,059</u>	<u>30,856</u>
Excess of expenditures over revenues	<u>(760,288)</u>	<u>(770,615)</u>	<u>(739,860)</u>	<u>30,755</u>
<b>Other financing sources:</b>				
Transfers in	700,000	700,000	700,000	-
Total other financing sources	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Net change in fund balances	(60,288)	(70,615)	(39,860)	30,755
<b>Fund balance at beginning of year</b>	524,348	524,348	524,348	-
<b>Prior year encumbrances appropriated</b>	31,488	31,488	31,488	-
<b>Fund balance at end of year</b>	<u>\$ 495,548</u>	<u>\$ 485,221</u>	<u>\$ 515,976</u>	<u>\$ 30,755</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Fund
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and investments	\$ 6,974,678	\$ 2,295,912	\$ 658,410	\$ 9,929,000	\$ 1,405,833
Receivables:					
Accounts	679,827	316,582	4,909	1,001,318	-
Special assessments	286	17,285	-	17,571	-
Intergovernmental	-	-	10,598	10,598	-
Materials and supplies inventory	438,696	9,148	-	447,844	-
Prepayments	10,892	1,841	-	12,733	-
Total current assets	8,104,379	2,640,768	673,917	11,419,064	1,405,833
Noncurrent assets:					
Net pension asset	63,574	18,988	1,885	84,447	-
Net OPEB asset	266,293	79,536	7,895	353,724	-
Capital assets:					
Non-depreciable capital assets	1,438,410	165,475	-	1,603,885	-
Depreciable/amortizable capital assets, net	33,422,912	9,804,167	-	43,227,079	-
Total capital assets, net	34,861,322	9,969,642	-	44,830,964	-
Total noncurrent assets	35,191,189	10,068,166	9,780	45,269,135	-
Total assets	43,295,568	12,708,934	683,697	56,688,199	1,405,833
<b>Deferred outflows of resources:</b>					
Unamortized deferred charges on debt refunding	88,759	-	-	88,759	-
Pension	399,210	123,179	11,448	533,837	-
OPEB	41,627	15,276	951	57,854	-
Total deferred outflows of resources	529,596	138,455	12,399	680,450	-
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	132,522	9,291	99,810	241,623	2,009
Accrued wages and benefits payable	89,538	14,173	1,124	104,835	-
Intergovernmental payable	38,217	178,687	694	217,598	-
Accrued interest payable	46,816	1,360	-	48,176	-
General obligation bonds payable	349,528	-	-	349,528	-
OWDA loans payable	750,028	9,444	-	759,472	-
OPWC loans payable	100,932	14,968	-	115,900	-
Intergovernmental loans payable	-	231,401	-	231,401	-
Claims and judgements payable	-	-	-	-	52,953
Leases payable	4,671	-	-	4,671	-
Notes payable - financed purchase	157,060	-	-	157,060	-
Total current liabilities	1,669,312	459,324	101,628	2,230,264	54,962
Long-term liabilities:					
General obligation bonds payable	1,590,075	-	-	1,590,075	-
OWDA loans payable	1,153,856	69,871	-	1,223,727	-
OPWC loans payable	712,945	134,706	-	847,651	-
Notes payable - financed purchase	152,245	-	-	152,245	-
Intergovernmental loans payable	-	2,405,718	-	2,405,718	-
Leases payable	12,250	-	-	12,250	-
Net pension liability	719,480	214,894	21,330	955,704	-
Total long-term liabilities	4,340,851	2,825,189	21,330	7,187,370	-
Total liabilities	6,010,163	3,284,513	122,958	9,417,634	54,962
<b>Deferred inflows of resources:</b>					
Pension	995,524	317,641	28,690	1,341,855	-
OPEB	290,901	89,835	8,486	389,222	-
Total deferred inflows of resources	1,286,425	407,476	37,176	1,731,077	-
<b>Net position:</b>					
Net investment in capital assets	30,165,491	7,103,535	-	37,269,026	-
Unrestricted	6,363,085	2,051,865	535,962	8,950,912	1,350,871
Total net position	\$ 36,528,576	\$ 9,155,400	\$ 535,962	46,219,938	\$ 1,350,871
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				374,027	
Net position of business-type activities				\$ 46,593,965	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Garbage</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
<b>Operating revenues:</b>					
Charges for services	\$ 6,849,628	\$ 3,650,330	\$ 1,221,275	\$ 11,721,233	\$ 1,775,817
Tap-in fees	53,305	88,201	-	141,506	-
Other operating revenues	10,811	-	-	10,811	1,740
Total operating revenues	<u>6,913,744</u>	<u>3,738,531</u>	<u>1,221,275</u>	<u>11,873,550</u>	<u>1,777,557</u>
<b>Operating expenses:</b>					
Personal services	1,505,749	342,611	43,119	1,891,479	-
Contract services	803,135	2,084,546	1,126,860	4,014,541	438,251
Materials and supplies	526,521	34,020	22,641	583,182	-
Claims expense	-	-	-	-	1,116,648
Depreciation/amortization	1,866,035	643,226	-	2,509,261	-
Other	-	-	-	-	-
Total operating expenses	<u>4,701,440</u>	<u>3,104,403</u>	<u>1,192,620</u>	<u>8,998,463</u>	<u>1,554,899</u>
Operating income	<u>2,212,304</u>	<u>634,128</u>	<u>28,655</u>	<u>2,875,087</u>	<u>222,658</u>
<b>Nonoperating revenues (expenses):</b>					
Interest and fiscal charges	(128,433)	(77,978)	-	(206,411)	-
Loss on disposal of capital assets	(227,572)	-	-	(227,572)	-
Intergovernmental	-	-	55,055	55,055	-
Total nonoperating revenues (expenses)	<u>(356,005)</u>	<u>(77,978)</u>	<u>55,055</u>	<u>(378,928)</u>	<u>-</u>
Income before capital contributions and special items	1,856,299	556,150	83,710	2,496,159	222,658
Capital contributions	249,950	-	-	249,950	-
Special item - loss on disposal of sewer rights	-	(1,064,792)	-	(1,064,792)	-
Total capital contributions and special items	<u>249,950</u>	<u>(1,064,792)</u>	<u>-</u>	<u>(814,842)</u>	<u>-</u>
Change in net position	2,106,249	(508,642)	83,710	1,681,317	222,658
<b>Net position at beginning of year</b>	<u>34,422,327</u>	<u>9,664,042</u>	<u>452,252</u>		<u>1,128,213</u>
<b>Net position at end of year</b>	<u>\$ 36,528,576</u>	<u>\$ 9,155,400</u>	<u>\$ 535,962</u>		<u>\$ 1,350,871</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				61,565	
Change in net position of business-type activities				<u>\$ 1,742,882</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Garbage</b>	<b>Total</b>	
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 6,893,223	\$ 3,650,865	\$ 1,220,058	\$ 11,764,146	\$ -
Cash received from interfund services	-	-	-	-	1,775,817
Cash received from tap-in fees	53,305	88,201	-	141,506	-
Cash received from other operations	10,811	-	-	10,811	1,740
Cash payments for personal services	(2,033,894)	(546,671)	(60,946)	(2,641,511)	-
Cash payments for contractual services	(827,397)	(2,080,753)	(1,119,618)	(4,027,768)	(436,242)
Cash payments for materials and supplies	(641,097)	(33,195)	(22,622)	(696,914)	-
Cash payments for claims	-	-	-	-	(1,222,937)
Net cash provided by operating activities	<u>3,454,951</u>	<u>1,078,447</u>	<u>16,872</u>	<u>4,550,270</u>	<u>118,378</u>
<b>Cash flows from noncapital financing activities:</b>					
Cash received from grants and subsidies	-	-	44,457	44,457	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>44,457</u>	<u>44,457</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(2,178,006)	(892,102)	-	(3,070,108)	-
Notes payable - financed purchase proceeds	473,249	-	-	473,249	-
Principal payments - bonds	(339,528)	-	-	(339,528)	-
Principal payments - OWDA loans	(723,570)	(9,128)	-	(732,698)	-
Principal payments - OPWC loans	(100,932)	(14,968)	-	(115,900)	-
Principal payments - intergovernmental loans	-	(201,121)	-	(201,121)	-
Principal payments - leases payable	(4,586)	-	-	(4,586)	-
Principal payments - notes payable - financed purchase	(163,944)	-	-	(163,944)	-
Interest and fiscal charges - bonds	(73,373)	-	-	(73,373)	-
Interest and fiscal charges - OWDA loans	(73,446)	(2,585)	-	(76,031)	-
Interest and fiscal charges - intergovernmental loans	-	(75,550)	-	(75,550)	-
Interest and fiscal charges - leases	(527)	-	-	(527)	-
Capital contributions	249,950	-	-	249,950	-
Net cash used in capital and related financing activities	<u>(2,934,713)</u>	<u>(1,195,454)</u>	<u>-</u>	<u>(4,130,167)</u>	<u>-</u>
Net increase in cash and cash equivalents	520,238	(117,007)	61,329	464,560	118,378
<b>Cash and cash equivalents at beginning of year</b>	<u>6,454,440</u>	<u>2,412,919</u>	<u>597,081</u>	<u>8,017,163</u>	<u>1,287,455</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 6,974,678</u>	<u>\$ 2,295,912</u>	<u>\$ 658,410</u>	<u>\$ 9,929,000</u>	<u>\$ 1,405,833</u>

- - Continued

**CITY OF NORTH CANTON, OHIO**  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 2,212,304	\$ 634,128	\$ 28,655	\$ 2,875,087	\$ 222,658
Adjustments:					
Depreciation/amortization	1,866,035	643,226	-	2,509,261	-
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	43,457	(4,703)	(1,217)	37,537	-
Special assessments receivable	138	5,238	-	5,376	-
Materials and supplies inventory	(132,303)	806	-	(131,497)	-
Prepayments	(8,999)	(210)	1,175	(8,034)	-
Net pension asset	(8,952)	(1,674)	(305)	(10,931)	-
Net OPEB asset	(98,128)	(26,231)	(3,029)	(127,388)	-
Deferred outflows - Pension	(18,553)	5,860	(1,455)	(14,148)	-
Deferred outflows - OPEB	145,109	49,340	3,795	198,244	-
Accounts payable	131	(21,903)	6,086	(15,686)	2,009
Accrued wages and benefits	13,192	(912)	1,124	13,404	-
Intergovernmental payable	10,811	24,696	233	35,740	-
Net pension liability	(632,960)	(213,801)	(17,801)	(864,562)	-
Deferred inflows - Pension	325,628	84,353	8,004	417,985	-
Deferred inflows - OPEB	(261,959)	(99,766)	(8,393)	(370,118)	-
Claims payable	-	-	-	-	(106,289)
Net cash provided by operating activities	<u>\$ 3,454,951</u>	<u>\$ 1,078,447</u>	<u>\$ 16,872</u>	<u>\$ 4,550,270</u>	<u>\$ 118,378</u>

**Noncash transactions:**

During 2021, the water fund purchased \$3,282 in capital assets on account, respectively.

During 2022, the sewer fund entered into an agreement for sewer rights in the amount of \$2,838,240.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
DECEMBER 31, 2022

	<u>Custodial</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 3,245
Accounts receivable	<u>5</u>
Total assets	<u>3,250</u>
<b>Liabilities:</b>	
Due to other governments	<u>150</u>
Total liabilities	<u>150</u>
<b>Net position:</b>	
Restricted for individuals, organizations and other governments	<u>3,100</u>
Total net position	<u><u>\$ 3,100</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u><b>Custodial</b></u>
<b>Additions:</b>	
Licenses, permits and fees for other governments	\$ 4,606
Total additions	<u>4,606</u>
<b>Deductions:</b>	
Licenses, permits and fees distributions to other governments	4,666
Other custodial fund disbursements	<u>21,490</u>
Total deductions	<u>26,156</u>
Net change in fiduciary net position	(21,550)
<b>Net position beginning of year</b>	<u>24,650</u>
<b>Net position end of year</b>	<u><u>\$ 3,100</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 1 - DESCRIPTION OF THE CITY**

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

**Reporting Entity**

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

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

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

The City participates in three jointly governed organizations: the Stark Council of Governments, the Stark County Combined General Health District and the Regional Income Tax Agency (RITA). These organizations are described in Note 19 of the Basic Financial Statements.

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

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

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

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

**B. Fund Accounting**

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

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

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

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

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

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

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

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

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

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

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

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's custodial funds are the permit fee fund and the North Ridge development fund.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

***Unearned Revenues*** - The City defers revenue recognition in connection with resources that have been received, but not earned. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of deposits held for various programs and grants.

***Deferred Outflows of Resources and Deferred Inflows of Resources*** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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. See Notes 12 and 13 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, 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 deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

**E. Budgetary Process**

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternate tax budget, the Certificate of Estimated Resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternate tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund function level for all funds. Budgetary modification may only be made by resolution of the City Council at the legal level of control. Budgetary statements are presented beyond that legal level of control for information purposes only.

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

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

**F. Cash and Investments**

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

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

During 2022, investments were limited to Federal Home Loan Mortgage Corporation (FFCB) securities, Federal Home Loan Bank (FHLB) securities, and Federal National Mortgage Association (FNMA) securities, negotiable certificates of deposit, U.S. Treasury notes, U.S. government money market, and State Treasury Asset Reserve of Ohio (STAR Ohio).

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, 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.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2022 amounted to (\$371,835), which includes (\$302,750) assigned from other City funds.

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

**G. Prepayments**

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

**H. Inventory**

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

**I. Capital Assets**

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

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



**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20 years	10 - 40 years
Buildings	20 - 50 years	20 - 50 years
Equipment	10 - 15 years	3 - 15 years
Software	10 - 15 years	3 - 15 years
Intangible right to use assets	5 - 50 years	5 years
Infrastructure	20 - 50 years	40 years
Sewer Rights	n/a	10 years

The City is reporting intangible right to use assets related to leased land and equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

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

**J. Interfund Balances**

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

**K. Compensated Absences**

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid and only if they have matured (i.e. unused reimbursable leave still outstanding following an employee’s resignation or retirement). The noncurrent portion of the liability is not reported.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

**L. Accrued Liabilities and Long-Term Obligations**

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

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

**M. Fund Balance**

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

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

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

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

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

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

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

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**N. Net Position**

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

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

**O. Operating Revenues and Expenses**

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

**P. Contributions of Capital**

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

**Q. Internal Activity**

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

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

**R. Estimates**

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

**S. Unamortized Bond Premiums, Unamortized Accounting Loss and Bond Issuance Costs**

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

On the governmental fund financial statements, bond premiums are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the Statement of Net Position is presented in Note 15.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

Bond issuance costs are expensed when they occur.

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. During 2022, the City sold an easement in the amount of \$467,087 and disposed of sewer rights at a loss of \$1,064,792. These amounts are reported as special items on the basic financial statements.

**U. Pensions/Other Postemployment Benefits (OPEB)**

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

**V. Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For 2022, the City has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

## CITY OF NORTH CANTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the City's 2022 financial statements. The City recognized \$75,881 in governmental activities in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. The City also recognized \$47,777 in governmental activities and \$21,507 in business-type activities in leases payable at January 1, 2022; however, this entire amount was offset by the intangible asset, right to use lease - equipment.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the City.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

Interim monies may be deposited or invested in the following:

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

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

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

**A. Deposits with Financial Institutions**

At December 31, 2022, the carrying amount of all City deposits was \$6,528,703. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2022, \$6,460,419 of the City's bank balance of \$6,712,715 was exposed to custodial risk as discussed below, while \$252,296 was covered by the FDIC and the remaining was either covered by the Ohio Pooled Collateral System or exposed to custodial credit risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of December 31, 2022, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>						
FFCB	\$ 2,076,192	\$ -	\$ 480,455	\$ -	\$ 460,625	\$ 1,135,112
FHLB	4,052,568	398,388	358,988	255,390	1,076,586	1,963,216
FNMA	1,032,271	-	-	-	-	1,032,271
U.S. Treasury notes	2,003,891	571,627	925,692	268,554	-	238,018
Negotiable CDs	7,221,389	2,358,482	645,863	1,607,204	1,069,201	1,540,639
U.S government money market	396,229	396,229	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	5,588,173	5,588,173	-	-	-	-
Total	<u>\$ 22,370,713</u>	<u>\$ 9,312,899</u>	<u>\$ 2,410,998</u>	<u>\$ 2,131,148</u>	<u>\$ 2,606,412</u>	<u>\$ 5,909,256</u>

The weighted average of maturity of investments is 1.18 years.

The City's investments in federal agency securities (FFCB, FHLB, and FNMA), negotiable CD's, and U.S. Treasury notes are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

*Credit Risk:* The City's investments in federal agency securities, were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standards & Poor's has assigned the U.S. Government money market and STAR Ohio an AAAM rating. The City limits its investments to those authorized by State statute.

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



**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2022:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
FFCB	\$ 2,076,192	9.28%
FHLB	4,052,568	18.12%
FNMA	1,032,271	4.61%
U.S. Treasury notes	2,003,891	8.96%
Negotiable CD's	7,221,389	32.28%
U.S. government money market	396,229	1.77%
<i>Amortized cost:</i>		
STAR Ohio	<u>5,588,173</u>	<u>24.98%</u>
Total	<u>\$ 22,370,713</u>	<u>100.00%</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position as of December 31, 2022:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,528,703
Investments	22,370,713
Cash on hand	<u>1,200</u>
Total	<u>\$ 28,900,616</u>
<u>Cash and investments per Statement of Net Position</u>	
Governmental activities	\$ 18,968,371
Business-type activities	9,929,000
Custodial funds	<u>3,245</u>
Total	<u>\$ 28,900,616</u>

**NOTE 5 - PROPERTY TAXES**

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

Public utility real taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 5 - PROPERTY TAXES - (Continued)**

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

The full tax rate for all City operations for the year ended December 31, 2022 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 386,664,130
Commercial/industrial/mineral	108,470,990
Public utility	<u>14,095,330</u>
Total assessed value	<u>\$ 509,230,450</u>

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2022, consisted primarily of municipal income taxes, property and other taxes and intergovernmental receivables arising from grants, entitlements, and shared revenues, special assessments, accrued interest on investments and accounts (billings for utility service).

An allowance for doubtful accounts in the amount of \$61,619 has been recorded for accounts that are expected to be uncollectible. All receivables except for delinquent property taxes and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$21,002. At December 31, 2022, the amount of delinquent special assessments was \$294.

**A. Intergovernmental Receivable**

A summary of intergovernmental receivables follows:

<b>Governmental activities:</b>	
Local government	\$ 230,259
Homestead and rollback	191,010
Due from North Canton schools	38,067
Street construction, maintenance and repair	502,853
Miscellaneous	<u>2,545</u>
Total governmental activities	<u>\$ 964,734</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 6 - RECEIVABLES - (Continued)**

**B. Municipal Income Taxes**

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

According to the City’s Income Tax Ordinance, income tax revenues are to be allocated as follows: (1) Such part thereof as shall be necessary to defray all costs of collection, administration and enforcement of the entire tax imposed by this Ordinance, (2) the balance of the one percent shall be allocated as follows: three-tenths to the Capital Improvement Fund and seven-tenths for general operating purposes, for uses, in each case, as determined by Council and (3) the remaining one-half percent so imposed shall be allocated for general municipal operations and capital improvements in amounts and for uses, in each case, as determined by Council. Additional increases in the income tax rate would require voter approval.

**C. Leases Receivable**

The City is reporting leases receivable of \$54,148 in the general fund. For 2022, the City recognized lease revenue of \$21,733, which is reported in rental income, and interest revenue of \$1,786.

The City has entered into lease agreements for building space with multiple companies at varying years and terms as follows:

<u>Leases</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
1204 N. Main Street	2021	4	2025	Monthly
1206 N. Main St. Suite 119 & 120	2022	3	2025	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

<u>Year End December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 22,199	\$ 1,321	\$ 23,520
2024	22,874	646	23,520
2025	<u>9,075</u>	<u>65</u>	<u>9,140</u>
Total	<u>\$ 54,148</u>	<u>\$ 2,032</u>	<u>\$ 56,180</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 7 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2022, the City contracted with U.S. Specialty Insurance for the following coverages:

Commercial General Liability & Employee Benefits:	
Each Occurrence	\$1,000,000
Damage to Rented Premises	\$100,000
Medical Expense	\$10,000
General Aggregate	\$3,000,000
Products - Comp/Op Aggregate	\$3,000,000
Stop Gap	\$1,000,000
Automobile:	
Combined Single Limit	\$1,000,000
Comprehensive/Collision Deductible	\$500
Umbrella Liability:	
Each Occurrence	\$5,000,000
Aggregate	\$5,000,000
Blanket Property - Building/Contents	\$65,780,057
Law Enforcement Liability	\$1,000,000
Public Officials Liability	\$1,000,000
Employment Practices Liability	\$1,000,000
Employee Dishonesty	\$100,000

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

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The City is part of the group rating plan through the Ohio Association of Public Treasurers with Sedgwick as the Third Party Administrator.

The City has elected to provide employee medical/surgical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan is offered to employees as a traditional preferred provider option (PPO) or a high-deductible health savings account (HSA). The traditional PPO plan provides a medical/surgical plan with a \$500 single/\$1,000 family deductible for in-network providers and \$2,000 single/\$4,000 family in-network out-of-pocket, with claims paid at 90% in-network and 70% out-of-network. The deductible doubles for out-of-network providers, and the out-of-pocket is \$3,500 single/\$7,000 family for out-of-network providers. The high-deductible HSA PPO plan has a \$1,500 single/\$3,000 family deductible, and \$6,000 single/\$12,000 family out-of-network out-of-pocket maximum, with claims paid at 100% in-network after deductible. Medical Mutual serves as the City's third-party administrator to review, process and pay all claims on behalf of the City.

The City purchases stop-loss coverage for claims in excess of \$60,000 per employee per year and an aggregate of \$1,000,000. The City pays 89%, and employees pay 11% of monthly COBRA rates into the self-insurance internal service fund for total monthly premium:

	Traditional PPO	High-deductible HSA
Single	\$ 837	\$ 743
Employee/Child(ren)	\$1,511	\$1,341
Employee/Spouse	\$1,762	\$1,564
Family	\$2,514	\$2,231

The City also contributes half of the annual deductible to any employee's HSA account. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 7 - RISK MANAGEMENT - (Continued)**

The claims liability of \$52,953 reported in the internal service fund at December 31, 2022 is estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amounts in 2022 and 2021 are:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2022	\$ 159,242	\$ 1,116,648	\$ (1,222,937)	\$ 52,953
2021	94,876	1,450,761	(1,386,395)	159,242

**NOTE 8 - GOLF COURSE OPERATING MANAGEMENT AGREEMENT**

In July 2003, the City acquired the premises known as The Fairways (formerly Arrowhead Country Club) for \$4.2 million. This area, approximately 105 acres, includes a golf course, clubhouse and pool.

In January 2020, the City entered into a management agreement with North Canton Golf, LLC (NCG) to manage Arrowhead for a five year period expiring January 31, 2025. Under the agreement, the City provided NCG with initial funding of \$50,000 for operations and pay a base management fee of \$6,000 per month. NCG will be entitled to earn an incentive management fee that is 50% of the net operating income.

The assets involved in the agreement are as follows:

	Governmental Activities
Asset:	
Land	\$ 1,780,214
Buildings	2,295,437
Land improvements	827,877
Equipment	176,749
Subtotal	5,080,277
Less: accumulated depreciation	(1,957,809)
Total	\$ 3,122,468

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 9 - CONTRACTUAL COMMITMENTS**

The City had the following contractual commitments outstanding at December 31, 2022:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Arcadis G&M of Ohio	\$ 10,000	\$ (6,268)	\$ 3,732
Central Allied Ent. Inc.	403,235	(377,384)	25,851
Brandstetter Carrol Inc.	154,310	(149,745)	4,565
Omnipro Services LLC	211,975	(193,812)	18,163
CT Consultants Inc.	483,000	(258,820)	224,180
Montrose Ford Inc.	111,750	-	111,750
Stryker Sales Corp.	19,463	(3,610)	15,853
Tyler Technologies	61,184	(25,700)	35,484
Fitch & Associates	49,995	(12,499)	37,496
Aecom Technical Services Inc.	60,690	(35,110)	25,580
Altman Property Management	1,179,098	(1,127,537)	51,561
Zoneco, LLC	<u>10,000</u>	<u>(3,200)</u>	<u>6,800</u>
Total Contractual Commitments	<u>\$ 2,754,700</u>	<u>\$ (2,193,685)</u>	<u>\$ 561,015</u>

**NOTE 10 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year End Encumbrances</u>
Emergency medical service levy fund	\$ 42,806
Capital improvement fund	2,188,884
Other governmental	<u>424,831</u>
Total	<u>\$ 2,656,521</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 11 - CAPITAL ASSETS**

**A. Governmental Activities**

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the City has reported capital assets for the right to use leased land and equipment which are reflected in the schedule below. Governmental capital asset activity for the year ended December 31, 2022, was as follows:

<b><u>Governmental activities:</u></b>	Restated Balance <u>12/31/21</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/22</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 8,301,839	\$ 397,600	\$ -	\$ 8,699,439
Easements and rights-of-way	658,336	-	-	658,336
Construction in progress	<u>1,864,402</u>	<u>437,243</u>	<u>(2,241,786)</u>	<u>59,859</u>
Total capital assets, not being depreciated/amortized	<u>10,824,577</u>	<u>834,843</u>	<u>(2,241,786)</u>	<u>9,417,634</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	4,612,110	970,661	-	5,582,771
Buildings	10,451,950	707,846	(9,960)	11,149,836
Equipment	9,743,446	1,098,624	(47,695)	10,794,375
Software	163,666	-	-	163,666
<i>Intangible right to use assets:</i>				
Leased land	13,087	-	-	13,087
Leased equipment	34,690	-	-	34,690
Infrastructure - streets subsystem	45,217,211	2,231,307	-	47,448,518
Infrastructure - storm sewers subsystem	11,436,161	91,761	-	11,527,922
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated/amortized	<u>81,875,321</u>	<u>5,100,199</u>	<u>(57,655)</u>	<u>86,917,865</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(1,510,833)	(264,553)	-	(1,775,386)
Buildings	(6,412,424)	(275,255)	9,960	(6,677,719)
Equipment	(6,302,959)	(644,682)	47,695	(6,899,946)
Software	(151,568)	(5,599)	-	(157,167)
<i>Intangible right to use assets:</i>				
Leased land	-	(265)	-	(265)
Leased equipment	-	(12,980)	-	(12,980)
Infrastructure - streets subsystem	(26,881,293)	(1,583,377)	-	(28,464,670)
Infrastructure - storm sewers subsystem	(6,351,250)	(245,433)	-	(6,596,683)
Infrastructure - bridge subsystem	<u>(178,400)</u>	<u>(3,075)</u>	<u>-</u>	<u>(181,475)</u>
Total accumulated depreciation/amortization	<u>(47,788,727)</u>	<u>(3,035,219)</u>	<u>57,655</u>	<u>(50,766,291)</u>
Total capital assets, being depreciated/amortized, net	<u>34,086,594</u>	<u>2,064,980</u>	<u>-</u>	<u>36,151,574</u>
Governmental activities capital assets, net	<u>\$ 44,911,171</u>	<u>\$ 2,899,823</u>	<u>\$ (2,241,786)</u>	<u>\$ 45,569,208</u>

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 11 - CAPITAL ASSETS - (Continued)**

Depreciation/amortization expense was charged to governmental activities as follows:

General government	\$ 241,815
Police	167,758
Fire	149,597
Public health and welfare	44,012
Transportation	1,815,257
Community environment	1,828
Leisure time activities	365,425
Basic utility services	<u>249,527</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 3,035,219</u>

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**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 11 - CAPITAL ASSETS - (Continued)**

**A. Business-Type Activities**

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the City has reported capital assets for the right to use leased land and equipment which are reflected in the schedule below. Business-type activities capital asset activity for 2022 is as follows.

	Restated Balance			Balance
<b><u>Business-type activities:</u></b>	<u>12/31/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/22</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>2,441,573</u>	<u>380,183</u>	<u>(2,241,573)</u>	<u>580,183</u>
Total capital assets, not being depreciated/amortized	<u>3,465,275</u>	<u>380,183</u>	<u>(2,241,573)</u>	<u>1,603,885</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	1,350,460	170,679	-	1,521,139
Buildings	18,524,686	66,553	-	18,591,239
Equipment	9,255,447	629,335	(24,905)	9,859,877
Software	46,778	-	-	46,778
Intangible right to use assets:				
Leased equipment	21,507	-	-	21,507
Infrastructure - water lines	41,239,648	1,213,231	-	42,452,879
Infrastructure - sewer lines	15,879,181	864,202	-	16,743,383
Sewer rights	<u>3,578,153</u>	<u>2,838,240</u>	<u>(3,578,153)</u>	<u>2,838,240</u>
Total capital assets, being depreciated/amortized	<u>89,895,860</u>	<u>5,782,240</u>	<u>(3,603,058)</u>	<u>92,075,042</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(370,194)	(46,096)	-	(416,290)
Buildings	(11,085,140)	(414,825)	-	(11,499,965)
Equipment	(6,651,479)	(501,333)	24,905	(7,127,907)
Software	(39,506)	(4,848)	-	(44,354)
Intangible right to use assets:				
Leased equipment	-	(4,791)	-	(4,791)
Infrastructure - water lines	(18,537,925)	(961,516)	-	(19,499,441)
Infrastructure - sewer lines	(9,679,362)	(294,374)	-	(9,973,736)
Sewer rights	<u>(2,863,357)</u>	<u>(281,479)</u>	<u>2,863,357</u>	<u>(281,479)</u>
Total accumulated depreciation/amortization	<u>(49,226,963)</u>	<u>(2,509,262)</u>	<u>2,888,262</u>	<u>(48,847,963)</u>
Total capital assets, being depreciated/amortized, net	<u>40,668,897</u>	<u>3,272,978</u>	<u>(714,796)</u>	<u>43,227,079</u>
Business-type activities capital assets, net	<u>\$ 44,134,172</u>	<u>\$ 3,653,161</u>	<u>\$ (2,956,369)</u>	<u>\$ 44,830,964</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 11 - CAPITAL ASSETS - (Continued)**

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

Water	\$ 1,866,036
Sewer	<u>643,226</u>
Total depreciation expense - business-type activities:	<u>\$ 2,509,262</u>

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

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

*Net Pension Liability/Asset and Net OPEB Liability/Asset*

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and 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 liability/asset and the net OPEB liability/asset represent the City’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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/OPEB 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/asset 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. Resulting adjustments to the net pension/OPEB liability 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 long-term net pension/OPEB liability/asset 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 pension disclosures. See Note 13 for the OPEB disclosures.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a 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 Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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. 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.

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
<b>2022 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2022 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$658,021 for 2022. Of this amount, \$107,656 is reported as intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (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 3.00% 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 3.00% 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 NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2022 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2022 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$658,474 for 2022. Of this amount, \$86,583 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.02771700%	0.05549200%	0.03059700%	0.10399570%	
Proportion of the net pension liability/asset current measurement date	<u>0.02640200%</u>	<u>0.05025100%</u>	<u>0.02743000%</u>	<u>0.11319670%</u>	
Change in proportionate share	<u>-0.00131500%</u>	<u>-0.00524100%</u>	<u>-0.00316700%</u>	<u>0.00920100%</u>	
Proportionate share of the net pension liability	\$ 2,297,081	\$ -	\$ -	\$ 7,071,875	\$ 9,368,956
Proportionate share of the net pension asset	-	(197,992)	(4,980)	-	(202,972)
Pension expense	(229,080)	(7,144)	(799)	710,607	473,584

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 117,102	\$ 1,228	\$ 4,924	\$ 203,913	\$ 327,167
Changes of assumptions	287,248	9,953	169	1,292,433	1,589,803
Changes in employer's proportionate percentage/difference between employer contributions	223,271	-	-	805,763	1,029,034
Contributions subsequent to the measurement date	608,751	32,073	17,197	658,474	1,316,495
Total deferred outflows of resources	<u>\$ 1,236,372</u>	<u>\$ 43,254</u>	<u>\$ 22,290</u>	<u>\$ 2,960,583</u>	<u>\$ 4,262,499</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 50,380	\$ 22,151	\$ -	\$ 367,639	\$ 440,170
Net difference between projected and actual earnings on pension plan investments	2,732,294	42,448	1,137	1,854,138	4,630,017
Changes in employer's proportionate percentage/difference between employer contributions	156,770	-	-	76,478	233,248
Total deferred inflows of resources	<u>\$ 2,939,444</u>	<u>\$ 64,599</u>	<u>\$ 1,137</u>	<u>\$ 2,298,255</u>	<u>\$ 5,303,435</u>

\$1,316,495 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/increase to the net pension liability/asset in the year ending December 31, 2023.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2023	\$ (250,324)	\$ (13,012)	\$ 494	\$ 278,765	\$ 15,923
2024	(984,383)	(17,987)	371	(255,197)	(1,257,196)
2025	(642,473)	(11,802)	445	(186,729)	(840,559)
2026	(434,643)	(8,723)	460	(44,560)	(487,466)
2027	-	(1,156)	611	211,575	211,030
Thereafter	-	(738)	1,575	-	837
<b>Total</b>	<b>\$ (2,311,823)</b>	<b>\$ (53,418)</b>	<b>\$ 3,956</b>	<b>\$ 3,854</b>	<b>\$ (2,357,431)</b>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, 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, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.



**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were 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, 2021, 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	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00 %</u>	<u>4.21 %</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20%. 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 proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 6,056,355	\$ 2,297,081	\$ (831,135)
Combined Plan	(147,738)	(197,992)	(237,185)
Member-Directed Plan	(4,389)	(4,980)	(5,486)

**Actuarial Assumptions - OP&F**

OP&F’s total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: 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 calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below.

Valuation date	1/1/21 with actuarial liabilities rolled forward to 12/31/21
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
<b>Total</b>	<b>125.00 %</b>	

Note: assumptions are geometric.

\* levered 2x

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the 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 7.50%. A discount rate of 8.00% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
City’s proportionate share of the net pension liability	\$ 10,487,492	\$ 7,071,875	\$ 4,227,510

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 12 for a description of the net OPEB liability/asset.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. 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.

## CITY OF NORTH CANTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, 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 became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements 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 below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.00%.

## CITY OF NORTH CANTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$6,879 for 2022. Of this amount, \$1,125 is reported as intergovernmental payable.

#### *Plan Description - Ohio Police & Fire Pension Fund (OP&F)*

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

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

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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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 \$15,943 for 2022. Of this amount, \$2,096 is reported as intergovernmental payable.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.02864500%	0.10399570%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.02714400%</u>	<u>0.11319670%</u>	
Change in proportionate share	<u>-0.00150100%</u>	<u>0.00920100%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 1,240,733	\$ 1,240,733
Proportionate share of the net OPEB asset	(850,192)	-	(850,192)
OPEB expense	(615,333)	241,667	(373,666)

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 56,443	\$ 56,443
Changes of assumptions	-	549,188	549,188
Changes in employer's proportionate percentage/difference between employer contributions	146,558	395,809	542,367
Contributions subsequent to the measurement date	6,879	15,943	22,822
Total deferred outflows of resources	<u>\$ 153,437</u>	<u>\$ 1,017,383</u>	<u>\$ 1,170,820</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 128,960	\$ 163,981	\$ 292,941
Net difference between projected and actual earnings on OPEB plan investments	405,312	112,081	517,393
Changes of assumptions	344,147	144,103	488,250
Changes in employer's proportionate percentage/ difference between employer contributions	25,301	13,411	38,712
Total deferred inflows of resources	<u>\$ 903,720</u>	<u>\$ 433,576</u>	<u>\$ 1,337,296</u>

\$22,822 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/increase to the net OPEB liability/asset in the year ending December 31, 2023.

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2023	\$ (413,290)	\$ 169,037	\$ (244,253)
2024	(197,103)	152,401	(44,702)
2025	(88,558)	151,512	62,954
2026	(58,211)	23,345	(34,866)
2027	-	33,744	33,744
Thereafter	-	37,825	37,825
Total	<u>\$ (757,162)</u>	<u>\$ 567,864</u>	<u>\$ (189,298)</u>

***Actuarial Assumptions - OPERS***

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

Projections of 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, 2020, rolled forward to the measurement date of December 31, 2021.



**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	3.25 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3% for 2021.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
<b>Total</b>	<b>100.00 %</b>	<b>3.45 %</b>

**Discount Rate** - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. 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 the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 499,992	\$ 850,192	\$ 1,140,862

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50%. 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 care 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% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City’s proportionate share of the net OPEB asset	\$ 859,379	\$ 850,192	\$ 839,292

***Actuarial Assumptions - OP&F***

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.84%
Prior measurement date	2.96%
Cost of Living Adjustments	2.20% simple per year

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%.

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

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

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

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
<b>Total</b>	<b>125.00 %</b>	

Note: assumptions are geometric.

\* levered 2x

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

**Discount Rate** - For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84%.

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,559,629	\$ 1,240,733	\$ 978,600

**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.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 14 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

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

Fulltime Employees will be credited with accrued vacation:

Exempt Employees and Utility Workers and Service Union Employees

Each full-time employee shall earn and be entitled to paid vacation in accordance with the following schedule:

	<u>Annual</u>	<u>Bi-Weekly</u>
0 through 4 years	80 hours	3.08 hours
5 years through 9 years	120 hours	4.62 hours
10 years through 14 years	160 hours	6.16 hours
15 years through 19 years	200 hours	7.70 hours
> than 19 years	240 hours	9.23 hours

Vacation Payout. Employees shall be paid quarterly for any vacation leave to their credit if their current vacation balance exceeds two (2) years accumulating at their current rate of pay.

OPBA Police, OPBA Dispatch, FOP Sergeants and Lieutenants and IAFF Union Employees

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

Sick leave is earned for all full time employees at the rate of 4.6 hours per pay with the exception of full time employees of emergency medical services who receive 6.15 hours per pay. Employees hired on or before August 1, 2006 shall: 1) be paid for 50% of all sick time accumulated on or before the pay date ends August 6, 2011, as certified by the Director of Finance, that is not subsequently used; and, 2) shall receive an additional amount equal to 25% of all unused sick time accumulated after the pay period ending August 6, 2011, as certificated by the Director of Finance, up to a maximum payment of 240 hours. Employees hired after August 1, 2006 shall be paid for 25% of the total number of accumulated but unused sick hours earned by the employee, as certified by the Finance Director, up to a maximum payment equal to 240 hours.

**B. Insurance**

The City provides \$50,000 basic term life insurance and accidental death and dismemberment insurance to its full-time employees, and one times salary for administrative employees, through Medical Mutual of Ohio.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 15 - LONG-TERM OBLIGATIONS**

<u>Debt Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>Governmental activities:</b>			
<b>General obligation bonds</b>			
Series 2016 Refunding	2.00 - 4.00	1,233,180	December 1, 2026
Real Estate Acquisition - Series 2020	1.76	2,900,000	December 1, 2034
<b>Various purpose notes</b>			
Various purpose notes - Series 2022	1.40	4,314,000	May 10, 2022
<b>Business-type activities:</b>			
<b>OWDA loans - direct borrowing</b>			
Water treatment plant improvement 2003	3.65	6,789,904	July 1, 2024
Water treatment plant improvement 2004	3.76	3,022,687	July 1, 2025
Water treatment backwash tank 2005	3.25	1,670,933	January 1, 2026
Portage St./W. Park sanitary sewer 2010	3.43	173,849	January 1, 2030
<b>Intergovernmental loans - direct borrowing</b>			
Sewer rights - City of Canton #6699	3.38	n/a	n/a
Sewer rights - City of Canton #6556	3.39	n/a	n/a
<b>OPWC loans - direct borrowing</b>			
Booster pump station 2007	0	1,020,904	January 1, 2028
Applegrove waterline 2008	0	419,088	January 1, 2039
North Main St. waterline 2010	0	320,335	January 1, 2032
Water Tower #1 exterior painting	0	398,000	January 1, 2033
Lynbrook sanitary sewer	0	299,354	January 1, 2033
<b>Other long-term liabilities</b>			
Raw waterline - Series 2011A	2.00 - 5.50	915,000	December 1, 2030
Frank/Applegrove waterline - Series 2011A	2.00 - 5.50	600,000	December 1, 2030
Series 2016 Refunding	2.00 - 4.00	3,691,820	December 1, 2030

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**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)**

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the City has reported obligations for leases payable which are reflected in the schedule below. The changes in governmental activities long-term obligations during the year were as follows.

	Restated Balance <u>12/31/2021</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>12/31/2022</u>	Amounts Due in One Year
<b>Governmental activities:</b>					
<b>General obligation bonds</b>					
Series 2016 Refunding	\$ 845,988	\$ -	\$ (95,472)	\$ 750,516	\$ 95,472
Real Estate Acquisition - Series 2020	<u>2,540,000</u>	<u>-</u>	<u>(176,000)</u>	<u>2,364,000</u>	<u>179,000</u>
Total GO bonds	<u>3,385,988</u>	<u>-</u>	<u>(271,472)</u>	<u>3,114,516</u>	<u>274,472</u>
<b>Various purpose notes</b>					
Various purpose notes - Series 2021	4,500,000	-	(4,500,000)	-	-
Various purpose notes - Series 2022	<u>-</u>	<u>4,314,000</u>	<u>-</u>	<u>4,314,000</u>	<u>-</u>
Total notes payable	<u>4,500,000</u>	<u>4,314,000</u>	<u>(4,500,000)</u>	<u>4,314,000</u>	<u>-</u>
<b>Other long-term liabilities</b>					
Unamortized premiums on bonds	81,450	-	(9,134)	72,316	-
Compensated absences	983,960	947,980	(275,872)	1,656,068	113,836
Notes payable - financed purchase	-	815,158	(123,226)	691,932	114,516
Leases payable	47,777	-	(13,712)	34,065	13,688
Net pension liability	9,373,499	-	(960,247)	8,413,252	-
Net OPEB liability	<u>1,101,851</u>	<u>138,882</u>	<u>-</u>	<u>1,240,733</u>	<u>-</u>
Total governmental activities	<u>\$ 19,474,525</u>	<u>\$ 6,216,020</u>	<u>\$ (6,153,663)</u>	<u>\$ 19,536,882</u>	<u>\$ 516,512</u>

On April 19, 2016, the City issued a total of \$4,925,000 in Series 2016 Refunding Bonds to advance refund \$1,220,000 of the Series 2011A governmental activities General Obligation Bonds, \$2,660,000 in the Series 2007 Water Bonds and \$1,080,000 in the water General Obligation Bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The refunding bonds are comprised of current interest bonds, par value \$4,925,000. Principal and interest payments are made from the water fund and are due on June 1 and December 1 of each year. The refunding bonds carry interest rates ranging from 2.00-4.00% and have a final maturity date of December 1, 2030.

The reacquisition price of the Series 2016 bonds exceeded the net carrying amount of the old debt by \$250,432. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equal to the life of the Series 2016 issued. This advance refunding was undertaken to reduce the combined total debt service payments by \$617,846 and resulted in an economic gain of \$550,842.

On April 3, 2020, the City issued a total of \$2,900,000 in Series 2020 Real Estate Acquisition Bonds to purchase land for the future site of a Safety Service Center.

On May 10, 2022, the City issued \$4,314,000 in bond anticipation notes for economic development. The notes have been financed on a long-term basis prior to the issuance of the financial statements. See Note 24 for details on note issuance.

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



**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)**

Notes payable - financed purchase: During 2022, the City entered into agreements for the purchase of salt dome equipment and land on Orion St. The payments for the salt dome equipment will be paid from the capital improvement fund and the payments for the land purchase will be paid from the general fund.

Leases payable: The City has entered into lease agreements for the use of right to use land and equipment. Due to the implementation of GASB Statement No. 87, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund, the EMS operating fund, and the fire operating fund (a nonmajor governmental fund).

The City has entered into lease agreements for copier equipment and land at varying years and terms as follows:

<u>Leases</u>	<u>Lease Commencement Date</u>	<u>Length</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Postage Machine Lease	2020	5 years	2025	Quarterly
Masonic Temple Ground Lease	2021	50 years	2071	Annually
Utilities Copier Lease	2019	63 months	2025	Monthly
Finance Copier Lease	2019	63 months	2024	Monthly
Building/Engineering Copier Lease	2020	63 months	2025	Monthly
Police/Fire/EMS Copier Lease	2018	63 months	2024	Monthly

Net pension liability and net OPEB liability: See Notes 12 and 13 for details. The City pays obligation related to employee compensation, the net pension liability and net OPEB liability from the fund benefitting from their service which, for governmental activities, is primarily the general fund and for business-type activities is primarily the water and sewer funds.

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**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)**

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the City has reported obligations for leases payable which are reflected in the schedule below. The changes in business-type activities long-term obligations during the year were as follows.

	Restated Balance <u>12/31/2021</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>12/31/2022</u>	Amounts Due in One Year
<b>Business-type activities:</b>					
<b>OWDA loans - direct borrowing</b>					
Water treatment plant improvement	\$ 1,356,013	\$ -	\$ (435,757)	\$ 920,256	\$ 451,807
Water treatment plant improvement	796,615	-	(188,168)	608,447	195,310
Water treatment backwash tank	474,826	-	(99,645)	375,181	102,911
Portage St./W. Park sanitary	<u>88,443</u>	<u>-</u>	<u>(9,128)</u>	<u>79,315</u>	<u>9,444</u>
Total OWDA loans	<u>2,715,897</u>	<u>-</u>	<u>(732,698)</u>	<u>1,983,199</u>	<u>759,472</u>
<b>Intergovernmental loans - direct borrowing</b>					
Sewer rights - City of Canton #6699	944,367	-	(944,367)	-	-
Sewer rights - City of Canton #6556	462,282	-	(462,282)	-	-
Sewer rights - City of Canton 2022 - 2031	<u>-</u>	<u>2,838,240</u>	<u>(201,121)</u>	<u>2,637,119</u>	<u>231,401</u>
Total intergovernmental loans	<u>1,406,649</u>	<u>2,838,240</u>	<u>(1,607,770)</u>	<u>2,637,119</u>	<u>231,401</u>
<b>OPWC loans - direct borrowing</b>					
Booster pump station	306,273	-	(51,045)	255,228	51,045
Applegrove waterline	237,478	-	(13,970)	223,508	13,970
North Main St. waterline	152,158	-	(16,017)	136,141	16,017
Water Tower #1 exterior painting	218,900	-	(19,900)	199,000	19,900
Lynbrook sanitary sewer	<u>164,642</u>	<u>-</u>	<u>(14,968)</u>	<u>149,674</u>	<u>14,968</u>
Total OPWC loans	<u>1,079,451</u>	<u>-</u>	<u>(115,900)</u>	<u>963,551</u>	<u>115,900</u>
<b>General obligation bonds</b>					
Series 2016 Refunding	749,012	-	(84,528)	664,484	84,528
Series 2016 Refunding	<u>1,345,000</u>	<u>-</u>	<u>(255,000)</u>	<u>1,090,000</u>	<u>265,000</u>
Total general obligation bonds	<u>2,094,012</u>	<u>-</u>	<u>(339,528)</u>	<u>1,754,484</u>	<u>349,528</u>
Unamortized premiums on bonds	208,507	-	(23,388)	185,119	-
Notes payable - financed purchase	-	473,249	(163,944)	309,305	157,060
Leases payable	21,507	-	(4,586)	16,921	4,671
Net pension liability	<u>1,820,266</u>	<u>-</u>	<u>(864,562)</u>	<u>955,704</u>	<u>-</u>
Total business-type activities	<u>\$ 9,346,289</u>	<u>\$ 3,311,489</u>	<u>\$ (3,852,376)</u>	<u>\$ 8,805,402</u>	<u>\$ 1,618,032</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)**

OWDA Loans - In January 2003, the City was approved for a construction loan through the Water Supply Revolving Loan Fund, which is administered by the Ohio Environmental Protection Agency, for the purpose of funding the improvements and upgrades to the City's Water Treatment Plant. The loan, which is administered by the Ohio Water Development Authority, is at a rate of 3.65 percent and is to be repaid over 20 years. The total amount of the loan, including capitalized interest, was \$7.2 million. In January, 2004, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.76 percent and is to be repaid over 20 years. The total amount of the loan was for \$3.0 million, repayments began in 2005. In July 2005, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.25 percent for \$1.7 million and is to be repaid over 20 years. These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default. The City has pledged future water and sewer revenues to repay OWDA loans. The loans are payable solely from water and sewer fund revenues and are payable through 2026. Annual principal and interest payments on the loans are expected to require 16.10% of net revenues and 7.94% of total revenues. The total principal and interest remaining to be paid on the loans is \$2,102,313. Principal and interest paid for the current year were \$824,037, total net revenues were \$5,355,693 and total revenues were \$10,652,275.

Intergovernmental Loans Payable - In 2022, the City entered into a contractual agreement with the City of Canton for the use of the Water Reclamation Facility that is in the area and will be shared between the City of Canton, Stark County and the City of North Canton and that City residents are able to tap into. The plant will be a capital asset of the City of Canton. The total amount collectively owed to the City of Canton as of December 31, 2022 is \$2,637,199. This amount has been recorded on the City's books as a long-term liability in the sewer enterprise fund. An amount has been recorded as sewer rights in the City sewer enterprise fund capital assets. These amounts will be amortized over the useful life of the asset to the City of Canton.

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

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

General Obligation Bonds - On March 23, 2011, the City issued \$3,315,000 in Series 2011A Various Purpose General Obligation Bonds. In business-type activities, \$915,000 in bonds was used to retire bond anticipation notes maturing on March 25, 2011 and \$600,000 in bonds was used for the Frank/Applegrove waterline. During 2016, \$1,080,000 of these bonds were refunded by the Series 2016 Refunding Bonds.

Notes payable - financed purchase: During 2022, the City entered into an agreement for the purchase of a valve turning truck and other equipment. The payments for this purchase will be paid from the water fund.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)**

Leases payable: The City has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the water fund.

The City has entered into lease agreements for copier equipment at varying years and terms as follows:

<u>Leases</u>	Lease	<u>Length</u>	Lease	<u>Payment</u>
	Commencement		End	
	<u>Date</u>		<u>Date</u>	<u>Method</u>
Water Treatment Copier Lease	2021	63 months	2027	Quarterly
Service Center Copier Lease	2020	63 months	2025	Annually

Principal and interest requirements to retire the outstanding debt at December 31, 2022, are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Total Governmental</u> <u>General Obligation Bonds</u>			<u>Total Governmental</u> <u>Notes Payable - Financed Purchase</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 274,472	\$ 69,717	\$ 344,189	\$ 114,516	\$ 23,342	\$ 137,858
2024	280,124	64,658	344,782	118,914	18,944	137,858
2025	288,428	57,529	345,957	123,481	14,377	137,858
2026	270,212	50,136	320,348	16,785	9,632	26,417
2027	276,864	43,539	320,403	17,268	9,149	26,417
2028-2032	1,295,416	166,321	1,461,737	94,077	38,008	132,085
2033-2037	429,000	11,352	440,352	108,401	23,684	132,085
2038-2041	-	-	-	98,490	7,180	105,670
<b>Total</b>	<b>\$ 3,114,516</b>	<b>\$ 463,252</b>	<b>\$ 3,577,768</b>	<b>\$ 691,932</b>	<b>\$ 144,316</b>	<b>\$ 836,248</b>

<u>Year End</u> <u>December 31,</u>	<u>Total Governmental</u> <u>Leases Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 13,688	\$ 846	\$ 14,534
2024	7,634	503	8,137
2025	445	379	824
2026	126	374	500
2027	130	370	500
2028 - 2032	711	1,789	2,500
2033 - 2037	826	1,674	2,500
2038 - 2042	959	1,541	2,500
2043 - 2047	1,114	1,386	2,500
2048 - 2052	1,294	1,206	2,500
2053 - 2057	1,504	996	2,500
2058 - 2062	1,747	753	2,500
2063 - 2067	2,029	471	2,500
2068 - 2072	1,858	143	2,001
<b>Total</b>	<b>\$ 34,065</b>	<b>\$ 12,431</b>	<b>\$ 46,496</b>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)**

Year Ending December 31,	Ohio Public Works Commission - Direct Borrowing			OWDA Loans - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 115,900	\$ -	\$ 115,900	\$ 759,472	\$ 64,567	\$ 824,039
2024	115,900	-	115,900	787,223	36,813	824,036
2025	115,901	-	115,901	330,290	12,438	342,728
2026	115,901	-	115,901	66,679	2,539	69,218
2027	115,901	-	115,901	10,820	1,264	12,084
2028-2032	300,242	-	300,242	11,194	889	12,083
2033-2037	69,850	-	69,850	11,581	502	12,083
2038	<u>13,956</u>	<u>-</u>	<u>13,956</u>	<u>5,940</u>	<u>102</u>	<u>6,042</u>
Total	<u>\$ 963,551</u>	<u>\$ -</u>	<u>\$ 963,551</u>	<u>\$ 1,983,199</u>	<u>\$ 119,114</u>	<u>\$ 2,102,313</u>

Year Ending December 31,	Total Business-Type Activities General Obligation Bonds			Total Business-Type Activities Intergovernmental Loans		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 349,528	\$ 63,189	\$ 412,717	\$ 231,401	\$ 75,956	\$ 307,357
2024	351,876	56,198	408,074	244,671	68,833	313,504
2025	366,572	42,123	408,695	258,470	61,304	319,774
2026	357,788	27,460	385,248	272,815	53,354	326,169
2027	75,136	13,149	88,285	287,727	44,966	332,693
2028-2032	<u>253,584</u>	<u>66,119</u>	<u>319,703</u>	<u>1,342,035</u>	<u>86,600</u>	<u>1,428,635</u>
Total	<u>\$ 1,754,484</u>	<u>\$ 268,238</u>	<u>\$ 2,022,722</u>	<u>\$ 2,637,119</u>	<u>\$ 391,013</u>	<u>\$ 3,028,132</u>

Year Ending December 31,	Total Business-Type Activities Notes Payable - Financed Purchase			Total Business-Type Activities Leases Payable		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 157,060	\$ 7,856	\$ 164,916	\$ 4,671	\$ 444	\$ 5,115
2024	75,168	3,867	79,035	4,813	302	5,115
2025	77,077	1,958	79,035	3,709	166	3,875
2026	-	-	-	3,188	68	3,256
2027	<u>-</u>	<u>-</u>	<u>-</u>	<u>540</u>	<u>2</u>	<u>542</u>
Total	<u>\$ 309,305</u>	<u>\$ 13,681</u>	<u>\$ 322,986</u>	<u>\$ 16,921</u>	<u>\$ 982</u>	<u>\$ 17,903</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)**

**Notes Payable - Short Term**

Changes in the City’s note activity for the year ended December 31, 2022, were as follows:

	<u>Balance</u> <u>12/31/2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2022</u>
<u>Governmental fund notes</u>				
Various purpose notes - series 2022	\$ -	\$ 2,717,500	\$ -	\$ 2,717,500
Total Governmental Fund Notes	<u>\$ -</u>	<u>\$ 2,717,500</u>	<u>\$ -</u>	<u>\$ 2,717,500</u>

All notes were backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds. The notes were issued in anticipation of long-term bond financing and will be refinanced when such bonds are issued.

On June 3, 2022, the issued Series 2022 bond anticipation notes in the amount of \$7,031,500 for the purpose of economic development. Of this amount, \$4,314,000 has been replaced by debt that extends at least one year beyond the balance sheet date. The notes have an interest rate of 1.4% and will mature on May 9, 2023.

**Conduit Debt**

From time to time, the City has issued Industrial Revenue Bonds to provide assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans; ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2022, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$15,012,756.

**Legal Debt Margin**

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2022, the City’s total debt margin was \$50,354,681 and the unvoted debt margin was \$24,893,159.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 16 - INTERFUND ACTIVITY**

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

<u>Transfer from</u>	Transfer to			<u>Total</u>
	<u>Emergency Levy</u>	<u>Capital Improvement</u>	<u>Nonmajor Governmental</u>	
<b>Major fund</b>				
General	\$ 700,000	\$ 500,000	\$ 1,521,750	\$ 2,721,750

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental funds and business-type activities are presented as transfers on the Statement of Activities.

The City transferred \$3,696,101 in assets held for resale to the CIC during 2022. This amount is recorded as transfers out of the general fund and transfers to the North Canton CIC on the statement of activities.

- B. Interfund loans receivable/payable consisted of the following at December 31, 2022, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental fund	\$ 83,020
Total		\$ 83,020

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received. Interfund loans between governmental funds are eliminated on the statement of net position, thus there are not internal balances.

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING**

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

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

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

**Net Change in Fund Balance**

	<u>General Fund</u>	Emergency Medical Services <u>Levy Fund</u>
Budget basis	\$ 4,497,190	\$ (39,860)
Net adjustment for revenue accruals	(5,091,690)	(17,972)
Net adjustment for expenditure accruals	(381,489)	20,266
Net adjustment for other financing sources/uses	1,527,653	-
Funds budgeted elsewhere	(4,769,138)	-
Adjustment for encumbrances	<u>175,684</u>	<u>31,488</u>
GAAP basis	<u>\$ (4,041,790)</u>	<u>\$ (6,078)</u>

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



**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 18 - FUND BALANCE**

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

Fund balance	General	Emergency Medical Services Levy Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 54,049	\$ 10,044	\$ -	\$ 143,307	\$ 207,400
Prepays	42,158	4,273	-	11,980	58,411
Unclaimed monies	15,943	-	-	-	15,943
Total nonspendable	<u>112,150</u>	<u>14,317</u>	<u>-</u>	<u>155,287</u>	<u>281,754</u>
Restricted:					
Security of persons and property police	-	-	-	96,878	96,878
Security of persons and property fire	-	-	-	214,097	214,097
Public health and welfare	-	480,849	-	4,536	485,385
Transportation	-	-	-	2,276,263	2,276,263
Utility services	-	-	-	724,332	724,332
General trust	-	-	-	52,233	52,233
Capital Improvements	-	-	-	796,977	796,977
Total restricted	<u>-</u>	<u>480,849</u>	<u>-</u>	<u>4,165,316</u>	<u>4,646,165</u>
Committed:					
Capital improvements	-	-	4,668,214	309,720	4,977,934
Compensated absences	1,148,510	-	-	-	1,148,510
Total committed	<u>1,148,510</u>	<u>-</u>	<u>4,668,214</u>	<u>309,720</u>	<u>6,126,444</u>
Assigned:					
Community environment	25,778	-	-	-	25,778
Security of persons and property police	49,259	-	-	-	49,259
Leisure time activity	7,222	-	-	-	7,222
Subsequent year appropriation	3,263,200	-	-	-	3,263,200
Total assigned	<u>3,345,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,345,459</u>
Unassigned	<u>673,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>673,261</u>
Total fund balances	<u>\$ 5,279,380</u>	<u>\$ 495,166</u>	<u>\$ 4,668,214</u>	<u>\$ 4,630,323</u>	<u>\$ 15,073,083</u>

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS**

***Stark Council of Governments***

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

***Stark County Combined General Health District***

The City participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, and the City of North Canton. Of the 7 Board Members, the City has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$99,113 to the Health District in 2022. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

***Regional Income Tax Agency (RITA)***

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for almost 200 municipalities throughout the State of Ohio. During 2022, the City paid \$189,540 in income tax collection fees to RITA.

Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

**NOTE 20 - LITIGATION**

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

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 21 - TAX ABATEMENTS**

The City had two Community Reinvestment Areas, Main Street CRA and Valley View CRA. These CRA programs were created by ordinance as authorized in Ohio Revised Code Sections 3735.65-70. The CRAs provided an incentive for new residential, commercial, or industrial development or rehabilitation in designated areas. A property tax exemption on 100% of the increase in assessed valuation resulting from improvements was given on residential properties. The residential tax exemption varied from 10 to 15 years, based on the type of dwelling and the cost of remodeling or construction. For commercial and industrial properties, those exemptions were negotiated on a case-by-case bases in advance of the commencement of construction or remodeling. An ordinance to repeal both CRAs was passed by City Council in 2016; however, abatements granted prior to the repeal are still in place. The amount of property taxes that were reduced during 2022 as a result of tax abatement agreements were roughly \$100,000.

**NOTE 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION**

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

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

**Summary of Significant Accounting Policies**

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

The CIC’s significant accounting policies are described below.

**A. Basis of Accounting**

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

**B. Cash and Cash Equivalents**

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

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**C. Capital Assets and Depreciation**

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

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

**D. Net Position**

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

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

**E. Estimates**

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

**F. Assets Held for Resale**

During 2022, the City of North Canton transferred property to the CIC that is being held for resale. The transfer included land and buildings associated with the K Mart property within the City of North Canton for the purpose of revitalization. The CIC's intent is to sell the remaining land and buildings for development. The associated assets have been reported at lower of cost or market.

**G. Contributions of Capital**

Contributions of capital in the basic financial statements arise from outside contributions of capital assets and assets held for resale provided by the City of North Canton for the use of CIC activities or resale of properties.

**Deposits**

At December 31, 2022, the carrying amount of the CIC's deposits was \$1,323,298. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2022, all of the bank balance of \$1,323,679 was covered by the Federal Deposit Insurance Corporation.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

**Capital Assets**

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

	Balance			Balance
	<u>12/31/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/22</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,585,608	\$ 969,856	\$ -	\$ 2,555,464
<i>Total capital assets, not being depreciated</i>	<u>1,585,608</u>	<u>969,856</u>	<u>-</u>	<u>2,555,464</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	44,200	-	-	44,200
Buildings and improvements	562,831	430,544	-	993,375
Equipment	<u>444,000</u>	<u>-</u>	<u>-</u>	<u>444,000</u>
<i>Total capital assets, being depreciated</i>	<u>1,051,031</u>	<u>430,544</u>	<u>-</u>	<u>1,481,575</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(44,200)	-	-	(44,200)
Buildings and improvements	(11,224)	(19,452)	-	(30,676)
Equipment	<u>(144,300)</u>	<u>(11,100)</u>	<u>-</u>	<u>(155,400)</u>
<i>Total accumulated depreciation</i>	<u>(199,724)</u>	<u>(30,552)</u>	<u>-</u>	<u>(230,276)</u>
Total capital assets, net	<u>\$ 2,436,915</u>	<u>\$ 1,369,848</u>	<u>\$ -</u>	<u>\$ 3,806,763</u>

**Litigation**

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

**Long-term Obligations**

The changes in governmental activities long-term obligations during the year were as follows.

	Balance			Balance	Amounts Due
	<u>12/31/2021</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2022</u>	<u>in One Year</u>
<b>Governmental activities - direct borrowings:</b>					
Mortgage payable - 1023 N. Main St.	\$ 134,025	\$ -	\$ (7,390)	\$ 126,635	\$ 7,660
Mortgage payable - 6507 Wise Ave. NW & Whipple Ave. NW	404,374	-	(22,296)	382,078	23,111
Mortgage payable - 6631 Wise Ave. NW	<u>-</u>	<u>72,000</u>	<u>(3,324)</u>	<u>68,676</u>	<u>3,734</u>
Total governmental activities	<u>\$ 538,399</u>	<u>\$ 72,000</u>	<u>\$ (33,010)</u>	<u>\$ 577,389</u>	<u>\$ 34,505</u>

On February 16, 2021, the CIC entered into a mortgage payable for \$140,000 to purchase property at 1023 N. Main St., North Canton. The mortgage has an interest rate of 3.55% and a final maturity date of February 16, 2036.

On February 24, 2021, the CIC entered into a mortgage payable for \$422,400 to purchase property at 6507 Wise Ave. NW and property on Whipple Ave NW. The mortgage has an interest rate of 3.55% and a final maturity date of February 24, 2036.

On January 31, 2022, the CIC entered into a mortgage payable for \$72,000 to purchases property at 6631 Wise Ave. NW. The mortgage has an interest rate of 3.85% and a final maturity date of January 28, 2037.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

**Long-term Obligations - (Continued)**

These mortgages are considered direct borrowings. Direct borrowings have terms negotiated directly between the CIC and the lender and are not offered for public sale.

Principal and interest requirements to retire the outstanding debt at December 31, 2022 are as follows.

Year Ending <u>December 31,</u>	Total Mortgages Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 34,505	\$ 20,419	\$ 54,924
2024	35,724	19,200	54,924
2025	37,098	17,826	54,924
2026	38,469	16,456	54,925
2027	39,890	15,034	54,924
2028-2032	222,602	52,015	274,617
2033-2036	169,101	10,644	179,745
Total	\$ 577,389	\$ 151,594	\$ 728,983

**Due to Primary Government**

During 2022, the City of North Canton advanced the CIC \$1,149,378 for the purchase of property. The CIC will repay the funds to the City in May of 2023. This amount is recorded as “due to primary governments” on the basic financial statements.

**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 2022, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may 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.

**NOTE 24 - SUBSEQUENT EVENT**

On May 2, 2023, the City issued \$4,314,000 of Nontax Revenue Bonds. The bonds have an interest rate of 5.35% and will mature on December 1, 2037. The purpose of issuing the bonds is to support the future economic development of the City.

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REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF NORTH CANTON, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.026402%	0.027717%	0.023053%	0.027004%
City's proportionate share of the net pension liability	\$ 2,297,081	\$ 4,104,285	\$ 4,556,582	\$ 7,395,848
City's covered payroll	\$ 3,848,979	\$ 4,200,693	\$ 3,095,071	\$ 3,624,036
City's proportionate share of the net pension liability as a percentage of its covered payroll	59.68%	97.70%	147.22%	204.08%
Plan fiduciary net position as a percentage of the total pension liability	96.62%	86.88%	82.17%	74.70%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.050251%	0.055492%	0.050324%	0.055653%
City's proportionate share of the net pension asset	\$ 197,992	\$ 160,184	\$ 104,938	\$ 62,234
City's covered payroll	\$ 229,093	\$ 226,207	\$ 242,364	\$ 238,021
City's proportionate share of the net pension asset as a percentage of its covered payroll	86.42%	70.81%	43.30%	26.15%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.027430%	0.030597%	0.030872%	0.021849%
City's proportionate share of the net pension asset	\$ 4,980	\$ 5,578	\$ 1,167	\$ 498
City's covered payroll	\$ 171,970	\$ 168,270	\$ 199,010	\$ 124,890
City's proportionate share of the net pension asset as a percentage of its covered payroll	2.90%	3.31%	0.59%	0.40%
Plan fiduciary net position as a percentage of the total pension asset	171.84%	188.21%	118.84%	113.42%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	0.028288%	0.280710%	0.030226%	0.031691%	0.031691%
\$	4,437,839	\$ 6,374,447	\$ 5,235,523	\$ 3,822,289	\$ 3,735,956
\$	3,826,369	\$ 3,617,467	\$ 3,503,758	\$ 3,935,808	\$ 3,898,908
	115.98%	176.21%	149.43%	97.12%	95.82%
	84.66%	77.25%	81.08%	86.45%	86.36%
	0.071714%	0.658650%	0.074670%	0.075345%	0.075345%
\$	97,627	\$ 36,658	\$ 36,337	\$ 29,010	\$ 7,906
\$	293,700	\$ 256,375	\$ 271,733	\$ 264,817	\$ 254,254
	33.24%	14.30%	13.37%	10.95%	3.11%
	137.28%	116.55%	116.90%	114.83%	104.56%
	0.019983%	0.016979%	0.020418%	n/a	n/a
\$	697	\$ 71	\$ 78	n/a	n/a
\$	142,380	\$ 88,142	\$ 113,708	n/a	n/a
	0.49%	0.08%	0.07%	n/a	n/a
	124.46%	103.40%	103.40%	n/a	n/a

**CITY OF NORTH CANTON, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability	0.11319670%	0.10399570%	0.10665340%	0.10369100%
City's proportionate share of the net pension liability	\$ 7,071,875	\$ 7,089,480	\$ 7,184,743	\$ 8,463,925
City's covered payroll	\$ 3,008,274	\$ 3,034,346	\$ 2,298,107	\$ 2,438,943
City's proportionate share of the net pension liability as a percentage of its covered payroll	235.08%	233.64%	312.64%	347.03%
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	0.09438800%	0.08695100%	0.09668200%	0.07778590%	0.07778590%
\$	5,793,004	\$ 5,507,346	\$ 6,219,582	\$ 4,029,634	\$ 3,788,418
\$	2,251,083	\$ 1,983,744	\$ 1,825,891	\$ 1,835,351	\$ 1,689,819
	257.34%	277.62%	340.63%	219.56%	224.19%
	70.91%	68.36%	66.77%	72.20%	73.00%

**CITY OF NORTH CANTON, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 608,751	\$ 538,857	\$ 588,097	\$ 433,310
Contributions in relation to the contractually required contribution	<u>(608,751)</u>	<u>(538,857)</u>	<u>(588,097)</u>	<u>(433,310)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,348,221	\$ 3,848,979	\$ 4,200,693	\$ 3,095,071
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 32,073	\$ 32,073	\$ 31,669	\$ 33,931
Contributions in relation to the contractually required contribution	<u>(32,073)</u>	<u>(32,073)</u>	<u>(31,669)</u>	<u>(33,931)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 229,093	\$ 229,093	\$ 226,207	\$ 242,364
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 17,197	\$ 17,197	\$ 16,827	\$ 19,901
Contributions in relation to the contractually required contribution	<u>(17,197)</u>	<u>(17,197)</u>	<u>(16,827)</u>	<u>(19,901)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 171,970	\$ 171,970	\$ 168,270	\$ 199,010
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 509,885	\$ 497,428	\$ 434,096	\$ 420,451	\$ 472,297	\$ 506,858
<u>(509,885)</u>	<u>(497,428)</u>	<u>(434,096)</u>	<u>(420,451)</u>	<u>(472,297)</u>	<u>(506,858)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,642,036	\$ 3,826,369	\$ 3,617,467	\$ 3,503,758	\$ 3,935,808	\$ 3,898,908
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$ 33,323	\$ 38,181	\$ 30,765	\$ 32,608	\$ 31,778	\$ 33,053
<u>(33,323)</u>	<u>(38,181)</u>	<u>(30,765)</u>	<u>(32,608)</u>	<u>(31,778)</u>	<u>(33,053)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 238,021	\$ 293,700	\$ 256,375	\$ 271,733	\$ 264,817	\$ 254,254
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$ 12,489	\$ 14,238	\$ 10,577	\$ 13,645		
<u>(12,489)</u>	<u>(14,238)</u>	<u>(10,577)</u>	<u>(13,645)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 124,890	\$ 142,380	\$ 88,142	\$ 113,708		
10.00%	10.00%	12.00%	12.00%		

**CITY OF NORTH CANTON, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Police:</i>				
Contractually required contribution	\$ 383,577	\$ 384,768	\$ 400,120	\$ 303,046
Contributions in relation to the contractually required contribution	<u>(383,577)</u>	<u>(384,768)</u>	<u>(400,120)</u>	<u>(303,046)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,018,826	\$ 2,025,095	\$ 2,105,895	\$ 1,594,979
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 274,897	\$ 231,047	\$ 218,186	\$ 165,235
Contributions in relation to the contractually required contribution	<u>(274,897)</u>	<u>(231,047)</u>	<u>(218,186)</u>	<u>(165,235)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,169,774	\$ 983,179	\$ 928,451	\$ 703,128
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 320,993	\$ 311,340	\$ 286,727	\$ 274,092	\$ 297,289	\$ 243,196
<u>(320,993)</u>	<u>(311,340)</u>	<u>(286,727)</u>	<u>(274,092)</u>	<u>(297,289)</u>	<u>(243,196)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,689,437	\$ 1,638,632	\$ 1,509,089	\$ 1,442,589	\$ 1,564,679	\$ 1,531,140
19.00%	19.00%	19.00%	19.00%	19.00%	15.88%
\$ 176,134	\$ 143,926	\$ 111,544	\$ 90,076	\$ 63,608	\$ 32,344
<u>(176,134)</u>	<u>(143,926)</u>	<u>(111,544)</u>	<u>(90,076)</u>	<u>(63,608)</u>	<u>(32,344)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 749,506	\$ 612,451	\$ 474,655	\$ 383,302	\$ 270,672	\$ 158,679
23.50%	23.50%	23.50%	23.50%	23.50%	20.38%



**CITY OF NORTH CANTON, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability/asset	0.027144%	0.028645%	0.024166%	0.027648%
City's proportionate share of the net OPEB liability/(asset)	\$ (850,192)	\$ (510,335)	\$ 3,337,952	\$ 3,604,647
City's covered payroll	\$ 4,250,042	\$ 4,595,170	\$ 3,536,445	\$ 4,004,947
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.00%	11.11%	94.39%	90.00%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>
0.029240%	0.028650%
\$ 3,175,249	\$ 2,893,697
\$ 4,262,449	\$ 3,961,984
74.49%	73.04%
54.14%	54.05%

**CITY OF NORTH CANTON, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability	0.11319670%	0.10399570%	0.10665340%	0.10369100%
City's proportionate share of the net OPEB liability	\$ 1,240,733	\$ 1,101,851	\$ 1,053,494	\$ 944,266
City's covered payroll	\$ 3,008,274	\$ 3,034,346	\$ 2,298,107	\$ 2,438,943
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	41.24%	36.31%	45.84%	38.72%
Plan fiduciary net position as a percentage of the total OPEB liability	46.86%	45.42%	47.08%	46.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2018</u>		<u>2017</u>
	0.09438800%		0.08695100%
\$	5,347,886	\$	4,127,368
\$	2,251,083	\$	1,983,744
	237.57%		208.06%
	14.13%		15.96%

**CITY OF NORTH CANTON, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 6,879	\$ 6,879	\$ 6,731	\$ 7,960
Contributions in relation to the contractually required contribution	<u>(6,879)</u>	<u>(6,879)</u>	<u>(6,731)</u>	<u>(7,960)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,749,284	\$ 4,250,042	\$ 4,595,170	\$ 3,536,445
Contributions as a percentage of covered payroll	0.14%	0.16%	0.15%	0.23%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 8,447	\$ 42,296	\$ 79,240	\$ 77,784	\$ 82,759	\$ 41,532
<u>(8,447)</u>	<u>(42,296)</u>	<u>(79,240)</u>	<u>(77,784)</u>	<u>(82,759)</u>	<u>(41,532)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,004,947	\$ 4,262,449	\$ 3,961,984	\$ 3,889,199	\$ 4,200,625	\$ 4,153,162
0.21%	0.99%	2.00%	2.00%	1.97%	1.00%

**CITY OF NORTH CANTON, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Police:</i>				
Contractually required contribution	\$ 10,094	\$ 10,125	\$ 10,529	\$ 7,975
Contributions in relation to the contractually required contribution	<u>(10,094)</u>	<u>(10,125)</u>	<u>(10,529)</u>	<u>(7,975)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,018,826	\$ 2,025,095	\$ 2,105,895	\$ 1,594,979
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
 <i>Fire:</i>				
Contractually required contribution	\$ 5,849	\$ 4,916	\$ 4,642	\$ 3,516
Contributions in relation to the contractually required contribution	<u>(5,849)</u>	<u>(4,916)</u>	<u>(4,642)</u>	<u>(3,516)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,169,774	\$ 983,179	\$ 928,451	\$ 703,128
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 8,193	\$ 7,749	\$ 7,408	\$ 7,760	\$ 51,825	\$ 102,690
<u>(8,193)</u>	<u>(7,749)</u>	<u>(7,408)</u>	<u>(7,760)</u>	<u>(51,825)</u>	<u>(102,690)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,689,437	\$ 1,638,632	\$ 1,509,089	\$ 1,442,589	\$ 1,564,679	\$ 1,531,140
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%
\$ 3,748	\$ 3,062	\$ 2,373	\$ 1,917	\$ 1,413	\$ 5,358
<u>(3,748)</u>	<u>(3,062)</u>	<u>(2,373)</u>	<u>(1,917)</u>	<u>(1,413)</u>	<u>(5,358)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 749,506	\$ 612,451	\$ 474,655	\$ 383,302	\$ 270,672	\$ 158,679
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%



CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

*Changes in assumptions :*

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.

(Continued)

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

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*OHIO POLICE AND FIRE (OP&F) PENSION FUND*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

*Changes in assumptions :*

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.

(Continued)

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: 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 the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

(Continued)

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO POLICE AND FIRE (OP&F) PENSION FUND*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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

**GENERAL FUND**

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

**Major Special Revenue Fund**

***Emergency Medical Services Levy Fund***

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

**Major Capital Projects Fund**

***Capital Improvement Fund***

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

**Major Enterprise Funds**

***Water Fund***

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

***Sewer Fund***

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

***Garbage Fund***

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

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 1,098,000	\$ 1,041,700	\$ 1,041,615	\$ (85)
Municipal income taxes	7,200,000	12,563,986	12,563,986	-
Charges for services	80,000	66,525	66,505	(20)
Licenses and permits	368,000	554,300	554,266	(34)
Fines and forfeitures	212,000	180,400	180,424	24
Intergovernmental	528,500	604,175	604,175	-
Interest	350,000	315,000	331,071	16,071
Rentals	288,500	229,140	229,012	(128)
Contributions and donations	25,000	-	-	-
Other	50,000	(5,240)	(5,240)	-
Total revenues	<u>10,200,000</u>	<u>15,549,986</u>	<u>15,565,814</u>	<u>15,828</u>
<b>Expenditures:</b>				
Current:				
General Government				
Legislative and Executive:				
Mayor:				
Personal services	50,650	48,314	48,232	82
Contract services	10,275	7,350	7,290	60
Materials and supplies	2,000	600	575	25
Total mayor	<u>62,925</u>	<u>56,264</u>	<u>56,097</u>	<u>167</u>
Director of Administration:				
Personal services	192,700	194,465	190,685	3,780
Contract services	52,275	22,975	22,832	143
Materials and supplies	3,000	1,200	1,181	19
Capital outlay	2,600	12,300	12,284	16
Total director of administration	<u>250,575</u>	<u>230,940</u>	<u>226,982</u>	<u>3,958</u>
Director of Finance:				
Personal services	297,975	289,119	284,448	4,671
Contract services	19,300	10,400	10,344	56
Materials and supplies	2,294	2,244	2,244	-
Capital outlay	7,453	3,153	3,152	1
Total director of finance	<u>327,022</u>	<u>304,916</u>	<u>300,188</u>	<u>4,728</u>
Electronic Data Processing:				
Contract services	270,100	237,175	237,145	30
Total electronic data processing	<u>270,100</u>	<u>237,175</u>	<u>237,145</u>	<u>30</u>
Director of Law:				
Contract services	214,000	140,100	140,076	24
Total director of law	<u>214,000</u>	<u>140,100</u>	<u>140,076</u>	<u>24</u>
City Council:				
Personal services	207,025	167,884	166,557	1,327
Contract services	55,303	40,125	40,001	124
Materials and supplies	10,000	10,250	10,233	17
Capital outlay	11,800	16,550	16,540	10
Total city council	<u>284,128</u>	<u>234,809</u>	<u>233,331</u>	<u>1,478</u>

Continued



**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND (CONTINUED)**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civil Service Commission:				
Personal services	\$ 8,200	\$ 8,168	\$ 7,992	\$ 176
Contract services	4,600	1,900	1,879	21
Total civil service commission	<u>12,800</u>	<u>10,068</u>	<u>9,871</u>	<u>197</u>
Land and Buildings:				
Personal services	52,025	51,445	50,679	766
Contract services	392,740	254,700	254,617	83
Materials and supplies	10,000	7,950	7,949	1
Capital outlay	30,000	5,800	5,800	-
Total land and buildings	<u>484,765</u>	<u>319,895</u>	<u>319,045</u>	<u>850</u>
Department of Engineering:				
Personal services	187,625	169,479	166,642	2,837
Contract services	97,322	54,697	54,568	129
Materials and supplies	13,300	3,850	3,820	30
Capital outlay	1,500	-	-	-
Total department of engineering	<u>299,747</u>	<u>228,026</u>	<u>225,030</u>	<u>2,996</u>
Other General Government				
Personal services	204,596	1,798	1,798	-
Contract services	213,500	200,161	200,073	88
Other	-	129,775	129,771	4
Total other general government	<u>418,096</u>	<u>331,734</u>	<u>331,642</u>	<u>92</u>
Total General Government	<u>2,624,158</u>	<u>2,093,927</u>	<u>2,079,407</u>	<u>14,520</u>
Security of Persons and Property:				
Police:				
Personal services	2,945,350	2,892,527	2,848,192	44,335
Contract services	318,014	264,831	264,693	138
Materials and supplies	81,850	93,725	93,694	31
Capital outlay	38,395	33,314	33,290	24
Total police	<u>3,383,609</u>	<u>3,284,397</u>	<u>3,239,869</u>	<u>44,528</u>
Dispatch:				
Personal services	782,100	799,664	786,386	13,278
Contract services	14,500	3,750	3,723	27
Materials and supplies	2,000	1,150	1,148	2
Capital outlay	5,000	-	-	-
Total dispatch	<u>803,600</u>	<u>804,564</u>	<u>791,257</u>	<u>13,307</u>
School Patrol:				
Personal services	286,875	285,327	280,222	5,105
Contract services	6,400	5,525	5,523	2
Materials and supplies	3,000	2,000	2,000	-
Total school patrol	<u>296,275</u>	<u>292,852</u>	<u>287,745</u>	<u>5,107</u>
Street lighting:				
Contract services	145,000	169,300	169,291	9
Total street lighting	<u>145,000</u>	<u>169,300</u>	<u>169,291</u>	<u>9</u>
Total Security of Persons and Property	<u>4,628,484</u>	<u>4,551,113</u>	<u>4,488,162</u>	<u>62,951</u>

Continued

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND (CONTINUED)**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Health and Welfare:				
County Health Department:				
Contract services	\$ 108,000	\$ 99,125	\$ 99,113	\$ 12
Total county health department	<u>108,000</u>	<u>99,125</u>	<u>99,113</u>	<u>12</u>
Total Public Health and Welfare	<u>108,000</u>	<u>99,125</u>	<u>99,113</u>	<u>12</u>
Community Environment:				
Building:				
Contract services	583,100	693,200	693,139	61
Capital outlay	8,000	4,050	4,029	21
Total building	<u>591,100</u>	<u>697,250</u>	<u>697,168</u>	<u>82</u>
Economic Development:				
Personal services	108,800	89,659	87,570	2,089
Contract services	510,250	453,376	453,329	47
Capital outlay	17,000	-	-	-
Total economic development	<u>636,050</u>	<u>543,035</u>	<u>540,899</u>	<u>2,136</u>
Total Community Environment	<u>1,227,150</u>	<u>1,240,285</u>	<u>1,238,067</u>	<u>2,218</u>
Leisure Time Activities:				
Dogwood Shelter:				
Contract services	29,000	22,300	22,280	20
Materials and supplies	3,000	2,775	2,751	24
Capital outlay	8,000	4,325	4,319	6
Total dogwood shelter	<u>40,000</u>	<u>29,400</u>	<u>29,350</u>	<u>50</u>
Swimming Pool:				
Contract services	83,200	81,700	81,657	43
Capital outlay	5,000	4,250	4,237	13
Total swimming pool	<u>88,200</u>	<u>85,950</u>	<u>85,894</u>	<u>56</u>
Parks Department:				
Personal services	336,775	366,394	364,211	2,183
Contract services	316,987	293,462	293,344	118
Materials and supplies	24,700	27,225	27,180	45
Capital outlay	9,000	10,225	10,214	11
Total parks department	<u>687,462</u>	<u>697,306</u>	<u>694,949</u>	<u>2,357</u>

Continued

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND (CONTINUED)**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civic Center:				
Contract services	\$ 66,600	\$ 72,725	\$ 72,692	\$ 33
Materials and supplies	4,000	3,275	3,251	24
Capital outlay	19,000	7,375	7,355	20
Total civic center	<u>89,600</u>	<u>83,375</u>	<u>83,298</u>	<u>77</u>
Golf Course:				
Contract services	366,900	366,900	366,893	7
Total golf course	<u>366,900</u>	<u>366,900</u>	<u>366,893</u>	<u>7</u>
Total Leisure Time Activities	<u>1,272,162</u>	<u>1,262,931</u>	<u>1,260,384</u>	<u>2,547</u>
Debt Service:				
Principal retirement	4,691,000	4,691,000	4,690,986	14
Interest and fiscal charges	106,700	106,650	106,619	31
Bond issuance costs	-	31,500	31,500	-
Total debt service	<u>4,797,700</u>	<u>4,829,150</u>	<u>4,829,105</u>	<u>45</u>
Total expenditures	<u>14,657,654</u>	<u>14,076,531</u>	<u>13,994,238</u>	<u>82,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,457,654)</u>	<u>1,473,455</u>	<u>1,571,576</u>	<u>98,121</u>
<b>Other financing sources (uses):</b>				
Note issuance	-	4,531,500	4,531,500	-
Sale of capital assets	4,700,000	467,100	467,087	(13)
Advances in	-	731,800	648,777	(83,023)
Transfers out	(2,250,000)	(2,721,750)	(2,721,750)	-
Total other financing sources (uses)	<u>2,450,000</u>	<u>3,008,650</u>	<u>2,925,614</u>	<u>(83,036)</u>
Net change in fund balance	(2,007,654)	4,482,105	4,497,190	15,085
<b>Fund balance at beginning of year</b>	2,824,731	2,824,731	2,824,731	-
<b>Prior year encumbrances appropriated</b>	<u>161,154</u>	<u>161,154</u>	<u>161,154</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 978,231</u>	<u>\$ 7,467,990</u>	<u>\$ 7,483,075</u>	<u>\$ 15,085</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**EMERGENCY MEDICAL SERVICES LEVY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 991,200	\$ 846,000	\$ 845,918	\$ (82)
Charges for services	607,500	703,050	703,058	8
Intergovernmental	99,100	110,250	110,223	(27)
Other	2,200	-	-	-
<b>Total revenues</b>	<u>1,700,000</u>	<u>1,659,300</u>	<u>1,659,199</u>	<u>(101)</u>
<b>Expenditures:</b>				
Current:				
Public Health and Welfare:				
Personal services	2,137,151	2,088,714	2,058,090	30,624
Contract services	231,762	228,562	228,375	187
Materials and supplies	48,993	58,382	58,341	41
Capital outlay	42,382	54,257	54,253	4
<b>Total expenditures</b>	<u>2,460,288</u>	<u>2,429,915</u>	<u>2,399,059</u>	<u>30,856</u>
Excess of expenditures over revenues	<u>(760,288)</u>	<u>(770,615)</u>	<u>(739,860)</u>	<u>30,755</u>
<b>Other financing sources:</b>				
Transfers in	700,000	700,000	700,000	-
<b>Total other financing sources</b>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Net change in fund balance	(60,288)	(70,615)	(39,860)	30,755
<b>Fund balance at beginning of year</b>	524,348	524,348	524,348	-
<b>Prior year encumbrances appropriated</b>	<u>31,488</u>	<u>31,488</u>	<u>31,488</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 495,548</u>	<u>\$ 485,221</u>	<u>\$ 515,976</u>	<u>\$ 30,755</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CAPITAL IMPROVEMENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal income taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ -
Intergovernmental	-	33,650	33,646	(4)
<b>Total revenues</b>	<u>2,100,000</u>	<u>2,133,650</u>	<u>2,133,646</u>	<u>(4)</u>
<b>Expenditures:</b>				
Current:				
Capital Outlay:				
Contract services	1,274,065	1,163,543	1,163,523	20
Capital outlay	1,383,686	3,722,320	3,722,309	11
<b>Total capital outlay</b>	<u>2,657,751</u>	<u>4,885,863</u>	<u>4,885,832</u>	<u>31</u>
Debt service:				
Principal retirement	95,500	95,500	95,478	22
Interest and fiscal charges	31,000	31,000	30,977	23
<b>Total debt service</b>	<u>126,500</u>	<u>126,500</u>	<u>126,455</u>	<u>45</u>
<b>Total expenditures</b>	<u>2,784,251</u>	<u>5,012,363</u>	<u>5,012,287</u>	<u>76</u>
Excess of expenditures over revenues	<u>(684,251)</u>	<u>(2,878,713)</u>	<u>(2,878,641)</u>	<u>72</u>
<b>Other financing sources:</b>				
Note issuance	-	2,500,000	2,500,000	-
<b>Total other financing sources</b>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Net change in fund balance	(684,251)	(378,713)	(378,641)	72
<b>Fund balance at beginning of year</b>	834,438	834,438	834,438	-
<b>Prior year encumbrances appropriated</b>	<u>730,751</u>	<u>730,751</u>	<u>730,751</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 880,938</u>	<u>\$ 1,186,476</u>	<u>\$ 1,186,548</u>	<u>\$ 72</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services	\$ 7,364,000	\$ 6,903,250	\$ 6,893,223	\$ (10,027)
Tap-in fees	51,500	53,300	53,305	5
Other	35,500	24,000	10,811	(13,189)
Total operating revenues	<u>7,451,000</u>	<u>6,980,550</u>	<u>6,957,339</u>	<u>(23,211)</u>
<b>Operating expenses:</b>				
Personal services	2,266,225	2,136,597	2,108,310	28,287
Contract services	1,940,113	1,221,635	1,221,143	492
Materials and supplies	760,650	669,175	669,097	78
Capital outlay	2,298,642	2,491,697	2,491,642	55
Other	28,000	-	-	-
Total operating expenses	<u>7,293,630</u>	<u>6,519,104</u>	<u>6,490,192</u>	<u>28,912</u>
Operating income	<u>157,370</u>	<u>461,446</u>	<u>467,147</u>	<u>5,701</u>
<b>Nonoperating revenues (expenses):</b>				
Transfers in	-	42,743	-	(42,743)
Debt service:				
Principal retirement	(1,164,050)	(1,164,050)	(1,164,028)	22
Interest and fiscal charges	(146,850)	(146,850)	(146,819)	31
Total nonoperating revenues (expenses)	<u>(1,310,900)</u>	<u>(1,268,157)</u>	<u>(1,310,847)</u>	<u>(42,690)</u>
Net change in fund equity	(1,153,530)	(806,711)	(843,700)	(36,989)
<b>Fund equity at beginning of year</b>	5,351,910	5,351,910	5,351,910	-
<b>Prior year encumbrances appropriated</b>	<u>1,102,530</u>	<u>1,102,530</u>	<u>1,102,530</u>	<u>-</u>
<b>Fund equity at end of year</b>	<u>\$ 5,300,910</u>	<u>\$ 5,647,729</u>	<u>\$ 5,610,740</u>	<u>\$ (36,989)</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services	\$ 4,202,000	\$ 3,650,900	\$ 3,650,865	\$ (35)
Tap-in fees	40,600	88,200	88,201	1
Other	23,000	-	-	-
Total operating revenues	4,265,600	3,739,100	3,739,066	(34)
<b>Operating expenses:</b>				
Personal services	604,225	557,967	548,610	9,357
Contract services	2,893,006	2,409,416	2,409,126	290
Materials and supplies	30,850	33,225	33,195	30
Capital outlay	1,305,317	875,017	874,999	18
Total operating expenses	4,833,398	3,875,625	3,865,930	9,695
Operating loss	(567,798)	(136,525)	(126,864)	9,661
<b>Nonoperating revenues (expenses):</b>				
Intergovernmental	519,400	-	-	-
Debt service:				
Principal retirement	(26,700)	(24,093)	(24,093)	-
Interest and fiscal charges	-	(2,585)	(2,585)	-
Total nonoperating revenues (expenses)	492,700	(26,678)	(26,678)	-
Net change in fund equity	(75,098)	(163,203)	(153,542)	9,661
<b>Fund equity at beginning of year</b>	2,383,821	2,383,821	2,383,821	-
<b>Prior year encumbrances appropriated</b>	29,098	29,098	29,098	-
<b>Fund equity at end of year</b>	\$ 2,337,821	\$ 2,249,716	\$ 2,259,377	\$ 9,661

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GARBAGE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services	\$ 1,160,000	\$ 1,220,100	\$ 1,220,058	\$ (42)
Total operating revenues	<u>1,160,000</u>	<u>1,220,100</u>	<u>1,220,058</u>	<u>(42)</u>
<b>Operating expenses:</b>				
Personal services	65,000	63,188	61,475	1,713
Contract services	1,130,700	1,119,675	1,119,618	57
Materials and supplies	41,000	22,625	22,622	3
Total operating expenses	<u>1,236,700</u>	<u>1,205,488</u>	<u>1,203,715</u>	<u>1,773</u>
Operating income (loss)	<u>(76,700)</u>	<u>14,612</u>	<u>16,343</u>	<u>1,731</u>
<b>Nonoperating revenues:</b>				
Intergovernmental	40,000	44,500	44,500	-
Total nonoperating revenues	<u>40,000</u>	<u>44,500</u>	<u>44,500</u>	<u>-</u>
Net change in fund equity	(36,700)	59,112	60,843	1,731
<b>Fund equity at beginning of year</b>	596,481	596,481	596,481	-
<b>Prior year encumbrances appropriated</b>	<u>600</u>	<u>600</u>	<u>600</u>	<u>-</u>
<b>Fund equity at end of year</b>	<u><u>\$ 560,381</u></u>	<u><u>\$ 656,193</u></u>	<u><u>\$ 657,924</u></u>	<u><u>\$ 1,731</u></u>



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**CITY OF NORTH CANTON, OHIO**

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

**SPECIAL REVENUE FUNDS**

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

**Nonmajor Special Revenue Funds**

***Fire Operating Levy Fund***

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

***Computer Fund***

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

***Enforcement and Education Fund***

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

***Street Construction, Maintenance and Repair Fund***

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

***Storm Sewer Levy Fund***

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

***Street Levy Fund***

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

***Municipal Road Fund***

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

***General Trust Fund***

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

***Law Enforcement Trust Fund***

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

***Continuing Professional Education Fund***

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

***Community Disaster Relief Fund***

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

***OneOhio Opioid Settlement Fund***

This fund is used to account for opioid settlement proceeds that are restricted for public health and welfare.

***Required Deposits Fund***

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

***COVID-19 Relief Fund***

This fund accounts for financial resources provided by the American Rescue Plan Act (ARPA).

**CITY OF NORTH CANTON, OHIO**

INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

**Nonmajor Special Revenue Funds**

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

***Income Tax Fund***

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

***Compensated Absences Fund***

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

***Unclaimed Monies Fund***

This fund is used to account for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

**CAPITAL PROJECTS FUND**

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

**Nonmajor Capital Projects Fund**

***Indoor Firearms Training Range Improvement Fund***

This fund accounts for transfers that are committed to improve the indoor firearms range for the police department.

***Park Development Fund***

This fund accounts for grants and donations that are restricted to improve the City's parks.

***Issue II Fund***

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

***Dogwood Pool Fund***

This fund accounts for twenty percent of seasonal net operating funds that are committed to improve the Dogwood Pool.

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**CITY OF NORTH CANTON, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 4,679,361	\$ 1,189,592	\$ 5,868,953
Receivables:			
Property taxes	1,637,527	-	1,637,527
Accounts	10	125	135
Intergovernmental	566,289	-	566,289
Materials and supplies inventory	143,307	-	143,307
Prepayments	11,980	-	11,980
	<hr/>	<hr/>	<hr/>
Total assets	\$ 7,038,474	\$ 1,189,717	\$ 8,228,191
	<hr/>	<hr/>	<hr/>
<b>Liabilities:</b>			
Accounts payable	\$ 25,738	\$ -	\$ 25,738
Accrued wages and benefits payable	69,109	-	69,109
Interfund loans payable	-	83,020	83,020
Due to other governments	25,256	-	25,256
Unearned revenue	1,275,175	-	1,275,175
	<hr/>	<hr/>	<hr/>
Total liabilities	1,395,278	83,020	1,478,298
	<hr/>	<hr/>	<hr/>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	1,607,568	-	1,607,568
Delinquent property tax revenue not available	29,959	-	29,959
Intergovernmental revenues not available	482,043	-	482,043
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	2,119,570	-	2,119,570
	<hr/>	<hr/>	<hr/>
<b>Fund Balances:</b>			
Nonspendable	155,287	-	155,287
Restricted	3,368,339	796,977	4,165,316
Committed	-	309,720	309,720
	<hr/>	<hr/>	<hr/>
Total fund balances	3,523,626	1,106,697	4,630,323
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 7,038,474	\$ 1,189,717	\$ 8,228,191
	<hr/>	<hr/>	<hr/>

**CITY OF NORTH CANTON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Property taxes	\$ 845,917	\$ -	\$ 845,917
Charges for services	2,335	33,253	35,588
Fines and forfeitures	8,308	-	8,308
Intergovernmental	1,981,272	672,062	2,653,334
Contributions and donations	42,569	122,872	165,441
Other	14,271	-	14,271
	<hr/>	<hr/>	<hr/>
Total revenues	2,894,672	828,187	3,722,859
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
General government	22,715	-	22,715
Security of persons and property:			
Police	24,056	-	24,056
Fire	805,299	-	805,299
Public health and welfare	4,399	-	4,399
Transportation	1,885,442	-	1,885,442
Leisure time activity	27,351	-	27,351
Economic development	27,300	-	27,300
Basic utility services	370,678	-	370,678
Capital outlay	776,467	827,096	1,603,563
Debt service:			
Principal retirement	1,746	-	1,746
Interest and fiscal charges	77	-	77
	<hr/>	<hr/>	<hr/>
Total expenditures	3,945,530	827,096	4,772,626
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(1,050,858)	1,091	(1,049,767)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>			
Transfers in	1,050,000	471,750	1,521,750
Total other financing sources	1,050,000	471,750	1,521,750
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(858)	472,841	471,983
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year</b>	3,524,484	633,856	4,158,340
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year</b>	\$ 3,523,626	\$ 1,106,697	\$ 4,630,323
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF NORTH CANTON, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2022

	<b>Fire Operating Levy</b>	<b>Enforcement and Education</b>	<b>Street Construction, Maintenance and Repair</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 278,794	\$ 35,279	\$ 1,636,703
Receivables:			
Property taxes	927,339	-	-
Accounts	10	-	-
Intergovernmental	21,050	-	502,853
Materials and supplies inventory	-	-	143,307
Prepayments	<u>6,345</u>	<u>-</u>	<u>5,298</u>
Total assets	<u>\$ 1,233,538</u>	<u>\$ 35,279</u>	<u>\$ 2,288,161</u>
 <b>Liabilities:</b>			
Accounts payable	\$ 6,447	\$ -	\$ 13,766
Accrued wages and benefits	44,747	-	24,362
Due to other governments	13,513	-	11,743
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>64,707</u>	<u>-</u>	<u>49,871</u>
 <b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	921,348	-	-
Delinquent property tax revenue not available	5,991	-	-
Intergovernmental revenues not available	<u>21,050</u>	<u>-</u>	<u>418,607</u>
Total deferred inflows of resources	<u>948,389</u>	<u>-</u>	<u>418,607</u>
 <b>Fund Balances:</b>			
Nonspendable	6,345	-	148,605
Restricted	<u>214,097</u>	<u>35,279</u>	<u>1,671,078</u>
Total fund balances	<u>220,442</u>	<u>35,279</u>	<u>1,819,683</u>
 Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,233,538</u>	<u>\$ 35,279</u>	<u>\$ 2,288,161</u>

<b>Storm Sewer Levy</b>	<b>Street Levy</b>	<b>Municipal Road</b>	<b>General Trust</b>	<b>Law Enforcement Trust</b>	<b>Continuing Professional Education</b>
\$ 725,690	\$ 275,630	\$ 333,722	\$ 52,233	\$ 53,064	\$ 8,535
355,094	355,094	-	-	-	-
-	-	-	-	-	-
21,193	21,193	-	-	-	-
-	-	-	-	-	-
337	-	-	-	-	-
<u>\$ 1,102,314</u>	<u>\$ 651,917</u>	<u>\$ 333,722</u>	<u>\$ 52,233</u>	<u>\$ 53,064</u>	<u>\$ 8,535</u>
\$ 1,358	\$ 4,167	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,358</u>	<u>4,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
343,110	343,110	-	-	-	-
11,984	11,984	-	-	-	-
21,193	21,193	-	-	-	-
<u>376,287</u>	<u>376,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
337	-	-	-	-	-
<u>724,332</u>	<u>271,463</u>	<u>333,722</u>	<u>52,233</u>	<u>53,064</u>	<u>8,535</u>
<u>724,669</u>	<u>271,463</u>	<u>333,722</u>	<u>52,233</u>	<u>53,064</u>	<u>8,535</u>
<u>\$ 1,102,314</u>	<u>\$ 651,917</u>	<u>\$ 333,722</u>	<u>\$ 52,233</u>	<u>\$ 53,064</u>	<u>\$ 8,535</u>

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**CITY OF NORTH CANTON, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2022

	<u>OneOhio Opioid Settlement</u>	<u>Required Deposits</u>	<u>COVID-19 Relief</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 4,536	\$ 117,988	\$ 1,157,187	\$ 4,679,361
Receivables:				
Property taxes	-	-	-	1,637,527
Accounts	-	-	-	10
Intergovernmental	-	-	-	566,289
Materials and supplies inventory	-	-	-	143,307
Prepayments	-	-	-	11,980
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 4,536</u>	<u>\$ 117,988</u>	<u>\$ 1,157,187</u>	<u>\$ 7,038,474</u>
 <b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 25,738
Accrued wages and benefits	-	-	-	69,109
Due to other governments	-	-	-	25,256
Unearned revenue	-	117,988	1,157,187	1,275,175
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>117,988</u>	<u>1,157,187</u>	<u>1,395,278</u>
 <b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	-	-	-	1,607,568
Delinquent property tax revenue not available	-	-	-	29,959
Intergovernmental revenues not available	-	-	-	482,043
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,119,570</u>
 <b>Fund Balances:</b>				
Nonspendable	-	-	-	155,287
Restricted	4,536	-	-	3,368,339
Total fund balances	<u>4,536</u>	<u>-</u>	<u>-</u>	<u>3,523,626</u>
 Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,536</u>	<u>\$ 117,988</u>	<u>\$ 1,157,187</u>	<u>\$ 7,038,474</u>

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**CITY OF NORTH CANTON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Fire Operating Levy</u>	<u>Computer</u>	<u>Enforcement and Education</u>	<u>Street Construction, Maintenance and Repair</u>
<b>Revenues:</b>				
Property taxes	\$ 169,183	\$ -	\$ -	\$ -
Charges for services	2,335	-	-	-
Fines and forfeitures	-	-	3,313	-
Intergovernmental	21,386	-	-	1,050,778
Contributions and donations	-	-	-	-
Other	3	-	-	2,268
Total revenues	<u>192,907</u>	<u>-</u>	<u>3,313</u>	<u>1,053,046</u>
<b>Expenditures:</b>				
Current:				
General government	-	19,539	-	-
Security of persons and property:				
Police	-	-	1,000	-
Fire	805,299	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	1,427,160
Leisure time activities	-	-	-	-
Economic development	-	-	-	-
Basic utility services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,746	-	-	-
Interest and fiscal charges	77	-	-	-
Total expenditures	<u>807,122</u>	<u>19,539</u>	<u>1,000</u>	<u>1,427,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(614,215)</u>	<u>(19,539)</u>	<u>2,313</u>	<u>(374,114)</u>
<b>Other financing sources:</b>				
Transfers in	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
Total other financing sources	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
Net change in fund balances	(14,215)	(19,539)	2,313	75,886
<b>Fund balances at beginning of year</b>	<u>234,657</u>	<u>19,539</u>	<u>32,966</u>	<u>1,743,797</u>
<b>Fund balances at end of year</b>	<u>\$ 220,442</u>	<u>\$ -</u>	<u>\$ 35,279</u>	<u>\$ 1,819,683</u>

<b>Storm Sewer Levy</b>	<b>Street Levy</b>	<b>Municipal Road</b>	<b>General Trust</b>	<b>Law Enforcement Trust</b>
\$ 338,367	\$ 338,367	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	459
30,772	42,772	176,158	-	-
-	-	-	42,569	-
12,000	-	-	-	-
<u>381,139</u>	<u>381,139</u>	<u>176,158</u>	<u>42,569</u>	<u>459</u>
-	-	-	1,801	-
-	-	-	-	11,850
-	-	-	-	-
-	-	-	4,399	-
-	457,681	601	-	-
-	-	-	27,351	-
-	-	-	27,300	-
370,678	-	-	-	-
-	-	127,267	-	-
-	-	-	-	-
-	-	-	-	-
<u>370,678</u>	<u>457,681</u>	<u>127,868</u>	<u>60,851</u>	<u>11,850</u>
<u>10,461</u>	<u>(76,542)</u>	<u>48,290</u>	<u>(18,282)</u>	<u>(11,391)</u>
-	-	-	-	-
-	-	-	-	-
<u>10,461</u>	<u>(76,542)</u>	<u>48,290</u>	<u>(18,282)</u>	<u>(11,391)</u>
<u>714,208</u>	<u>348,005</u>	<u>285,432</u>	<u>70,515</u>	<u>64,455</u>
<u>\$ 724,669</u>	<u>\$ 271,463</u>	<u>\$ 333,722</u>	<u>\$ 52,233</u>	<u>\$ 53,064</u>

-- Continued

**CITY OF NORTH CANTON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Continuing Professional Education</b>	<b>Community Disaster Relief</b>	<b>OneOhio Opioid Settlement</b>	<b>COVID-19 Relief</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 845,917
Charges for services	-	-	-	-	2,335
Fines and forfeitures	-	-	4,536	-	8,308
Intergovernmental	10,206	-	-	649,200	1,981,272
Contributions and donations	-	-	-	-	42,569
Other	-	-	-	-	14,271
Total revenues	<u>10,206</u>	<u>-</u>	<u>4,536</u>	<u>649,200</u>	<u>2,894,672</u>
<b>Expenditures:</b>					
Current:					
General government	-	1,375	-	-	22,715
Security of persons and property:					
Police	11,206	-	-	-	24,056
Fire	-	-	-	-	805,299
Public health and welfare	-	-	-	-	4,399
Transportation	-	-	-	-	1,885,442
Leisure time activities	-	-	-	-	27,351
Economic development	-	-	-	-	27,300
Basic utility services	-	-	-	-	370,678
Capital outlay	-	-	-	649,200	776,467
Debt service:					
Principal retirement	-	-	-	-	1,746
Interest and fiscal charges	-	-	-	-	77
Total expenditures	<u>11,206</u>	<u>1,375</u>	<u>-</u>	<u>649,200</u>	<u>3,945,530</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,000)</u>	<u>(1,375)</u>	<u>4,536</u>	<u>-</u>	<u>(1,050,858)</u>
<b>Other financing sources:</b>					
Transfers in	-	-	-	-	1,050,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,000</u>
Net change in fund balances	(1,000)	(1,375)	4,536	-	(858)
<b>Fund balances at beginning of year</b>	<u>9,535</u>	<u>1,375</u>	<u>-</u>	<u>-</u>	<u>3,524,484</u>
<b>Fund balances at end of year</b>	<u>\$ 8,535</u>	<u>\$ -</u>	<u>\$ 4,536</u>	<u>\$ -</u>	<u>\$ 3,523,626</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FIRE OPERATING LEVY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 198,000	\$ 169,200	\$ 169,183	\$ (17)
Charges for services	5,000	2,325	2,325	-
Intergovernmental	269,800	21,400	21,386	(14)
Other	-	-	3	3
<b>Total revenues</b>	<u>472,800</u>	<u>192,925</u>	<u>192,897</u>	<u>(28)</u>
<b>Expenditures:</b>				
Current:				
Security of Person and Property:				
Fire:				
Personal services	624,101	589,017	581,667	7,350
Contract services	410,225	179,625	179,423	202
Materials and supplies	41,243	35,106	35,070	36
Capital outlay	36,783	35,183	35,175	8
<b>Total expenditures</b>	<u>1,112,352</u>	<u>838,931</u>	<u>831,335</u>	<u>7,596</u>
Excess of expenditures over revenues	<u>(639,552)</u>	<u>(646,006)</u>	<u>(638,438)</u>	<u>7,568</u>
<b>Other financing sources:</b>				
Transfers in	600,000	600,000	600,000	-
<b>Total other financing sources</b>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	(39,552)	(46,006)	(38,438)	7,568
<b>Fund balance at beginning of year</b>	276,642	276,642	276,642	-
<b>Prior year encumbrances appropriated</b>	<u>15,252</u>	<u>15,252</u>	<u>15,252</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 252,342</u>	<u>\$ 245,888</u>	<u>\$ 253,456</u>	<u>\$ 7,568</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMPUTER FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
General Government:				
Computer:				
Personal services	\$ -	\$ 16,455	\$ 16,455	\$ -
Contract services	4,000	3,084	3,084	-
Total expenditures	<u>4,000</u>	<u>19,539</u>	<u>19,539</u>	<u>-</u>
Net change in fund balance	(4,000)	(19,539)	(19,539)	-
<b>Fund balance at beginning of year</b>	<u>19,539</u>	<u>19,539</u>	<u>19,539</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 15,539</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ENFORCEMENT AND EDUCATION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures	\$ 3,000	\$ 3,525	\$ 3,512	\$ (13)
Total revenues	<u>3,000</u>	<u>3,525</u>	<u>3,512</u>	<u>(13)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police:				
Personal services	4,000	1,000	1,000	-
Total expenditures	<u>4,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net change in fund balance	(1,000)	2,525	2,512	(13)
<b>Fund balance at beginning of year</b>	<u>32,767</u>	<u>32,767</u>	<u>32,767</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 31,767</u></u>	<u><u>\$ 35,292</u></u>	<u><u>\$ 35,279</u></u>	<u><u>\$ (13)</u></u>



CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 950,000	\$ 1,052,900	\$ 1,052,900	\$ -
Other	2,000	2,275	2,268	(7)
Total revenues	<u>952,000</u>	<u>1,055,175</u>	<u>1,055,168</u>	<u>(7)</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
Personal services	635,175	633,377	625,758	7,619
Contract services	314,150	285,050	284,934	116
Materials and supplies	602,400	366,640	366,573	67
Capital outlay	91,000	131,075	131,062	13
Total expenditures	<u>1,642,725</u>	<u>1,416,142</u>	<u>1,408,327</u>	<u>7,815</u>
Excess expenditures over revenues	<u>(690,725)</u>	<u>(360,967)</u>	<u>(353,159)</u>	<u>7,808</u>
<b>Other financing sources:</b>				
Transfers in	450,000	450,000	450,000	-
Total other financing sources	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Net change in fund balance	(240,725)	89,033	96,841	7,808
<b>Fund balance at beginning of year</b>	1,207,848	1,207,848	1,207,848	-
<b>Prior year encumbrances appropriated</b>	<u>203,925</u>	<u>203,925</u>	<u>203,925</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,171,048</u>	<u>\$ 1,500,806</u>	<u>\$ 1,508,614</u>	<u>\$ 7,808</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STORM SEWER LEVY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 396,000	\$ 338,375	\$ 338,367	\$ (8)
Intergovernmental	39,700	54,775	42,772	(12,003)
Other	-	-	12,000	12,000
Total revenues	<u>435,700</u>	<u>393,150</u>	<u>393,139</u>	<u>(11)</u>
<b>Expenditures:</b>				
Current:				
Basic Utility Services:				
Storm Sewers:				
Contract services	429,360	365,610	363,732	1,878
Materials and supplies	10,000	9,925	9,902	23
Total expenditures	<u>439,360</u>	<u>375,535</u>	<u>373,634</u>	<u>1,901</u>
Net change in fund balance	(3,660)	17,615	19,505	1,890
<b>Fund balance at beginning of year</b>	693,593	693,593	693,593	-
<b>Prior year encumbrances appropriated</b>	<u>8,860</u>	<u>8,860</u>	<u>8,860</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 698,793</u>	<u>\$ 720,068</u>	<u>\$ 721,958</u>	<u>\$ 1,890</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET LEVY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 396,000	\$ 338,375	\$ 338,367	\$ (8)
Intergovernmental	39,700	42,775	42,772	(3)
Total revenues	435,700	381,150	381,139	(11)
<b>Expenditures:</b>				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	463,907	422,082	422,078	4
Materials and supplies	15,000	8,900	8,884	16
Capital outlay	-	36,375	36,351	24
Total expenditures	478,907	467,357	467,313	44
Net change in fund balance	(43,207)	(86,207)	(86,174)	33
<b>Fund balance at beginning of year</b>	311,398	311,398	311,398	-
<b>Prior year encumbrances appropriated</b>	40,607	40,607	40,607	-
<b>Fund balance at end of year</b>	\$ 308,798	\$ 265,798	\$ 265,831	\$ 33

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**MUNICIPAL ROAD FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 125,000	\$ 168,900	\$ 168,891	\$ (9)
Total revenues	<u>125,000</u>	<u>168,900</u>	<u>168,891</u>	<u>(9)</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	129,067	601	601	-
Total expenditures	<u>129,067</u>	<u>601</u>	<u>601</u>	<u>-</u>
Net change in fund balance	(4,067)	168,299	168,290	(9)
<b>Fund balance at beginning of year</b>	161,365	161,365	161,365	-
<b>Prior year encumbrances appropriated</b>	<u>4,067</u>	<u>4,067</u>	<u>4,067</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 161,365</u>	<u>\$ 333,731</u>	<u>\$ 333,722</u>	<u>\$ (9)</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL TRUST FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Contributions and donations	\$ 18,500	\$ 42,825	\$ 42,569	\$ (256)
Total revenues	<u>18,500</u>	<u>42,825</u>	<u>42,569</u>	<u>(256)</u>
<b>Expenditures:</b>				
Current:				
Other General Government				
Contract services	24,091	24,091	24,091	-
Total other general government	<u>24,091</u>	<u>24,091</u>	<u>24,091</u>	<u>-</u>
Total General Government	<u>24,091</u>	<u>24,091</u>	<u>24,091</u>	<u>-</u>
Security of Persons and Property:				
Police:				
Contract services	2,019	1,319	1,283	36
Total police	<u>2,019</u>	<u>1,319</u>	<u>1,283</u>	<u>36</u>
School Patrol:				
Materials and supplies	-	3,950	3,931	19
Total school patrol	<u>-</u>	<u>3,950</u>	<u>3,931</u>	<u>19</u>
Fire:				
Contract services	1,000	2,650	2,647	3
Total fire	<u>1,000</u>	<u>2,650</u>	<u>2,647</u>	<u>3</u>
Total Security of Persons and Property	<u>3,019</u>	<u>7,919</u>	<u>7,861</u>	<u>58</u>
Public Health and Welfare:				
E.M.S.:				
Contract services	12,339	11,439	11,439	-
Total E.M.S.	<u>12,339</u>	<u>11,439</u>	<u>11,439</u>	<u>-</u>
Total Public Health and Welfare	<u>12,339</u>	<u>11,439</u>	<u>11,439</u>	<u>-</u>
Leisure Time Activities:				
Park Maintenance:				
Contract services	10,459	38,435	38,410	25
Total Park maintenance	<u>10,459</u>	<u>38,435</u>	<u>38,410</u>	<u>25</u>
Park Department:				
Contract services	230	230	230	-
Total Park department	<u>230</u>	<u>230</u>	<u>230</u>	<u>-</u>
Total Leisure Time Activities	<u>10,689</u>	<u>38,665</u>	<u>38,640</u>	<u>25</u>
Economic Development:				
Contract services	40,813	33,162	33,153	9
Total Economic development	<u>40,813</u>	<u>33,162</u>	<u>33,153</u>	<u>9</u>
Total expenditures	<u>90,951</u>	<u>115,276</u>	<u>115,184</u>	<u>83</u>
Net change in fund balance	(72,451)	(72,451)	(72,615)	(173)
<b>Fund balance at beginning of year</b>	164	164	164	-
<b>Prior year encumbrances appropriated</b>	<u>72,451</u>	<u>72,451</u>	<u>72,451</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 164</u>	<u>\$ 164</u>	<u>\$ -</u>	<u>\$ (173)</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAW ENFORCEMENT TRUST FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures	\$ 1,000	\$ 500	\$ 459	\$ (41)
Total revenues	<u>1,000</u>	<u>500</u>	<u>459</u>	<u>(41)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police:				
Materials and supplies	52,334	47,334	47,334	-
Total expenditures	<u>52,334</u>	<u>47,334</u>	<u>47,334</u>	<u>-</u>
Net change in fund balance	(51,334)	(46,834)	(46,875)	(41)
<b>Fund balance at beginning of year</b>	17,121	17,121	17,121	-
<b>Prior year encumbrances appropriated</b>	<u>47,334</u>	<u>47,334</u>	<u>47,334</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 13,121</u>	<u>\$ 17,621</u>	<u>\$ 17,580</u>	<u>\$ (41)</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CONTINUING PROFESSIONAL EDUCATION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 5,500	\$ 10,225	\$ 10,206	\$ (19)
Total revenues	<u>5,500</u>	<u>10,225</u>	<u>10,206</u>	<u>(19)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police:				
Personal services	5,500	10,225	10,206	19
Contract services	-	1,000	1,000	-
Total Police	<u>5,500</u>	<u>11,225</u>	<u>11,206</u>	<u>19</u>
Total expenditures	<u>5,500</u>	<u>11,225</u>	<u>11,206</u>	<u>19</u>
Net change in fund balance	-	(1,000)	(1,000)	-
<b>Fund balance at beginning of year</b>	<u>9,535</u>	<u>9,535</u>	<u>9,535</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 9,535</u>	<u>\$ 8,535</u>	<u>\$ 8,535</u>	<u>\$ -</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMMUNITY DISASTER RELIEF FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
General Government:				
Other General Government:				
Contract services	\$ -	\$ 1,375	\$ 1,375	\$ -
Total expenditures	<u>-</u>	<u>1,375</u>	<u>1,375</u>	<u>-</u>
Net change in fund balance	-	(1,375)	(1,375)	-
<b>Fund balance at beginning of year</b>	<u>1,375</u>	<u>1,375</u>	<u>1,375</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 1,375</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ONE OHIO OPIOID SETTLEMENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures	\$ -	\$ 4,550	\$ 4,536	\$ (14)
Total revenues	<u>-</u>	<u>4,550</u>	<u>4,536</u>	<u>(14)</u>
Net change in fund balance	-	4,550	4,536	(14)
<b>Fund balance at beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 4,550</u>	<u>\$ 4,536</u>	<u>\$ (14)</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**REQUIRED DEPOSITS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other	\$ 25,000	\$ 7,500	\$ 7,501	\$ 1
Total revenues	<u>25,000</u>	<u>7,500</u>	<u>7,501</u>	<u>1</u>
Net change in fund balance	25,000	7,500	7,501	1
<b>Fund balance at beginning of year</b>	<u>110,487</u>	<u>110,487</u>	<u>110,487</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 135,487</u>	<u>\$ 117,987</u>	<u>\$ 117,988</u>	<u>\$ 1</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COVID-19 RELIEF FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 899,600	\$ 906,800	\$ 906,785	\$ (15)
Total revenues	<u>899,600</u>	<u>906,800</u>	<u>906,785</u>	<u>(15)</u>
<b>Expenditures:</b>				
Current:				
Basic Utilities Services:				
Water:				
Capital outlay	649,200	649,200	649,200	-
Total expenditures	<u>649,200</u>	<u>649,200</u>	<u>649,200</u>	<u>-</u>
Net change in fund balance	250,400	257,600	257,585	(15)
<b>Fund balance at beginning of year</b>	<u>899,602</u>	<u>899,602</u>	<u>899,602</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,150,002</u>	<u>\$ 1,157,202</u>	<u>\$ 1,157,187</u>	<u>\$ (15)</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**INCOME TAX FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Income taxes	\$ 8,344,000	\$ 9,669,180	\$ 9,669,046	\$ (134)
Total revenues	<u>8,344,000</u>	<u>9,669,180</u>	<u>9,669,046</u>	<u>(134)</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Personal services	70,550	66,246	66,188	58
Contract services	<u>185,200</u>	<u>194,650</u>	<u>194,627</u>	<u>23</u>
Total expenditures	<u>255,750</u>	<u>260,896</u>	<u>260,815</u>	<u>81</u>
Excess of revenues over expenditures	<u>8,088,250</u>	<u>9,408,284</u>	<u>9,408,231</u>	<u>(53)</u>
<b>Other financing uses:</b>				
Transfers out	<u>(8,800,000)</u>	<u>(14,163,986)</u>	<u>(14,163,986)</u>	<u>-</u>
Total other financing uses	<u>(8,800,000)</u>	<u>(14,163,986)</u>	<u>(14,163,986)</u>	<u>-</u>
Net change in fund balance	(711,750)	(4,755,702)	(4,755,755)	(53)
<b>Fund balance at beginning of year</b>	4,755,305	4,755,305	4,755,305	-
<b>Prior year encumbrances appropriated</b>	<u>450</u>	<u>450</u>	<u>450</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 4,044,005</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ (53)</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMPENSATED ABSENCES FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
General Government:				
City Council:				
Personal services	\$ -	\$ 1,700	\$ 1,684	\$ 16
Total General Government	<u>-</u>	<u>1,700</u>	<u>1,684</u>	<u>16</u>
Security of Persons and Property:				
Police:				
Personal services	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Police	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Security of Persons and Property .	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Basic Utilities Services:				
Water:				
Personal services	<u>-</u>	<u>3,550</u>	<u>3,511</u>	<u>39</u>
Total Water	<u>-</u>	<u>3,550</u>	<u>3,511</u>	<u>39</u>
Storm Sewer:				
Personal services	<u>-</u>	<u>275</u>	<u>234</u>	<u>41</u>
Total Storm Sewer .	<u>-</u>	<u>275</u>	<u>234</u>	<u>41</u>
Total Basic Utility Services	<u>-</u>	<u>3,825</u>	<u>3,745</u>	<u>80</u>
Leisure Time Activities:				
Park Department:				
Personal services	<u>-</u>	<u>15,150</u>	<u>15,122</u>	<u>28</u>
Total Leisure Time Activities	<u>-</u>	<u>15,150</u>	<u>15,122</u>	<u>28</u>
Total expenditures	<u>75,000</u>	<u>20,675</u>	<u>20,551</u>	<u>124</u>
Net change in fund balance	(75,000)	(20,675)	(20,551)	124
<b>Fund balance at beginning of year</b>	<u>1,169,061</u>	<u>1,169,061</u>	<u>1,169,061</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,094,061</u>	<u>\$ 1,148,386</u>	<u>\$ 1,148,510</u>	<u>\$ 124</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**UNCLAIMED MONIES FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other	\$ 1,900	\$ 8,750	\$ 8,746	\$ (4)
Total revenues	<u>1,900</u>	<u>8,750</u>	<u>8,746</u>	<u>(4)</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Other	600	600	585	15
Total expenditures	<u>600</u>	<u>600</u>	<u>585</u>	<u>15</u>
Net change in fund balance	1,300	8,150	8,161	11
<b>Fund balance at beginning of year</b>	<u>7,782</u>	<u>7,782</u>	<u>7,782</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 9,082</u></u>	<u><u>\$ 15,932</u></u>	<u><u>\$ 15,943</u></u>	<u><u>\$ 11</u></u>

**CITY OF NORTH CANTON, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Indoor Firearms Training Range Improvement</b>	<b>Park Development</b>
<b>Assets:</b>		
Equity in pooled cash and investments	\$ 224,000	\$ 879,872
Receivables:		
Accounts	-	125
Total assets	<u>\$ 224,000</u>	<u>\$ 879,997</u>
<b>Liabilities:</b>		
Interfund loans payable	<u>\$ -</u>	<u>\$ 83,020</u>
Total liabilities	-	83,020
<b>Fund Balances:</b>		
Restricted	-	796,977
Committed	224,000	-
Total fund balances	<u>224,000</u>	<u>796,977</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 224,000</u>	<u>\$ 879,997</u>

<u>Dogwood Pool</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 85,720	\$ 1,189,592
-	125
<u>\$ 85,720</u>	<u>\$ 1,189,717</u>
\$ -	\$ 83,020
-	83,020
-	796,977
85,720	309,720
<u>85,720</u>	<u>1,106,697</u>
<u>\$ 85,720</u>	<u>\$ 1,189,717</u>



**CITY OF NORTH CANTON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Indoor Firearms Training Range Improvement</b>	<b>Park Development</b>	<b>Issue II</b>
<b>Revenues:</b>			
Charges for services	\$ -	\$ -	\$ -
Intergovernmental	-	672,062	-
Contributions and donations	-	122,872	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	794,934	-
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Capital outlay	-	825,296	1,800
	<hr/>	<hr/>	<hr/>
Total expenditures	-	825,296	1,800
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	(30,362)	(1,800)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>			
Transfers in	-	471,750	-
Total other financing sources	-	471,750	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	441,388	(1,800)
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year</b>	224,000	355,589	1,800
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year</b>	\$ 224,000	\$ 796,977	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Dogwood Pool</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 33,253	33,253
-	672,062
-	122,872
<u>33,253</u>	<u>828,187</u>
-	<u>827,096</u>
-	<u>827,096</u>
<u>33,253</u>	<u>1,091</u>
-	<u>471,750</u>
-	<u>471,750</u>
33,253	472,841
<u>52,467</u>	<u>633,856</u>
<u>\$ 85,720</u>	<u>\$ 1,106,697</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**INDOOR FIREARMS TRAINING RANGE IMPROVEMENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Fund balance at beginning of year</b>	\$ 224,000	\$ 224,000	\$ 224,000	\$ -
<b>Fund balance at end of year</b>	<u>\$ 224,000</u>	<u>\$ 224,000</u>	<u>\$ 224,000</u>	<u>\$ -</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PARK DEVELOPMENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 750,000	\$ 755,100	\$ 672,062	\$ (83,038)
Contributions and donations	50,000	122,750	122,747	(3)
Total revenues	<u>800,000</u>	<u>877,850</u>	<u>794,809</u>	<u>(83,041)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Contract services	50,000	15,650	15,628	22
Capital outlay	<u>1,833,735</u>	<u>1,079,170</u>	<u>1,079,170</u>	<u>-</u>
Total capital outlay	<u>1,883,735</u>	<u>1,094,820</u>	<u>1,094,798</u>	<u>22</u>
Total expenditures	<u>1,883,735</u>	<u>1,094,820</u>	<u>1,094,798</u>	<u>22</u>
Excess of expenditures over revenues	<u>(1,083,735)</u>	<u>(216,970)</u>	<u>(299,989)</u>	<u>(83,019)</u>
<b>Other financing sources (uses):</b>				
Advances out	-	(731,800)	(648,777)	83,023
Transfers in	-	<u>471,750</u>	<u>471,750</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(260,050)</u>	<u>(177,027)</u>	<u>83,023</u>
Net change in fund balance	(1,083,735)	(477,020)	(477,016)	4
<b>Fund balance at beginning of year</b>	6,995	6,995	6,995	-
<b>Prior year encumbrances appropriated</b>	<u>1,083,735</u>	<u>1,083,735</u>	<u>1,083,735</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 6,995</u>	<u>\$ 613,710</u>	<u>\$ 613,714</u>	<u>\$ 4</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ISSUE II FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 2,818,000	\$ -	\$ -	\$ -
Total revenues	<u>2,818,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Capital Outlay:				
Contract services	2,818,000	1,800	1,800	-
Total capital outlay	<u>2,818,000</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Total expenditures	<u>2,818,000</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Net change in fund balance	-	(1,800)	(1,800)	-
<b>Fund balance at beginning of year</b>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DOGWOOD POOL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Other financing sources:</b>				
Transfers in	\$ -	\$ 33,250	\$ 33,253	\$ 3
Total other financing sources	<u>-</u>	<u>33,250</u>	<u>33,253</u>	<u>3</u>
Net change in fund balance	-	33,250	33,253	3
<b>Fund balance at beginning of year</b>	<u>52,467</u>	<u>52,467</u>	<u>52,467</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 52,467</u></u>	<u><u>\$ 85,717</u></u>	<u><u>\$ 85,720</u></u>	<u><u>\$ 3</u></u>

**CITY OF NORTH CANTON, OHIO**

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

**ENTERPRISE FUNDS**

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

**INTERNAL SERVICE FUNDS**

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

**Internal Service Fund**

***Insurance Fund***

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

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**INSURANCE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating Revenues:</b>				
Charges for services	\$ 1,900,000	\$ 1,775,800	\$ 1,775,817	\$ 17
Other	-	1,750	1,740	(10)
Total operating revenues	<u>1,900,000</u>	<u>1,777,550</u>	<u>1,777,557</u>	<u>7</u>
<b>Operating Expenses:</b>				
Contract services	30,000	436,350	436,242	108
Claims	1,870,000	1,222,975	1,222,937	38
Total operating expenses	<u>1,900,000</u>	<u>1,659,325</u>	<u>1,659,179</u>	<u>146</u>
Operating income/ change in fund equity	-	118,225	118,378	153
<b>Fund equity at beginning of year</b>	<u>1,287,455</u>	<u>1,287,455</u>	<u>1,287,455</u>	<u>-</u>
<b>Fund equity at end of year</b>	<u>\$ 1,287,455</u>	<u>\$ 1,405,680</u>	<u>\$ 1,405,833</u>	<u>\$ 153</u>



**CITY OF NORTH CANTON, OHIO**

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

**Custodial Funds**

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The following are is the City's custodial fund:

***Permit Fee Fund***

This fund accounts for a permit fee collected by the City for the State of Ohio.

***North Ridge Development***

This fund accounts for activity related to the North Ridge Development.

CITY OF NORTH CANTON

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
DECEMBER 31, 2022

	<u>Permit Fee</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 3,245
Receivables (net of allowances for uncollectibles):	
Accounts	<u>5</u>
Total assets	<u>3,250</u>
<b>Liabilities:</b>	
Due to other governments	<u>150</u>
Total liabilities	<u>150</u>
<b>Net position:</b>	
Restricted for individuals, organizations and other governments	<u>3,100</u>
Total net position	<u><u>\$ 3,100</u></u>

**CITY OF NORTH CANTON**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Permit Fee</b>	<b>North Ridge Development</b>	<b>Total</b>
<b>Additions:</b>			
Licenses, permits and fees for other governments	\$ 4,606	\$ -	\$ 4,606
Total additions	4,606	-	4,606
<b>Deductions:</b>			
Licenses, permits and fees distributions to other governments	4,666	-	4,666
Other custodial fund disbursements	-	21,490	21,490
Total deductions	4,666	21,490	26,156
Excess of additions over deductions	(60)	(21,490)	(21,550)
Net change in fiduciary net position	(60)	(21,490)	(21,550)
<b>Net position beginning of year</b>	3,160	21,490	24,650
<b>Net position end of year</b>	\$ 3,100	\$ -	\$ 3,100

# Statistical Section





**CITY OF NORTH CANTON, OHIO**

**STATISTICAL SECTION  
TABLE OF CONTENTS**

This part of the City of North Canton'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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>178-189</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the income tax.	<b>190-197</b>
<b>Debt Capacity</b> 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.	<b>198-204</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>206-210</b>
<b>Operating Information</b> 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.	<b>212-215</b>

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

**CITY OF NORTH CANTON, OHIO**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 34,648,962	\$ 36,942,454	\$ 35,218,442	\$ 35,953,375
Restricted for:				
Capital projects	796,977	357,389	542,847	376,695
Computer systems	-	19,539	22,395	22,395
Security of persons and property - police	96,878	106,956	114,414	104,700
Security of persons and property - fire	-	-	-	-
Public health and welfare	-	1,375	1,375	1,375
Transportation	2,578,334	2,519,642	1,437,641	1,193,603
Basic utilities	757,846	744,883	490,091	385,399
General trust	52,233	70,515	59,902	58,523
Mayors Court	-	-	-	-
Other purposes	4,536	-	435	-
Unrestricted	<u>6,945,127</u>	<u>8,792,967</u>	<u>11,754,275</u>	<u>6,075,448</u>
Total governmental activities net position	<u>\$ 45,880,893</u>	<u>\$ 49,555,720</u>	<u>\$ 49,641,817</u>	<u>\$ 44,171,513</u>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 37,269,026	\$ 36,927,021	\$ 36,569,863	\$ 35,380,099
Unrestricted	<u>9,324,939</u>	<u>7,924,062</u>	<u>5,413,523</u>	<u>4,268,157</u>
Total business-type activities net position	<u>\$ 46,593,965</u>	<u>\$ 44,851,083</u>	<u>\$ 41,983,386</u>	<u>\$ 39,648,256</u>
<b>Total Primary Government</b>				
Net investment in capital assets	\$ 71,917,988	\$ 73,869,475	\$ 71,788,305	\$ 71,333,474
Restricted	4,286,804	3,820,299	2,669,100	2,142,690
Unrestricted	<u>16,270,066</u>	<u>16,717,029</u>	<u>17,167,798</u>	<u>10,343,605</u>
Total primary government net position	<u>\$ 92,474,858</u>	<u>\$ 94,406,803</u>	<u>\$ 91,625,203</u>	<u>\$ 83,819,769</u>

**Source:** City financial records.

- (1) Amounts have been restated to reflect a restatement.
- (2) Amounts have been restated to reflect a restatement related to GASB Statement No. 68 & 71.
- (3) Amounts have been restated to reflect a restatement related to GASB Statement No. 84

<b>2018 (3)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014 (2)</b>	<b>2013 (1)</b>
\$ 35,525,631	\$ 33,955,258	\$ 32,868,204	\$ 31,398,690	\$ 31,628,172	\$ 30,087,393
44,788	219,188	368,468	302,578	713,158	202,578
25,800	30,484	20,593	7,856	2,243	9,249
91,861	86,654	70,044	57,373	46,564	41,790
-	194,168	278,879	150,299	211,861	116,726
3,229	217,191	1,375	1,370	530,811	572,499
1,338,449	1,548,496	1,473,127	1,183,270	1,580,377	1,215,859
437,168	655,354	760,292	875,885	430,153	536,338
117,353	212,165	225,669	221,262	194,378	190,613
-	23,280	10,424	7,357	10,269	12,038
-	-	-	-	-	-
2,752,106	8,132,845	7,877,344	8,810,236	6,443,087	9,267,304
<u>\$ 40,336,385</u>	<u>\$ 45,275,083</u>	<u>\$ 43,954,419</u>	<u>\$ 43,016,176</u>	<u>\$ 41,791,073</u>	<u>\$ 42,252,387</u>
\$ 33,212,578	\$ 31,587,314	\$ 29,398,761	\$ 28,680,671	\$ 27,533,121	\$ 26,626,707
5,056,950	6,794,126	7,896,552	7,300,889	7,074,176	7,952,328
<u>\$ 38,269,528</u>	<u>\$ 38,381,440</u>	<u>\$ 37,295,313</u>	<u>\$ 35,981,560</u>	<u>\$ 34,607,297</u>	<u>\$ 34,579,035</u>
\$ 68,738,209	\$ 65,542,572	\$ 62,266,965	\$ 60,079,361	\$ 59,161,293	\$ 56,714,100
2,058,648	3,186,980	3,208,871	2,807,250	3,719,814	2,897,690
7,809,056	14,926,971	15,773,896	16,111,125	13,517,263	17,219,632
<u>\$ 78,605,913</u>	<u>\$ 83,656,523</u>	<u>\$ 81,249,732</u>	<u>\$ 78,997,736</u>	<u>\$ 76,398,370</u>	<u>\$ 76,831,422</u>



**CITY OF NORTH CANTON, OHIO**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Program Revenues:</b>				
Governmental activities				
Charges for services:				
General government	\$ 7,822	\$ 647	\$ 5,968	\$ 19,821
Security of persons and property:				
Police	176,256	179,954	183,754	210,362
Fire	2,335	2,372	3,360	3,740
Public health and welfare	705,620	642,006	637,295	636,315
Community environment	555,290	359,718	316,466	369,095
Leisure time activities	327,576	258,248	49,121	191,602
Subtotal - charges for services	<u>1,774,899</u>	<u>1,442,945</u>	<u>1,195,964</u>	<u>1,430,935</u>
Operating grants and contributions				
General government	1,260	-	451,604	1,263
Security of persons and property:				
Police	13,519	6,392	465,324	16,911
Fire	2,548	152,366	401,201	3,374
Public health and welfare	3,077	32,237	288,195	340
Transportation	1,043,068	1,113,938	1,011,935	1,061,985
Leisure time activities	19,134	2,557	-	8,762
Economic development	19,098	11,286	13,499	-
Basic utility services	661,200	-	-	-
Subtotal - operating grants and contributions	<u>1,762,904</u>	<u>1,318,776</u>	<u>2,631,758</u>	<u>1,092,635</u>
Capital grants and contributions				
Transportation	654,636	1,079,863	2,952,203	181,611
Leisure time activities	794,934	-	342,493	375,000
Economic development	-	505,556	-	-
Subtotal - capital grants and contributions	<u>1,449,570</u>	<u>1,585,419</u>	<u>3,294,696</u>	<u>556,611</u>
Total governmental activities program revenues	<u>4,987,373</u>	<u>4,347,140</u>	<u>7,122,418</u>	<u>3,080,181</u>
Business-type activities:				
Charges for services:				
Water	6,902,933	6,795,291	6,589,633	6,907,153
Sewer	3,738,531	3,548,569	3,527,128	3,527,129
Garbage	1,221,275	1,163,989	1,128,095	1,030,729
Subtotal - charges for services	<u>11,862,739</u>	<u>11,507,849</u>	<u>11,244,856</u>	<u>11,465,011</u>
Operating grants and contributions:				
Garbage	55,055	34,730	48,638	43,449
Subtotal - operating grants and contributions	<u>55,055</u>	<u>34,730</u>	<u>48,638</u>	<u>43,449</u>
Capital grants and contributions:				
Water	249,950	68,747	188,608	-
Subtotal - capital grants and contributions	<u>249,950</u>	<u>68,747</u>	<u>188,608</u>	<u>-</u>
Total business-type activities program revenues	<u>12,167,744</u>	<u>11,611,326</u>	<u>11,482,102</u>	<u>11,508,460</u>
Total primary government	<u>\$ 17,155,117</u>	<u>\$ 15,958,466</u>	<u>\$ 18,604,520</u>	<u>\$ 14,588,641</u>

	2018	2017	2016	2015	2014	2013
\$	122,045	\$ 420,751	\$ 448,431	\$ 349,591	\$ 389,409	\$ 461,653
	20,792	18,316	17,508	17,119	13,069	18,814
	1,600	-	-	100	430	-
	637,739	624,130	580,315	470,156	551,809	599,043
	346,327	325,414	352,345	467,586	397,787	304,774
	161,288	143,365	85,268	134,058	301,977	288,350
	<u>1,289,791</u>	<u>1,531,976</u>	<u>1,483,867</u>	<u>1,438,610</u>	<u>1,654,481</u>	<u>1,672,634</u>
	872	2	8,887	6	5	6
	572	16,113	5,500	2,080	2,608	134,370
	56,346	3,391	9	38,934	16,854	12,686
	36	1,449	140	26,693	54,123	12,798
	878,454	767,210	961,922	784,987	780,991	878,888
	12,471	-	1,768	-	1,282	31,918
	-	-	-	-	-	-
	-	-	-	-	702	670
	<u>948,751</u>	<u>788,165</u>	<u>978,226</u>	<u>852,700</u>	<u>856,565</u>	<u>1,071,336</u>
	786,219	192,500	-	1,127,854	994,073	1,793,398
	30,000	-	-	-	-	-
	-	-	-	65,920	2,331,548	-
	<u>816,219</u>	<u>192,500</u>	<u>-</u>	<u>1,193,774</u>	<u>3,325,621</u>	<u>1,793,398</u>
	<u>3,054,761</u>	<u>2,512,641</u>	<u>2,462,093</u>	<u>3,485,084</u>	<u>5,836,667</u>	<u>4,537,368</u>
	7,112,496	7,009,035	7,065,818	6,818,684	6,404,161	6,150,482
	3,004,204	3,024,104	3,048,897	2,910,360	2,830,415	2,854,520
	978,744	975,832	927,769	895,826	897,523	883,742
	<u>11,095,444</u>	<u>11,008,971</u>	<u>11,042,484</u>	<u>10,624,870</u>	<u>10,132,099</u>	<u>9,888,744</u>
	59,964	62,960	76,277	66,227	56,867	28,371
	<u>59,964</u>	<u>62,960</u>	<u>76,277</u>	<u>66,227</u>	<u>56,867</u>	<u>28,371</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>11,155,408</u>	<u>11,071,931</u>	<u>11,118,761</u>	<u>10,691,097</u>	<u>10,188,966</u>	<u>9,917,115</u>
\$	<u>14,210,169</u>	<u>\$ 13,584,572</u>	<u>\$ 13,580,854</u>	<u>\$ 14,176,181</u>	<u>\$ 16,025,633</u>	<u>\$ 14,454,483</u>

(Continued)

**CITY OF NORTH CANTON, OHIO**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Expenses:</b>				
Governmental Activities				
General government	\$ 2,486,895	\$ 1,852,191	\$ 2,375,057	\$ 1,618,201
Security of persons and property:				
Police	4,612,550	4,187,909	4,566,197	1,451,731
Fire	959,325	883,297	716,472	634,018
Public health and welfare	2,447,310	2,056,123	2,373,811	685,161
Transportation	4,536,609	3,752,186	3,108,705	4,338,738
Community environment	1,140,853	1,391,347	583,626	620,455
Leisure time activities	1,460,583	863,713	860,473	1,080,159
Economic development	27,300	9,270	12,933	-
Basic utility services	770,956	363,001	506,068	619,636
Interest and fiscal charges	204,726	144,560	207,598	43,539
Total governmental activities expenses	<u>18,647,107</u>	<u>15,503,597</u>	<u>15,310,940</u>	<u>11,091,638</u>
Business-type activities:				
Water	\$ 5,012,750	\$ 5,021,009	\$ 5,054,397	\$ 5,686,769
Sewer	3,167,134	2,630,900	3,161,180	3,454,932
Garbage	1,190,997	1,121,213	1,105,483	1,043,913
Total business-type activities expenses	<u>9,370,881</u>	<u>8,773,122</u>	<u>9,321,060</u>	<u>10,185,614</u>
Total primary government program expenses	<u>\$ 28,017,988</u>	<u>\$ 24,276,719</u>	<u>\$ 24,632,000</u>	<u>\$ 21,277,252</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	(13,659,734)	(11,156,457)	(8,188,522)	(8,011,457)
Business-type activities	<u>2,796,863</u>	<u>2,838,204</u>	<u>2,161,042</u>	<u>1,322,846</u>
Total primary government net expense	<u>\$ (10,862,871)</u>	<u>\$ (8,318,253)</u>	<u>\$ (6,027,480)</u>	<u>\$ (6,688,611)</u>

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 1,841,378	\$ 2,139,358	\$ 1,858,413	\$ 1,820,019	\$ 1,797,198	\$ 1,916,122
4,069,125	3,623,736	3,639,343	3,346,255	3,026,167	3,209,466
980,977	610,936	750,133	637,260	561,489	663,161
1,959,758	1,812,729	1,600,200	1,584,397	1,660,454	1,500,576
2,654,652	2,808,748	2,182,339	3,180,380	1,936,292	3,574,374
579,143	559,672	520,582	541,360	442,474	402,156
912,839	702,842	674,203	754,631	867,399	789,887
-	-	-	313,143	1,110,772	-
567,192	553,272	1,006,385	516,290	615,934	607,310
46,714	50,163	77,397	80,997	85,052	89,725
<u>13,611,778</u>	<u>12,861,456</u>	<u>12,308,995</u>	<u>12,774,732</u>	<u>12,103,231</u>	<u>12,752,777</u>
\$ 5,730,748	\$ 5,472,143	\$ 5,577,703	\$ 5,321,422	\$ 5,261,976	\$ 6,223,675
3,316,532	3,584,577	3,169,297	3,017,885	2,626,109	2,594,504
1,011,766	1,006,131	947,836	922,038	991,279	936,462
<u>10,059,046</u>	<u>10,062,851</u>	<u>9,694,836</u>	<u>9,261,345</u>	<u>8,879,364</u>	<u>9,754,641</u>
<u>\$ 23,670,824</u>	<u>\$ 22,924,307</u>	<u>\$ 22,003,831</u>	<u>\$ 22,036,077</u>	<u>\$ 20,982,595</u>	<u>\$ 22,507,418</u>
(10,557,017)	(10,348,815)	(9,846,902)	(9,289,648)	(6,266,564)	(8,215,409)
<u>1,096,362</u>	<u>1,009,080</u>	<u>1,423,925</u>	<u>1,429,752</u>	<u>1,309,602</u>	<u>162,474</u>
<u>\$ (9,460,655)</u>	<u>\$ (9,339,735)</u>	<u>\$ (8,422,977)</u>	<u>\$ (7,859,896)</u>	<u>\$ (4,956,962)</u>	<u>\$ (8,052,935)</u>

(Continued)

**CITY OF NORTH CANTON, OHIO**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 1,052,124	\$ 926,835	\$ 927,485	\$ 888,465
Fire operating levy	170,494	169,852	169,535	161,693
Emergency medical services levy	852,473	849,260	847,673	808,486
Storm sewer levy	340,989	339,704	339,070	323,537
Street levy	340,989	339,704	339,399	323,534
Municipal income taxes levied for:				
General purposes	8,369,760	6,779,234	6,753,195	5,652,354
Capital improvement	1,611,302	1,206,905	2,724,129	2,212,770
Grants and entitlements not restricted to				
Specific programs	848,464	802,466	709,899	744,167
Interest	(381,420)	(393,036)	586,196	676,448
Miscellaneous	8,746	49,436	262,245	55,131
Special item - sale of easement	467,087	-	-	-
Transfers	<u>(3,696,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>9,984,907</u>	<u>11,070,360</u>	<u>13,658,826</u>	<u>11,846,585</u>
Business-type activities				
Miscellaneous	\$ 10,811	\$ 29,493	\$ 174,088	\$ 55,882
Special item - loss on disposal of sewer rights	(1,064,792)	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>(1,053,981)</u>	<u>29,493</u>	<u>174,088</u>	<u>55,882</u>
Total primary government	<u>\$ 8,930,926</u>	<u>\$ 11,099,853</u>	<u>\$ 13,832,914</u>	<u>\$ 11,902,467</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (3,674,827)	\$ (86,097)	\$ 5,470,304	\$ 3,835,128
Business-type activities	1,742,882	2,867,697	2,335,130	1,378,728
Total primary government	<u>\$ (1,931,945)</u>	<u>\$ 2,781,600</u>	<u>\$ 7,805,434</u>	<u>\$ 5,213,856</u>

Source: City financial records.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 872,168	\$ 811,683	\$ 787,147	\$ 735,637	\$ 710,411	\$ 721,721
171,411	158,730	155,937	156,092	151,838	153,665
857,106	793,789	779,929	781,171	760,211	771,523
342,874	317,592	312,171	317,120	313,045	318,334
342,873	317,589	312,162	317,098	313,008	318,261
5,734,156	5,885,948	5,956,308	6,064,347	5,822,946	5,504,737
2,118,837	2,539,225	1,459,218	1,213,821	1,096,040	1,227,730
476,600	641,490	659,166	695,530	1,766,623	1,036,416
293,553	143,590	102,615	70,740	61,894	15,322
108,911	59,843	71,487	43,195	91,727	129,570
-	-	-	-	-	-
-	-	189,005	120,000	65,000	87,000
<u>11,318,489</u>	<u>11,669,479</u>	<u>10,785,145</u>	<u>10,514,751</u>	<u>11,152,743</u>	<u>10,284,279</u>
\$ 62,596	\$ 77,047	\$ 78,833	\$ 64,511	\$ 87,661	\$ 104,237
-	-	-	-	-	-
-	-	(189,005)	(120,000)	(65,000)	(87,000)
<u>62,596</u>	<u>77,047</u>	<u>(110,172)</u>	<u>(55,489)</u>	<u>22,661</u>	<u>17,237</u>
<u>\$ 11,381,085</u>	<u>\$ 11,746,526</u>	<u>\$ 10,674,973</u>	<u>\$ 10,459,262</u>	<u>\$ 11,175,404</u>	<u>\$ 10,301,516</u>
\$ 761,472	\$ 1,320,664	\$ 938,243	\$ 1,225,103	\$ 4,886,179	\$ 2,068,870
1,158,958	1,086,127	1,313,753	1,374,263	1,332,263	179,711
<u>\$ 1,920,430</u>	<u>\$ 2,406,791</u>	<u>\$ 2,251,996</u>	<u>\$ 2,599,366</u>	<u>\$ 6,218,442</u>	<u>\$ 2,248,581</u>

**CITY OF NORTH CANTON, OHIO**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund				
Nonspendable	\$ 112,150	\$ 88,456	\$ 121,044	\$ 124,210
Committed	1,148,510	5,925,809	6,045,140	5,312,810
Assigned	3,345,459	1,897,787	2,166,377	272,798
Unassigned	<u>673,261</u>	<u>1,409,118</u>	<u>3,736,042</u>	<u>5,454,822</u>
Total general fund	<u>\$ 5,279,380</u>	<u>\$ 9,321,170</u>	<u>\$ 12,068,603</u>	<u>\$ 11,164,640</u>
All Other Governmental Funds				
Nonspendable	\$ 169,604	\$ 301,144	\$ 295,025	\$ 347,410
Restricted	4,646,165	4,081,973	3,064,448	2,396,037
Committed	4,977,934	5,671,619	6,871,187	2,183,484
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(45,989)</u>	<u>(13,374)</u>
Total all other governmental funds	<u>\$ 9,793,703</u>	<u>\$ 10,054,736</u>	<u>\$ 10,184,671</u>	<u>\$ 4,913,557</u>
Total governmental funds	<u>\$ 15,073,083</u>	<u>\$ 19,375,906</u>	<u>\$ 22,253,274</u>	<u>\$ 16,078,197</u>

**Source:** City financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 84

<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 118,328	\$ 70,950	\$ 61,766	\$ 36,379	\$ 24,071	\$ 12,344
5,108,426	4,703,664	4,358,353	4,791,066	3,949,413	2,973,122
298,783	427,008	222,789	771,645	1,793,923	1,521,722
<u>4,449,575</u>	<u>3,721,998</u>	<u>3,000,044</u>	<u>1,674,309</u>	<u>828,334</u>	<u>641,364</u>
<u>\$ 9,975,112</u>	<u>\$ 8,923,620</u>	<u>\$ 7,642,952</u>	<u>\$ 7,273,399</u>	<u>\$ 6,595,741</u>	<u>\$ 5,148,552</u>
\$ 306,559	\$ 271,938	\$ 364,284	\$ 286,638	\$ 24,383	\$ 9,283
2,602,722	2,945,276	2,819,372	2,660,012	3,421,318	2,779,437
2,154,679	3,159,736	4,044,728	5,605,860	4,637,231	4,141,798
<u>(530,495)</u>	<u>(9,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(114,848)</u>
<u>\$ 4,533,465</u>	<u>\$ 6,367,450</u>	<u>\$ 7,228,384</u>	<u>\$ 8,552,510</u>	<u>\$ 8,082,932</u>	<u>\$ 6,815,670</u>
<u>\$ 14,508,577</u>	<u>\$ 15,291,070</u>	<u>\$ 14,871,336</u>	<u>\$ 15,825,909</u>	<u>\$ 14,678,673</u>	<u>\$ 11,964,222</u>



**CITY OF NORTH CANTON, OHIO**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>				
Taxes	\$ 12,513,155	\$ 10,932,651	\$ 11,381,510	\$ 10,587,143
Charges for services	789,812	724,397	652,495	669,883
Licenses and permits	555,290	359,718	316,466	369,095
Fines and forfeitures	188,202	186,993	199,489	240,824
Intergovernmental	3,842,347	3,585,022	6,409,041	2,333,695
Interest	(371,835)	(396,331)	596,009	677,989
Rentals	227,818	208,195	48,626	135,731
Contributions and donations	165,441	79,405	208,281	386,120
Other	23,017	36,685	339,512	60,481
Total revenues	<u>17,933,247</u>	<u>15,716,735</u>	<u>20,151,429</u>	<u>15,460,961</u>
<b>Expenditures</b>				
Current:				
General government	2,359,238	2,189,200	2,550,514	1,714,820
Security of persons and property:				
Police	4,411,197	4,234,414	3,815,159	3,523,667
Fire	805,299	832,931	879,516	484,900
Public health and welfare	2,448,994	2,240,607	2,091,818	1,907,818
Transportation	1,885,442	1,399,845	1,620,188	1,386,728
Community environment	1,155,337	1,447,866	584,534	615,389
Leisure time activities	1,289,498	1,043,917	974,026	850,062
Economic development	27,300	9,270	12,933	-
Basic utility services	374,423	220,353	304,332	479,015
Capital outlay	4,301,154	4,628,409	7,989,340	2,709,947
Debt service:				
Principal retirement	4,908,410	4,665,820	362,168	172,483
Interest and fiscal charges	138,422	185,996	73,990	46,512
Bond issuance costs	31,500	25,625	73,613	-
Total expenditures	<u>24,136,214</u>	<u>23,124,253</u>	<u>21,332,131</u>	<u>13,891,341</u>
Excess (deficiency) of revenues over (under) expenditures	(6,202,967)	(7,407,518)	(1,180,702)	1,569,620
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	-	55,779	-
Notes issuance	4,314,000	4,500,000	4,400,000	-
Notes payable - financed purchase	815,158	-	-	-
Issuance of bond proceeds	-	-	2,900,000	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issuance	-	30,150	-	-
Inception of capital lease	-	-	-	-
Transfers in	2,721,750	2,078,921	1,050,000	650,000
Transfers out	(6,417,851)	(2,078,921)	(1,050,000)	(650,000)
Total other financing sources (uses)	<u>1,433,057</u>	<u>4,530,150</u>	<u>7,355,779</u>	<u>-</u>
<b>Special item</b>				
Sale of easement	467,087	-	-	-
Net change in fund balances	<u>\$ (4,302,823)</u>	<u>\$ (2,877,368)</u>	<u>\$ 6,175,077</u>	<u>\$ 1,569,620</u>
Capital expenditures	\$ 3,723,256	\$ 4,245,085	\$ 9,326,243	\$ 2,332,653
Debt service as a percentage of noncapital expenditures	24.72%	25.70%	3.63%	1.89%

Source: City financial records.

2018	2017	2016	2015	2014	2013	2012
\$ 10,538,135	\$ 10,481,211	\$ 8,996,634	\$ 9,509,514	\$ 9,042,284	\$ 8,888,544	\$ 8,385,266
722,089	667,432	582,091	598,194	756,126	760,933	809,929
346,327	325,414	352,345	467,586	397,787	304,774	261,986
68,077	319,908	352,768	279,305	283,297	331,760	262,870
1,647,571	1,584,149	1,639,257	2,635,791	5,886,372	4,170,149	5,707,775
269,411	144,194	105,255	61,649	63,556	10,033	13,135
163,844	204,375	186,421	203,316	181,267	195,880	215,402
44,065	6,499	10,787	54,421	11,417	168,186	62,514
117,611	87,808	76,339	87,825	137,983	189,133	87,254
<u>13,917,130</u>	<u>13,820,990</u>	<u>12,301,897</u>	<u>13,897,601</u>	<u>16,760,089</u>	<u>15,019,392</u>	<u>15,806,131</u>
1,748,457	1,904,224	1,771,834	1,677,122	1,706,095	1,810,499	1,810,943
3,309,333	3,242,360	3,219,499	3,234,260	3,269,463	3,167,527	3,102,962
528,205	466,266	464,986	529,909	504,635	581,231	617,881
1,816,815	1,644,628	1,678,460	1,566,294	1,658,889	1,421,456	1,612,523
1,224,303	1,186,241	1,317,497	1,572,808	937,326	1,426,291	1,584,937
561,002	514,138	539,291	557,799	447,225	404,055	437,425
704,490	505,092	560,245	616,280	754,214	678,926	684,494
-	-	-	313,143	1,706,120	-	-
587,327	502,788	823,967	307,912	467,576	384,518	347,093
3,997,984	3,210,397	2,728,298	2,341,247	2,458,593	2,971,567	4,623,693
165,558	165,721	181,673	145,831	159,427	185,283	214,952
52,623	59,401	58,120	86,423	91,075	95,922	101,984
-	-	28,732	-	-	-	-
<u>14,696,097</u>	<u>13,401,256</u>	<u>13,372,602</u>	<u>12,949,028</u>	<u>14,160,638</u>	<u>13,127,275</u>	<u>15,138,887</u>
(778,967)	419,734	(1,070,705)	948,573	2,599,451	1,892,117	667,244
-	-	-	56,601	-	86,682	6,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,233,180	-	-	-	-
-	-	(1,337,277)	-	-	-	-
-	-	132,829	-	-	-	-
-	-	-	22,062	-	-	-
600,000	877,578	1,207,600	2,138,757	1,679,400	1,815,000	2,665,122
<u>(600,000)</u>	<u>(877,578)</u>	<u>(1,120,200)</u>	<u>(2,018,757)</u>	<u>(1,564,400)</u>	<u>(1,728,000)</u>	<u>(2,590,122)</u>
-	-	116,132	198,663	115,000	173,682	81,000
-	-	-	-	-	-	-
<u>\$ (778,967)</u>	<u>\$ 419,734</u>	<u>\$ (954,573)</u>	<u>\$ 1,147,236</u>	<u>\$ 2,714,451</u>	<u>\$ 2,065,799</u>	<u>\$ 748,244</u>
\$ 4,674,920	\$ 3,394,861	\$ 3,466,510	\$ 2,108,678	\$ 3,497,103	\$ 1,811,647	\$ 4,085,424
2.18%	2.25%	2.42%	2.14%	2.35%	2.49%	2.87%

**CITY OF NORTH CANTON, OHIO**

**ASSESSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY  
LAST TEN YEARS**

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated actual value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed value	Estimated actual value
2022	\$ 386,664,130	\$ 108,470,990	\$ 1,414,671,771	\$ 14,095,330	\$ 16,017,420
2021	334,576,970	100,907,930	1,244,242,571	10,486,980	11,917,023
2020	331,258,360	100,805,430	1,234,467,971	10,486,430	11,916,398
2019	328,591,470	98,185,670	1,219,363,257	8,478,330	9,634,466
2018	304,844,140	88,783,290	1,124,649,800	8,113,160	9,219,500
2017	301,311,680	85,356,080	1,104,765,029	7,717,590	8,769,989
2016	298,057,720	82,961,920	1,088,627,543	8,295,930	9,427,193
2015	274,041,110	76,738,380	1,002,227,114	8,417,570	9,565,420
2014	272,828,380	73,169,260	988,564,686	8,412,870	9,560,080
2013	271,964,980	73,735,850	987,716,657	8,047,470	9,144,852

**Source:** County Auditor.

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

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

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

Total

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Assessed value	Estimated actual value	Ratio	Total Direct Tax Rate
\$ 509,230,450	\$ 1,430,689,192	35.59%	\$ 7.40
445,971,880	1,256,159,594	35.50%	7.40
442,550,220	1,246,384,369	35.51%	7.40
435,255,470	1,228,997,723	35.42%	7.40
401,740,590	1,133,869,300	35.43%	7.40
394,385,350	1,113,535,017	35.42%	7.40
389,315,570	1,098,054,736	35.46%	7.40
359,197,060	1,011,792,535	35.50%	7.40
354,410,510	998,124,765	35.51%	7.40
353,748,300	996,861,509	35.49%	7.40

**CITY OF NORTH CANTON, OHIO**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Unvoted Millage</b>				
Operating	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
<b>Voted Millage</b>				
2005 Storm Sewer	1.0000	1.0000	1.0000	1.0000
2005 Street Improvement	1.0000	1.0000	1.0000	1.0000
1982 & 2011 Ambulance & E.M.S.	2.5000	2.5000	2.5000	2.5000
1983 Fire	0.5000	0.5000	0.5000	0.5000
Total Voted Millage	5.0000	5.0000	5.0000	5.0000
Total Millage	\$ 7.4000	\$ 7.4000	\$ 7.4000	\$ 7.4000

**Overlapping Rates By Taxing District**

<b>North Canton City School District</b>				
Residential/Agricultural Real	\$ 39.9878	\$ 44.5508	\$ 41.2439	\$ 43.3701
Commercial/Industrial and Public Utility Real	50.2808	52.5056	48.8563	49.7442
General Business and Public Utility	86.9000	86.6000	85.1000	85.1000
<b>Stark County</b>				
Residential/Agricultural Real	7.3714	8.2811	8.0589	8.0803
Commercial/Industrial and Public Utility Real	8.5505	9.0091	8.8684	8.7898
General Business and Public Utility	11.5000	11.5000	11.5000	11.5000
<b>Plain Township</b>				
Residential/Agricultural Real	0.9552	0.1000	0.1000	0.1000
Commercial/Industrial and Public Utility Real	1.0380	0.1000	0.1000	0.1000
General Business and Public Utility	1.1000	0.1000	0.1000	0.1000
<b>Special Taxing Districts (1)</b>				
Residential/Agricultural Real	1.6260	1.8949	1.9040	1.9108
Commercial/Industrial and Public Utility Real	1.8651	1.9879	1.9931	1.9538
General Business and Public Utility	2.5000	2.5000	2.5000	2.5000

**Source:** County Auditor

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

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

The City has no charter millage.

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

(1) North Canton Library, Stark County Park District

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>
<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>
<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>
\$ 40.2684	\$ 40.4147	\$ 40.5638	\$ 43.6119	\$ 46.6432	\$ 38.9173
47.7678	48.0005	48.4004	50.7375	52.0007	47.0395
78.7000	78.7000	78.7000	78.8000	78.8000	76.0000
8.6772	8.7202	8.7441	9.2924	9.3007	8.9180
9.6375	9.6085	9.6342	10.0762	10.0757	9.5912
11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
2.0939	2.1053	2.1141	2.2986	2.3009	2.3031
2.1779	2.1814	2.1970	2.3222	2.3612	2.3606
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000

**CITY OF NORTH CANTON, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2022	\$ 3,107,317	\$ 3,035,960	97.70%	\$ 44,078	\$ 3,080,038
2021	2,957,006	2,919,202	98.72%	45,917	2,965,119
2020	2,917,747	2,874,146	98.51%	53,918	2,928,064
2019	2,868,103	2,832,383	98.75%	55,318	2,887,701
2018	2,772,585	2,721,797	98.17%	43,590	2,765,387
2017	2,721,835	2,671,910	98.17%	56,332	2,728,242
2016	2,670,331	2,652,176	99.32%	40,889	2,693,065
2015	2,619,406	2,583,174	98.62%	55,306	2,638,480
2014	2,621,720	2,546,037	97.11%	53,961	2,599,998
2013	2,617,737	2,547,990	97.34%	43,517	2,591,507

**Source:** County Auditor

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

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

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
99.12%	\$ 44,078	1.42%
100.27%	45,917	1.55%
100.35%	53,918	1.85%
100.68%	36,615	1.28%
99.74%	79,448	2.87%
100.24%	90,935	3.34%
100.85%	73,862	2.77%
100.73%	73,862	2.82%
99.17%	67,039	2.56%
99.00%	76,312	2.92%



**CITY OF NORTH CANTON, OHIO**

PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
CURRENT YEAR AND NINE YEARS AGO

<b>2022</b>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
McKinley Development Leasing Co LTD	\$ 7,109,940	1	1.44%
Maple Street IO LLC	6,455,480	2	1.30%
Versailles Gardens LTD	5,974,610	3	1.21%
West Tuscarawas Property Management, LLC	3,569,780	4	0.72%
Albrecht Incorporated	2,753,770	5	0.56%
Sanctuary Grande Senior Living LLC	2,712,500	6	0.55%
Mullinax Ford of North Canton	2,480,840	7	0.50%
Berlin Commons LTD	2,350,790	8	0.47%
Waterford at St. Luke	2,334,290	9	0.47%
Euro Development LTD	2,196,250	10	0.44%
Total	<u>\$ 37,938,250</u>		<u>7.66%</u>
Total Assessed Valuation	<u>\$ 495,135,120</u>		

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

Source: Stark County, Ohio, Auditor's Office

**CITY OF NORTH CANTON, OHIO**

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

<b>Tax Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholdings</b>	<b>Taxes from Net Profits</b>	<b>Percentage of Taxes from Net Profits</b>	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
2022	1.50%	\$ 9,660,365	\$ 6,237,170	64.56%	\$ 1,085,472	11.24%	\$ 2,337,723	24.20%
2021	1.50%	8,120,614	5,605,189	69.02%	438,021	5.39%	2,077,404	25.58%
2020	1.50%	8,854,196	5,453,833	61.60%	1,509,558	17.05%	1,890,805	21.35%
2019	1.50%	7,880,299	5,533,723	70.22%	688,131	8.73%	1,776,032	22.54%
2018	1.50%	8,018,750	5,299,170	66.08%	956,307	11.93%	1,763,273	21.99%
2017	1.50%	7,915,117	5,033,628	63.60%	931,535	11.77%	1,949,954	24.64%
2016	1.50%	6,750,861	4,654,728	68.95%	612,423	9.07%	1,483,710	21.98%
2015	1.50%	7,108,368	4,727,504	66.51%	625,329	8.80%	1,755,535	24.70%
2014	1.50%	6,851,412	4,586,042	66.94%	614,229	8.96%	1,651,141	24.10%
2013	1.50%	6,637,706	4,274,021	64.39%	698,631	10.53%	1,665,054	25.08%

**Source:** The City of North Canton through the Regional Income Tax Agency (RITA).

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

**CITY OF NORTH CANTON, OHIO**

LEGAL DEBT MARGIN  
LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assessed Property Value	\$ 509,230,450	\$ 445,971,880	\$ 442,550,770	\$ 435,255,470
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	53,469,197	46,827,047	46,467,831	45,701,824
Debt Outstanding				
Various Improvement Note	4,314,000	4,500,000	4,400,000	-
Governmental General Obligation Bonds	3,114,516	3,385,988	3,651,808	1,113,976
Water System Bonds	1,754,484	2,094,012	2,426,192	2,751,024
OPWC Loans	963,551	1,195,351	1,311,251	1,311,251
OWDA Loans	1,983,199	2,715,897	3,422,768	4,104,725
Intergovernmental Loans	2,637,119	1,406,649	1,481,422	1,549,668
Total gross indebtedness	<u>14,766,869</u>	<u>15,297,897</u>	<u>16,693,441</u>	<u>10,830,644</u>
Less:				
Various Improvement Note	4,314,000	4,500,000	4,400,000	-
Water System Bonds	1,754,484	2,094,012	2,426,192	2,751,024
OPWC Loans	963,551	1,195,351	1,311,251	1,311,251
OWDA Loans	1,983,199	2,715,897	3,422,768	4,104,725
Intergovernmental Loans	<u>2,637,119</u>	<u>1,406,649</u>	<u>1,481,422</u>	<u>1,549,668</u>
Total net debt applicable to debt limit	<u>3,114,516</u>	<u>3,385,988</u>	<u>3,651,808</u>	<u>1,113,976</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 50,354,681</u>	<u>\$ 43,441,059</u>	<u>\$ 42,816,023</u>	<u>\$ 44,587,848</u>
Legal debt margin as a percentage of the debt limit	94.18%	92.77%	92.14%	97.56%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>28,007,675</u>	<u>24,528,453</u>	<u>24,340,292</u>	<u>23,939,051</u>
Total gross indebtedness	14,766,869	15,297,897	16,693,441	10,830,644
Less:				
Various Improvement Note	4,314,000	4,500,000	4,400,000	-
Water System Bonds	1,754,484	2,094,012	2,426,192	2,751,024
OPWC Loans	963,551	1,195,351	1,311,251	1,311,251
OWDA Loans	1,983,199	2,715,897	3,422,768	4,104,725
Intergovernmental Loans	<u>2,637,119</u>	<u>1,406,649</u>	<u>1,481,422</u>	<u>1,549,668</u>
Net debt within 5 1/2 % limitations	<u>3,114,516</u>	<u>3,385,988</u>	<u>3,651,808</u>	<u>1,113,976</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 24,893,159</u>	<u>\$ 21,142,465</u>	<u>\$ 20,688,484</u>	<u>\$ 22,825,075</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	88.88%	86.20%	85.00%	95.35%

Source: City financial records.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>\$ 401,740,590</u>	<u>\$ 1,133,869,300</u>	<u>\$ 1,113,535,017</u>	<u>\$ 1,098,054,736</u>	<u>\$ 1,011,792,535</u>	<u>\$ 998,124,765</u>
<u>42,182,762</u>	<u>119,056,277</u>	<u>116,921,177</u>	<u>115,295,747</u>	<u>106,238,216</u>	<u>104,803,100</u>
-	-	-	-	-	-
1,281,492	1,441,356	1,601,660	1,765,000	1,910,000	2,055,000
3,078,508	3,388,644	3,683,340	4,075,000	4,335,000	4,585,000
1,427,151	1,543,051	1,658,951	1,774,851	1,890,751	2,006,651
4,762,646	5,397,382	6,009,749	6,600,537	7,170,509	7,720,400
1,637,538	1,627,081	1,330,599	1,108,156	528,923	-
<u>12,187,335</u>	<u>13,397,514</u>	<u>14,284,299</u>	<u>15,323,544</u>	<u>15,835,183</u>	<u>16,367,051</u>
-	-	-	-	-	-
3,078,508	3,388,644	3,683,340	4,075,000	4,335,000	4,585,000
1,427,151	1,543,051	1,658,951	1,774,851	1,890,751	2,006,651
4,762,646	5,397,382	6,009,749	6,600,537	7,170,509	7,720,400
1,637,538	1,627,081	1,330,599	1,108,156	528,923	-
<u>1,281,492</u>	<u>1,441,356</u>	<u>1,601,660</u>	<u>1,765,000</u>	<u>1,910,000</u>	<u>2,055,000</u>
<u>\$ 40,901,270</u>	<u>\$ 117,614,921</u>	<u>\$ 115,319,517</u>	<u>\$ 113,530,747</u>	<u>\$ 104,328,216</u>	<u>\$ 102,748,100</u>
96.96%	98.79%	98.63%	98.47%	98.20%	98.04%
<u>22,095,732</u>	<u>62,362,812</u>	<u>61,244,426</u>	<u>60,393,010</u>	<u>55,648,589</u>	<u>54,896,862</u>
12,187,335	13,397,514	14,284,299	15,323,544	15,835,183	16,367,051
-	-	-	-	-	-
3,078,508	3,388,644	3,683,340	4,075,000	4,335,000	4,585,000
1,427,151	1,543,051	1,658,951	1,774,851	1,890,751	2,006,651
4,762,646	5,397,382	6,009,749	6,600,537	7,170,509	7,720,400
1,637,538	1,627,081	1,330,599	1,108,156	528,923	-
<u>1,281,492</u>	<u>1,441,356</u>	<u>1,601,660</u>	<u>1,765,000</u>	<u>1,910,000</u>	<u>2,055,000</u>
<u>\$ 20,814,240</u>	<u>\$ 60,921,456</u>	<u>\$ 59,642,766</u>	<u>\$ 58,628,010</u>	<u>\$ 53,738,589</u>	<u>\$ 52,841,862</u>
94.20%	97.69%	97.38%	97.08%	96.57%	96.26%

**CITY OF NORTH CANTON, OHIO**

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

Year	Governmental Activities			Business-Type Activities	
	Notes Payable	Leases Payable	Notes/ Bonds Payable	Notes Payable	Leases Payable
2022	\$ 5,005,932	\$ 34,065	\$ 3,186,832	\$ 309,305	\$ 16,921
2021	4,500,000	47,777	3,467,438	-	-
2020	4,400,000	-	3,742,392	-	-
2019	-	-	1,215,076	-	-
2018	-	4,967	1,393,230	-	-
2017	-	10,661	1,563,732	-	-
2016	-	16,078	1,737,945	-	-
2015	-	21,231	1,820,684	-	-
2014	-	-	1,970,753	-	-
2013	-	14,427	2,120,822	-	-

**Source:** City financial records.

**Note:** Population and personal income data are presented on the demographic and economic statistics table later in the Annual Report.

**Business-Type Activities - (continued)**

<b>Notes/ Bonds Payable</b>	<b>OWDA Loans</b>	<b>Intergovern- mental Loans</b>	<b>OPWC Loans</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$ 1,939,603	\$ 1,983,199	\$ 2,637,119	\$ 963,551	\$ 16,076,527	2.20%	\$ 393
2,302,519	2,715,897	1,406,649	1,079,451	15,519,731	2.28%	407
2,658,087	3,422,768	1,481,422	1,311,251	17,015,920	3.07%	527
3,006,307	4,104,725	1,549,668	1,311,251	11,187,027	2.00%	651
3,357,179	4,762,646	1,637,538	1,427,151	12,582,711	2.31%	723
3,690,703	5,397,382	1,627,081	1,543,051	13,832,610	2.53%	794
4,011,543	6,009,749	1,330,599	1,658,951	14,764,865	2.99%	847
4,119,859	6,600,537	1,108,156	1,774,851	15,445,318	3.01%	883
4,382,866	7,170,509	528,923	1,890,751	15,943,802	3.23%	915
4,635,873	7,720,400	403,892	2,006,651	16,902,065	3.41%	966

**CITY OF NORTH CANTON, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
<b>Direct - City of North Canton</b>			
General obligation bonds, notes payable - financed purchase, and leases payable	\$ 8,226,829	100.00%	\$ 8,226,829
	<u>8,226,829</u>		<u>8,226,829</u>
<b>Overlapping debt:</b>			
North Canton City School District	53,845,000	43.86%	23,616,417
Jackson Local School District	26,300,000	0.24%	63,120
Stark County	1,320,690	5.05%	66,695
	<u>81,465,690</u>		<u>23,746,232</u>
Total direct and overlapping debt	<u>\$ 89,692,519</u>		<u>\$ 31,973,061</u>

**Source:** Ohio Municipal Advisory Council (OMAC)

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

**CITY OF NORTH CANTON, OHIO**

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2022	\$ 6,913,744	\$ 2,835,405	\$ 4,078,339	\$ 723,570	\$ 88,383	5.02
2021	6,824,784	3,133,136	3,691,648	698,049	124,014	4.49
2020	6,726,958	4,810,730	1,916,228	673,429	138,525	2.36
2019	6,955,813	3,749,586	3,206,227	649,679	162,277	3.95
2018	7,164,119	3,815,355	3,348,764	626,769	185,186	4.12
2017	7,060,554	3,603,353	3,457,201	604,667	171,906	4.45
2016	7,139,007	3,737,053	3,401,954	583,345	228,614	4.19
2015	6,876,229	3,323,178	3,553,051	562,778	249,175	4.38
2014	6,470,000	3,110,809	3,359,191	542,938	269,016	4.14
2013	6,241,358	4,240,926	2,000,432	523,796	288,158	2.46

(1) Operating expenses do not include depreciation/amortization.

**Source:** Office of the City Director of Finance.



**CITY OF NORTH CANTON, OHIO**

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2022	\$ 3,738,531	\$ 2,461,177	\$ 1,277,354	\$ 9,128	\$ 2,956	105.71
2021	3,548,569	2,120,878	1,427,691	8,822	3,261	118.16
2020	3,559,866	3,097,044	462,822	8,528	3,556	38.30
2019	3,534,144	3,020,134	514,010	8,242	3,841	42.54
2018	3,015,177	2,843,791	171,386	7,967	4,117	14.18
2017	3,049,564	3,101,903	(52,339)	7,700	3,834	(4.54)
2016	3,054,541	2,781,567	272,974	7,443	4,641	22.59
2015	2,917,326	2,599,327	317,999	7,194	4,890	26.32
2014	2,849,831	2,213,954	635,877	6,953	5,130	52.63
2013	2,866,932	2,304,022	562,910	6,721	5,362	46.59

(1) Operating expenses do not include depreciation.

**Source:** Office of the City Director of Finance.

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**CITY OF NORTH CANTON, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>
2022	17,842	\$ 729,345,276	\$ 40,878	\$ 62,303	43.0	36.0%
2021	17,842	680,404,670	38,135	60,473	41.9	36.3%
2020	17,176	554,561,512	32,287	62,128	40.7	36.7%
2019	17,176	559,662,784	32,584	59,389	42.1	36.6%
2018	17,400	545,020,200	31,323	57,003	42.1	34.7%
2017	17,422	547,451,506	31,423	55,874	44.0	35.3%
2016	17,441	494,487,232	28,352	52,210	42.0	36.1%
2015	17,490	513,209,070	29,343	52,530	42.5	33.3%
2014	17,433	494,260,416	28,352	50,728	41.0	35.4%
2013	17,488	495,819,776	28,352	50,649	42.5	35.4%

(1) Source: U.S. Census

(2) Ohio Department of Education

(3) Source: Ohio Department of Job and Family Services. The unemployment rate for the City is unavailable; therefore, the unemployment rate of the County provides the most accurate reflection of the City.

(4) Source: County Auditor

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

<b>School Enrollment (2)</b>	<b>Stark County Unemployment Rate (3)</b>	<b>Average Sales Price of Residential Property (4)</b>	<b>Total Assessed Property Value</b>
4,100	3.8%	\$ 320,420	\$ 509,230,450
4,331	3.5%	190,518	445,971,880
4,253	4.9%	203,399	442,550,220
4,282	4.4%	179,300	435,255,470
4,272	5.2%	157,100	401,740,590
4,332	5.0%	158,696	394,385,350
4,427	5.2%	158,693	389,315,570
4,496	5.2%	124,869	359,197,060
4,515	5.7%	136,700	354,410,510
4,486	7.5%	139,169	353,748,300

**CITY OF NORTH CANTON, OHIO**

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

		<b>2022</b>
<b>Employer</b>	<b>Description</b>	<b>Rank</b>
North Canton City Schools	Education	1
Walsh University	Education	2
Trubridge Inc	Insurance	3
Childrens Hospital Medical Center	Medical	4
Myers Controlled Power LLC	Manufacturing	5
City of North Canton	Government	6
Aultman North Canton Medical	Medical	7
Diebold Nixdorf Inc	Manufacturing	8
Mullinax Ford North Canton Inc	Retail	9
St Luke Lutheran Home	Medical	10

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

**Source:** Income Tax Department and the Regional Income Tax Agency (RITA)

**CITY OF NORTH CANTON, OHIO**

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

<b>2022</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Walsh University	1,200	1	11.66%
North Canton City Schools	836	2	8.12%
Trubridge Inc.	519	3	5.04%
The Tamarkin Company	382	4	3.71%
Childrens Hospital Medical Center	362	5	3.52%
St Luke Lutheran Home	258	6	2.51%
Windsor Medical Center Inc	235	7	2.28%
Myers Controlled Power Llc	194	8	1.88%
Aultman Hospital	177	9	1.72%
City of North Canton	157	10	1.53%
<b>Total</b>	<b>4,320</b>		<b>41.97%</b>
<b>Total City Employment</b>	<b>10,294</b>		
<b>2013</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Walsh University	1,600	1	8.61%
North Canton Board of Education	1,008	2	5.43%
St. Lukes Home for the Aged	409	3	2.20%
YMCA of Central Stark County	310	4	1.67%
Trubridge Inc.	274	5	1.47%
Absolute Rehabilitation	274	6	1.47%
City of North Canton	241	7	1.30%
Tamarkin Company	229	8	1.23%
Mark Glassman Inc.	229	9	1.23%
Aultman Hospital Association	229	10	1.23%
<b>Total</b>	<b>4,803</b>		<b>25.85%</b>
<b>Total City Employment</b>	<b>18,580</b>		

**Source:** 2022 - Data from Regional Income Tax Agency; 2013 - W2's from the City Tax Department.

**CITY OF NORTH CANTON, OHIO**

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

<b>Function/Program</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General Government</b>										
Council	4.00	4.50	4.50	4.00	4.50	4.50	4.50	4.50	4.50	4.50
Mayor's office	0.50	0.50	0.50	0.50	0.50	1.50	1.00	1.00	1.50	1.50
Law	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	5.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Administration	6.50	5.00	5.00	4.50	3.00	3.00	2.00	2.00	2.00	2.00
City hall maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Engineer	4.00	3.00	5.00	6.00	6.50	5.50	5.50	5.50	5.50	5.50
<b>Security of Persons and Property</b>										
Police - administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Police - officers	28.00	26.00	26.00	25.50	25.00	24.00	24.50	24.00	24.50	23.50
Police - crossing guards	3.00	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00
Dispatchers/Chief Dispatcher	9.00	8.50	10.00	9.00	9.00	8.50	8.50	8.50	8.50	8.50
Fire Inspectors	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Public Health Services</b>										
Fire Fighters/Emergency										
Medical Services	25.00	25.50	24.50	26.50	26.50	26.00	26.00	25.00	37.00	34.00
<b>Leisure Time Activities</b>										
Municipal Pool	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.50	20.50
Civic Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50
Recreation	2.00	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Park Maintenance	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	4.00	5.00
<b>Community Development</b>										
Permits & Inspections	0.50	0.00	0.00	0.00	0.50	4.00	4.00	6.00	6.00	5.50
Economic Development	0.00	0.00	0.00	0.00	0.00	1.00	0.50	0.50	0.50	0.50
<b>Transportation</b>										
Street M&R	6.00	5.00	3.50	4.00	4.00	5.00	5.00	6.00	8.50	9.00
<b>Basic Utility Services</b>										
Water Administration	2.00	2.00	2.00	2.00	2.50	3.00	3.00	3.00	3.00	3.00
Water Distribution	9.00	9.00	8.00	9.00	8.00	8.00	8.00	8.00	11.00	10.00
Water Treatment Plant	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.50	9.00
Sewer Collection	5.00	5.00	6.00	6.00	6.00	4.00	4.00	3.00	3.00	2.00
<b>Total</b>	<b>123.50</b>	<b>117.00</b>	<b>117.50</b>	<b>119.50</b>	<b>119.50</b>	<b>121.50</b>	<b>120.00</b>	<b>125.00</b>	<b>169.00</b>	<b>158.50</b>

**Source:** City Payroll Department Payroll Register

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

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**CITY OF NORTH CANTON, OHIO**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS

<b>Function/Program</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>General Government</b>				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	-	-	-	5
<b>Police</b>				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	15	15	15	15
<b>Fire</b>				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	11	11	10	11
<b>Emergency Medical Service</b>				
Stations	1	1	1	1
Square footage of building	9,399	9,399	9,399	9,399
Vehicles	5	5	4	4
<b>Recreation</b>				
Number of parks	11	11	11	11
Number of pools	2	2	2	2
Number of tennis courts	9	9	9	9
Number of pickleball courts	10	4	4	4
Number of basketball courts	7	7	7	7
Number of park shelters	10	10	9	9
Vehicles	15	12	12	12
<b>Public Service Department</b>				
Streets (miles)	94.48	94.48	94.48	94.48
Vehicles	21	19	20	21
<b>Water Department</b>				
Water lines (miles)	160.00	160.00	160.00	160.00
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	24	25	25	22
<b>Wastewater</b>				
Sanitary sewers (miles)	80.81	80.81	80.81	80.81
Storm sewers (miles)	73.08	73.08	73.08	73.08
Vehicles	4	4	4	5

**Source:** City of North Canton departments

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
31,517 7	31,517 15	31,517 15	31,517 10	31,517 10	31,517 9
1 11,960 15	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13
1 8,989 10	1 8,989 11	1 8,989 11	1 8,989 9	1 8,989 10	1 8,989 10
1 9,399 5	1 9,399 5	1 8,970 5	1 8,970 5	1 8,970 5	1 8,970 5
11 1 11 - 7 9 13	11 1 11 - 7 9 8	11 1 11 - 7 9 8	11 1 11 - 7 9 10	11 1 11 - 7 9 11	11 1 11 - 7 9 12
94.28 20	94.28 21	94.28 21	94.28 18	97.52 18	97.50 17
146.43 32,125 13	146.43 32,125 14	146.43 32,125 14	146.43 32,125 14	155.86 32,125 16	155.76 32,125 18
80.58 72.58 9	80.58 72.58 5	80.58 72.58 5	80.58 72.58 5	74.64 75.91 6	74.64 75.91 6

**CITY OF NORTH CANTON, OHIO**

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>General Government</b>				
Number of ordinances passed	81	72	79	85
Number of planning commission agenda items	22	27	12	20
Number of zoning board of appeals agenda items	8	8	5	5
Number of checks/vouchers issued	2,586	2,603	2,558	2,434
Interest earnings for fiscal year (cash basis)	\$331,071	\$273,950	\$361,177	\$450,834
General fund receipts (cash basis in thousands)	\$18,318	\$13,835	\$9,328	\$7,984
General fund expenditures (cash basis in thousands)	\$16,540	\$16,183	\$8,118	\$8,439
General fund cash balances (in thousands)	\$7,613	\$2,986	\$5,334	\$4,124
<b>Income Tax Department</b>				
Number of individual returns	N/A	N/A	N/A	N/A
Number of business returns	N/A	N/A	N/A	N/A
Annual number of reconciliation of withholding processed	N/A	N/A	N/A	N/A
<b>Building Department Indicators</b>				
Construction permits issued	1,075	1,506	1,391	1,518
Estimated value of construction	\$ 81,893,651	\$ 27,769,358	\$ 49,340,387	\$ 35,566,956
Inspections conducted	1,993	2,024	2,432	2,242
<b>Security of Persons &amp; Property</b>				
<b>Police</b>				
Total calls for services	16,483	16,617	15,854	19,487
Traffic violations	1,142	873	800	1,480
Motor vehicle accidents	445	419	317	443
Written warnings	3,349	2,829	2,756	3,703
Total criminal arrests	384	377	321	277
<b>Fire/Emergency Medical Services</b>				
EMS calls	2,910	2,738	2,311	2,683
EMS transports	1,879	1,864	1,586	1,849
Ambulance billing collections	\$689,899	\$674,689	\$564,304	\$614,738
Fire calls	667	565	499	509
Fire safety inspections	2,030	2,440	2,089	1,926
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Swimming pool memberships	4,555	3,488	2,563	2,722
Civic center rentals	73	103	95	156
Dogwood shelter rentals	263	219	153	359
<b>Transportation</b>				
Asphalt resurfacing (miles)	7.75	10.6	15.98	11.48
Asphalt usage for pothole repairs (tons)	993	381	240	40
Salt usage (tons)	3,985	2,477	2,798	3,113
Liquid de-icer used (gallons)	28,704	16,315	18,791	12,432
Cost of salt purchased	\$191,150	\$200,601	\$12,250	\$231,108
<b>Water Department</b>				
Number of customers	9,424	9,429	9,490	9,230
Annual water collections	\$5,904,461	\$6,321,254	\$6,452,086	\$6,845,135
Water main breaks	23	7	12	16
Number of wells	9	9	9	9
Gallons of water treated (millions of gallons)	976	980	1,022	1,128,500
<b>Wastewater Department</b>				
Residential sewer rate (flat monthly rate)	\$33.50	\$33.50	\$32.32	\$32.32
Number of customers	6,098	6,423	6,569	6,454

**Source:** City of North Canton departments

2018	2017	2016	2015	2014	2013
74	108	83	85	95	81
11	11	9	7	20	18
28	17	4	6	-	1
2,561	2,434	2,813	3,079	3,016	3,362
\$421,757	\$173,283	\$95,905	\$60,586	\$58,067	\$20,339
\$7,460	\$7,224	\$7,613	\$7,370	\$8,078	\$7,262
\$6,800	\$6,219	\$6,774	\$8,033	\$7,592	\$7,553
\$4,580	\$3,920	\$2,915	\$1,839	\$2,285	\$1,667
N/A	N/A	N/A	7,723	7,930	7,281
N/A	N/A	N/A	1,366	1,327	1,270
N/A	N/A	N/A	1,249	1,397	1,329
1,094	813	782	252	627	727
\$ 23,553,956	\$ 24,568,448	\$ 23,219,555	\$ 71,120,103	\$ 26,491,592	\$ 11,456,887
1,889	1,516	1,252	1,121	917	789
18,967	19,896	18,929	17,922	16,746	18,049
1,538	2,165	4,386	1,546	1,571	1,901
519	523	533	529	546	429
3,482	4,537	2,032	3,847	3,912	3,998
340	378	345	348	406	552
2,683	2,664	2,426	2,152	2,416	2,292
1,924	1,854	1,718	1,631	1,510	1,934
\$652,389	\$586,089	\$557,457	\$552,430	\$496,107	\$538,763
556	494	437	573	430	559
2,300	413	555	995	980	215
2,824	2,617	2,386	2,304	1,033	936
96	119	55	55	46	21
369	379	265	267	265	372
20.03	13.68	0	0	2.92	0
35	30	368	292	0	454
2,567	2,372	1,700	2,500	4,600	4,003
10,609	7,864	N/A	N/A	N/A	N/A
\$99,372	\$118,474	\$230,575	\$330,421	\$258,290	\$153,088
8,981	9,337	9,043	8,993	8,970	9,102
\$7,026,667	\$7,113,175	\$6,972,033	\$6,806,063	\$6,229,831	\$6,006,676
11	7	12	19	14	13
9	9	9	9	9	9
991	972	955	998	1,029	1,008
\$26.83	\$26.83	\$26.83	\$25.41	\$25.41	\$25.41
6,283	6,422	6,379	6,356	6,342	6,334

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF NORTH CANTON**

**STARK COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/19/2023**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)