

Dave Yost • Auditor of State

CITY OF NORTH CANTON
STARK COUNTY

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INDEPENDENT ACCOUNTANTS' 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 the financial statements of the governmental activities, the business-type activities, 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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2012, wherein, we noted the City adopted Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 29, 2012.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the audit committee, City Council, and federal awarding agencies and pass-through entities and others within the City. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

June 29, 2012



Dave Yost • Auditor of State

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

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

To the City Council:

Compliance

We have audited the compliance of City of North Canton (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of North Canton's major federal program for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to opine on the City's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with these requirements.

In our opinion, the City of North Canton complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2011.

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 29, 2012.

Federal Awards Expenditures Schedule

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of North Canton (the City) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 29, 2012. Our opinion also explained that the City adopted *Governmental Accounting Standard No. 54* during the year. Our audit was performed to form an opinion on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

June 29, 2012

**CITY OF NORTH CANTON
STARK COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
<i>(Passed through State of Ohio Department of Homeland Security)</i>			
Assistance to Firefighters Grant	N/A	97.044	236,366
Total U.S. Department of Homeland Security			<u><u>236,366</u></u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>(Passed through the Board of Stark County Commissioners)</i>			
ARRA - Community Development Block Grant Entitlement Grants	N/A	14.253	112,291
Total U.S. Department of Housing and Urban Development			112,291
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>(Passed through State of Ohio Department of Transportation)</i>			
Highway Planning and Construction	N/A	20.205	762,007
Total U.S. Department of Transportation			<u>762,007</u>
Total			<u><u>1,110,664</u></u>

**CITY OF NORTH CANTON
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
December 31, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

Ohio Rev. Code Section 5705.42 and Auditor of State Bulletin 2000-008

<i>Finding Number</i>	2011-001
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NONCOMPLIANCE AND MATERIAL WEAKNESS

Ohio Rev. Code Section 5705.42 states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section [5705.41](#) of the Revised Code. **Auditor of State Bulletin 2000-008** states when a local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made. **OMB Circular A-133 Subpart C, Section .310 (b) (1) – (3)** requires the auditee to prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. At a minimum, the schedule shall provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

The Ohio Department of Transportation and Ohio Public Works Commission made on-behalf-of payments for the City's Main Street Resurfacing Project. The City did not initially post monies from the Ohio Department of Transportation in the amount of \$146,453 and \$5,026 or monies from the Ohio Public Works Commission in the amount of \$1,256 and \$3,304 as a memorandum receipt and disbursement. It was further noted that the City failed to report \$170,763 in contracts payable within the Capital Improvement Fund. The City should ensure all on-behalf monies are recorded as receipts and disbursements and properly reported on the Federal Awards Expenditure Schedule. The City should also ensure all liabilities outstanding as of December 31st are properly recorded on the financial statements. The City's ledgers and the accompanying financial statements have been updated to correct these errors noted.

Official's Response: The Finance Director has implemented controls to assure on-behalf-of-payments are timely reported.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CITY OF NORTH CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

KAREN S. ALGER
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT

INTRODUCTORY SECTION

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CITY OF NORTH CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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City of NORTH CANTON, OHIO

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

June 29, 2012

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

Transmittal Letter

The Comprehensive Annual Financial Report (CAFR) of the City of North Canton, Ohio (the "City") is hereby presented. This CAFR represents the official report of the City of North Canton's operations and financial position for the year ended December 31, 2011, and has been developed to accurately detail the status of City finances to North Canton residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

State statutes require the City to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2011 and the Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

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

Reporting Entity

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

Profile of the Government

The City acquired its first existence as a recognized political entity when the Village plat was recorded on February 19, 1831 as New Berlin. As a result of sentiment against Germany during World War I, the name of the Village was changed to North Canton on January 31, 1918. The City gained formal status as a City effective January 1, 1962. The City is located in the northern half of Stark County and is approximately 7.15 square miles in size. The City's population, according to most recent estimates was 17,610.

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

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

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

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

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

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

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

Local Economy

The City of North Canton is located in Northeast Ohio along the Interstate 77 corridor with convenient access to markets in Cleveland, Akron, Canton, and points south. The Akron Canton regional Airport is located within a five minute drive from the City and provides nationwide passenger and commercial air freight services to the region. North Canton is also located in a regional academic cluster that contains five universities/colleges that offer high tech programs in bio-sciences, bioinformatics, fuel cells and information technology.

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

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

Since being purchased by Maple Street Commerce LLC., the City has established a partnership with the developer to bring new companies into the Community. Since 2008 the City and Developer have attracted ten businesses to the Hoover District that at the end of calendar year 2011 added 1,149 new jobs to the community since the closing of the Hoover Company in 2007 along with almost \$400,000 in new city income tax revenue.

The partnership with the City of North Canton and Maple Street Commerce, LLC., also saw the City's successful \$5 million Jobs Ready Sites (JRS) Program Grant from the State of Ohio that was awarded in 2009. The program consists of \$3 million for building renovations and \$2 million in infrastructure improvements to East Maple Street. The JRS Grant funding helped renovate a former industrial space that now houses the corporate headquarters of the Schroer Group. The Schroer group is the largest employer in Hoover district employing 763 persons at the end of 2011.

Also housed in the Hoover District is Stark State's Corporate and Community Services Offices. The City and the North Canton Community Improvement Corporation partnered on a funding request to the State of Ohio to support the relocation of Stark State College's Corporate and Community Services Offices. The City application for State funds was accepted by the State of Ohio and resulted in \$500,000 in funding for the build-out of approximately 17,000 square feet of offices, training labs, and classroom space was successful. Further, the North Canton Community Improvement Corporation committed an additional \$60,000 for office equipment and moving expenses to the project as well. The new facility opened in early 2011 with eight full time employees and at the end of 2011 added an additional fifty employees for a total of fifty-eight. The space, located along East Maple Street, now serves as a regional employee training center offering on-site as well as mobile training labs for employers in Stark County and beyond. However, and more importantly, housing the training offices in the "Hoover District" offers an additional enticement to attract new businesses to the site. The City and Maple Street Commerce, LLC. continue to work together to redevelop the Hoover District site for warehousing, manufacturing, offices, limited retail, and some residential housing units.

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

At the end of 2011, the City had approximately 430 businesses. Vacancy rates for businesses declined to about ten to twelve percent in 2011. The City has several significant business clusters that include health care, business services (including financial), and higher education. Most of the community's businesses are the "neighborhood variety" providing local shopping opportunities such as supermarkets, small specialty shops, and personal care businesses.

As the City emerged from the "Great Recession" many new investments were made in the community 2010/2011 including a new Chipotle Restaurant, the opening of a new Family Dollar Store on North Main Street, the opening of a new CVS Store on North Main Street, the above mentioned Stark State College and Schroer Group projects, a new Sonic Restaurant in the Washington Square Plaza, relocation of the Mary Ann Donuts Store to the Brookside Plaza, new construction at Walsh University including the Walsh Center for the Arts and the outdoor classroom in Hoover Park, Suarez Corporation's new 200,000 square foot facility in the Hoover District, O'Reilly Auto Parts new store on North Main Street and other smaller renovations at other existing businesses within the City.

Long-Term Financial Planning

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

Relevant Financial Policies

During 2011, the City continued its commitment to fund the compensated absences fund in order to accumulate resources for the payout of earned vacation and eligible sick leave to employees who terminate employment with the City. In 2011 the City contributed \$175,000 to the fund and anticipates continuing funding that level on an annual basis.

Pursuant to the legislation established in 2006 which authorized the transfer of any estate tax collections in excess of \$300,000 to the capital improvement fund, over \$1.4 million was transferred during 2007. In part, these funds were used for the Sixth Street curb and gutter project and the Lipton Avenue rehabilitation project. By comparison, in 2010, \$359,035 and in 2011, \$244,692 was transferred and in 2012, \$1,542,122 is scheduled to be transferred to the capital improvement fund.

Major Initiatives

The City continues its efforts to promote economic development within the City. During 2007, the City adopted agreements with its neighboring townships to negotiate future Joint Economic Development Districts (JEDD's) and Community Economic Development Agreements (CEDA's). This is the first time that the City and its bordering townships have united together to work on economic development opportunities.

The City has committed \$1.5 million to the North Canton Community Improvement Corporation (CIC) to assist the Corporation's efforts in pursuing economic development opportunities for the City. This funding came from the City's general fund and will be transferred to the CIC on an annual basis over a 14 year period. To date, \$843,000 has been transferred to the CIC. During 2007, the CIC was able to bring the Stark County Board of Developmental Disabilities (DD) to North Canton. The CIC agreed to fund the purchase of a piece of property as well as the construction of a parking lot. As a result of the CIC's involvement, the DD moved into the vacant office space at the end of 2007. Currently, they have over fifty employees at this location.

In 2008, the CIC purchased 3 cranes (1 fifty-ton and 2 twenty-ton) to be used in the Hoover facility. The cranes are to be leased to Myers Controlled Power which signed a lease agreement for 197,000 square feet in the Hoover complex, which is a mixed-use facility. The company agreed to relocate to the facility which is located in North Canton. Myers Controlled Power is a manufacturer of circuit breakers and power control center switchgear. Currently, Myers Controlled Power is the seventh largest North Canton income taxpayer.

In 2010, the CIC partnered on a \$500,000 funding request to the State of Ohio to support the relocation of Stark State College's Corporate and Community Services Offices. Stark State College has taken approximately 17,000 square feet of offices, training lab and classroom space. The relocation of these services was completed and business activities began on January 5, 2011.

In November of 2008, the City received notice from the Ohio Department of Development that the City would receive a \$5 million Jobs Ready Site Grant to help pay for street improvements and to redesign the buildings located at the Hoover facility. The total project is \$6.67 million. The developer is to contribute \$1.67 million as the local match. In 2009, work began on rehabilitating the Hoover Facility and is expected to be completed by 2014. Tenants have relocated to the finished portions of the facility and employment levels currently total eleven hundred and forty-nine employees.

City plans are to use \$2 million to widen and improve streets around the factory which began in 2011. Work will be done on East Maple Street, Charlotte Street, Hower Street and Taft Avenue. The remaining \$3 million was used by Maple Street Commerce to improve the buildings located at the Hoover facility. High technology businesses such as computer communication, semi-conductor manufacturers, software publishers, architectural or engineering services firms or scientific research and development services are anticipated types of jobs which are being targeted for the facility.

Because of the built-out situation limiting economic development opportunities in North Canton, the City is focusing on developing any available developable land to encourage job growth. One of these opportunities involves approximately 17.28 acres of undeveloped land located on South Main Street. The owners of this property had a preliminary development plan for this property since 1999. During 2007, the City contacted the property owners about finally developing the site. The City indicated that they would pursue grant funding to help construct the roadway needed for this project if the developers would agree to provide sites for a high-tech compact business smart park that would bring high tech jobs to the City. The developers agreed and the City submitted a 629 research and development grant application with the State of Ohio Department of Development. The grant request was approved for \$350,000. The total project cost to construct the street is estimated at \$900,000. Bontrager Excavating was awarded the bid for \$616,367 in December 2008 with construction beginning in 2009. The City and the developer will share any remaining construction costs on a fifty-fifty basis. Construction was completed in 2011.

The City continued the expansion of the City's water system. In June 2007, well number 9, located on East Maple Street, went into service. This well has the capacity to yield up to three million gallons of water per day. In 2010, well number 10, located at the City owned Oster property went in service. It is yielding two million gallons of water per day. It is estimated that the Oster property as a whole can yield up to six million gallons of water per day.

The City was awarded a \$55,000 grant from the Tri-County Solid Waste District to help fund the recycling program. The City operated the Recycling Program through its refuse hauler. The City continued this important recycling initiative in 2011.

A performance audit was conducted by the State Auditor's office at the request of the City to assist in identifying areas where the City could reduce expenditures and increase potential revenues. The City has taken steps to implement many of the suggestions and areas identified by the audit to help the City in cutting costs and attempt to avoid future projected deficits.

In 2009, a 1 mil storm sewer improvement replacement levy was passed at the general election in November. The levy is anticipated to generate \$466,400 each year annually for five years. Collection years are 2011-2015. In 2010, a 1 mil street improvement renewal levy was passed at the May primary and is anticipated to generate \$382,000 each year annually for five years. Collection years are 2011-2015. In addition, a two year new 1.5 mil EMS/Ambulance levy was also passed by the voters. It is anticipated to generate approximately \$796,500 annually each year. Collection years are 2011 and 2012.

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

The City has in recent years incurred declining income tax collections as a result of the closing of the Maytag TTI/Hoover Company but in 2011 revenue from income tax has increased. It still appears the City will continue to have difficult budget situations. This is also due in part to other revenues such as shared support from the State and interest earnings continuing to remain stagnant or declining while operating costs continue to increase due to inflationary pressures, higher utility and gasoline prices, training costs due to new State requirements and rising costs of health care. As a result, it is anticipated that further cost containment efforts and revenue enhancement actions will be necessary through the remainder of 2012 and beyond.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Comprehensive Annual Financial Report for the year ended December 31, 2010. This was the twenty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,

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

Karen S. Alger
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Canton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

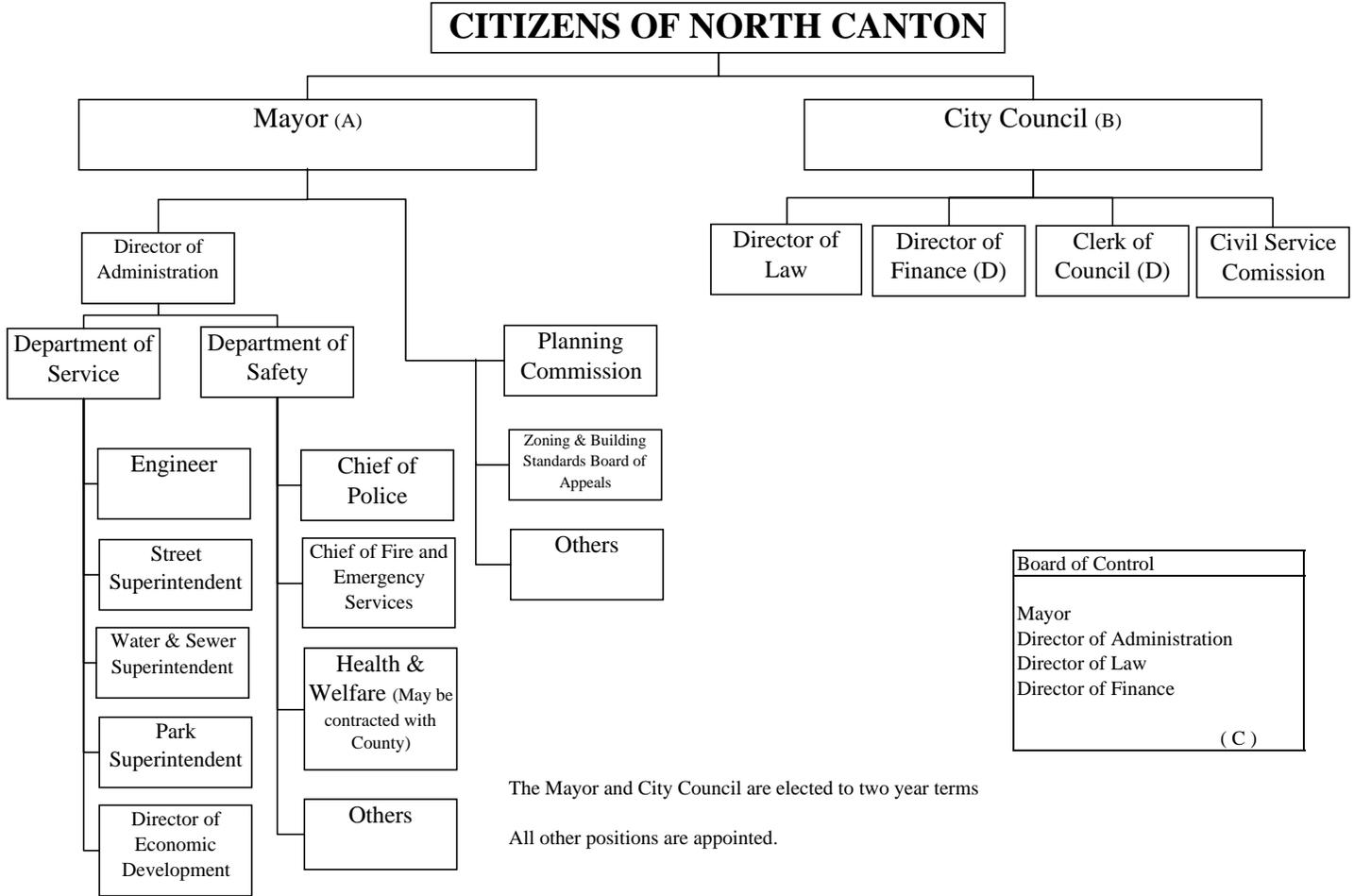
President

Jeffrey R. Egan

Executive Director

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, 2011

ELECTED CITY OFFICIALS

MAYOR

HONORABLE DAVID J. HELD

CITY COUNCIL

JOHN F. SNYDER, PRESIDENT, WARD 4
MARSHA KIESLING, VICE PRESIDENT, AT-LARGE
MARK CERRETA, AT LARGE
DAN GRIFFITH, AT-LARGE
DOUGLAS V. FOLTZ, WARD 1
DANIEL PETERS, WARD 2
TIM FOX, WARD 3

APPOINTED CITY OFFICIALS

DIRECTOR OF ADMINISTRATION

JIM BENEKOS

DIRECTOR OF FINANCE

KAREN S. ALGER

DIRECTOR OF LAW

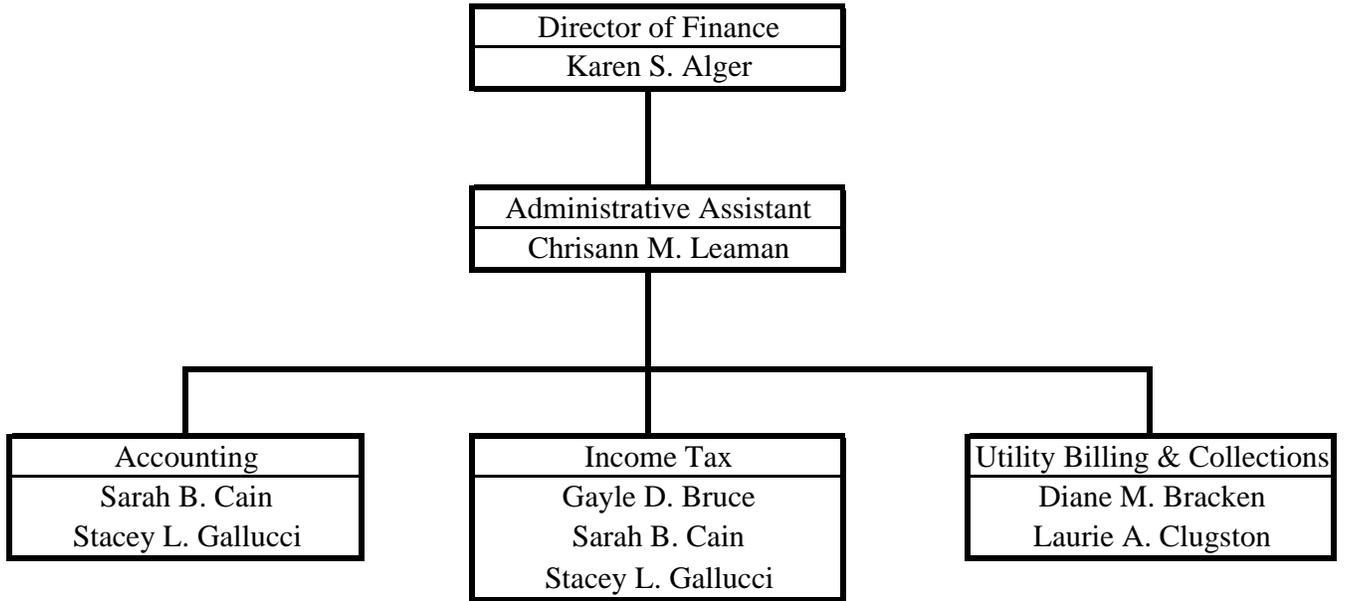
HANS NILGES

CLERK OF COUNCIL

GAIL M. KALPAC

CITY OF NORTH CANTON, OHIO

DEPARTMENT OF FINANCE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2011



FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and the Emergency Medical Services Levy Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

As described in Note 3, during the year ended December 31, 2011 the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509
Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001

www.ohioauditor.gov

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 29, 2012

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011. 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 2011 are as follows:

- The total net assets of the City increased \$4,235,615. Net assets of governmental activities increased \$2,927,773 or 8.64% over 2010 and net assets of business-type activities increased \$1,307,842 or 4.16% over 2010.
- General revenues accounted for \$11,035,063 or 76.62% of total governmental activities revenue. Program specific revenues accounted for \$3,367,647 or 23.38% of total governmental activities revenue.
- The City had \$11,549,937 in expenses related to governmental activities; \$3,367,647 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$8,182,290 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$11,035,063.
- The general fund had revenues and other financing sources of \$9,948,401 in 2011. This represents an increase of \$2,603,468 from 2010 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$7,238,932 in 2011, decreased \$962,522 from 2010. The net increase in the restated fund balance for the general fund was \$2,709,469 or 133.90%, from a restated balance of \$2,023,563 in 2010 to \$4,733,032 in 2011.
- The emergency medical services levy fund had revenues and other financing sources of \$1,343,530 in 2011. The emergency medical services levy fund had expenditures and other financing uses of \$1,514,452. The fund balance of the emergency medical services levy fund decreased \$170,922 from 2010 to 2011.
- The capital improvements major fund had \$3,772,483 in revenues and other financing sources and \$2,294,406 in expenditures in 2011. The fund balance for the capital improvements fund increased \$1,478,077 or 94.91%, from \$1,557,385 in 2010 to \$3,035,462 in 2011.
- Net assets for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$1,307,842 from a net asset balance of \$31,402,242 in 2010 to a net asset balance of \$32,710,084 in 2011.
- The water fund had \$5,929,810 in operating revenues and \$4,499,945 in operating expenses in 2011. The water fund also had nonoperating expenses of \$530,487 and transfers out of \$50,000. The net assets of the water fund increased \$849,378 or 3.70%.
- The sewer fund had \$2,737,038 in operating revenues and \$2,304,399 in operating expenses in 2011. The sewer fund also had non-operating expenses of \$7,114 and transfers out of \$25,000. The net assets of the sewer fund increased \$400,525 or 4.90%.
- The garbage fund had \$845,184 in operating revenues and \$858,491 in operating expenses in 2011. The garbage fund also had non-operating revenues of \$38,498. The net assets of the garbage fund increased \$25,191 or 14.48%.

Using this Comprehensive Annual Financial Report (CAFR)

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

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 Assets 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 Assets and Statement of Activities

The analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2011?" The Statement of Net Assets 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 and liabilities 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 assets and changes in those assets. The change in net assets 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 Assets 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 18 through 20 of this report.

Fund Financial Statements

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

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

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 21 through 26 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 27 through 30 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The basic fiduciary fund financial statement can be found on page 31 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 32 through 74 of this report.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Government-Wide Financial Analysis

The Statement of Net Assets provides the perspective of the City as a whole. The table below provides a summary of the City's net assets at December 31, 2011 compared to December 31, 2010.

	Net Assets					
	Governmental Activities <u>2011</u>	Governmental Activities <u>2010</u>	Business-Type Activities <u>2011</u>	Business-Type Activities <u>2010</u>	2011 <u>Total</u>	2010 <u>Total</u>
Assets						
Current and other assets	\$ 14,214,781	\$ 11,342,011	\$ 7,664,012	\$ 6,376,188	\$ 21,878,793	\$ 17,718,199
Capital assets, net	<u>29,586,030</u>	<u>29,054,529</u>	<u>41,068,495</u>	<u>41,136,708</u>	<u>70,654,525</u>	<u>70,191,237</u>
Total assets	<u>43,800,811</u>	<u>40,396,540</u>	<u>48,732,507</u>	<u>47,512,896</u>	<u>92,533,318</u>	<u>87,909,436</u>
Liabilities						
Current and other liabilities	2,924,253	4,225,706	571,099	628,765	3,495,352	4,854,471
Long term liabilities:						
Due within one year	332,249	349,423	869,150	1,690,321	1,201,399	2,039,744
Due in more than one year	<u>3,717,277</u>	<u>1,922,152</u>	<u>14,582,174</u>	<u>13,791,568</u>	<u>18,299,451</u>	<u>15,713,720</u>
Total liabilities	<u>6,973,779</u>	<u>6,497,281</u>	<u>16,022,423</u>	<u>16,110,654</u>	<u>22,996,202</u>	<u>22,607,935</u>
Net Assets						
Invested in capital assets, net of related debt	28,206,677	28,683,552	25,897,087	25,702,605	54,103,764	54,386,157
Restricted	2,076,704	3,904,091	-	-	2,076,704	3,904,091
Unrestricted	<u>6,543,651</u>	<u>1,311,616</u>	<u>6,812,997</u>	<u>5,699,637</u>	<u>13,356,648</u>	<u>7,011,253</u>
Total net assets	<u>\$ 36,827,032</u>	<u>\$ 33,899,259</u>	<u>\$ 32,710,084</u>	<u>\$ 31,402,242</u>	<u>\$ 69,537,116</u>	<u>\$ 65,301,501</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2011, the City's assets exceeded liabilities by \$69,537,116. At year-end, net assets were \$36,827,032 and \$32,710,084 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2011, capital assets represented 76.36% of total assets. Capital assets include land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2011, were \$28,206,677 and \$25,897,087 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 \$3,404,271 or 8.43%. This increase can mainly be attributed to an increase in equity in pooled cash and investments. This increase is mainly the result of an increase in revenues that exceeded expenses. Liabilities of the governmental activities increased \$476,498 or 7.33%. This increase is mainly the result of new general obligation bonds being issued during the year which are reported as a long-term liability.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Assets of business-type activities increased \$1,219,611 or 2.57%. This increase is primarily due to an increase in equity in pooled cash and investments. Liabilities of the business-type activities decreased \$88,231, or 0.55%, due to a slight decrease in contracts payable and accrued wages and benefits payable.

As of December 31, 2011, the City is able to report positive balances in all three categories of net assets, 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 assets, \$2,076,704, represents resources that are subject to external restriction on how they may be used. This is a decrease of \$1,827,387 from 2010 and is the result of a decrease of \$1,679,962 in amounts restricted for capital projects. In the governmental activities, the remaining balance of unrestricted net assets of \$6,543,651 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 assets for years 2011 and 2010.

	Change in Net Assets					
	Governmental	Governmental	Business-Type	Business-Type	2011	2010
	Activities	Activities	Activities	Activities	Total	Total
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,440,671	\$ 1,342,464	\$ 9,466,690	\$ 9,141,444	\$ 10,907,361	\$ 10,483,908
Operating grants and contributions	837,054	985,241	38,498	51,768	875,552	1,037,009
Capital grants and contributions	<u>1,089,922</u>	<u>762,392</u>	<u>-</u>	<u>599,520</u>	<u>1,089,922</u>	<u>1,361,912</u>
Total program revenues	<u>3,367,647</u>	<u>3,090,097</u>	<u>9,505,188</u>	<u>9,792,732</u>	<u>12,872,835</u>	<u>12,882,829</u>
General revenues:						
Taxes	7,998,737	7,337,743	-	-	7,998,737	7,337,743
Grants and entitlements	2,958,944	1,606,528	-	-	2,958,944	1,606,528
Investment earnings	7,767	11,782	-	-	7,767	11,782
Miscellaneous	<u>69,615</u>	<u>37,139</u>	<u>45,342</u>	<u>59,371</u>	<u>114,957</u>	<u>96,510</u>
Total general revenues	<u>11,035,063</u>	<u>8,993,192</u>	<u>45,342</u>	<u>59,371</u>	<u>11,080,405</u>	<u>9,052,563</u>
Total revenues	<u>14,402,710</u>	<u>12,083,289</u>	<u>9,550,530</u>	<u>9,852,103</u>	<u>23,953,240</u>	<u>21,935,392</u>

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Change in Net Assets - (Continued)

	Governmental Activities <u>2011</u>	Governmental Activities <u>2010</u>	Business-type Activities <u>2011</u>	Business-type Activities <u>2010</u>	2011 <u>Total</u>	2010 <u>Total</u>
Expenses:						
General government	1,882,729	1,958,753	-	-	1,882,729	1,958,753
Security of persons and property:						
Police	3,027,294	3,269,935	-	-	3,027,294	3,269,935
Fire	797,998	623,594	-	-	797,998	623,594
Public health and welfare	1,657,395	1,537,536	-	-	1,657,395	1,537,536
Transportation	2,210,572	2,420,679	-	-	2,210,572	2,420,679
Community environment	404,088	456,226	-	-	404,088	456,226
Leisure time activities	808,252	903,568	-	-	808,252	903,568
Basic utility services	672,814	406,544	-	-	672,814	406,544
Economic development	-	207,434	-	-	-	207,434
Interest and fiscal charges	88,795	20,525	-	-	88,795	20,525
Water	-	-	5,004,237	5,176,387	5,004,237	5,176,387
Sewer	-	-	2,306,528	2,256,669	2,306,528	2,256,669
Garbage	-	-	856,923	879,774	856,923	879,774
Total expenses	<u>11,549,937</u>	<u>11,804,794</u>	<u>8,167,688</u>	<u>8,312,830</u>	<u>19,717,625</u>	<u>20,117,624</u>
Excess (deficiency) before transfers	2,852,773	278,495	1,382,842	1,539,273	4,235,615	1,817,768
Transfers	<u>75,000</u>	<u>15,078</u>	<u>(75,000)</u>	<u>(15,078)</u>	-	-
Change in net assets	2,927,773	293,573	1,307,842	1,524,195	4,235,615	1,817,768
Net assets at beginning of year	<u>33,899,259</u>	<u>33,605,686</u>	<u>31,402,242</u>	<u>29,878,047</u>	<u>65,301,501</u>	<u>63,483,733</u>
Net assets at end of year	<u>\$ 36,827,032</u>	<u>\$ 33,899,259</u>	<u>\$ 32,710,084</u>	<u>\$ 31,402,242</u>	<u>\$ 69,537,116</u>	<u>\$ 65,301,501</u>

Governmental Activities

Governmental activities net assets increased \$2,927,773 in 2011.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$3,825,292 of the total expenses of the City. These expenses were partially funded by \$23,934 in direct charges to users of the services. General government expenses totaled \$1,882,729. General government expenses were partially funded by \$316,780 in direct charges to users of the services. The largest decrease was in the area of economic development which decreased \$207,434. This decrease is the result of the expenses relating to the Hoover district improvements that occurred in 2010.

The State and federal government contributed to the City a total of \$837,054 in operating grants and contributions and \$1,089,922 in capital grants and contributions. Operating grants and contributions decreased \$148,187 due to a transportation grant received in 2010. All of the \$1,089,922 in capital grants and contributions subsidized transportation programs.

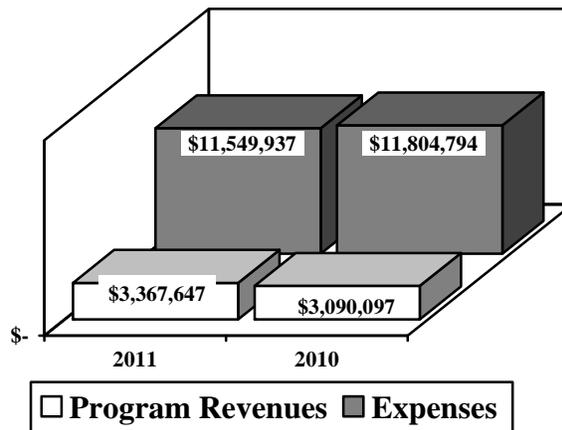
General revenues totaled \$11,035,063, and amounted to 76.62% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$7,998,737, an increase of \$660,994 from 2010 amounts. This increase can be attributed to an increase in emergency medical service levy revenues due to a recently passed levy. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government, local government revenue assistance, homestead and rollback, making up \$2,958,944. This increased due to a Job Ready Site (JRS) grant received.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

Governmental Activities – Program Revenues vs. Total Expenses



Governmental Activities

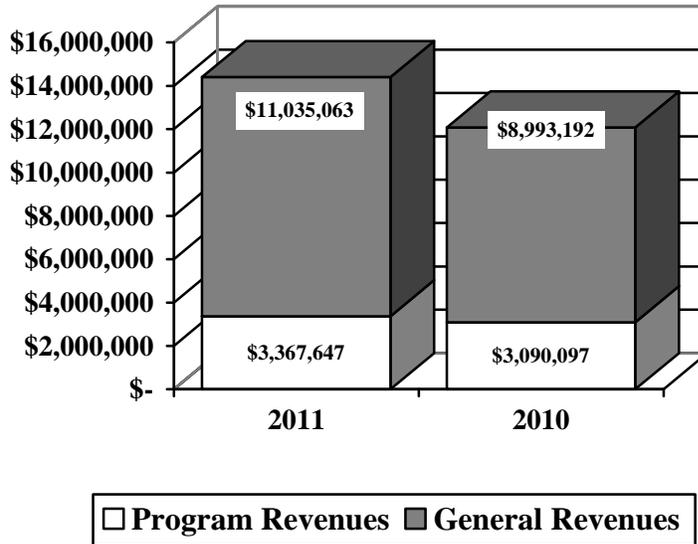
	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>
Program Expenses:				
General government	\$ 1,882,729	\$ 1,565,943	\$ 1,958,753	\$ 1,652,364
Security of persons and property:				
Police	3,027,294	2,999,542	3,269,935	3,254,959
Fire	797,998	705,988	623,594	623,248
Public health and welfare	1,657,395	1,128,372	1,537,536	1,028,823
Transportation	2,210,572	379,652	2,420,679	753,264
Community environment	404,088	209,307	456,226	278,081
Leisure time activities	808,252	431,877	903,568	519,450
Economic development	-	-	207,434	207,434
Basic utility services	672,814	672,814	406,544	376,549
Interest and fiscal charges	88,795	88,795	20,525	20,525
Total Expenses	<u>\$ 11,549,937</u>	<u>\$ 8,182,290</u>	<u>\$ 11,804,794</u>	<u>\$ 8,714,697</u>

The dependence upon general revenues for governmental activities is apparent, with 70.84% of expenses supported through taxes and other general revenues in 2011 and 73.82% in 2010.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

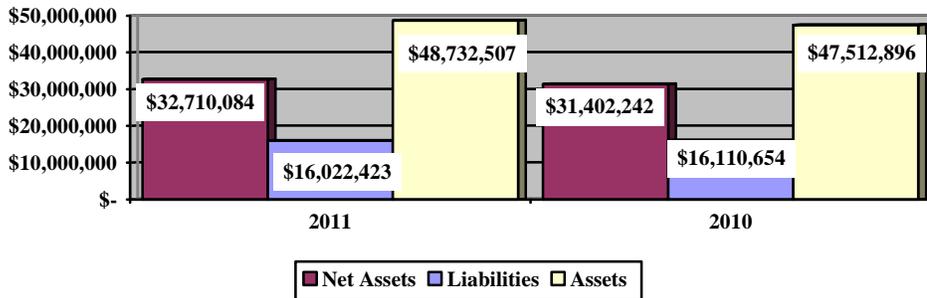
Governmental Activities – General and Program Revenues



Business-Type Activities

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$9,505,188 and expenses of \$8,167,688 for 2011. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business - Type Activities



Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 21) reported a combined fund balance of \$9,150,179 which is \$4,096,281 higher than last year's total of \$5,053,898. The schedule on the next page indicates the fund balances and the total change in fund balances as of December 31, 2011 for all major and nonmajor governmental funds. Fund balances at December 31, 2010 have restated as described in Note 3.B.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Fund Balances (deficit) 12/31/11	Restated Fund Balances 12/31/10	Increase/ (Decrease)
Major Funds:			
General	\$ 4,733,032	\$ 2,023,563	\$ 2,709,469
Emergency Medical Services Levy	(72,717)	98,205	(170,922)
Capital Improvements	3,035,462	1,557,385	1,478,077
Other Nonmajor Governmental Funds	<u>1,454,402</u>	<u>1,374,745</u>	<u>79,657</u>
Total	<u>\$ 9,150,179</u>	<u>\$ 5,053,898</u>	<u>\$ 4,096,281</u>

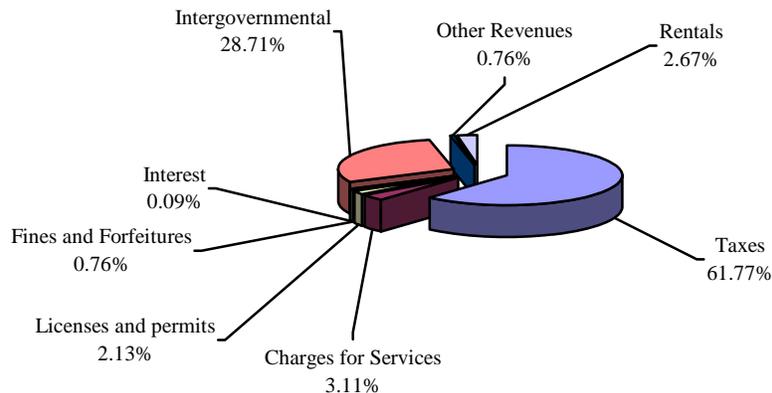
General Fund

The City's general fund balance increased \$2,709,469. The table that follows assists in illustrating the revenues of the general fund.

	2011 Amount	2010 Amount	Increase/ (Decrease)	Percentage Change
Revenues				
Taxes	\$ 5,637,581	\$ 5,100,461	\$ 537,120	10.53 %
Charges for services	283,421	277,969	5,452	1.96 %
Licenses and permits	194,781	178,145	16,636	9.34 %
Fines and forfeitures	69,083	57,157	11,926	20.87 %
Intergovernmental	2,620,454	1,408,241	1,212,213	86.08 %
Interest	7,767	11,782	(4,015)	(34.08) %
Rentals	243,282	257,595	(14,313)	(5.56) %
Other	<u>69,615</u>	<u>37,139</u>	<u>32,476</u>	87.44 %
Total	<u>\$ 9,125,984</u>	<u>\$ 7,328,489</u>	<u>\$ 1,797,495</u>	24.53 %

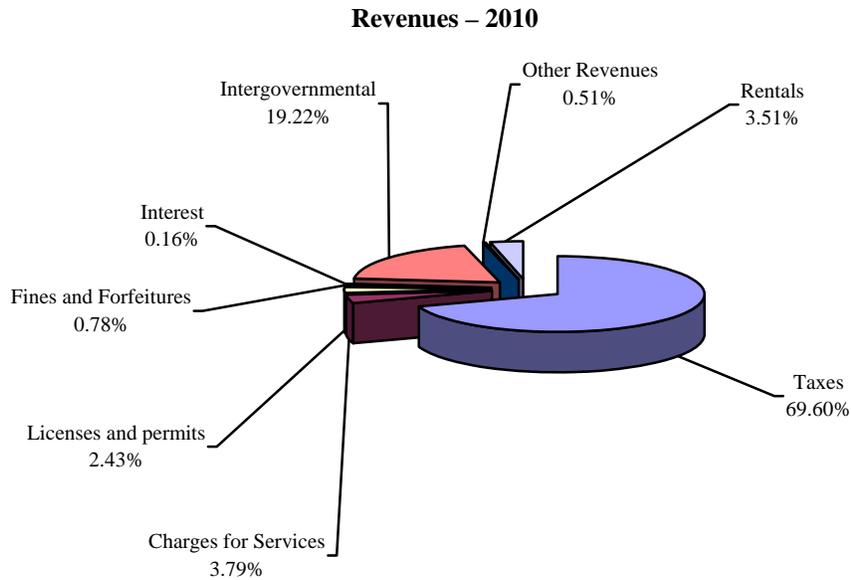
Revenues of the general fund increased \$1,797,495 or 24.53%. Tax revenues increased \$537,120 or 10.53%. This increase was the result of an increase in income taxes being reported in the general fund. The most significant increase was in the area of intergovernmental revenues. Intergovernmental revenues increased \$1,212,213 due mainly to an increase in estate taxes. All other major revenue remained comparable to 2010.

Revenues – 2011



CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**



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

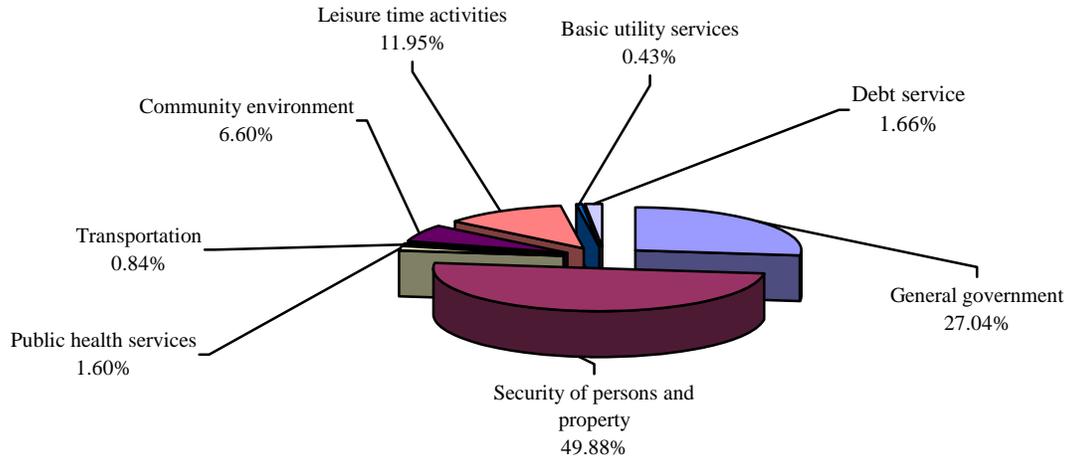
	<u>2011</u> <u>Amount</u>	<u>2010</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 1,729,043	\$ 1,740,772	\$ (11,729)	(0.67) %
Security of persons and property:				
Police	3,189,169	3,222,532	(33,363)	(1.04) %
Public health and welfare	102,265	99,079	3,186	3.22 %
Transportation	53,688	-	53,688	100.00 %
Community environment	422,242	463,094	(40,852)	(8.82) %
Leisure time activities	764,307	769,942	(5,635)	(0.73) %
Basic utility services	27,538	-	27,538	100.00 %
Debt service	105,988	-	105,988	100.00 %
Total	<u>\$ 6,394,240</u>	<u>\$ 6,295,419</u>	<u>\$ 98,821</u>	1.57 %

Expenditures of the general fund increased \$98,821 or 1.57%. The most significant increase was in the area of debt service. This was due to the City making principal and interest payments on new general obligation bonds that were issued during the year.

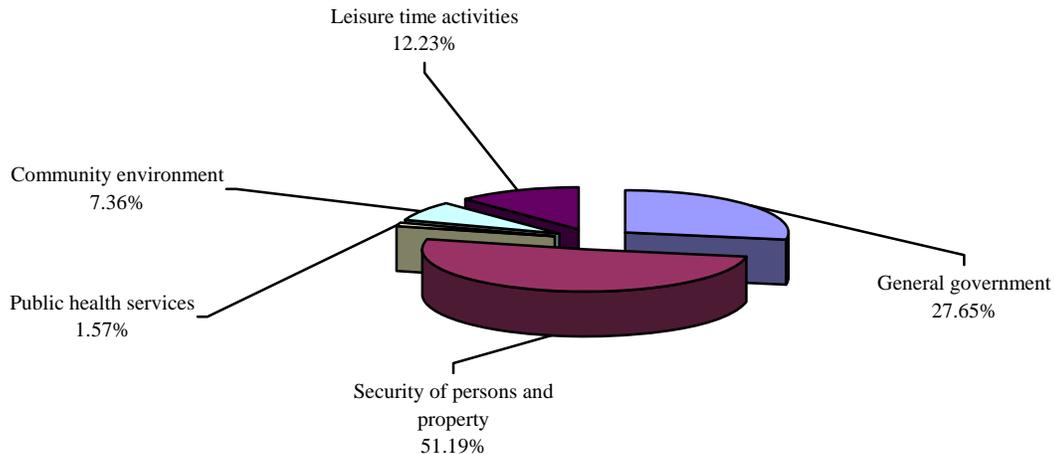
CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

Expenditures – 2011



Expenditures – 2010



Emergency Medical Services Levy

The emergency medical services levy fund had \$1,343,530 in revenues and other financing sources. The emergency medical services levy fund had expenditures and other financing uses of \$1,514,452. The fund balance of the emergency medical services levy fund decreased \$170,922 during 2011. The primary reasons for the decrease are due to higher personal service costs.

Capital Improvements Fund

The capital improvements major fund had \$3,772,483 in revenues and other financing sources and \$2,294,406 in expenditures in 2011. The fund balance for the capital improvements fund increased \$1,478,077, or 94.91%, from \$1,557,385 in 2010 to \$3,035,462 in 2011. The primary reason for the increase in fund balance is due to \$1,800,000 in bonds being issued during the year.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

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 \$9,161,731 were higher than the final budget amount by \$1,713,457. This increase is due to estate taxes that were received during 2011 but was not budgeted for. Actual expenditures and other financing uses of \$7,381,828 were lower than the final budget amount of \$8,085,175. Budgeted revenues and other financing sources were increased \$130,000 from the original to the final budget. This variance resulted from an increase in budgeted intergovernmental revenues. Budgeted expenditures and other financing uses were increased \$177,831 from the original to the final budget. This is mainly due to a principal payment on the new debt issued that was not originally budgeted for.

Proprietary Funds

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

The City's business-type funds (as presented on the Statement of Fund Net Assets on page 27) reported a combined net assets of \$32,557,103, which is \$1,275,094 above last year's total of \$31,282,009.

The schedule below indicates the net assets and the total change in net assets as of December 31, 2011 and December 31, 2010 for all major business-type funds.

	<u>Net Assets</u> <u>12/31/11</u>	<u>Net Assets</u> <u>12/31/10</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
Water	\$ 23,785,332	\$ 22,935,954	\$ 849,378
Sewer	8,572,595	8,172,070	400,525
Garbage	<u>199,176</u>	<u>173,985</u>	<u>25,191</u>
Total	<u>\$ 32,557,103</u>	<u>\$ 31,282,009</u>	<u>\$ 1,275,094</u>

Water Fund

The water fund had \$5,929,810 in operating revenues and \$4,499,945 in operating expenses during 2011. The water fund also had \$530,487 in nonoperating expenses and \$50,000 in transfers out. The net assets of the water fund increased \$849,378, or 3.70%, from \$22,935,954 to \$23,785,332. This increase is primarily the result of slightly decrease in depreciation expense while all other revenues and expenses remained consistent.

Sewer Fund

The sewer fund had \$2,737,038 in operating revenues and \$2,304,399 in operating expenses during 2011. The sewer fund also had \$7,114 in nonoperating expenses and \$25,000 in transfers out. The net assets of the sewer fund increased \$400,525, or 4.90%, from \$8,172,070 to \$8,572,595. This increase is the result of an increase in charges for services.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

Garbage Fund

The garbage fund had \$845,184 in operating revenues and \$858,491 in operating expenses in 2011. The garbage fund also had non-operating revenues of \$38,498. The net assets of the garbage fund increased \$25,191, or 14.48%, from \$173,985 to \$199,176. This decrease is due to an increase in garbage collection rates.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2011, the City had \$70,654,525 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software and infrastructure. Of this total, \$29,586,030 was reported in governmental activities and \$41,068,495 was reported in business-type activities. See Note 11 in the basic financial statements for additional capital asset disclosure. The following table shows December 31, 2011 balances compared to December 31, 2010:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 5,117,189	\$ 5,117,189	\$ 1,023,702	\$ 1,023,702	\$ 6,140,891	\$ 6,140,891
Easements and right of ways	89,346	89,346	-	-	89,346	89,346
Construction in progress	3,043,538	1,642,237	296,987	344,684	3,340,525	1,986,921
Land improvements	498,744	537,484	433,931	455,328	932,675	992,812
Buildings	2,857,131	2,810,374	10,544,907	10,936,824	13,402,038	13,747,198
Equipment	2,287,318	2,173,841	2,446,425	2,779,256	4,733,743	4,953,097
Software	-	-	-	-	-	-
Infrastructure	<u>15,692,764</u>	<u>16,684,058</u>	<u>26,322,543</u>	<u>25,596,914</u>	<u>42,015,307</u>	<u>42,280,972</u>
Totals	<u>\$29,586,030</u>	<u>\$29,054,529</u>	<u>\$41,068,495</u>	<u>\$41,136,708</u>	<u>\$70,654,525</u>	<u>\$70,191,237</u>

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

Debt

The City had the following long-term obligations outstanding at December 31, 2011 and 2010:

	Governmental Activities <u>2011</u>	Governmental Activities <u>2010</u>
General obligation bonds	\$ 2,335,000	\$ -
Capital leases	<u>134,662</u>	<u>370,977</u>
Total governmental activities long-term obligations	<u>\$ 2,469,662</u>	<u>\$ 370,977</u>
	Business-type Activities <u>2011</u>	Business-type Activities <u>2010</u>
OWDA loans	\$ 8,760,422	\$ 9,255,783
OPWC loans	1,506,229	1,448,320
General obligation bonds	<u>5,080,000</u>	<u>3,815,000</u>
Total business-type activities long-term obligations	<u>\$ 15,346,651</u>	<u>\$ 14,519,103</u>

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

Economic Factors and Next Year's Budget

With the downturn in the national and State economy the City anticipates difficult budgets in the future. This is due to other revenues such as shared support from the State, interest earnings and estate inheritance taxes, continuing to remain stagnant or declining while operating costs continue to increase due to inflationary pressures, higher utility and gasoline prices, and training costs due to new State requirements and rising costs of health care. Furthermore, on September 27, 2007, the Hoover Company plant was officially closed. As a result, the City continues to tighten its belt and anticipates reductions in expenditures and revenue enhancement actions will be necessary through the remainder of 2011 and beyond. In 2011, with the completion of the redevelopment of the Hoover facility, approximately 500 jobs have been relocated to the City.

Techtronic Industries Company Limited (TTI), the company that purchased the Hoover Company in 2007, did agree to abide by the labor union's contract which guaranteed jobs through June of 2008. The Hoover company facility was sold to a real estate development company in January of 2008. During 2009, the site was redeveloped for warehousing, manufacturing, office space, limited retail and some residential housing units. It is anticipated in 2012 that the road and street infrastructure which surround the site will be upgraded and widened.

Wherever possible, the City is pursuing grants to assist in projects. A \$5,000,000 Jobs Ready Site Grant was awarded to the City by the State to assist in redeveloping the Hoover District Site. The City also was awarded an \$802,246 Ohio Public Works Commission grant (OPWC) for the Willoway Sewer Project. In 2010, multiple infrastructure projects (Raw waterline #10, North Main Street waterline and North Main Street reconstruction, East Maple reconstruction, Portage Street/West Park Sanitary Sewer, etc..) were undertaken by the City through the combined use of existing City funds, grants, and, if necessary, the issuance of debt. The City also conducted a water and sewer rate study. The study will be used to determine if water and sewer rates are recommended to be increased over the next five years.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

City officials have been preparing for the closure of the Hoover Company over the last several years. Budgets have been reduced in all areas of the City. Through attrition, the City has reduced its workforce. Vacant jobs will not be filled upon retirements. Administration officials have realigned job positions within the City to accommodate the decrease in employees. To help supplement the work, part-time workers are being used to assist the City in accomplishing the various tasks.

During a previous year, a performance audit was conducted by the State Auditor's office to assist the City officials in reviewing operations and identify areas where further costs could be reduced and potential areas where revenues could be increased. As a result of the performance audit, the City has contracted with a new EMS billing company. The new billing company has assisted in providing better contract management of the accounts and collections and has provided the City with more meaningful reports. Financial forecasts have been prepared by the finance director for the City Administration and Council. The forecast will be used to assist the Administration and Council in its decision making process regarding city-wide operations. During 2010, multi-year collective bargaining contracts were negotiated with City employees. The City has made significant efforts to obtain concessions to assist the City in controlling costs in areas such as wages, benefits and healthcare expenses. The City, through negotiations, entered into a revised healthcare package for healthcare insurance with its existing provider. Controlling health care costs continues to be a priority. The City is currently in negotiations with the two remaining bargaining units. It is striving to gain relief and concessions among the collective bargaining contracts in areas such as wages and benefits.

Snow and Ice Control policies have been revised due to the rising cost of salt. The City continues to use the State Cooperative program for the purchase of salt. Ice control areas have been identified in order of priority ranging from main streets (state routes) to all other emergency routes then to secondary streets, alleys and parking lots. Snow removal is also identified in order of priority.

The City of North Canton has committed itself to financial excellence. The City is preparing its twenty-fourth Comprehensive Annual Financial Report. We will be submitting our 2011 CAFR for the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for City officials, members of the public and others who may have an interest in the City's financial standing. It also is designed to demonstrate the City's accountability for the money it receives from all sources, particularly the taxpayers of North Canton. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Karen S. Alger, 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 ASSETS
DECEMBER 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
Assets:				
Equity in pooled cash and investments	\$ 9,125,025	\$ 5,884,067	\$ 15,009,092	\$ -
Cash and cash equivalents:				
In segregated accounts	44,211	-	44,211	-
With fiscal agents	-	-	-	230,553
With escrow agent	657,000	-	657,000	-
Receivables:				
Property taxes	2,158,537	-	2,158,537	-
Municipal income taxes	1,149,518	-	1,149,518	-
Accounts	104,924	1,055,565	1,160,489	-
Intergovernmental	918,225	10,390	928,615	657,000
Special assessments	18,005	97,547	115,552	-
Internal balance	(152,981)	152,981	-	-
Materials and supplies inventory	76,613	215,567	292,180	-
Prepayments	33,064	15,765	48,829	-
Deferred charges	82,640	232,130	314,770	-
Capital assets:				
Nondepreciable capital assets	8,250,073	1,320,689	9,570,762	71,439
Depreciable capital assets, net.	21,335,957	39,747,806	61,083,763	437,220
Total capital assets, net.	<u>29,586,030</u>	<u>41,068,495</u>	<u>70,654,525</u>	<u>508,659</u>
Total assets	<u>43,800,811</u>	<u>48,732,507</u>	<u>92,533,318</u>	<u>1,396,212</u>
Liabilities:				
Accounts payable.	41,978	79,704	121,682	-
Contracts payable.	190,557	158,732	349,289	-
Accrued wages and benefits payable	190,431	40,814	231,245	-
Intergovernmental payable	316,672	115,543	432,215	-
Accrued interest payable	11,355	176,306	187,661	-
Claims payable	56,974	-	56,974	-
Unearned revenue	2,116,286	-	2,116,286	657,000
Long-term liabilities:				
Due within one year	332,249	869,150	1,201,399	-
Due in more than one year.	3,717,277	14,582,174	18,299,451	-
Total liabilities	<u>6,973,779</u>	<u>16,022,423</u>	<u>22,996,202</u>	<u>657,000</u>
Net assets:				
Invested in capital assets, net of related debt	28,206,677	25,897,087	54,103,764	508,659
Restricted for:				
Capital projects	164,021	-	164,021	-
Computer systems.	15,834	-	15,834	-
Security of persons and property - police	95,411	-	95,411	-
Transportation	1,304,606	-	1,304,606	-
Basic utilities	479,041	-	479,041	-
General trust	15,951	-	15,951	-
Mayors court	1,840	-	1,840	-
Unrestricted	<u>6,543,651</u>	<u>6,812,997</u>	<u>13,356,648</u>	<u>230,553</u>
Total net assets	<u>\$ 36,827,032</u>	<u>\$ 32,710,084</u>	<u>\$ 69,537,116</u>	<u>\$ 739,212</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 1,882,729	\$ 316,780	\$ 6	\$ -
Security of persons and property:				
Police	3,027,294	23,934	3,818	-
Fire	797,998	-	92,010	-
Public health and welfare	1,657,395	528,999	24	-
Transportation	2,210,572	-	740,998	1,089,922
Community environment	404,088	194,781	-	-
Leisure time activities	808,252	376,177	198	-
Basic utility services	672,814	-	-	-
Interest and fiscal charges	88,795	-	-	-
Total governmental activities	<u>11,549,937</u>	<u>1,440,671</u>	<u>837,054</u>	<u>1,089,922</u>
Business-type activities:				
Water	5,004,237	5,891,652	-	-
Sewer	2,306,528	2,729,854	-	-
Garbage	856,923	845,184	38,498	-
Total business-type activities	<u>8,167,688</u>	<u>9,466,690</u>	<u>38,498</u>	<u>-</u>
Total primary government	<u>\$ 19,717,625</u>	<u>\$ 10,907,361</u>	<u>\$ 875,552</u>	<u>\$ 1,089,922</u>
Component Unit:				
North Canton Community Improvement Corporation	<u>\$ 75,520</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>

General revenues:

Property taxes levied for:

- General purposes
- Fire operating levy
- Emergency medical services levy
- Storm sewer levy
- Street levy

Income taxes levied for:

- General purposes
- Capital improvement
- Grants and entitlements not restricted
to specific programs
- Investment earnings
- Other

Total general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets			Component Unit North Canton Community Improvement Corporation
Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (1,565,943)	\$ -	\$ (1,565,943)	\$ -
(2,999,542)	-	(2,999,542)	-
(705,988)	-	(705,988)	-
(1,128,372)	-	(1,128,372)	-
(379,652)	-	(379,652)	-
(209,307)	-	(209,307)	-
(431,877)	-	(431,877)	-
(672,814)	-	(672,814)	-
(88,795)	-	(88,795)	-
<u>(8,182,290)</u>	<u>-</u>	<u>(8,182,290)</u>	<u>-</u>
-	887,415	887,415	-
-	423,326	423,326	-
-	26,759	26,759	-
-	<u>1,337,500</u>	<u>1,337,500</u>	<u>-</u>
<u>(8,182,290)</u>	<u>1,337,500</u>	<u>(6,844,790)</u>	<u>-</u>
-	-	-	24,480
764,958	-	764,958	-
84,094	-	84,094	-
631,196	-	631,196	-
349,384	-	349,384	-
353,000	-	353,000	-
4,871,528	-	4,871,528	-
944,577	-	944,577	-
2,958,944	-	2,958,944	-
7,767	-	7,767	216
69,615	45,342	114,957	-
<u>11,035,063</u>	<u>45,342</u>	<u>11,080,405</u>	<u>216</u>
75,000	(75,000)	-	-
<u>11,110,063</u>	<u>(29,658)</u>	<u>11,080,405</u>	<u>216</u>
2,927,773	1,307,842	4,235,615	24,696
33,899,259	31,402,242	65,301,501	714,516
<u>\$ 36,827,032</u>	<u>\$ 32,710,084</u>	<u>\$ 69,537,116</u>	<u>\$ 739,212</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents . . .	\$ 3,738,232	\$ -	\$ 3,116,513	\$ 1,567,303	\$ 8,422,048
Cash and cash equivalents:					
In segregated accounts	-	-	-	44,211	44,211
With escrow agent	657,000	-	-	-	657,000
Receivables:					
Property taxes	778,471	653,005	-	727,061	2,158,537
Municipal income taxes	929,836	-	219,682	-	1,149,518
Accounts	-	104,924	-	-	104,924
Intergovernmental	464,886	47,131	-	406,208	918,225
Special assessments	18,005	-	-	-	18,005
Interfund loans	163,000	-	-	-	163,000
Due from other funds	42,815	-	-	-	42,815
Materials and supplies inventory	4,293	4,751	-	67,569	76,613
Prepayments	20,533	2,021	-	10,510	33,064
Total assets	<u>\$ 6,817,071</u>	<u>\$ 811,832</u>	<u>\$ 3,336,195</u>	<u>\$ 2,822,862</u>	<u>\$ 13,787,960</u>
Liabilities:					
Accounts payable	\$ 18,460	\$ 99	\$ -	\$ 23,419	\$ 41,978
Contracts payable	-	-	189,115	942	190,057
Accrued wages and benefits payable	117,134	32,408	-	40,889	190,431
Compensated absences payable	46,981	-	-	-	46,981
Intergovernmental payable	203,500	78,427	-	34,745	316,672
Interfund loans payable	-	-	-	163,000	163,000
Due to other funds	-	2,713	-	40,102	42,815
Deferred revenue	934,734	130,642	111,618	352,567	1,529,561
Unearned revenue	763,230	640,260	-	712,796	2,116,286
Total liabilities	<u>2,084,039</u>	<u>884,549</u>	<u>300,733</u>	<u>1,368,460</u>	<u>4,637,781</u>
Fund balances:					
Nonspendable	24,826	6,772	-	78,079	109,677
Restricted	-	-	1,083,629	1,600,194	2,683,823
Committed	1,839,023	-	1,951,833	-	3,790,856
Assigned	2,365,977	-	-	-	2,365,977
Unassigned (deficit)	<u>503,206</u>	<u>(79,489)</u>	<u>-</u>	<u>(223,871)</u>	<u>199,846</u>
Total fund balances (deficit)	<u>4,733,032</u>	<u>(72,717)</u>	<u>3,035,462</u>	<u>1,454,402</u>	<u>9,150,179</u>
Total liabilities and fund balances	<u>\$ 6,817,071</u>	<u>\$ 811,832</u>	<u>\$ 3,336,195</u>	<u>\$ 2,822,862</u>	<u>\$ 13,787,960</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2011

Total governmental fund balances		\$	9,150,179
<i>Amounts reported for governmental activities on the Statement of Net Assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			29,586,030
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes receivable	\$	42,251	
Municipal income taxes receivable		584,057	
Accounts receivable		70,766	
Special assessments receivable		18,005	
Intergovernmental receivable		814,482	
Total		1,529,561	1,529,561
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 Assets.			645,503
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.			(152,981)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the governmental funds.			(11,355)
Unamortized deferred charges are not recognized in the governmental funds.			82,640
Unamortized premiums on bond issuances are not recognized in the governmental funds.			(75,960)
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		(1,393,209)	
Pollution remediation obligation		(63,714)	
Capital lease obligations		(134,662)	
General obligation bonds payable		(2,335,000)	
Total		(3,926,585)	(3,926,585)
Net assets of governmental activities		\$	36,827,032

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, 2011

	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 795,580	\$ 637,479	\$ -	\$ 806,832	\$ 2,239,891
Municipal income taxes	4,842,001	-	943,687	-	5,785,688
Charges for services.	283,421	484,646	-	-	768,067
Licenses and permits	194,781	-	-	-	194,781
Fines and forfeitures	69,083	-	-	109,878	178,961
Intergovernmental.	2,620,454	196,405	719,181	1,455,606	4,991,646
Interest	7,767	-	-	6	7,773
Rentals	243,282	-	-	-	243,282
Contributions and donations.	-	-	-	3,500	3,500
Other	69,615	-	-	9,475	79,090
Total revenues	<u>9,125,984</u>	<u>1,318,530</u>	<u>1,662,868</u>	<u>2,385,297</u>	<u>14,492,679</u>
Expenditures:					
Current:					
General government	1,729,043	-	-	103,287	1,832,330
Security of persons and property:					
Police	3,189,169	-	-	6,124	3,195,293
Fire	-	-	-	721,363	721,363
Public health and welfare.	102,265	1,498,452	-	30	1,600,747
Transportation	53,688	-	-	1,137,423	1,191,111
Community environment	422,242	-	-	-	422,242
Leisure time activities	764,307	-	-	248	764,555
Basic utility services	27,538	-	-	454,954	482,492
Capital outlay	-	-	1,829,516	440,211	2,269,727
Debt service:					
Principal retirement.	70,000	-	331,315	-	401,315
Interest and fiscal charges	21,571	-	61,652	-	83,223
Bond issuance costs	14,417	-	71,923	-	86,340
Total expenditures	<u>6,394,240</u>	<u>1,498,452</u>	<u>2,294,406</u>	<u>2,863,640</u>	<u>13,050,738</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>2,731,744</u>	<u>(179,922)</u>	<u>(631,538)</u>	<u>(478,343)</u>	<u>1,441,941</u>
Other financing sources (uses):					
Bond issuance.	700,000	-	1,800,000	-	2,500,000
Premium on bond issuance	14,417	-	64,923	-	79,340
Transfers in	108,000	25,000	244,692	575,000	952,692
Transfers out.	(844,692)	(16,000)	-	(17,000)	(877,692)
Total other financing sources (uses)	<u>(22,275)</u>	<u>9,000</u>	<u>2,109,615</u>	<u>558,000</u>	<u>2,654,340</u>
Net change in fund balances	2,709,469	(170,922)	1,478,077	79,657	4,096,281
Fund balances at beginning of year (restated)	<u>2,023,563</u>	<u>98,205</u>	<u>1,557,385</u>	<u>1,374,745</u>	<u>5,053,898</u>
Fund balances (deficit) at end of year	<u>\$ 4,733,032</u>	<u>\$ (72,717)</u>	<u>\$ 3,035,462</u>	<u>\$ 1,454,402</u>	<u>\$ 9,150,179</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net change in fund balances - total governmental funds	\$	4,096,281
<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 expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$	2,256,845
Current year depreciation		<u>(1,725,344)</u>
Total		531,501
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes		(57,259)
Municipal income taxes		30,417
Charges for services		44,353
Special assessments		11,227
Intergovernmental		<u>(118,707)</u>
Total		(89,969)
Proceeds of bonds are reported as an other financing source in the governmental funds, however, in the Statement of Activities, they are not reported as revenues as they increase the liabilities on the Statement of Net Assets.		
		(2,500,000)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Assets.		
		401,315
Premiums on general obligation bonds are recognized as other financing sources in the governmental funds, however, they are amortized over the life of the issuance in the Statement of Activities.		
		(79,340)
Deferred charges on general obligation bonds are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the Statement of Activities.		
		86,340
In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in increased interest being reported on the Statement of Activities:		
Increase in accrued interest payable		(5,252)
Amortization of deferred charges		(3,700)
Amortization of bond premiums		<u>3,380</u>
Total		(5,572)
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.		
		407,352
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>79,865</u>
Change in net assets of governmental activities	\$	<u><u>2,927,773</u></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)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 767,400	\$ 767,400	\$ 795,580	\$ 28,180
Municipal income taxes	4,128,000	4,128,000	4,148,000	20,000
Charges for services.	276,000	276,000	283,421	7,421
Licenses and permits	175,000	175,000	194,781	19,781
Fines and forfeitures	58,000	58,000	69,083	11,083
Intergovernmental.	717,174	847,174	2,611,188	1,764,014
Interest	50,000	50,000	32,364	(17,636)
Rentals	253,700	253,700	243,282	(10,418)
Other	30,000	30,000	69,615	39,615
Total revenues	6,455,274	6,585,274	8,447,314	1,862,040
Expenditures:				
Current:				
General government	1,587,804	1,581,648	1,464,620	117,028
Security of persons and property:				
Police	3,224,230	3,296,454	2,981,884	314,570
Public health and welfare.	102,000	102,265	102,265	-
Community environment	418,827	416,683	353,635	63,048
Leisure time activities	756,791	777,602	738,027	39,575
Debt service:				
Principal retirement.	700,000	770,000	770,000	-
Interest and fiscal charges	25,000	47,831	47,288	543
Bond issuance costs	20,000	20,000	14,417	5,583
Total expenditures	6,834,652	7,012,483	6,472,136	540,347
Excess (deficiency) of revenues over (under) expenditures.	(379,378)	(427,209)	1,975,178	2,402,387
Other financing sources (uses):				
Bond issuance.	700,000	700,000	700,000	-
Premium on bond issuance	-	-	14,417	14,417
Advances in	163,000	163,000	-	(163,000)
Transfers out.	(1,072,692)	(1,072,692)	(909,692)	163,000
Total other financing sources (uses)	(209,692)	(209,692)	(195,275)	14,417
Net change in fund balances	(589,070)	(636,901)	1,779,903	2,416,804
Fund balances at beginning of year (restated)	542,065	542,065	542,065	-
Prior year encumbrances appropriated . . .	96,094	96,094	96,094	-
Fund balance at end of year	\$ 49,089	\$ 1,258	\$ 2,418,062	\$ 2,416,804

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 663,757	\$ 731,500	\$ 637,479	\$ (94,021)
Charges for services.	516,742	463,000	496,285	33,285
Intergovernmental.	204,501	190,500	196,405	5,905
Total revenues	1,385,000	1,385,000	1,330,169	(54,831)
Expenditures:				
Current:				
Public health and welfare.	1,520,272	1,520,272	1,497,507	22,765
Total expenditures	1,520,272	1,520,272	1,497,507	22,765
Excess (deficiency) of revenues over (under) expenditures.	(135,272)	(135,272)	(167,338)	(32,066)
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	-
Transfers out.	(16,000)	(16,000)	(16,000)	-
Total other financing sources (uses)	9,000	9,000	9,000	-
Net change in fund balances	(126,272)	(126,272)	(158,338)	(32,066)
Fund balances at beginning of year	153,891	153,891	153,891	-
Prior year encumbrances appropriated . . .	1,243	1,243	1,243	-
Fund balance (deficit) at end of year	\$ 28,862	\$ 28,862	\$ (3,204)	\$ (32,066)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage	Total	
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 3,880,041	\$ 1,730,111	\$ 273,915	\$ 5,884,067	\$ 702,977
Receivables:					
Accounts	816,706	235,633	3,226	1,055,565	-
Intergovernmental	-	-	10,390	10,390	-
Special assessments	6,970	90,577	-	97,547	-
Materials and supplies inventory	108,444	107,123	-	215,567	-
Prepayments	13,715	2,042	8	15,765	-
Total current assets	<u>4,825,876</u>	<u>2,165,486</u>	<u>287,539</u>	<u>7,278,901</u>	<u>702,977</u>
Noncurrent assets:					
Deferred charges	232,130	-	-	232,130	-
Capital assets:					
Nondepreciable capital assets	1,155,214	165,475	-	1,320,689	-
Depreciable capital assets, net	33,194,556	6,553,250	-	39,747,806	-
Total capital assets, net	<u>34,349,770</u>	<u>6,718,725</u>	<u>-</u>	<u>41,068,495</u>	<u>-</u>
Total noncurrent assets	<u>34,581,900</u>	<u>6,718,725</u>	<u>-</u>	<u>41,300,625</u>	<u>-</u>
Total assets	<u>39,407,776</u>	<u>8,884,211</u>	<u>287,539</u>	<u>48,579,526</u>	<u>702,977</u>
Liabilities:					
Current liabilities:					
Accounts payable	30,140	46,661	2,903	79,704	-
Contracts payable	82,941	9,345	66,446	158,732	500
Accrued wages and benefits payable	32,889	6,079	1,846	40,814	-
Intergovernmental payable	46,410	67,894	1,239	115,543	-
Accrued interest payable	172,783	3,523	-	176,306	-
Pollution remediation obligation	15,929	15,928	15,929	47,786	-
Claims payable	-	-	-	-	56,974
Current portion of general obligation bonds payable	235,000	-	-	235,000	-
Current portion of OWDA loans payable	505,332	-	-	505,332	-
Current portion of OPWC loans payable	81,032	-	-	81,032	-
Total current liabilities	<u>1,202,456</u>	<u>149,430</u>	<u>88,363</u>	<u>1,440,249</u>	<u>57,474</u>
Long-term liabilities:					
General obligation bonds payable	4,845,000	-	-	4,845,000	-
OWDA loans payable	8,092,904	162,186	-	8,255,090	-
OPWC loans payable	1,425,197	-	-	1,425,197	-
Unamortized premium on bonds	56,887	-	-	56,887	-
Total long-term liabilities	<u>14,419,988</u>	<u>162,186</u>	<u>-</u>	<u>14,582,174</u>	<u>-</u>
Total liabilities	<u>15,622,444</u>	<u>311,616</u>	<u>88,363</u>	<u>16,022,423</u>	<u>57,474</u>
Net assets:					
Invested in capital assets, net of related debt	19,340,548	6,556,539	-	25,897,087	-
Unrestricted	4,444,784	2,016,056	199,176	6,660,016	645,503
Total net assets	<u>\$ 23,785,332</u>	<u>\$ 8,572,595</u>	<u>\$ 199,176</u>	<u>32,557,103</u>	<u>\$ 645,503</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				152,981	
Net assets of business-type activities				<u>\$ 32,710,084</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage		
Operating revenues:					
Charges for services	\$ 5,838,657	\$ 2,714,394	\$ 845,184	\$ 9,398,235	\$ 1,110,272
Tap-in fees.	52,995	15,460	-	68,455	-
Other operating revenues	38,158	7,184	-	45,342	-
Total operating revenues.	<u>5,929,810</u>	<u>2,737,038</u>	<u>845,184</u>	<u>9,512,032</u>	<u>1,110,272</u>
Operating expenses:					
Personal services	1,530,779	359,897	83,432	1,974,108	-
Contract services.	910,719	1,383,100	734,197	3,028,016	199,431
Materials and supplies.	561,319	251,661	40,862	853,842	-
Claims expense	-	-	-	-	798,228
Depreciation.	1,495,022	309,741	-	1,804,763	-
Other	2,106	-	-	2,106	-
Total operating expenses.	<u>4,499,945</u>	<u>2,304,399</u>	<u>858,491</u>	<u>7,662,835</u>	<u>997,659</u>
Operating income (loss)	<u>1,429,865</u>	<u>432,639</u>	<u>(13,307)</u>	<u>1,849,197</u>	<u>112,613</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(530,487)	(7,114)	-	(537,601)	-
Intergovernmental	-	-	38,498	38,498	-
Total nonoperating revenues (expenses).	<u>(530,487)</u>	<u>(7,114)</u>	<u>38,498</u>	<u>(499,103)</u>	<u>-</u>
Income before transfers	899,378	425,525	25,191	1,350,094	112,613
Transfer out	<u>(50,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>
Change in net assets	849,378	400,525	25,191	1,275,094	112,613
Net assets at beginning of year.	<u>22,935,954</u>	<u>8,172,070</u>	<u>173,985</u>		<u>532,890</u>
Net assets at end of year	<u>\$ 23,785,332</u>	<u>\$ 8,572,595</u>	<u>\$ 199,176</u>		<u>\$ 645,503</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>32,748</u>	
Change in net assets of business-type activities				<u>\$ 1,307,842</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, 2011

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 5,874,591	\$ 2,710,924	\$ 847,548	\$ 9,433,063	\$ -
Cash received from interfund services	-	-	-	-	1,110,272
Cash received from tap-in fees	52,995	15,460	-	68,455	-
Cash received from other operations	38,158	7,184	-	45,342	-
Cash payments for personal services	(1,540,942)	(359,665)	(84,034)	(1,984,641)	-
Cash payments for contractual services	(978,180)	(1,371,659)	(733,062)	(3,082,901)	(198,931)
Cash payments for materials and supplies	(574,077)	(298,933)	(40,862)	(913,872)	-
Cash payments for claims	-	-	-	-	(813,853)
Cash payments for other expenses	(2,106)	-	-	(2,106)	-
Net cash provided by (used in) operating activities	2,870,439	703,311	(10,410)	3,563,340	97,488
Cash flows from noncapital financing activities:					
Noncapital grants received	-	-	49,587	49,587	-
Cash used in transfers out	(50,000)	(25,000)	-	(75,000)	-
Net cash provided by (used in) noncapital financing activities	(50,000)	(25,000)	49,587	(25,413)	-
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,234,428)	(477,738)	-	(1,712,166)	-
General obligation bond proceeds	1,515,000	-	-	1,515,000	-
OPWC loan proceeds	163,439	-	-	163,439	-
Premium on general obligation bonds	58,892	-	-	58,892	-
Bond issuance costs on general obligation bonds	(58,892)	-	-	(58,892)	-
Principal payments - bonds	(250,000)	-	-	(250,000)	-
Principal payments - bond anticipation notes	(915,000)	-	-	(915,000)	-
Principal payments - OWDA loans	(487,520)	(7,841)	-	(495,361)	-
Principal payments - OPWC loans	(105,530)	-	-	(105,530)	-
Interest and fiscal charges - bonds	(180,344)	-	-	(180,344)	-
Interest and fiscal charges - bond anticipation notes	(18,300)	-	-	(18,300)	-
Interest and fiscal charges - OWDA loans	(324,435)	(7,249)	-	(331,684)	-
Net cash used in capital and related financing activities	(1,837,118)	(492,828)	-	(2,329,946)	-
Net increase in cash and cash equivalents	983,321	185,483	39,177	1,207,981	97,488
Cash and investments at beginning of year	2,896,720	1,544,628	234,738	4,676,086	605,489
Cash and investments at end of year	\$ 3,880,041	\$ 1,730,111	\$ 273,915	\$ 5,884,067	\$ 702,977

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CITY OF NORTH CANTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<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>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,429,865	\$ 432,639	\$ (13,307)	\$ 1,849,197	\$ 112,613
Adjustments:					
Depreciation.	1,495,022	309,741	-	1,804,763	-
Changes in assets and liabilities:					
(Increase) in materials and supplies inventory	(4,271)	(39,310)	-	(43,581)	-
Decrease in special assessments receivable	1,001	9,180	-	10,181	-
Decrease (increase) in accounts receivable.	34,933	(12,650)	2,364	24,647	-
Decrease (increase) in prepayments	(8,303)	3,355	(8)	(4,956)	-
Increase (decrease) in accounts payable	(34,330)	26,489	(2,128)	(9,969)	-
Increase (decrease) in contracts payable	(33,315)	9,345	3,271	(20,699)	500
(Decrease) in accrued wages and benefits	(10,469)	(1,322)	(586)	(12,377)	-
Increase (decrease) in intergovernmental payable. . . .	306	(34,156)	(16)	(33,866)	-
Increase (decrease) in claims payable	-	-	-	-	(15,625)
Net cash provided by (used in) operating activities	<u>\$ 2,870,439</u>	<u>\$ 703,311</u>	<u>\$ (10,410)</u>	<u>\$ 3,563,340</u>	<u>\$ 97,488</u>

During 2011, the water fund purchased \$82,941 in capital assets on account.
 During 2010, the water fund purchased \$58,557 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2011**

	<u>Agency</u>
Assets:	
Cash in segregated accounts	\$ 121,508
Total assets	<u>\$ 121,508</u>
Liabilities:	
Deposits held and due to others	\$ 121,508
Total liabilities	<u>\$ 121,508</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

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". The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of North Canton this includes the departments that provide the following services: police, fire, emergency medical, parks and recreation, water and sewer, rubbish collection, street construction, maintenance and repair and general administrative services.

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

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

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

The City participates in two jointly governed organizations, the Stark Council of Governments and the Stark County Combined General Health District. These organizations are described in Note 21 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 23.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (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 City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided it does not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB guidance issued after November 30, 1989 to its business-type activities and enterprise funds. 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 Assets 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 Assets 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 Assets presents the financial condition of the governmental and business-type activities of the City at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental program is self-financing or draws from the general revenues of the City.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

B. Fund Accounting

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

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

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

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

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, 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 service provided by a successful bidder for the residential users of the City.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

C. Measurement Focus

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

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

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

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

D. Basis of Accounting

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, emergency medical service billings, interest and delinquent property taxes due at December 31, 2011, are recorded as deferred revenue on the governmental fund financial statements.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

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, 2011

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

E. Budgetary Process

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

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

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

F. Cash and Investments

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

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

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

During 2011, investments were limited to Federal National Mortgage Association (FNMA) bonds, the State Treasury Asset Reserve of Ohio (STAR Ohio) and repurchase agreements.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2011.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2011 amounted to \$7,767, which includes \$6,860 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. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

H. Inventory

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

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets, 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 Assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City's capitalization threshold is \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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 Assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

M. Fund Balance

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

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

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 of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Assets reports \$2,076,704 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include monies for law enforcement, education and mayor's court.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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 Deferred Charges/Bond Premium

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. The unamortized portion is recorded as deferred charges on the Statement of Net Assets.

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

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2011.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2011, the City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 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, 2011

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Fund Reclassifications

Fund reclassifications are required in order to report funds in accordance with GASB Statement No 54. These fund reclassifications had the following effect on the City's governmental fund balances as previously reported:

	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Capital Improvement</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Fund balance as previously reported	\$ 1,451,449	\$ 98,205	\$ 1,557,385	\$ 1,946,859	\$ 5,053,898
Fund reclassifications:					
Compensated absences fund	<u>572,114</u>	<u>-</u>	<u>-</u>	<u>(572,114)</u>	<u>-</u>
Total fund reclassifications	<u>572,114</u>	<u>-</u>	<u>-</u>	<u>(572,114)</u>	<u>-</u>
Restated fund balance at January 1, 2011	<u>\$ 2,023,563</u>	<u>\$ 98,205</u>	<u>\$ 1,557,385</u>	<u>\$ 1,374,745</u>	<u>\$ 5,053,898</u>

The fund reclassifications did not have an effect on net assets as previously reported.

C. Budgetary Prior Period Adjustment

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. The City has elected to report only the legally budgeted general fund in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund's budgetary-basis fund balance at December 31, 2011 is as follows:

Budgetary Basis

	<u>General Fund</u>
Balance at December 31, 2010	\$ 1,566,960
Funds budgeted elsewhere	<u>(1,024,895)</u>
Restated balance at January 1, 2011	<u>\$ 542,065</u>

D. Deficit Fund Balances

Fund balances at December 31, 2011 included the following individual fund deficits:

<u>Major governmental fund</u>	<u>Deficit</u>
Emergency medical services levy fund	\$ 72,717
<u>Nonmajor governmental funds</u>	
Fire operating fund	14,980
Hoover district improvement fund	204,044

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balance in the fire operating fund resulted from adjustments for accrued liabilities. The fund deficits in the emergency medical services levy fund and Hoover district improvement fund resulted from reporting a short term interfund loan rather than negative cash. The emergency medical services levy fund and Hoover district improvement fund have negative cash balances at December 31, 2011 contract to Ohio Revised Code (ORC) Section 5705.10.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

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

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

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

A. Cash in Segregated Accounts

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

B. Deposits with Financial Institutions

At December 31, 2011, the carrying amount of all City deposits was \$13,575,598, exclusive of the \$1,645,000 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2011, \$12,623,789 of the City's bank balance of \$13,923,673 was exposed to custodial risk as discussed below, while \$1,299,884 was covered by the FDIC.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

B. Investments

As of December 31, 2011, the City had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FNMA	\$ 14,635	\$ -	\$ -	\$ -	\$ -	\$ 14,635
Repurchase agreement	1,645,000	1,645,000	-	-	-	-
STAR Ohio	596,578	596,578	-	-	-	-
Total	<u>\$ 2,256,213</u>	<u>\$ 2,241,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,635</u>

The weighted average of maturity of investments is .06 years.

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

Credit Risk: The City's investments, except for STAR Ohio, were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market 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. Of the City's investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Director of Finance or qualified trustee.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FNMA	\$ 14,635	0.65
Repurchase agreement	1,645,000	72.91
STAR Ohio	<u>596,578</u>	<u>26.44</u>
Total	<u>\$ 2,256,213</u>	<u>100.00</u>

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

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 Assets as of December 31, 2011:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 13,575,598
Investments	<u>2,256,213</u>
Total	<u>\$ 15,831,811</u>
<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 9,826,236
Business-type activities	5,884,067
Agency fund	<u>121,508</u>
Total	<u>\$ 15,831,811</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 and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 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, 2011

NOTE 5 - PROPERTY TAXES - (Continued)

The Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of North Canton. The Fiscal Officer 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, 2011 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2011 operations and the collection of delinquent taxes has been offset by deferred revenue 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, 2011 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 294,828,710
Commercial/industrial/mineral	75,981,140
Tangible personal property	<u>7,086,110</u>
Total assessed value	<u>\$ 377,895,960</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2011, 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 \$51,679 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 \$103,747. At December 31, 2011, the amount of delinquent special assessments was \$11,805.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - RECEIVABLES - (Continued)

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental activities:

Estate tax	\$ 237,585
Local government	169,728
Homestead and rollback	57,573
Street construction, maintenance and repair	351,568
Fire operating levy	5,581
Emergency medical services	47,131
Storm sewer levy	24,726
Street levy	<u>24,333</u>
Total governmental activities	<u>\$ 918,225</u>

Business-type activities:

Garbage	<u>\$ 10,390</u>
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B. Municipal Income Taxes

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

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

NOTE 7 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2011, the City contracted with Houston Casualty Company for general liability, buildings and contents, automobile, crime, contractor's equipment, public officials' liability and police and professional liability insurance. Houston Casualty Company provides coverage for boiler and machinery, while Hartford Life and Accident covers emergency medical service and fire, accidental disability and death insurance. The City also purchases umbrella coverage from Houston Casualty Company with a general aggregate of \$5,000,000. Ohio Farmers provides performance bonds for all officials.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 - RISK MANAGEMENT - (Continued)

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

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

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

The City purchases stop-loss coverage for claims in excess of \$40,000 per employee per year and an aggregate of \$1,000,000. The City pays into the self-insurance internal service fund \$1,058 for family coverage or \$406 for individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

The claims liability of \$56,974 reported in the internal service fund at December 31, 2011 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 2010 and 2011 are:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2011	\$ 72,599	\$ 798,228	\$ (813,853)	\$ 56,974
2010	65,095	788,322	(780,818)	72,599

NOTE 8 - OPERATING LEASE

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 8 - OPERATING LEASE - (Continued)

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

	Governmental Activities
Asset:	
Land	\$ 1,780,214
Buildings	1,648,340
Land improvements	592,759
Equipment	176,749
Subtotal	4,198,062
Less: accumulated depreciation	(785,693)
Total	\$ 3,412,369

The future minimum lease payments under this non-cancelable lease as of December 31, 2011, are the following:

	Minimum Commitment
2012	\$ 100,000
2013	100,000
2014	100,000
Total	\$ 300,000

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 9 - CONTRACTUAL COMMITMENTS

The City had the following contractual commitments outstanding at December 31, 2011:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Arcadis G&M of Ohio	\$ 171,200	\$ (89,299)	\$ 81,901
Cargill	175,000	(171,220)	3,780
Central Allied Ent.	1,696,943	(1,370,769)	326,174
CTI Engineers	62,100	(46,327)	15,773
Floyd Browne Group	158,350	(98,862)	59,488
Greer Industries	50,000	(30,000)	20,000
Hammontree & Associates	145,447	(64,811)	80,636
Insituform Technologies	642,658	(637,391)	5,267
ME Companies	220,000	(53,212)	166,788
Northstar Asphalt	1,343,487	(976,995)	366,492
Omnipro Services	305,803	(271,507)	34,296
Scheetz Building Corp.	1,200,000	(991,783)	208,217
Superior Paving Materials	369,942	(84,457)	285,485
Wenger Excavating	354,192	-	354,192
	<u> </u>	<u> </u>	<u> </u>
Total Contractual Commitments	\$ 6,895,122	\$ (4,886,633)	\$ 2,008,489

NOTE 10 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year End Encumbrances</u>
General fund	\$ 92,060
Emergency medical services levy fund	392
Capital improvements	698,318
Other governmental	<u>679,920</u>
Total	<u>\$ 1,470,690</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 11 - CAPITAL ASSETS

A. Governmental activities

Governmental capital asset activity for the year ended December 31, 2011, was as follows:

<u>Governmental activities:</u>	Balance <u>12/31/10</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/11</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,117,189	\$ -	\$ -	\$ 5,117,189
Easements and right-of-ways	89,346	-	-	89,346
Construction in progress	<u>1,642,237</u>	<u>1,585,068</u>	<u>(183,767)</u>	<u>3,043,538</u>
Total capital assets, not being depreciated	<u>6,848,772</u>	<u>1,585,068</u>	<u>(183,767)</u>	<u>8,250,073</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	918,989	6,400	-	925,389
Buildings	7,197,942	212,031	-	7,409,973
Equipment	6,023,119	436,487	-	6,459,606
Software	57,000	-	-	57,000
Infrastructure - streets subsystem	23,588,110	183,767	-	23,771,877
Infrastructure - storm sewers subsystem	9,982,250	16,859	-	9,999,109
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated	<u>47,970,410</u>	<u>855,544</u>	<u>-</u>	<u>48,825,954</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(381,505)	(45,140)	-	(426,645)
Buildings	(4,387,568)	(165,274)	-	(4,552,842)
Equipment	(3,849,278)	(323,010)	-	(4,172,288)
Software	(57,000)	-	-	(57,000)
Infrastructure - streets subsystem	(13,063,515)	(984,573)	-	(14,048,088)
Infrastructure - storm sewers subsystem	(3,881,212)	(204,272)	-	(4,085,484)
Infrastructure - bridge subsystem	<u>(144,575)</u>	<u>(3,075)</u>	<u>-</u>	<u>(147,650)</u>
Total accumulated depreciation	<u>(25,764,653)</u>	<u>(1,725,344)</u>	<u>-</u>	<u>(27,489,997)</u>
Total capital assets, being depreciated, net	<u>22,205,757</u>	<u>(869,800)</u>	<u>-</u>	<u>21,335,957</u>
Governmental activities capital assets, net	<u>\$ 29,054,529</u>	<u>\$ 715,268</u>	<u>\$ (183,767)</u>	<u>\$ 29,586,030</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 11 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$	114,028
Police		52,149
Fire		78,693
Public health and welfare		68,534
Transportation		1,094,296
Leisure time activities		112,978
Basic utility services		<u>204,666</u>
Total depreciation expense - governmental activities	\$	<u>1,725,344</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 11 - CAPITAL ASSETS - (Continued)

B. Business-type activities

Business-type activities capital asset activity for 2011 is as follows:

<u>Business-type activities:</u>	<u>Balance</u> 12/31/10	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 12/31/11
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>344,684</u>	<u>296,987</u>	<u>(344,684)</u>	<u>296,987</u>
Total capital assets, not being depreciated	<u>1,368,386</u>	<u>296,987</u>	<u>(344,684)</u>	<u>1,320,689</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	588,667	-	-	588,667
Buildings	17,367,395	39,004	-	17,406,399
Equipment	5,877,577	29,952	-	5,907,529
Software	5,124	-	-	5,124
Infrastructure - water lines	28,910,464	1,189,068	-	30,099,532
Infrastructure - sewer lines	<u>12,889,974</u>	<u>526,223</u>	<u>-</u>	<u>13,416,197</u>
Total capital assets, being depreciated	<u>65,639,201</u>	<u>1,784,247</u>	<u>-</u>	<u>67,423,448</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(133,339)	(21,397)	-	(154,736)
Buildings	(6,430,571)	(430,921)	-	(6,861,492)
Equipment	(3,098,321)	(362,783)	-	(3,461,104)
Software	(5,124)	-	-	(5,124)
Infrastructure - water lines	(9,535,392)	(711,640)	-	(10,247,032)
Infrastructure - sewer lines	<u>(6,668,132)</u>	<u>(278,022)</u>	<u>-</u>	<u>(6,946,154)</u>
Total accumulated depreciation	<u>(25,870,879)</u>	<u>(1,804,763)</u>	<u>-</u>	<u>(27,675,642)</u>
Total capital assets, being depreciated, net	<u>39,768,322</u>	<u>(20,516)</u>	<u>-</u>	<u>39,747,806</u>
Business-type activities capital assets, net	<u>\$ 41,136,708</u>	<u>\$ 276,471</u>	<u>\$ (344,684)</u>	<u>\$ 41,068,495</u>

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

Water	\$ 1,495,022
Sewer	<u>309,741</u>
Total depreciation expense - business-type activities:	<u>\$ 1,804,763</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 12 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and contribution rates were consistent across all three plans. 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. The 2011 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 11.00% and 11.60%, respectively. The City's contribution rate for 2011 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2011 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2011 was 7.95%. For those plan members in law enforcement and public safety pension contributions were 14.10%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$457,913, \$401,861, and \$380,066, respectively; 90.96% has been contributed for 2011 and 100% has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$7,959 made by the City and \$5,685 made by the plan members.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 12 - PENSION PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2011, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$190,999 and \$25,556 for the year ended December 31, 2011, \$199,794 and \$25,457 for the year ended December 31, 2010, and \$194,159 and \$27,662, for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 73.47% has been contributed for police and 71.46% has been contributed for firefighters for 2011.

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2011, local government employers contributed 14.00% of covered payroll (18.10% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2011 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2011 was 6.05%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$187,995, \$227,210, and \$274,817, respectively; 90.96% has been contributed for 2011 and 100% has been contributed for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% 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 the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$101,117 and \$10,000 for the year ended December 31, 2011, \$107,493 and \$9,948 for the year ended December 31, 2010, and \$105,774 and \$9,962, for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 73.47% has been contributed for police and 71.46% has been contributed for firefighters for 2011.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

A. Compensated Absences

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

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

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

B. Insurance

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 15 - CAPITAL LEASE

In prior years, the City entered into leases for a Toro Groundsmaster 5900 mower, a ladder truck and an ambulance. These leases meet the criteria for capital leases as defined by FASB Statement No. 13, “Accounting for Leases.” Assets acquired through a capital lease were capitalized at the present value of the minimum lease payments at the time the lease was entered into.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 1,005,047
Less: accumulated depreciation	(214,395)
Total	\$ 790,652

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

	Governmental Activities
2012	\$ 79,423
2013	47,406
2014	15,390
Total minimum lease payments	142,219
Less: amount representing interest	(7,557)
Present value of minimum lease payments	\$ 134,662

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 - LONG-TERM OBLIGATIONS

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

	<u>Balance</u> <u>12/31/2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2011</u>	<u>Amounts Due</u> <u>in One Year</u>
Business-type activities:					
OWDA loans					
Water treatment plant improvement	\$ 5,239,497	\$ -	\$ (292,717)	\$ 4,946,780	\$ 303,498
Water treatment plant improvement	2,463,408	-	(124,908)	2,338,500	129,649
Water treatment backwash tank	1,382,851	-	(69,895)	1,312,956	72,185
Portage St./W. Park sanitary	<u>170,027</u>	<u>-</u>	<u>(7,841)</u>	<u>162,186</u>	<u>-</u>
Total OWDA loans	<u>9,255,783</u>	<u>-</u>	<u>(495,361)</u>	<u>8,760,422</u>	<u>505,332</u>
OPWC loans					
Booster pump station	893,291	-	(76,567)	816,724	51,045
Applegrove waterline	398,133	-	(20,955)	377,178	13,970
North Main St. waterline	<u>156,896</u>	<u>163,439</u>	<u>(8,008)</u>	<u>312,327</u>	<u>16,017</u>
Total OPWC loans	<u>1,448,320</u>	<u>163,439</u>	<u>(105,530)</u>	<u>1,506,229</u>	<u>81,032</u>
Other long-term liabilities					
General obligation bonds - Series 2007	3,815,000	-	(175,000)	3,640,000	180,000
General obligation bonds - Series 2011A	-	915,000	(45,000)	870,000	35,000
General obligation bonds - Series 2011A	-	600,000	(30,000)	570,000	20,000
Pollution remediation	<u>47,786</u>	<u>-</u>	<u>-</u>	<u>47,786</u>	<u>47,786</u>
Total business-type activities	<u>\$ 14,566,889</u>	<u>\$ 1,678,439</u>	<u>\$ (850,891)</u>	15,394,437	<u>\$ 869,150</u>
				Add: unamortized premiums	56,887
				Total on Statement of Net Assets	<u>\$ 15,451,324</u>
Governmental activities:					
General obligation bonds					
City Hall/Civic Center/ Salt Storage - Series 2011A	\$ -	\$ 1,300,000	\$ (65,000)	\$ 1,235,000	\$ 50,000
N. Main Street & Various Street Reconstruction Projects - Series 2011A	-	500,000	(30,000)	470,000	30,000
Real Estate Acquisition - Series 2011B	<u>-</u>	<u>700,000</u>	<u>(70,000)</u>	<u>630,000</u>	<u>60,000</u>
Total GO bonds	<u>-</u>	<u>2,500,000</u>	<u>(165,000)</u>	<u>2,335,000</u>	<u>140,000</u>
Other long-term liabilities					
Compensated absences	1,836,884	61,820	(458,514)	1,440,190	53,583
Capital lease	370,977	-	(236,315)	134,662	74,952
Pollution remediation	<u>63,714</u>	<u>-</u>	<u>-</u>	<u>63,714</u>	<u>63,714</u>
Total governmental activities	<u>\$ 2,271,575</u>	<u>\$ 2,561,820</u>	<u>\$ (859,829)</u>	3,973,566	<u>\$ 332,249</u>
				Add: unamortized premiums	75,960
				Total on Statement of Net Assets	<u>\$ 4,049,526</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

The City has pledged future water and sewer revenues to repay OWDA loans. The loans are payable solely from water and sewer fund revenues and are payable through 2026. Annual principal and interest payments on the loans are expected to require 22.55 percent of net revenues and 9.54 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$11,105,380. Principal and interest paid for the current year were \$827,045, total net revenues were \$3,667,267 and total revenues were \$8,666,848.

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

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

On March 23, 2011, the City issued \$3,315,000 in Series 2011A Various Purpose General Obligation Bonds. In business-type activities, \$915,000 in bonds was used to retire bond anticipation notes maturing on March 25, 2011 and \$600,000 in bonds was used for the Frank/Applegrove waterline. In governmental activities, \$1,300,000 in bonds will be used for the City Hall Roof/Civic Center Roof and salt storage and \$500,000 in bonds will be used for North Main Street and various street reconstruction projects. At December 31, 2011, there were \$1,083,629 in unspent bond proceeds in the governmental activities.

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

The pollution remediation obligation is for the clean up of polluted lands due to improper disposal of street sweeping clippings as directed by the Ohio Environmental Protection Agency. The estimated liability is \$115,000; \$63,714 is likely to be paid from governmental funds and \$47,786 from business-type activities. The City's pollution remediation obligation for this project was prepared by the City's Utilities, Services and Recreation department. The liability has the potential to be increased or reduced depending on if further pollution is discovered. The City does not anticipate any recoveries that may reduce the liability.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

Principal and interest requirements to retire the outstanding debt at December 31, 2011, are as follows. The OWDA loan for the Portage St./W. Park sanitary sewer is currently “open” meaning the final disbursements have not been made by OWDA; therefore, future debt service requirements have not been finalized and are not presented in the schedules of future debt service below.

Year Ending December 31,	Ohio Public Works Commission			OWDA Water Loans		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 81,032	\$ -	\$ 81,032	\$ 505,332	\$ 306,623	\$ 811,955
2013	81,032	-	81,032	523,796	288,158	811,954
2014	81,032	-	81,032	542,938	269,019	811,957
2015	81,032	-	81,032	562,778	249,177	811,955
2016	81,032	-	81,032	583,345	228,614	811,959
2017 - 2021	405,160	-	405,160	3,252,593	807,181	4,059,774
2022 - 2026	405,163	-	405,163	2,627,454	196,186	2,823,640
2027 - 2031	192,968	-	192,968	-	-	-
2032 - 2036	69,850	-	69,850	-	-	-
2037 - 2038	27,928	-	27,928	-	-	-
Total	<u>\$ 1,506,229</u>	<u>\$ -</u>	<u>\$ 1,506,229</u>	<u>\$ 8,598,236</u>	<u>\$ 2,344,958</u>	<u>\$ 10,943,194</u>

Year Ending December 31,	Series 2007 Water System General Obligation Bonds			Series 2011A Raw Waterline		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 180,000	\$ 146,577	\$ 326,577	\$ 35,000	\$ 36,212	\$ 71,212
2013	200,000	139,377	339,377	35,000	35,512	70,512
2014	190,000	131,377	321,377	35,000	34,813	69,813
2015	200,000	123,777	323,777	35,000	34,113	69,113
2016	210,000	115,777	325,777	35,000	33,238	68,238
2017 - 2021	1,210,000	444,086	1,654,086	205,000	148,675	353,675
2022 - 2026	1,450,000	182,007	1,632,007	245,000	104,925	349,925
2027 - 2030	-	-	-	245,000	34,650	279,650
Total	<u>\$ 3,640,000</u>	<u>\$ 1,282,978</u>	<u>\$ 4,922,978</u>	<u>\$ 870,000</u>	<u>\$ 462,138</u>	<u>\$ 1,332,138</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Series 2011A Frank/Applegrove Waterline			Total Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2012	\$ 20,000	\$ 23,663	\$ 43,663	\$ 235,000	\$ 206,452
2013	25,000	23,263	48,263	260,000	198,152	458,152
2014	25,000	22,762	47,762	250,000	188,952	438,952
2015	25,000	22,263	47,263	260,000	180,153	440,153
2016	25,000	21,637	46,637	270,000	170,652	440,652
2017 - 2021	130,000	96,812	226,812	1,545,000	689,573	2,234,573
2022 - 2026	160,000	68,450	228,450	1,855,000	355,382	2,210,382
2027 - 2030	<u>160,000</u>	<u>22,825</u>	<u>182,825</u>	<u>405,000</u>	<u>57,475</u>	<u>462,475</u>
Total	<u>\$ 570,000</u>	<u>\$ 301,675</u>	<u>\$ 871,675</u>	<u>\$ 5,080,000</u>	<u>\$ 2,046,791</u>	<u>\$ 7,126,791</u>

Year Ending December 31,	Series 2011A - City Hall Roof/ Civic Center Roof/Salt Storage			Series 2011A - N. Main Street and Various Street Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
	2012	\$ 50,000	\$ 51,450	\$ 101,450	\$ 30,000	\$ 16,412
2013	50,000	50,450	100,450	30,000	15,813	45,813
2014	50,000	49,450	99,450	30,000	15,212	45,212
2015	50,000	48,450	98,450	30,000	14,613	44,613
2016	50,000	47,200	97,200	30,000	13,863	43,863
2017 - 2021	285,000	211,488	496,488	165,000	55,161	220,161
2022 - 2026	350,000	149,600	499,600	155,000	19,400	174,400
2027 - 2030	<u>350,000</u>	<u>49,499</u>	<u>399,499</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,235,000</u>	<u>\$ 657,587</u>	<u>\$ 1,892,587</u>	<u>\$ 470,000</u>	<u>\$ 150,474</u>	<u>\$ 620,474</u>

Year Ending December 31,	Series 2011B Real Estate Acquisition			Total Governmental General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2012	\$ 60,000	\$ 29,650	\$ 89,650	\$ 140,000	\$ 97,512
2013	60,000	27,550	87,550	140,000	93,813	233,813
2014	65,000	25,450	90,450	145,000	90,112	235,112
2015	65,000	23,175	88,175	145,000	86,238	231,238
2016	70,000	20,900	90,900	150,000	81,963	231,963
2017 - 2021	310,000	44,000	354,000	760,000	310,649	1,070,649
2022 - 2026	-	-	-	505,000	169,000	674,000
2027 - 2030	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>49,499</u>	<u>399,499</u>
Total	<u>\$ 630,000</u>	<u>\$ 170,725</u>	<u>\$ 800,725</u>	<u>\$ 2,335,000</u>	<u>\$ 978,786</u>	<u>\$ 3,313,786</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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, 2011, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$12,595,000.

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, 2011, the City's total debt margin was \$37,344,076 and the unvoted debt margin was \$18,449,278.

NOTE 17 - NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2011 follows:

	Maturity <u>Date</u>	Outstanding <u>12/31/2010</u>	<u>Issued</u>	<u>Retired</u>	Outstanding <u>12/31/2011</u>
Water Construction Notes	3/25/2011	\$ 915,000	\$ -	\$ (915,000)	\$ -
Total on Statement of Net Assets		<u>\$ 915,000</u>	<u>\$ -</u>	<u>\$ (915,000)</u>	<u>\$ -</u>

On December 28, 2010, the City issued \$915,000 in Water Construction Bond Anticipation Notes to retire the notes maturing on March 25, 2011. The notes bore an interest rate of 2.00% and matured on March 25, 2011.

The notes are backed by the full faith and credit of the City.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 18 - INTERFUND ACTIVITY

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

<u>Transfer to</u>	Transfer from					<u>Total</u>
	<u>General</u>	Emergency Medical Services Levy	<u>Nonmajor funds</u>	<u>Water</u>	<u>Sewer</u>	
Major funds						
General fund	\$ -	\$ 7,000	\$ 26,000	\$ 50,000	\$ 25,000	\$ 108,000
Emergency medical services levy	25,000	-	-	-	-	25,000
Capital improvement	244,692	-	-	-	-	244,692
Nonmajor funds						
Fire operating levy	400,000	-	-	-	-	400,000
Street construction	175,000	-	-	-	-	175,000
Total	\$ 844,692	\$ 7,000	\$ 26,000	\$ 50,000	\$ 25,000	\$ 952,692

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

- B. Interfund loans receivable/payable consisted of the following at December 31, 2011, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 163,000</u>

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

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

- C. Interfund balances at December 31, 2011 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 42,815</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 18 - INTERFUND ACTIVITY - (Continued)

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances related to due to/due from other funds at December 31, 2011 are reported on the Statement of Net Assets.

NOTE 19 - 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 assigned, committed or unassigned fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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	\$ 1,779,903	\$ (158,338)
Net adjustment for revenue accruals	(162,697)	(11,639)
Net adjustment for expenditure accruals	737,967	(1,436)
Funds budgeted elsewhere	251,237	-
Adjustment for encumbrances	<u>103,059</u>	<u>491</u>
GAAP basis	<u>\$ 2,709,469</u>	<u>\$ (170,922)</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 North Canton CIC Escrow fund.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 20 - 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 Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 4,293	\$ 4,751	\$ -	\$ 67,569	\$ 76,613
Prepays	20,533	2,021	-	10,510	33,064
Total nonspendable	<u>24,826</u>	<u>6,772</u>	<u>-</u>	<u>78,079</u>	<u>109,677</u>
Restricted:					
Capital improvements	-	-	1,083,629	164,021	1,247,650
Security of persons and property police	-	-	-	37,486	37,486
Computer systems	-	-	-	15,834	15,834
Transportation	-	-	-	917,345	917,345
Utility services	-	-	-	447,717	447,717
General trust	-	-	-	15,951	15,951
Mayor's court	-	-	-	1,840	1,840
Total restricted	<u>-</u>	<u>-</u>	<u>1,083,629</u>	<u>1,600,194</u>	<u>2,683,823</u>
Committed:					
Capital improvements	-	-	1,951,833	-	1,951,833
Income tax	811,672	-	-	-	811,672
CIC escrow	657,000	-	-	-	657,000
Compensated absences	370,351	-	-	-	370,351
Total committed	<u>1,839,023</u>	<u>-</u>	<u>1,951,833</u>	<u>-</u>	<u>3,790,856</u>
Assigned:					
General government	43,760	-	-	-	43,760
Community environment	30,456	-	-	-	30,456
Security of persons and property police	2,414	-	-	-	2,414
Utility services	5,052	-	-	-	5,052
Subsequent year appropriation	2,284,295	-	-	-	2,284,295
Total assigned	<u>2,365,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,365,977</u>
Unassigned (deficit)	<u>503,206</u>	<u>(79,489)</u>	<u>-</u>	<u>(223,871)</u>	<u>199,846</u>
Total fund balances	<u>\$ 4,733,032</u>	<u>\$ (72,717)</u>	<u>\$ 3,035,462</u>	<u>\$ 1,454,402</u>	<u>\$ 9,150,179</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 21 - 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 2011. 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 \$102,265 to the Health District in 2011. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

NOTE 22 - 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, 2011**

NOTE 23 - 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", the City's financial statements include all organizations, activities and functions which comprise the primary government and those legally separate entities for which the City is financially accountable. The CIC is a legally separate entity and is discretely presented as a component unit of the City of North Canton. Financial accountability is defined as the appointment of a voting majority of the unit's Board and either 1) the City's ability to impose its will over the unit, or 2) the possibility that the unit will provide a financial benefit or impose a financial burden to the City. The CIC does not include any other units in its presentation.

Summary of Significant Accounting Policies

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

The CIC's significant accounting policies are described below.

A. Basis of Accounting

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

B. Cash

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

C. Capital Assets and Depreciation

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

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 23 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION - (Continued)

D. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The CIC has no restricted net assets.

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

Deposits

At December 31, 2011, the carrying amount of the CIC's deposits was \$230,553. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2011, the entire bank balance of \$230,553 was covered by the FDIC.

Intergovernmental Receivable

In 2005, the North Canton City Council approved the funding of the CIC in the amount of \$1.5 million out of the City's general fund. This funding is to assist the City's economic development efforts by creating or retaining businesses and jobs. As of December 31, 2011, the CIC has received \$843,000 under this funding mechanism.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 23 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION - (Continued)

Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/10</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/11</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 71,439	\$ -	\$ -	\$ 71,439
<i>Total capital assets, not being depreciated</i>	<u>71,439</u>	<u>-</u>	<u>-</u>	<u>71,439</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	44,200	-	-	44,200
Equipment	444,000	-	-	444,000
<i>Total capital assets, being depreciated</i>	<u>488,200</u>	<u>-</u>	<u>-</u>	<u>488,200</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(13,260)	(4,420)	-	(17,680)
Equipment	(22,200)	(11,100)	-	(33,300)
<i>Total accumulated depreciation</i>	<u>(35,460)</u>	<u>(15,520)</u>	<u>-</u>	<u>(50,980)</u>
Total capital assets, net	<u>\$ 524,179</u>	<u>\$ (15,520)</u>	<u>\$ -</u>	<u>\$ 508,659</u>

Litigation

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

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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 Improvements Fund

The capital improvements capital projects 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 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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 767,400	\$ 767,400	\$ 795,580	\$ 28,180
Municipal income taxes	4,128,000	4,128,000	4,148,000	20,000
Charges for services	276,000	276,000	283,421	7,421
Licenses and permits	175,000	175,000	194,781	19,781
Fines and forfeitures	58,000	58,000	69,083	11,083
Intergovernmental	717,174	847,174	2,611,188	1,764,014
Interest	50,000	50,000	32,364	(17,636)
Rentals	253,700	253,700	243,282	(10,418)
Other	30,000	30,000	69,615	39,615
Total revenues	<u>6,455,274</u>	<u>6,585,274</u>	<u>8,447,314</u>	<u>1,862,040</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Personal services	102,780	102,830	93,180	9,650
Contract services	32,393	8,745	6,188	2,557
Materials and supplies	709	707	659	48
Total mayor	<u>135,882</u>	<u>112,282</u>	<u>100,027</u>	<u>12,255</u>
Director of Administration:				
Personal services	81,700	81,700	70,824	10,876
Contract services	16,749	16,827	11,996	4,831
Materials and supplies	1,200	1,300	1,132	168
Capital outlay	3,487	3,390	1,412	1,978
Total director of administration	<u>103,136</u>	<u>103,217</u>	<u>85,364</u>	<u>17,853</u>
Director of Finance:				
Personal services	136,600	146,905	143,035	3,870
Contract services	52,049	52,977	45,793	7,184
Materials and supplies	3,700	3,600	3,190	410
Capital outlay	1,500	1,500	-	1,500
Total director of finance	<u>193,849</u>	<u>204,982</u>	<u>192,018</u>	<u>12,964</u>
Electronic Data Processing:				
Contract services	10,600	10,917	10,047	870
Materials and supplies	375	100	59	41
Capital outlay	3,000	3,000	1,631	1,369
Total electronic data processing	<u>13,975</u>	<u>14,017</u>	<u>11,737</u>	<u>2,280</u>
Director of Law:				
Personal services	72,550	82,582	81,059	1,523
Contract services	47,111	50,011	47,332	2,679
Materials and supplies	2,800	2,830	2,634	196
Capital outlay	1,000	200	200	-
Total director of law	<u>123,461</u>	<u>135,623</u>	<u>131,225</u>	<u>4,398</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, 2011

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
City Council:				
Personal services	\$ 200,718	\$ 186,113	\$ 172,978	\$ 13,135
Contract services	38,411	36,834	28,485	8,349
Materials and supplies.	2,200	2,200	1,753	447
Capital outlay	3,000	3,000	200	2,800
Total city council	<u>244,329</u>	<u>228,147</u>	<u>203,416</u>	<u>24,731</u>
Civil Service Commission:				
Personal services	7,550	7,550	6,815	735
Contract services	6,504	6,504	3,587	2,917
Materials and supplies.	200	200	-	200
Total civil service commission	<u>14,254</u>	<u>14,254</u>	<u>10,402</u>	<u>3,852</u>
City Hall Maintenance:				
Personal services	-	254	254	-
Contract services	89,398	107,579	101,554	6,025
Materials and supplies.	3,600	3,600	3,260	340
Capital outlay	120	170	85	85
Total city hall maintenance.	<u>93,118</u>	<u>111,603</u>	<u>105,153</u>	<u>6,450</u>
Department of Engineering:				
Personal services	222,800	234,542	230,946	3,596
Contract services	129,971	74,767	70,899	3,868
Materials and supplies.	7,070	6,850	5,944	906
Capital outlay	8,000	4,025	3,298	727
Total department of engineering	<u>367,841</u>	<u>320,184</u>	<u>311,087</u>	<u>9,097</u>
Other General Government:				
Personal services	78,854	78,165	77,357	808
Contract services	119,605	154,569	137,450	17,119
Capital outlay	1,000	1,000	300	700
Other.	98,500	103,605	99,084	4,521
Total other general government	<u>297,959</u>	<u>337,339</u>	<u>314,191</u>	<u>23,148</u>
Total General Government	<u>1,587,804</u>	<u>1,581,648</u>	<u>1,464,620</u>	<u>117,028</u>
Security of Persons and Property:				
Police:				
Personal services	2,823,400	2,898,561	2,609,329	289,232
Contract services	286,015	294,147	280,293	13,854
Materials and supplies.	89,315	103,096	92,112	10,984
Capital outlay	25,500	650	150	500
Total police	<u>3,224,230</u>	<u>3,296,454</u>	<u>2,981,884</u>	<u>314,570</u>
Total Security of Persons and Property.	<u>3,224,230</u>	<u>3,296,454</u>	<u>2,981,884</u>	<u>314,570</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, 2011

	<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	\$ 102,000	\$ 102,265	\$ 102,265	\$ -
Total county health department . . .	<u>102,000</u>	<u>102,265</u>	<u>102,265</u>	<u>-</u>
Total Public Health and Welfare . . .	<u>102,000</u>	<u>102,265</u>	<u>102,265</u>	<u>-</u>
Community Environment:				
Permits and Inspections:				
Personal services	216,000	216,000	193,235	22,765
Contract services	34,977	34,430	21,377	13,053
Materials and supplies.	5,800	6,200	5,408	792
Capital outlay	6,200	6,200	6,200	-
Total permits and inspections.	<u>262,977</u>	<u>262,830</u>	<u>226,220</u>	<u>36,610</u>
Planning Commission:				
Contract services	1,346	2,069	1,995	74
Materials and supplies.	400	400	374	26
Total planning commission	<u>1,746</u>	<u>2,469</u>	<u>2,369</u>	<u>100</u>
Zoning and Building:				
Contract services	154	234	124	110
Materials and supplies.	50	50	-	50
Total zoning and building	<u>204</u>	<u>284</u>	<u>124</u>	<u>160</u>
Economic Development:				
Personal services	80,139	79,639	58,194	21,445
Contract services	70,961	68,661	63,977	4,684
Materials and supplies.	1,800	1,800	1,761	39
Capital outlay	1,000	1,000	990	10
Total economic development.	<u>153,900</u>	<u>151,100</u>	<u>124,922</u>	<u>26,178</u>
Total Community Environment.	<u>418,827</u>	<u>416,683</u>	<u>353,635</u>	<u>63,048</u>
Leisure Time Activities:				
Dogwood Shelter:				
Contract services	14,350	15,235	14,982	253
Total dogwood shelter	<u>14,350</u>	<u>15,235</u>	<u>14,982</u>	<u>253</u>
Swimming Pool:				
Personal services	132,800	134,550	132,872	1,678
Contract services	53,666	56,067	51,149	4,918
Materials and supplies.	46,600	42,000	40,472	1,528
Total swimming pool	<u>233,066</u>	<u>232,617</u>	<u>224,493</u>	<u>8,124</u>
Parks Department:				
Personal services	194,500	202,478	198,478	4,000
Contract services	98,361	98,066	89,031	9,035
Materials and supplies.	21,400	27,348	25,369	1,979
Total parks department.	<u>314,261</u>	<u>327,892</u>	<u>312,878</u>	<u>15,014</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Civic Center:				
Personal services	\$ 20,680	\$ 14,760	\$ 12,112	\$ 2,648
Contract services	32,758	44,345	38,937	5,408
Materials and supplies.	3,000	3,000	2,196	804
Capital outlay	5,000	3,006	643	2,363
Total civic center	<u>61,438</u>	<u>65,111</u>	<u>53,888</u>	<u>11,223</u>
Recreation Department:				
Personal services	108,350	109,100	105,854	3,246
Contract services	7,326	8,814	7,824	990
Materials and supplies.	10,400	10,300	9,794	506
Total recreation department.	<u>126,076</u>	<u>128,214</u>	<u>123,472</u>	<u>4,742</u>
Recreation Program:				
Contract services	6,100	6,933	6,842	91
Materials and supplies.	1,500	1,600	1,472	128
Total recreation program	<u>7,600</u>	<u>8,533</u>	<u>8,314</u>	<u>219</u>
Total Leisure Time Activities.	<u>756,791</u>	<u>777,602</u>	<u>738,027</u>	<u>39,575</u>
Debt Service:				
Principal retirement	700,000	770,000	770,000	-
Interest and fiscal charges	25,000	47,831	47,288	543
Bond issuance costs	20,000	20,000	14,417	5,583
Total debt service.	<u>745,000</u>	<u>837,831</u>	<u>831,705</u>	<u>6,126</u>
Total expenditures	<u>6,834,652</u>	<u>7,012,483</u>	<u>6,472,136</u>	<u>540,347</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(379,378)</u>	<u>(427,209)</u>	<u>1,975,178</u>	<u>2,402,387</u>
Other financing source (uses):				
Bond issuance	700,000	700,000	700,000	-
Premium on bond issuance	-	-	14,417	14,417
Advances in	163,000	163,000	-	(163,000)
Transfers out	(1,072,692)	(1,072,692)	(909,692)	163,000
Total other financing sources (uses).	<u>(209,692)</u>	<u>(209,692)</u>	<u>(195,275)</u>	<u>14,417</u>
Net change in fund balance	(589,070)	(636,901)	1,779,903	2,416,804
Fund balance at beginning of year (restated)	542,065	542,065	542,065	-
Prior year encumbrances appropriated	<u>96,094</u>	<u>96,094</u>	<u>96,094</u>	<u>-</u>
Fund balance at end of year	<u>\$ 49,089</u>	<u>\$ 1,258</u>	<u>\$ 2,418,062</u>	<u>\$ 2,416,804</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 663,757	\$ 731,500	\$ 637,479	\$ (94,021)
Charges for services	516,742	463,000	496,285	33,285
Intergovernmental	204,501	190,500	196,405	5,905
Total revenues	<u>1,385,000</u>	<u>1,385,000</u>	<u>1,330,169</u>	<u>(54,831)</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Personal services	1,230,579	1,225,542	1,208,055	17,487
Contract services	141,943	138,380	133,491	4,889
Materials and supplies.	15,000	36,802	36,413	389
Capital outlay	132,750	119,548	119,548	-
Total expenditures.	<u>1,520,272</u>	<u>1,520,272</u>	<u>1,497,507</u>	<u>22,765</u>
Excess expenditures over revenues	<u>(135,272)</u>	<u>(135,272)</u>	<u>(167,338)</u>	<u>(32,066)</u>
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	-
Transfers out	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	-
Total other financing sources (uses). . .	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	-
Net change in fund balance	(126,272)	(126,272)	(158,338)	(32,066)
Fund balance at beginning of year	153,891	153,891	153,891	-
Prior year encumbrances appropriated .	<u>1,243</u>	<u>1,243</u>	<u>1,243</u>	-
Fund balance (deficit) at end of year. . .	<u>\$ 28,862</u>	<u>\$ 28,862</u>	<u>\$ (3,204)</u>	<u>\$ (32,066)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 980,000	\$ 980,000	\$ 980,000	\$ -
Intergovernmental	3,347,334	3,346,642	799,774	(2,546,868)
Total revenues	<u>4,327,334</u>	<u>4,326,642</u>	<u>1,779,774</u>	<u>(2,546,868)</u>
Expenditures:				
Capital Outlay:				
Contract services	2,069,900	2,084,581	2,056,701	27,880
Capital outlay	1,866,651	1,804,816	566,124	1,238,692
Total capital outlay	<u>3,936,551</u>	<u>3,889,397</u>	<u>2,622,825</u>	<u>1,266,572</u>
Debt service:				
Principal retirement	244,500	367,220	347,029	20,191
Interest and fiscal charges	41,537	91,225	65,748	25,477
Bond issuance costs	-	77,305	71,923	5,382
Total debt service	<u>286,037</u>	<u>535,750</u>	<u>484,700</u>	<u>51,050</u>
Total expenditures	<u>4,222,588</u>	<u>4,425,147</u>	<u>3,107,525</u>	<u>1,317,622</u>
Excess of expenditures over revenues . .	<u>104,746</u>	<u>(98,505)</u>	<u>(1,327,751)</u>	<u>(1,229,246)</u>
Other financing sources:				
Bond issuance	1,800,000	1,800,000	1,800,000	-
Premium on bond issuance	-	-	64,923	64,923
Transfers in	244,000	244,692	244,692	-
Total other financing sources	<u>2,044,000</u>	<u>2,044,692</u>	<u>2,109,615</u>	<u>64,923</u>
Net change in fund balance	2,148,746	1,946,187	781,864	(1,164,323)
Fund balance at beginning of year	817,768	817,768	817,768	-
Prior year encumbrances appropriated .	818,609	818,609	818,609	-
Fund balance at end of year	<u>\$ 3,785,123</u>	<u>\$ 3,582,564</u>	<u>\$ 2,418,241</u>	<u>\$ (1,164,323)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,800,000	\$ 5,800,000	\$ 5,874,591	\$ 74,591
Tap-in fees	30,000	30,000	52,995	22,995
Other.	20,000	20,000	38,158	18,158
Total operating revenues.	5,850,000	5,850,000	5,965,744	115,744
Operating expenses:				
Personal services.	1,624,814	1,630,504	1,540,942	89,562
Contract services	1,295,002	1,318,207	946,437	371,770
Materials and supplies	670,763	682,944	640,746	42,198
Capital outlay	2,504,184	2,395,073	1,993,939	401,134
Other.	44,000	44,000	2,106	41,894
Total operating expenses.	6,138,763	6,070,728	5,124,170	946,558
Operating income (loss)	(288,763)	(220,728)	841,574	1,062,302
Nonoperating revenues (expenses):				
Bond issuance	1,500,000	1,500,000	1,500,000	-
Premium on bond issuance	-	-	73,892	73,892
Note issuance	900,000	900,000	-	(900,000)
OPWC loan proceeds	643,104	643,104	163,439	(479,665)
Debt service:				
Principal retirement	(797,507)	(1,851,141)	(1,821,684)	29,457
Interest and fiscal charges.	(500,000)	(535,737)	(459,445)	76,292
Bond issuance costs.	-	(60,944)	(58,892)	2,052
Total nonoperating revenues (expenses). . .	1,745,597	595,282	(602,690)	(1,197,972)
Loss before capital contributions and transfers	1,456,834	374,554	238,884	(135,670)
Capital contributions	239,671	239,671	-	(239,671)
Transfers out.	(50,000)	(50,000)	(50,000)	-
Net change in fund equity	1,646,505	564,225	188,884	(375,341)
Fund equity at beginning of year.	2,488,314	2,488,314	2,488,314	-
Prior year encumbrances appropriated . . .	408,406	408,406	408,406	-
Fund equity at end of year	\$ 4,543,225	\$ 3,460,945	\$ 3,085,604	\$ (375,341)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,300,000	\$ 2,300,000	\$ 2,710,924	\$ 410,924
Tap-in fees	32,000	32,000	15,460	(16,540)
Other.	5,000	5,000	7,184	2,184
Total operating revenues	<u>2,337,000</u>	<u>2,337,000</u>	<u>2,733,568</u>	<u>396,568</u>
Operating expenses:				
Personal services.	444,840	437,961	360,453	77,508
Contract services	1,526,644	1,554,043	1,423,164	130,879
Materials and supplies	21,650	20,150	18,925	1,225
Capital outlay	1,852,973	1,853,953	774,761	1,079,192
Total operating expenses	<u>3,846,107</u>	<u>3,866,107</u>	<u>2,577,303</u>	<u>1,288,804</u>
Operating loss	<u>(1,509,107)</u>	<u>(1,529,107)</u>	<u>156,265</u>	<u>1,685,372</u>
Nonoperating revenues:				
Intergovernmental	189,000	189,000	-	(189,000)
OWDA loan proceeds	356,497	356,497	-	(356,497)
Notes issued	900,000	900,000	-	(900,000)
Debt service:				
Principal retirement	(16,500)	(16,500)	(7,612)	8,888
Interest and fiscal charges.	(8,500)	(8,500)	(7,478)	1,022
Total nonoperating revenues	<u>1,420,497</u>	<u>1,420,497</u>	<u>(15,090)</u>	<u>(1,435,587)</u>
Income (loss) before transfers	(88,610)	(108,610)	141,175	249,785
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Change in net assets	(113,610)	(133,610)	116,175	249,785
Fund equity at beginning of year.	1,432,861	1,432,861	1,432,861	-
Prior year encumbrances appropriated	<u>111,767</u>	<u>111,767</u>	<u>111,767</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,431,018</u>	<u>\$ 1,411,018</u>	<u>\$ 1,660,803</u>	<u>\$ 249,785</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GARBAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 805,000	\$ 805,000	\$ 847,548	\$ 42,548
Total operating revenues	<u>805,000</u>	<u>805,000</u>	<u>847,548</u>	<u>42,548</u>
Operating expenses:				
Personal services	97,150	97,150	84,034	13,116
Contract services	777,328	777,328	738,274	39,054
Materials and supplies	53,450	53,450	41,974	11,476
Total operating expenses	<u>927,928</u>	<u>927,928</u>	<u>864,282</u>	<u>63,646</u>
Operating loss	<u>(122,928)</u>	<u>(122,928)</u>	<u>(16,734)</u>	<u>106,194</u>
Nonoperating revenues:				
Intergovernmental	55,000	55,000	49,587	(5,413)
Total nonoperating revenues	<u>55,000</u>	<u>55,000</u>	<u>49,587</u>	<u>(5,413)</u>
Net change in fund equity	(67,928)	(67,928)	32,853	100,781
Fund equity at beginning of year	228,410	228,410	228,410	-
Prior year encumbrances appropriated . . .	<u>6,328</u>	<u>6,328</u>	<u>6,328</u>	<u>-</u>
Fund equity at end of year	<u>\$ 166,810</u>	<u>\$ 166,810</u>	<u>\$ 267,591</u>	<u>\$ 100,781</u>

CITY OF NORTH CANTON, OHIO

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

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Fire Operating Levy Fund

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

Computer Fund

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

Enforcement and Education Fund

This fund accounts for revenues received from fines levied when arrests are made for driving under the influence of alcohol. This money is restricted for money spent on 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 are allocated to the City that are 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.

Mayor's Court Fund

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

CITY OF NORTH CANTON, OHIO

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

Nonmajor Special Revenue Funds

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

Income Tax Fund

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

Compensated Absences Fund

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

North Canton CIC Escrow Fund

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

CAPITAL PROJECTS FUND

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

Nonmajor Capital Projects Fund

Issue II Fund

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

Hoover District Improvements Fund

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

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments.	\$ 1,403,282	\$ 164,021	\$ 1,567,303
Cash and cash equivalents:			
In segregated accounts	44,211	-	44,211
Receivables:			
Property taxes.	727,061	-	727,061
Intergovernmental.	406,208	-	406,208
Materials and supplies inventory	67,569	-	67,569
Prepayments	10,510	-	10,510
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 2,658,841</u>	<u>\$ 164,021</u>	<u>\$ 2,822,862</u>
Liabilities:			
Accounts payable	\$ 23,419	\$ -	\$ 23,419
Contracts payable	-	942	942
Accrued wages and benefits payable.	40,889	-	40,889
Intergovernmental payable.	34,745	-	34,745
Interfund loan payable	-	163,000	163,000
Due to to other funds	-	40,102	40,102
Deferred revenue	352,567	-	352,567
Unearned revenue	712,796	-	712,796
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Total liabilities	<u>1,164,416</u>	<u>204,044</u>	<u>1,368,460</u>
Fund Balances:			
Nonspendable	78,079	-	78,079
Restricted	1,436,173	164,021	1,600,194
Unassigned (deficit)	(19,827)	(204,044)	(223,871)
	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	<u>1,494,425</u>	<u>(40,023)</u>	<u>1,454,402</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 2,658,841</u>	<u>\$ 164,021</u>	<u>\$ 2,822,862</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Other Governmental Funds
Revenues:			
Property taxes	\$ 806,832	\$ -	\$ 806,832
Fines and forfeitures	109,878	-	109,878
Intergovernmental	1,084,865	370,741	1,455,606
Interest	6	-	6
Contributions and donations	3,500	-	3,500
Other	9,475	-	9,475
Total revenues	<u>2,014,556</u>	<u>370,741</u>	<u>2,385,297</u>
Expenditures:			
Current:			
General government	103,287	-	103,287
Security of persons and property:			
Police	6,124	-	6,124
Fire	721,363	-	721,363
Public health and welfare	30	-	30
Transportation	1,137,423	-	1,137,423
Leisure time activities	248	-	248
Basic utility services	454,954	-	454,954
Capital outlay	-	440,211	440,211
Total expenditures	<u>2,423,429</u>	<u>440,211</u>	<u>2,863,640</u>
Excess (deficiency) of expenditures over (under) revenues.	<u>(408,873)</u>	<u>(69,470)</u>	<u>(478,343)</u>
Other financing sources (uses):			
Transfers in.	575,000	-	575,000
Transfers out	(17,000)	-	(17,000)
Total other financing sources (uses)	<u>558,000</u>	<u>-</u>	<u>558,000</u>
Net change in fund balances	149,127	(69,470)	79,657
Fund balances at beginning of year (restated) .	<u>1,345,298</u>	<u>29,447</u>	<u>1,374,745</u>
Fund balances (deficit) at end of year	<u>\$ 1,494,425</u>	<u>\$ (40,023)</u>	<u>\$ 1,454,402</u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	<u>Fire Operating Levy</u>	<u>Computer</u>	<u>Enforcement and Education</u>	<u>Street Construction, Maintenance and Repair</u>
Assets:				
Equity in pooled cash and investments	\$ 34,948	\$ 16,003	\$ 11,024	\$ 340,001
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
Receivables:				
Property taxes	84,571	-	-	-
Intergovernmental	5,581	-	-	351,568
Materials and supplies inventory	-	-	-	67,569
Prepayments	4,847	-	-	5,243
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Total assets	<u>\$ 129,947</u>	<u>\$ 16,003</u>	<u>\$ 11,024</u>	<u>\$ 764,381</u>
 Liabilities:				
Accounts payable	\$ -	\$ 169	\$ -	\$ 1,012
Accrued wages and benefits	30,722	-	-	10,167
Intergovernmental payable	24,053	-	-	10,692
Deferred revenue	7,214	-	-	283,662
Unearned revenue	82,938	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>144,927</u>	<u>169</u>	<u>-</u>	<u>305,533</u>
 Fund Balances:				
Nonspendable	4,847	-	-	72,812
Restricted	-	15,834	11,024	386,036
Unassigned (deficit)	(19,827)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	<u>(14,980)</u>	<u>15,834</u>	<u>11,024</u>	<u>458,848</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 129,947</u>	<u>\$ 16,003</u>	<u>\$ 11,024</u>	<u>\$ 764,381</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 466,097	\$ 527,417	\$ 7,252	\$ -	\$ -
-	-	-	16,199	26,172
313,234	329,256	-	-	-
24,726	24,333	-	-	-
-	-	-	-	-
412	8	-	-	-
<u>\$ 804,469</u>	<u>\$ 881,014</u>	<u>\$ 7,252</u>	<u>\$ 16,199</u>	<u>\$ 26,172</u>
\$ 18,380	\$ 3,360	\$ -	\$ 248	\$ 250
-	-	-	-	-
-	-	-	-	-
30,912	30,779	-	-	-
307,048	322,810	-	-	-
<u>356,340</u>	<u>356,949</u>	<u>-</u>	<u>248</u>	<u>250</u>
412	8	-	-	-
447,717	524,057	7,252	15,951	25,922
-	-	-	-	-
<u>448,129</u>	<u>524,065</u>	<u>7,252</u>	<u>15,951</u>	<u>25,922</u>
<u>\$ 804,469</u>	<u>\$ 881,014</u>	<u>\$ 7,252</u>	<u>\$ 16,199</u>	<u>\$ 26,172</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2011

	<u>Continuing Professional Education</u>	<u>Mayor's Court</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 540	\$ -	\$ 1,403,282
Cash and cash equivalents:			
In segregated accounts	-	1,840	44,211
Receivables:			
Property taxes	-	-	727,061
Intergovernmental	-	-	406,208
Materials and supplies inventory	-	-	67,569
Prepayments	-	-	10,510
Total assets	<u>\$ 540</u>	<u>\$ 1,840</u>	<u>\$ 2,658,841</u>
 Liabilities:			
Accounts payable	\$ -	\$ -	\$ 23,419
Accrued wages and benefits	-	-	40,889
Intergovernmental payable	-	-	34,745
Deferred revenue	-	-	352,567
Unearned revenue	-	-	712,796
Total liabilities	<u>-</u>	<u>-</u>	<u>1,164,416</u>
 Fund Balances:			
Nonspendable	-	-	78,079
Restricted	540	1,840	1,436,173
Unassigned (deficit)	-	-	(19,827)
Total fund balances (deficit)	<u>540</u>	<u>1,840</u>	<u>1,494,425</u>
Total liabilities and fund balance	<u>\$ 540</u>	<u>\$ 1,840</u>	<u>\$ 2,658,841</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, 2011

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Revenues:				
Property taxes	\$ 88,071	\$ -	\$ -	\$ -
Fines and forfeitures	-	3,499	1,612	-
Intergovernmental	103,153	-	-	732,542
Interest	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	9,475
Total revenues	<u>191,224</u>	<u>3,499</u>	<u>1,612</u>	<u>742,017</u>
 Expenditures:				
Current:				
General government	-	9,778	-	-
Security of persons and property:				
Police	-	-	1,383	-
Fire	721,363	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	813,261
Leisure time activities	-	-	-	-
Basic utility services	-	-	-	-
Total expenditures	<u>721,363</u>	<u>9,778</u>	<u>1,383</u>	<u>813,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(530,139)</u>	<u>(6,279)</u>	<u>229</u>	<u>(71,244)</u>
 Other financing sources (uses):				
Transfers in	400,000	-	-	175,000
Transfers out	(7,000)	-	-	(10,000)
Total other financing sources (uses)	<u>393,000</u>	<u>-</u>	<u>-</u>	<u>165,000</u>
Net change in fund balances	(137,139)	(6,279)	229	93,756
 Fund balances at beginning of year	<u>122,159</u>	<u>22,113</u>	<u>10,795</u>	<u>365,092</u>
 Fund balances (deficit) at end of year	<u><u>\$ (14,980)</u></u>	<u><u>\$ 15,834</u></u>	<u><u>\$ 11,024</u></u>	<u><u>\$ 458,848</u></u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 362,226	\$ 356,535	\$ -	\$ -	\$ -
-	-	-	-	13,464
49,417	48,577	150,636	-	-
-	-	-	-	-
-	-	-	3,500	-
-	-	-	-	-
<u>411,643</u>	<u>405,112</u>	<u>150,636</u>	<u>3,500</u>	<u>13,464</u>
-	-	-	-	-
-	-	-	4,101	313
-	-	-	-	-
-	-	-	30	-
-	324,162	-	-	-
-	-	-	248	-
454,954	-	-	-	-
<u>454,954</u>	<u>324,162</u>	<u>-</u>	<u>4,379</u>	<u>313</u>
(43,311)	80,950	150,636	(879)	13,151
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(43,311)	80,950	150,636	(879)	13,151
491,440	443,115	(143,384)	16,830	12,771
<u>\$ 448,129</u>	<u>\$ 524,065</u>	<u>\$ 7,252</u>	<u>\$ 15,951</u>	<u>\$ 25,922</u>

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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Continuing Professional Education</u>	<u>Mayor's Court</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ 806,832
Fines and forfeitures	-	91,303	109,878
Intergovernmental	540	-	1,084,865
Interest	-	6	6
Contributions and donations	-	-	3,500
Other	-	-	9,475
Total revenues	<u>540</u>	<u>91,309</u>	<u>2,014,556</u>
 Expenditures:			
Current:			
General government	-	93,509	103,287
Security of persons and property:			
Police	327	-	6,124
Fire	-	-	721,363
Public health and welfare	-	-	30
Transportation	-	-	1,137,423
Leisure time activities	-	-	248
Basic utility services	-	-	454,954
Total expenditures	<u>327</u>	<u>93,509</u>	<u>2,423,429</u>
Excess (deficiency) of revenues over (under) expenditures	<u>213</u>	<u>(2,200)</u>	<u>(408,873)</u>
 Other financing sources (uses):			
Transfers in	-	-	575,000
Transfers out	-	-	(17,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>558,000</u>
Net change in fund balances.	213	(2,200)	149,127
 Fund balances at beginning of year	<u>327</u>	<u>4,040</u>	<u>1,345,298</u>
 Fund balances (deficit) at end of year	<u>\$ 540</u>	<u>\$ 1,840</u>	<u>\$ 1,494,425</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 82,000	\$ 82,000	\$ 88,071	\$ 6,071
Intergovernmental	164,000	164,000	103,153	(60,847)
Total revenues	<u>246,000</u>	<u>246,000</u>	<u>191,224</u>	<u>(54,776)</u>
Expenditures:				
Current:				
Security of Person and Property:				
Fire:				
Personal services	493,613	500,823	483,673	17,150
Contract services	97,321	97,379	92,694	4,685
Materials and supplies	22,500	23,653	21,152	2,501
Capital outlay	131,750	120,870	118,183	2,687
Total expenditures	<u>745,184</u>	<u>742,725</u>	<u>715,702</u>	<u>27,023</u>
Excess of expenditures over revenues . . .	<u>(499,184)</u>	<u>(496,725)</u>	<u>(524,478)</u>	<u>(27,753)</u>
Other financing sources (uses):				
Transfers in	400,000	400,000	400,000	-
Transfers out	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Total other financing sources (uses) . . .	<u>393,000</u>	<u>393,000</u>	<u>393,000</u>	<u>-</u>
Net change in fund balance	(106,184)	(103,725)	(131,478)	(27,753)
Fund balance at beginning of year	161,417	161,417	161,417	-
Prior year encumbrances appropriated .	<u>3,821</u>	<u>3,821</u>	<u>3,821</u>	<u>-</u>
Fund balance at end of year	<u>\$ 59,054</u>	<u>\$ 61,513</u>	<u>\$ 33,760</u>	<u>\$ (27,753)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 3,499	\$ (3,501)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>3,499</u>	<u>(3,501)</u>
Expenditures:				
Current:				
General Government:				
Computer:				
Contract services	6,500	6,500	4,773	1,727
Materials and supplies.	900	900	709	191
Capital outlay	5,000	5,000	4,127	873
Total expenditures.	<u>12,400</u>	<u>12,400</u>	<u>9,609</u>	<u>2,791</u>
Net change in fund balance	(5,400)	(5,400)	(6,110)	(710)
Fund balance at beginning of year	<u>22,113</u>	<u>22,113</u>	<u>22,113</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,713</u>	<u>\$ 16,713</u>	<u>\$ 16,003</u>	<u>\$ (710)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,800	\$ 1,800	\$ 1,612	\$ (188)
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>1,612</u>	<u>(188)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	6,000	6,000	1,383	4,617
Materials and supplies.	2,000	2,000	-	2,000
Capital outlay	2,795	2,795	-	2,795
Total expenditures.	<u>10,795</u>	<u>10,795</u>	<u>1,383</u>	<u>9,412</u>
Net change in fund balance	(8,995)	(8,995)	229	9,224
Fund balance at beginning of year	<u>10,795</u>	<u>10,795</u>	<u>10,795</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 11,024</u>	<u>\$ 9,224</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 691,800	\$ 691,800	\$ 725,353	\$ 33,553
Other	-	-	9,475	9,475
Total revenues	<u>691,800</u>	<u>691,800</u>	<u>734,828</u>	<u>43,028</u>
Expenditures:				
Current:				
Transportation:				
Personal services	460,876	476,565	332,392	144,173
Contract services	300,759	170,461	133,507	36,954
Materials and supplies.	391,987	491,754	432,587	59,167
Capital outlay	40,676	20,687	19,680	1,007
Total expenditures.	<u>1,194,298</u>	<u>1,159,467</u>	<u>918,166</u>	<u>241,301</u>
Excess expenditures over revenues	<u>(502,498)</u>	<u>(467,667)</u>	<u>(183,338)</u>	<u>284,329</u>
Other financing sources (uses):				
Transfers in	175,000	175,000	175,000	-
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing sources (uses). . .	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Net change in fund balance	(337,498)	(302,667)	(18,338)	284,329
Fund balance at beginning of year	155,799	155,799	155,799	-
Prior year encumbrances appropriated .	<u>191,122</u>	<u>191,122</u>	<u>191,122</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,423</u>	<u>\$ 44,254</u>	<u>\$ 328,583</u>	<u>\$ 284,329</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 376,400	\$ 376,400	\$ 362,226	\$ (14,174)
Intergovernmental	90,000	90,000	49,417	(40,583)
Total revenues	<u>466,400</u>	<u>466,400</u>	<u>411,643</u>	<u>(54,757)</u>
Expenditures:				
Current:				
Basic Utility Services:				
Storm Sewers:				
Personal services	55,000	55,000	55,000	-
Contract services	690,258	701,649	615,331	86,318
Materials and supplies	21,974	20,773	11,573	9,200
Capital outlay	50,000	38,419	29,969	8,450
Total expenditures	<u>817,232</u>	<u>815,841</u>	<u>711,873</u>	<u>103,968</u>
Net change in fund balance	(350,832)	(349,441)	(300,230)	49,211
Fund balance at beginning of year	449,499	449,499	449,499	-
Prior year encumbrances appropriated .	<u>173,732</u>	<u>173,732</u>	<u>173,732</u>	<u>-</u>
Fund balance at end of year	<u>\$ 272,399</u>	<u>\$ 273,790</u>	<u>\$ 323,001</u>	<u>\$ 49,211</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 350,000	\$ 350,000	\$ 356,535	\$ 6,535
Intergovernmental	32,000	32,000	48,577	16,577
Total revenues	<u>382,000</u>	<u>382,000</u>	<u>405,112</u>	<u>23,112</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Personal services	55,000	55,018	55,018	-
Contract services	666,181	606,173	548,835	57,338
Materials and supplies.	32,230	32,230	27,251	4,979
Capital outlay	50,000	29,982	29,970	12
Total expenditures.	<u>803,411</u>	<u>723,403</u>	<u>661,074</u>	<u>62,329</u>
Net change in fund balance	(421,411)	(341,403)	(255,962)	85,441
Fund balance at beginning of year	347,125	347,125	347,125	-
Prior year encumbrances appropriated .	<u>278,911</u>	<u>278,911</u>	<u>278,911</u>	<u>-</u>
Fund balance at end of year	<u>\$ 204,625</u>	<u>\$ 284,633</u>	<u>\$ 370,074</u>	<u>\$ 85,441</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL ROAD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 210,636	\$ 320,636	\$ 150,636	\$ (170,000)
Total revenues	210,636	320,636	150,636	(170,000)
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	210,636	270,636	150,636	120,000
Total expenditures.	210,636	270,636	150,636	120,000
Net change in fund balance	-	50,000	-	(50,000)
Fund balance (deficit) at beginning of year	(143,384)	(143,384)	(143,384)	-
Prior year encumbrances appropriated . .	150,636	150,636	150,636	-
Fund balance at end of year	\$ 7,252	\$ 57,252	\$ 7,252	\$ (50,000)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 1,400	\$ 1,400	\$ 3,500	\$ 2,100
Total revenues	<u>1,400</u>	<u>1,400</u>	<u>3,500</u>	<u>2,100</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Contract services	3,500	3,500	-	3,500
Total General Government	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Security of Persons and Property:				
Police:				
Contract services	4,797	4,797	797	4,000
Total police	<u>4,797</u>	<u>4,797</u>	<u>797</u>	<u>4,000</u>
Fire:				
Contract services	6,422	6,422	3,364	3,058
Total fire	<u>6,422</u>	<u>6,422</u>	<u>3,364</u>	<u>3,058</u>
Total Security of Persons and Property	<u>11,219</u>	<u>11,219</u>	<u>4,161</u>	<u>7,058</u>
Public Health and Welfare:				
E.M.S.:				
Contract services	616	616	30	586
Total E.M.S.	<u>616</u>	<u>616</u>	<u>30</u>	<u>586</u>
Total Public Health and Welfare	<u>616</u>	<u>616</u>	<u>30</u>	<u>586</u>
Leisure Time Activities:				
Park Department:				
Contract services	1,555	1,555	-	1,555
Total park department	<u>1,555</u>	<u>1,555</u>	<u>-</u>	<u>1,555</u>
Total Leisure Time Activities	<u>1,555</u>	<u>1,555</u>	<u>-</u>	<u>1,555</u>
Total expenditures	<u>16,890</u>	<u>16,890</u>	<u>4,191</u>	<u>12,699</u>
Net change in fund balance	(15,490)	(15,490)	(691)	14,799
Fund balance at beginning of year	<u>16,890</u>	<u>16,890</u>	<u>16,890</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,400</u>	<u>\$ 1,400</u>	<u>\$ 16,199</u>	<u>\$ 14,799</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 13,464	\$ 13,464
Total revenues	<u>-</u>	<u>-</u>	<u>13,464</u>	<u>13,464</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Materials and supplies.	12,771	12,771	966	11,805
Total expenditures	<u>12,771</u>	<u>12,771</u>	<u>966</u>	<u>11,805</u>
Net change in fund balance	(12,771)	(12,771)	12,498	25,269
Fund balance at beginning of year	<u>12,771</u>	<u>12,771</u>	<u>12,771</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,269</u></u>	<u><u>\$ 25,269</u></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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 540	\$ 540
Total revenues	<u>-</u>	<u>-</u>	<u>540</u>	<u>540</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	327	327	327	-
Total expenditures	<u>327</u>	<u>327</u>	<u>327</u>	<u>-</u>
Net change in fund balance	(327)	(327)	213	540
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated .	<u>327</u>	<u>327</u>	<u>327</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540</u>	<u>\$ 540</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 527,345	\$ 322,000	\$ 814,112	\$ 492,112
Intergovernmental	17,655	60,000	27,255	(32,745)
Total revenues	<u>545,000</u>	<u>382,000</u>	<u>841,367</u>	<u>459,367</u>
Expenditures:				
Current:				
General Government:				
Personal services	140,000	140,166	123,819	16,347
Contract services	57,634	61,674	51,199	10,475
Materials and supplies.	5,200	5,200	3,089	2,111
Capital outlay	22,500	22,500	13,077	9,423
Other.	155,000	150,794	108,109	42,685
Total General Government.	<u>380,334</u>	<u>380,334</u>	<u>299,293</u>	<u>81,041</u>
Total expenditures	<u>380,334</u>	<u>380,334</u>	<u>299,293</u>	<u>81,041</u>
Excess expenditures over revenues	<u>164,666</u>	<u>1,666</u>	<u>542,074</u>	<u>540,408</u>
Other financing sources:				
Transfers in	-	163,000	-	(163,000)
Transfers out	(2,000)	(2,000)	(2,000)	-
Total other financing sources.	<u>(2,000)</u>	<u>161,000</u>	<u>(2,000)</u>	<u>(163,000)</u>
Net change in fund balance	162,666	162,666	540,074	377,408
Fund balance at beginning of year	267,895	267,895	267,895	-
Prior year encumbrances appropriated .	<u>4,134</u>	<u>4,134</u>	<u>4,134</u>	<u>-</u>
Fund balance at end of year	<u>\$ 434,695</u>	<u>\$ 434,695</u>	<u>\$ 812,103</u>	<u>\$ 377,408</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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General Government:				
Personal services	\$ 164,806	\$ 129,696	\$ 19,769	\$ 109,927
Total General Government.	<u>164,806</u>	<u>129,696</u>	<u>19,769</u>	<u>109,927</u>
Security of Persons and Property:				
Police:				
Personal services	230,000	265,110	265,110	-
Total Police	<u>230,000</u>	<u>265,110</u>	<u>265,110</u>	<u>-</u>
Fire:				
Personal services	17,000	17,000	-	17,000
Total Fire	<u>17,000</u>	<u>17,000</u>	<u>-</u>	<u>17,000</u>
Total Security of Persons and Property	<u>247,000</u>	<u>282,110</u>	<u>265,110</u>	<u>17,000</u>
Public Health and Welfare:				
Personal services	15,000	15,000	-	15,000
Total Public Health and Welfare	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Basic Utilities Services:				
Personal services	67,004	67,004	27,538	39,466
Total Basic Utility Services.	<u>67,004</u>	<u>67,004</u>	<u>27,538</u>	<u>39,466</u>
Leisure Time Activities:				
Personal services	39,247	39,247	-	39,247
Total Leisure Time Activities.	<u>39,247</u>	<u>39,247</u>	<u>-</u>	<u>39,247</u>
Transportation:				
Personal services	75,380	75,380	53,688	21,692
Total Transportation	<u>75,380</u>	<u>75,380</u>	<u>53,688</u>	<u>21,692</u>
Total expenditures	<u>608,437</u>	<u>608,437</u>	<u>366,105</u>	<u>242,332</u>
Excess expenditures over revenues	<u>(608,437)</u>	<u>(608,437)</u>	<u>(366,105)</u>	<u>242,332</u>
Other financing sources:				
Transfers in	175,000	175,000	175,000	-
Total other financing sources.	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Net change in fund balance	(433,437)	(433,437)	(191,105)	242,332
Fund balance at beginning of year	<u>608,437</u>	<u>608,437</u>	<u>608,437</u>	<u>-</u>
Fund balance at end of year	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 417,332</u>	<u>\$ 242,332</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NORTH CANTON CIC ESCROW FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Community Environment:				
Personal services	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total Community Environment.	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(100,000)	(100,000)	(100,000)	-
Fund balance at beginning of year	<u>757,000</u>	<u>757,000</u>	<u>757,000</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 657,000</u></u>	<u><u>\$ 657,000</u></u>	<u><u>\$ 657,000</u></u>	<u><u>\$ -</u></u>

CITY OF NORTH CANTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Issue II	Hoover District Improvements	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and investments.	\$ 164,021	\$ -	\$ 164,021
Total assets.	\$ 164,021	\$ -	\$ 164,021
Liabilities:			
Contracts payable	\$ -	\$ 942	\$ 942
Interfund loans payable.	-	163,000	163,000
Due to other funds.	-	40,102	40,102
Total liabilities	-	204,044	204,044
Fund Balances:			
Restricted	164,021	-	164,021
Unassigned (deficit)	-	(204,044)	(204,044)
Total fund balances (deficit)	164,021	(204,044)	(40,023)
Total liabilities and fund balance.	\$ 164,021	\$ -	\$ 164,021

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, 2011

	<u>Issue II</u>	<u>Hoover District Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Intergovernmental	\$ 370,741	\$ -	\$ 370,741
Total revenues	<u>370,741</u>	<u>-</u>	<u>370,741</u>
Expenditures:			
Capital outlay	<u>388,693</u>	<u>51,518</u>	<u>440,211</u>
Total expenditures	<u>388,693</u>	<u>51,518</u>	<u>440,211</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(17,952)</u>	<u>(51,518)</u>	<u>(69,470)</u>
Net change in fund balances	(17,952)	(51,518)	(69,470)
Fund balances (deficit) at beginning of year . .	<u>181,973</u>	<u>(152,526)</u>	<u>29,447</u>
Fund balances (deficit) at end of year	<u><u>\$ 164,021</u></u>	<u><u>\$ (204,044)</u></u>	<u><u>\$ (40,023)</u></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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,583,702	\$ 1,583,702	\$ 758,852	\$ (824,850)
Total revenues	<u>1,583,702</u>	<u>1,583,702</u>	<u>758,852</u>	<u>(824,850)</u>
Expenditures:				
Capital Outlay:				
Contract services	1,599,809	1,599,810	864,067	735,743
Total expenditures	<u>1,599,809</u>	<u>1,599,810</u>	<u>864,067</u>	<u>735,743</u>
Net change in fund balance	(16,107)	(16,108)	(105,215)	(89,107)
Fund balance (deficit) at beginning of year	(693,670)	(693,670)	(693,670)	-
Prior year encumbrances appropriated .	<u>875,643</u>	<u>875,643</u>	<u>875,643</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 165,866</u>	<u>\$ 165,865</u>	<u>\$ 76,758</u>	<u>\$ (89,107)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HOOVER DISTRICT IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,400,781	\$ 2,400,781	\$ -	\$ (2,400,781)
Contributions and donations.	1,500,000	1,500,000	-	(1,500,000)
Total revenues	<u>3,900,781</u>	<u>3,900,781</u>	<u>-</u>	<u>(3,900,781)</u>
Expenditures:				
Economic Development:				
Contract services	<u>3,245,195</u>	<u>3,245,195</u>	<u>374,682</u>	<u>2,870,513</u>
Total expenditures	<u>3,245,195</u>	<u>3,245,195</u>	<u>374,682</u>	<u>2,870,513</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>655,586</u>	<u>655,586</u>	<u>(374,682)</u>	<u>(1,030,268)</u>
Other financing sources:				
Advance out	<u>(163,000)</u>	<u>(163,000)</u>	<u>-</u>	<u>163,000</u>
Total other financing sources.	<u>(163,000)</u>	<u>(163,000)</u>	<u>-</u>	<u>163,000</u>
Net change in fund balance	492,586	492,586	(374,682)	(867,268)
Fund balance (deficit) at beginning of year.	(361,700)	(361,700)	(361,700)	-
Prior year encumbrances appropriated .	<u>374,682</u>	<u>374,682</u>	<u>374,682</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ 505,568</u>	<u>\$ 505,568</u>	<u>\$ (361,700)</u>	<u>\$ (867,268)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Charges for services	\$ 1,244,000	\$ 1,244,000	\$ 1,110,272	\$ (133,728)
Total operating revenues	<u>1,244,000</u>	<u>1,244,000</u>	<u>1,110,272</u>	<u>(133,728)</u>
Operating Expenses:				
Contract services	243,757	245,100	198,931	46,169
Claims	<u>1,060,655</u>	<u>1,055,000</u>	<u>813,853</u>	<u>241,147</u>
Total operating expenses	<u>1,304,412</u>	<u>1,300,100</u>	<u>1,012,784</u>	<u>287,316</u>
Operating loss/change in net assets.	(60,412)	(56,100)	97,488	153,588
Fund equity at beginning of year	601,177	601,177	601,177	-
Prior year encumbrances appropriated	<u>4,312</u>	<u>4,312</u>	<u>4,312</u>	<u>-</u>
Fund equity at end of year	<u>\$ 545,077</u>	<u>\$ 549,389</u>	<u>\$ 702,977</u>	<u>\$ 153,588</u>

CITY OF NORTH CANTON, OHIO

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

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

Agency Fund

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

Deposits and Fees Fund

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

CITY OF NORTH CANTON, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Beginning Balance 12/31/2010	Additions	Reductions	Ending Balance 12/31/2011
Deposits and Fees				
Assets:				
Cash and cash equivalents in segregated accounts.	\$ 82,042	\$ 111,062	\$ 71,596	\$ 121,508
Total assets.	<u>\$ 82,042</u>	<u>\$ 111,062</u>	<u>\$ 71,596</u>	<u>\$ 121,508</u>
Liabilities:				
Deposits held and due to others	\$ 82,042	\$ 111,062	\$ 71,596	\$ 121,508
Total liabilities	<u>\$ 82,042</u>	<u>\$ 111,062</u>	<u>\$ 71,596</u>	<u>\$ 121,508</u>

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STATISTICAL SECTION

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CITY OF NORTH CANTON, OHIO

**STATISTICAL SECTION
TABLE CONTENTS**

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	117-128
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the income tax.	129-136
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	137-142
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	143-146
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	147-151

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

CITY OF NORTH CANTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 28,206,677	\$ 28,683,552	\$ 28,598,354	\$ 28,494,366
Restricted for:				
Capital projects	164,021	1,843,983	1,057,592	976,112
Street construction, maintenance and repair	-	1,134,308	1,042,924	774,996
Emergency medical services	-	190,534	190,303	128,653
Fire operations	-	133,317	95,270	44,003
Computer systems	15,834	22,113	15,472	34,987
Security of persons and property - police	95,411	-	-	-
Transportation	1,304,606	-	-	-
Basic utilities	479,041	-	-	-
General trust	15,951	-	-	-
Mayors Court	1,840	-	-	-
Storm sewer	-	535,073	483,356	524,203
Donations and supplies	-	16,830	32,363	17,062
Other purposes	-	27,933	36,808	17,822
Unrestricted	6,543,651	1,311,616	2,053,244	3,252,531
Total governmental activities net assets	<u>\$ 36,827,032</u>	<u>\$ 33,899,259</u>	<u>\$ 33,605,686</u>	<u>\$ 34,264,735</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 25,897,087	\$ 25,702,585	\$ 25,353,521	\$ 24,501,565
Unrestricted	6,812,997	5,699,657	4,524,526	4,781,693
Total business-type activities net assets	<u>\$ 32,710,084</u>	<u>\$ 31,402,242</u>	<u>\$ 29,878,047</u>	<u>\$ 29,283,258</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 54,103,764	\$ 54,386,137	\$ 53,951,875	\$ 52,995,931
Restricted	2,076,704	3,904,091	2,954,088	2,517,838
Unrestricted	13,356,648	7,011,273	6,577,770	8,034,224
Total primary government net assets	<u>\$ 69,537,116</u>	<u>\$ 65,301,501</u>	<u>\$ 63,483,733</u>	<u>\$ 63,547,993</u>

Source: City financial records.

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

<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 27,680,040	\$ 26,870,342	\$ 22,671,549	\$ 22,785,936	\$ 21,759,290	\$ 19,705,944
2,364,897	1,859,062	2,926,256	1,560,922	2,246,120	2,709,155
651,009	854,455	211,489	280,980	305,021	-
235,207	205,388	28,623	124,284	2,924	-
-	17,550	22,563	52,635	3,535	-
14,502	13,719	29,538	27,848	23,557	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
526,185	349,624	99,180	79,103	92,479	-
35,054	36,864	31,479	30,354	30,181	-
6,858	6,614	7,844	9,552	7,914	470,757
3,245,584	5,070,626	5,151,595	6,033,820	7,321,637	11,424,916
<u>\$ 34,759,336</u>	<u>\$ 35,284,244</u>	<u>\$ 31,180,116</u>	<u>\$ 30,985,434</u>	<u>\$ 31,792,658</u>	<u>\$ 34,310,772</u>
\$ 24,165,821	\$ 22,808,223	\$ 22,540,242	\$ 19,996,103	\$ 18,375,752	\$ 18,341,581
3,842,872	4,053,862	2,862,283	2,894,243	2,945,175	2,360,344
<u>\$ 28,008,693</u>	<u>\$ 26,862,085</u>	<u>\$ 25,402,525</u>	<u>\$ 22,890,346</u>	<u>\$ 21,320,927</u>	<u>\$ 20,701,925</u>
\$ 51,845,861	\$ 49,678,565	\$ 45,211,791	\$ 42,782,039	\$ 40,135,042	\$ 38,047,525
3,833,712	3,343,276	3,356,972	2,165,678	2,711,731	3,179,912
7,088,456	9,124,488	8,013,878	8,928,063	10,266,812	13,785,260
<u>\$ 62,768,029</u>	<u>\$ 62,146,329</u>	<u>\$ 56,582,641</u>	<u>\$ 53,875,780</u>	<u>\$ 53,113,585</u>	<u>\$ 55,012,697</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 316,780	\$ 306,383	\$ 361,766	\$ 236,634
Security of persons and property:				
Police	23,934	14,976	22,274	8,006
Fire	-	340	-	-
Public health and welfare	528,999	458,502	416,579	231,002
Community environment	194,781	178,145	193,024	154,156
Leisure time activities	376,177	384,118	329,340	389,748
Subtotal - charges for services	<u>1,440,671</u>	<u>1,342,464</u>	<u>1,322,983</u>	<u>1,019,546</u>
Operating grants and contributions				
General government	6	6	-	42,885
Security of persons and property:				
Police	3,818	-	3,146	8,948
Fire	92,010	6	289	2,459
Public health and welfare	24	50,211	3,330	266
Transportation	740,998	905,023	681,889	841,285
Leisure time activities	198	-	350	501
Economic development	-	-	4,197,409	-
Basic utility services	-	29,995	448,424	-
Subtotal - operating grants and contributions	<u>837,054</u>	<u>985,241</u>	<u>5,334,837</u>	<u>896,344</u>
Capital grants and contributions				
Security of persons and property:				
Fire	-	-	-	-
Transportation	1,089,922	762,392	491,915	36,818
Leisure time activities	-	-	-	32,245
Subtotal - capital grants and contributions	<u>1,089,922</u>	<u>762,392</u>	<u>491,915</u>	<u>69,063</u>
Total governmental activities program revenues	<u>3,367,647</u>	<u>3,090,097</u>	<u>7,149,735</u>	<u>1,984,953</u>
Business-type activities:				
Charges for services:				
Water	5,891,652	5,898,393	5,885,354	5,949,012
Sewer	2,729,854	2,431,111	2,286,131	2,167,750
Garbage	845,184	811,940	812,774	759,547
Subtotal - charges for services	<u>9,466,690</u>	<u>9,141,444</u>	<u>8,984,259</u>	<u>8,876,309</u>
Operating grants and contributions:				
Garbage	38,498	51,768	49,802	63,655
Subtotal - operating grants and contributions	<u>38,498</u>	<u>51,768</u>	<u>49,802</u>	<u>63,655</u>
Capital grants and contributions:				
Water	-	240,000	65,702	188,670
Sewer	-	359,520	-	-
Subtotal - capital grants and contributions	<u>-</u>	<u>599,520</u>	<u>65,702</u>	<u>188,670</u>
Total business-type activities program revenues	<u>9,505,188</u>	<u>9,792,732</u>	<u>9,099,763</u>	<u>9,128,634</u>
Total primary government	<u>\$ 12,872,835</u>	<u>\$ 12,882,829</u>	<u>\$ 16,249,498</u>	<u>\$ 11,113,587</u>

2007	2006	2005	2004	2003	2002
\$ 206,652	\$ 196,809	\$ 250,259	\$ 173,109	\$ 183,565	\$ 234,426
7,213	9,779	11,741	8,136	10,158	9,632
-	-	-	-	-	-
352,106	311,999	314,046	233,047	98,081	113,046
119,756	131,988	104,782	108,151	123,536	101,617
375,713	379,916	376,381	310,922	310,183	327,248
<u>1,061,440</u>	<u>1,030,491</u>	<u>1,057,209</u>	<u>833,365</u>	<u>725,523</u>	<u>785,969</u>
-	-	3,750	-	-	15,000
722	16,964	22,463	18,595	13,082	32,497
17,468	3,300	8,568	3,043	500	1,300
33,246	7,000	4,000	10,699	4,301	4,200
712,773	539,001	517,377	500,117	537,318	384,861
-	-	-	-	-	-
-	-	-	-	-	-
54,906	-	-	-	-	6,889
<u>819,115</u>	<u>566,265</u>	<u>556,158</u>	<u>532,454</u>	<u>555,201</u>	<u>444,747</u>
-	36,536	-	46,019	-	-
1,220,785	3,037,809	150,425	154,015	170,000	-
-	-	-	-	-	-
<u>1,220,785</u>	<u>3,074,345</u>	<u>150,425</u>	<u>200,034</u>	<u>170,000</u>	<u>-</u>
<u>3,101,340</u>	<u>4,671,101</u>	<u>1,763,792</u>	<u>1,565,853</u>	<u>1,450,724</u>	<u>1,230,716</u>
5,740,648	5,181,984	4,760,279	3,893,098	3,745,362	3,872,276
2,063,478	2,239,988	2,060,530	1,963,871	1,760,248	1,646,419
708,666	634,144	558,940	553,006	547,304	543,940
<u>8,512,792</u>	<u>8,056,116</u>	<u>7,379,749</u>	<u>6,409,975</u>	<u>6,052,914</u>	<u>6,062,635</u>
61,800	60,000	60,000	60,000	60,000	72,734
<u>61,800</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>72,734</u>
588,162	513,604	1,015,828	867,300	760,702	396,322
42,215	308,369	623,350	-	168,634	55,432
<u>630,377</u>	<u>821,973</u>	<u>1,639,178</u>	<u>867,300</u>	<u>929,336</u>	<u>451,754</u>
9,204,969	8,938,089	9,078,927	7,337,275	7,042,250	6,587,123
<u>\$ 12,306,309</u>	<u>\$ 13,609,190</u>	<u>\$ 10,842,719</u>	<u>\$ 8,903,128</u>	<u>\$ 8,492,974</u>	<u>\$ 7,817,839</u>

- - Continued

CITY OF NORTH CANTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses:				
Governmental Activities				
General government	\$ 1,882,729	\$ 1,958,753	\$ 2,154,096	\$ 2,235,205
Security of persons and property:				
Police	3,027,294	3,269,935	3,271,884	3,049,396
Fire	797,998	623,594	750,783	705,273
Other	-	-	-	-
Public health and welfare	1,657,395	1,537,536	1,567,495	1,476,085
Transportation	2,210,572	2,420,679	2,629,812	2,575,379
Community environment	404,088	456,226	503,388	619,805
Leisure time activities	808,252	903,568	909,636	965,725
Economic development	-	207,434	4,100,754	-
Basic utility services	672,814	406,544	401,269	566,496
Intergovernmental	-	-	-	-
Interest and fiscal charges	88,795	20,525	22,707	55,072
Total governmental activities expenses	<u>11,549,937</u>	<u>11,804,794</u>	<u>16,311,824</u>	<u>12,248,436</u>
Business-type activities:				
Water	\$ 5,004,237	\$ 5,176,387	\$ 5,660,450	\$ 5,106,672
Sewer	2,306,528	2,256,669	2,017,112	1,946,158
Garbage	856,923	879,774	974,743	742,158
Total business-type activities expenses	<u>8,167,688</u>	<u>8,312,830</u>	<u>8,652,305</u>	<u>7,794,988</u>
Total primary government program expenses	<u>\$ 19,717,625</u>	<u>\$ 20,117,624</u>	<u>\$ 24,964,129</u>	<u>\$ 20,043,424</u>
Net (Expense) Revenue				
Governmental activities	(8,182,290)	(8,714,697)	(9,162,089)	(10,263,483)
Business-type activities	1,337,500	1,479,902	447,458	1,333,646
Total primary government net expense	<u>\$ (6,844,790)</u>	<u>\$ (7,234,795)</u>	<u>\$ (8,714,631)</u>	<u>\$ (8,929,837)</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 2,253,710	\$ 2,040,584	\$ 2,299,022	\$ 2,320,121	\$ 1,743,780	\$ 2,186,090
3,587,425	3,026,053	3,038,460	2,989,872	2,731,740	2,729,059
819,062	693,324	602,558	698,556	619,487	544,630
-	-	-	-	114,293	-
1,703,059	1,311,606	1,290,268	1,265,192	1,216,486	1,073,559
3,213,072	1,075,130	1,988,890	2,392,977	3,791,505	2,711,933
547,013	380,145	397,328	312,279	302,185	297,363
1,356,650	1,207,578	1,190,514	1,100,428	1,086,524	1,004,002
-	-	-	-	-	-
558,990	1,164,581	287,468	323,784	408,540	110,410
-	100,000	100,000	-	-	-
184,341	136,057	83,215	40,583	13,344	-
<u>14,223,322</u>	<u>11,135,058</u>	<u>11,277,723</u>	<u>11,443,792</u>	<u>12,027,884</u>	<u>10,657,046</u>
\$ 5,349,070	\$ 4,485,688	\$ 4,062,394	\$ 3,291,706	\$ 3,845,882	\$ 3,205,456
2,031,424	2,296,527	1,960,523	1,998,674	2,008,828	1,825,042
789,005	676,949	584,994	571,971	605,023	634,401
<u>8,169,499</u>	<u>7,459,164</u>	<u>6,607,911</u>	<u>5,862,351</u>	<u>6,459,733</u>	<u>5,664,899</u>
<u>\$ 22,392,821</u>	<u>\$ 18,594,222</u>	<u>\$ 17,885,634</u>	<u>\$ 17,306,143</u>	<u>\$ 18,487,617</u>	<u>\$ 16,321,945</u>
(11,121,982)	(6,463,957)	(9,513,931)	(9,877,939)	(10,577,160)	(9,426,330)
1,035,470	1,478,925	2,471,016	1,474,924	582,517	922,224
<u>\$ (10,086,512)</u>	<u>\$ (4,985,032)</u>	<u>\$ (7,042,915)</u>	<u>\$ (8,403,015)</u>	<u>\$ (9,994,643)</u>	<u>\$ (8,504,106)</u>

- - Continued

CITY OF NORTH CANTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Revenues and Other Changes in Net Assets				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 764,958	\$ 782,658	\$ 797,287	\$ 836,437
Fire operating levy	84,094	84,225	82,972	83,655
Emergency medical services levy	631,196	159,739	148,236	149,878
Storm sewer levy	349,384	327,430	323,509	323,116
Street levy	353,000	366,943	323,509	323,116
Municipal income taxes levied for:				
General purposes	4,871,528	4,342,052	4,331,485	4,465,795
Capital improvement	944,577	1,274,696	1,166,334	1,106,163
Grants and entitlements not restricted to				
Specific programs	2,958,944	1,606,528	1,418,091	2,041,947
Interest	7,767	11,782	23,936	269,837
Gain on sale of capital assets	-	-	-	-
Other	69,615	37,139	35,012	109,857
Transfers	75,000	15,078	(147,331)	59,081
Total governmental activities	<u>11,110,063</u>	<u>9,008,270</u>	<u>8,503,040</u>	<u>9,768,882</u>
Business-type activities				
Interest	\$ -	\$ -	\$ -	\$ -
Gain on sale of capital assets	-	-	-	-
Other	45,342	59,371	-	-
Transfers	(75,000)	(15,078)	147,331	(59,081)
Total business-type activities	<u>(29,658)</u>	<u>44,293</u>	<u>147,331</u>	<u>(59,081)</u>
Total primary government	<u>\$ 11,080,405</u>	<u>\$ 9,052,563</u>	<u>\$ 8,650,371</u>	<u>\$ 9,709,801</u>
Change in Net Assets				
Governmental activities	\$ 2,927,773	\$ 293,573	\$ (659,049)	\$ (494,601)
Business-type activities	1,307,842	1,524,195	594,789	1,274,565
Total primary government	<u>\$ 4,235,615</u>	<u>\$ 1,817,768</u>	<u>\$ (64,260)</u>	<u>\$ 779,964</u>

Source: City financial records.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 846,147	\$ 825,186	\$ 780,276	\$ 791,294	\$ 738,731	\$ 700,039
93,144	96,955	91,580	94,888	98,558	92,400
169,256	176,194	166,613	173,177	180,248	169,164
341,288	355,276	97,410	102,581	109,187	102,227
341,288	355,276	97,410	102,581	109,187	102,227
4,591,652	5,085,423	4,013,121	6,072,113	5,545,734	5,918,556
1,254,058	1,178,141	2,576,293	-	-	-
2,199,383	1,803,539	1,551,328	1,405,706	1,011,055	2,142,714
606,217	537,976	295,629	190,782	201,285	510,963
82,873	-	-	-	-	-
33,134	110,979	38,953	137,593	65,061	76,875
38,634	43,140	-	-	-	-
<u>10,597,074</u>	<u>10,568,085</u>	<u>9,708,613</u>	<u>9,070,715</u>	<u>8,059,046</u>	<u>9,815,165</u>
\$ -	\$ -	\$ -	\$ 5,317	\$ 4,951	\$ 9,282
16,339	-	11,286	-	-	500
133,433	23,775	29,877	89,178	31,534	58,118
(38,634)	(43,140)	-	-	-	-
<u>111,138</u>	<u>(19,365)</u>	<u>41,163</u>	<u>94,495</u>	<u>36,485</u>	<u>67,900</u>
<u>\$ 10,708,212</u>	<u>\$ 10,548,720</u>	<u>\$ 9,749,776</u>	<u>\$ 9,165,210</u>	<u>\$ 8,095,531</u>	<u>\$ 9,883,065</u>
\$ (524,908)	\$ 4,104,128	\$ 194,682	\$ (807,224)	\$ (2,518,114)	\$ 388,835
1,146,608	1,459,560	2,512,179	1,569,419	619,002	990,124
<u>\$ 621,700</u>	<u>\$ 5,563,688</u>	<u>\$ 2,706,861</u>	<u>\$ 762,195</u>	<u>\$ (1,899,112)</u>	<u>\$ 1,378,959</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2011</u>	<u>Restated 2010</u>	<u>2009</u>	<u>2008</u>
General Fund				
Nonspendable	\$ 24,826	\$ -	\$ -	\$ -
Committed	1,839,023	-	-	-
Assigned	2,365,977	-	-	-
Unassigned	503,206	-	-	-
Reserved	-	106,491	108,772	81,670
Unreserved	-	1,917,072	2,199,198	3,055,386
Total general fund	<u>\$ 4,733,032</u>	<u>\$ 2,023,563</u>	<u>\$ 2,307,970</u>	<u>\$ 3,137,056</u>
All Other Governmental Funds				
Nonspendable	\$ 84,851	\$ -	\$ -	\$ -
Restricted	2,683,823	-	-	-
Committed	1,951,833	-	-	-
Unassigned (deficit)	(303,360)	-	-	-
Reserved	-	2,192,721	737,856	899,423
Unreserved, reported in:				
Special revenue funds	-	1,093,839	1,522,698	1,133,862
Capital projects funds	-	(256,225)	(436,156)	192,097
Total all other governmental funds	<u>\$ 4,417,147</u>	<u>\$ 3,030,335</u>	<u>\$ 1,824,398</u>	<u>\$ 2,225,382</u>
Total governmental funds	<u>\$ 9,150,179</u>	<u>\$ 5,053,898</u>	<u>\$ 4,132,368</u>	<u>\$ 5,362,438</u>

Source: City financial records.

The City implemented GASB 54 in 2011.

Restated 2007	2006	2005	2004	2003	2002
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
59,073	27,388	13,292	58,705	38,997	20,655
<u>3,620,768</u>	<u>4,811,853</u>	<u>5,254,767</u>	<u>8,247,016</u>	<u>7,400,788</u>	<u>13,872,575</u>
<u>\$ 3,679,841</u>	<u>\$ 4,839,241</u>	<u>\$ 5,268,059</u>	<u>\$ 8,305,721</u>	<u>\$ 7,439,785</u>	<u>\$ 13,893,230</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
952,745	2,154,751	2,997,278	365,087	697,752	320,953
1,059,744	1,032,842	379,908	654,623	387,022	545,406
<u>666,448</u>	<u>(1,125,401)</u>	<u>(1,694,856)</u>	<u>1,212,427</u>	<u>1,655,263</u>	<u>2,391,491</u>
<u>\$ 2,678,937</u>	<u>\$ 2,062,192</u>	<u>\$ 1,682,330</u>	<u>\$ 2,232,137</u>	<u>\$ 2,740,037</u>	<u>\$ 3,257,850</u>
<u>\$ 6,358,778</u>	<u>\$ 6,901,433</u>	<u>\$ 6,950,389</u>	<u>\$ 10,537,858</u>	<u>\$ 10,179,822</u>	<u>\$ 17,151,080</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues				
Taxes	\$ 8,025,579	\$ 7,292,004	\$ 7,176,340	\$ 7,298,228
Charges for services	768,067	748,250	720,470	418,432
Licenses and permits	194,781	178,145	193,024	154,156
Fines and forfeitures	178,961	168,102	215,144	108,903
Intergovernmental	4,991,646	4,189,234	5,184,081	2,777,801
Interest	7,773	11,788	28,898	289,131
Rentals	243,282	257,595	277,537	202,932
Contributions and donations	3,500	52,292	1,415,992	82,644
Ambulance fees	-	-	-	-
Other	79,090	44,185	42,410	123,852
Total revenues	<u>14,492,679</u>	<u>12,941,595</u>	<u>15,253,896</u>	<u>11,456,079</u>
Expenditures				
Current:				
General government	1,832,330	1,841,185	2,028,118	2,149,856
Security of persons and property:				
Police	3,195,293	3,283,034	3,094,169	3,038,698
Fire	721,363	577,900	580,697	578,707
Public health and welfare	1,600,747	1,474,212	1,487,863	1,416,316
Community environment	422,242	463,094	455,515	589,150
Transportation	1,191,111	1,494,494	1,206,706	1,515,298
Leisure time activities	764,555	781,696	817,514	941,185
Basic utility services	482,492	432,980	904,835	460,158
Economic development	-	207,434	4,100,754	-
Settlement agreement	-	-	-	-
Capital outlay	2,269,727	1,523,078	1,570,678	1,460,150
Debt service:				
Principal retirement	401,315	282,274	249,111	287,196
Interest and fiscal charges	83,223	20,403	28,006	61,445
Bond issuance costs	86,340	-	-	-
Total expenditures	<u>13,050,738</u>	<u>12,381,784</u>	<u>16,523,966</u>	<u>12,498,159</u>
Excess (deficiency) of revenues over (under) expenditures	1,441,941	559,811	(1,270,070)	(1,042,080)
Other Financing Sources (Uses)				
Sale of capital assets	-	41,594	-	-
Notes issued	-	-	-	-
Current refunding	-	-	-	-
Bond issuance	2,500,000	-	-	-
Premium on bond issuance	79,340	-	-	-
Inception of capital lease	-	255,125	-	-
Transfers in	952,692	1,993,035	2,140,000	1,936,060
Transfers out	(877,692)	(1,928,035)	(2,100,000)	(1,890,320)
Total other financing sources (uses)	<u>2,654,340</u>	<u>361,719</u>	<u>40,000</u>	<u>45,740</u>
Net change in fund balances	<u>\$ 4,096,281</u>	<u>\$ 921,530</u>	<u>\$ (1,230,070)</u>	<u>\$ (996,340)</u>
Capital expenditures	\$ 2,256,845	\$ 1,923,064	\$ 1,908,358	\$ 1,709,755
Debt service as a percentage of noncapital expenditures	4.49%	2.89%	1.90%	3.23%

Source: City financial records.

Restated 2007	2006	2005	2004	2003	2002
\$ 7,629,826	\$ 8,105,152	\$ 7,362,787	\$ 7,306,072	\$ 6,885,984	\$ 7,044,991
291,477	277,741	481,565	310,922	310,183	327,248
117,981	132,200	-	108,151	123,536	101,617
103,838	96,561	164,104	179,365	193,723	24,458
4,395,082	5,397,544	1,806,389	2,171,045	1,750,283	2,486,668
576,917	549,893	304,147	162,281	181,586	510,963
208,767	212,202	96,054	-	-	-
-	-	6,250	-	-	15,000
337,602	311,999	314,046	233,047	98,081	113,046
33,134	110,979	38,953	137,593	65,036	76,875
<u>13,694,624</u>	<u>15,194,271</u>	<u>10,574,295</u>	<u>10,608,476</u>	<u>9,608,412</u>	<u>10,700,866</u>
1,731,013	1,775,064	2,112,916	1,985,704	5,775,155	1,861,834
2,950,401	2,898,587	2,914,728	2,773,795	2,571,194	2,521,968
582,303	590,204	532,590	527,577	494,508	494,655
1,337,240	1,225,749	1,255,865	1,191,434	1,159,512	1,071,837
499,427	500,264	493,027	323,573	286,643	277,441
1,700,177	1,158,714	1,330,351	1,285,060	1,339,514	1,094,539
1,079,086	1,070,913	1,043,587	947,010	949,013	871,033
213,207	176,012	116,710	130,038	114,688	150,837
-	-	-	-	-	-
-	558,315	1,500,000	-	359,336	359,336
3,736,296	4,566,756	2,978,281	2,873,416	3,429,899	1,592,346
552,414	644,661	2,213	-	-	-
189,890	121,128	78,017	12,833	13,344	-
-	-	-	-	-	-
<u>14,571,454</u>	<u>15,286,367</u>	<u>14,358,285</u>	<u>12,050,440</u>	<u>16,607,099</u>	<u>10,295,826</u>
(876,830)	(92,096)	(3,783,990)	(1,441,964)	(6,998,687)	405,040
84,000	-	50,521	-	27,429	-
-	1,200,000	1,800,000	1,800,000	-	-
-	(1,200,000)	(1,800,000)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,087,721	-	146,000	-	-	-
3,039,119	2,572,880	1,515,000	3,895,000	4,380,000	4,100,000
(2,984,799)	(2,529,740)	(1,515,000)	(3,895,000)	(4,380,000)	(4,100,000)
<u>1,226,041</u>	<u>43,140</u>	<u>196,521</u>	<u>1,800,000</u>	<u>27,429</u>	<u>-</u>
<u>\$ 349,211</u>	<u>\$ (48,956)</u>	<u>\$ (3,587,469)</u>	<u>\$ 358,036</u>	<u>\$ (6,971,258)</u>	<u>\$ 405,040</u>
\$ 1,896,914	\$ 5,149,276	\$ 3,226,978	\$ 2,322,247	\$ 5,872,469	\$ 1,662,802
5.86%	7.55%	0.72%	0.13%	0.12%	0.00%

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	Esimated actual value
2011	\$ 294,828,710	\$ 75,981,140	\$ 1,059,456,714	\$ 7,086,110	\$ 8,052,398
2010	295,352,930	76,190,710	1,061,553,257	7,086,110	8,052,398
2009	306,412,350	76,848,090	1,095,029,829	6,213,470	7,060,761
2008	304,274,660	83,600,100	1,108,213,600	5,829,460	6,624,386
2007	300,242,990	82,856,980	1,094,571,343	9,468,540	10,759,705
2006	282,557,950	70,647,520	1,009,158,486	9,822,620	11,162,068
2005	277,423,330	73,768,930	1,003,406,457	10,739,360	12,203,818
2004	271,203,360	72,036,110	980,684,200	10,721,710	12,183,761
2003	238,943,530	69,795,160	882,110,543	10,576,570	12,018,830
2002	231,878,880	63,981,410	845,315,114	10,191,570	11,581,330

Source: County Auditor.

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

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

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

Tangible Personal Property

<u>General Business</u>		<u>Total</u>			
<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Ratio</u>	<u>Total Direct Tax Rate</u>
\$0	\$0	\$ 377,895,960	\$ 1,067,509,112	35.40%	\$ 7.40
0	0	378,629,750	1,069,605,655	35.40%	5.90
1,083,510	8,668,080	390,557,420	1,110,758,670	35.16%	5.90
8,547,249	68,377,992	402,251,469	1,183,215,978	34.00%	5.90
16,973,399	135,787,192	409,541,909	1,241,118,240	33.00%	5.90
23,869,790	127,305,547	386,897,880	1,147,626,101	33.71%	5.90
25,771,993	103,087,972	387,703,613	1,118,698,247	34.66%	5.90
31,315,868	125,263,472	385,277,048	1,118,131,433	34.46%	5.90
33,454,806	133,819,224	352,770,066	1,027,948,597	34.32%	5.90
32,028,573	128,114,292	338,080,433	985,010,736	34.32%	5.90

CITY OF NORTH CANTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Unvoted Millage				
Operating	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
Voted Millage				
2005 Storm Sewer	1.0000	1.0000	1.0000	1.0000
2005 Street Improvement	1.0000	1.0000	1.0000	1.0000
1982 & 2011 Ambulance & E.M.S.	2.5000	1.0000	1.0000	1.0000
1983 Fire	0.5000	0.5000	0.5000	0.5000
Total Voted Millage	<u>5.0000</u>	<u>3.5000</u>	<u>3.5000</u>	<u>3.5000</u>
Total Millage	<u>\$ 7.4000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>
Overlapping Rates By Taxing District				
North Canton City School District				
Residential/Agricultural Real	\$ 45.4133	\$ 38.8841	\$ 34.0290	\$ 34.5888
Commercial/Industrial and Public Utility Real	53.7905	46.5217	42.0846	39.7213
General Business and Public Utility	83.4000	76.0000	72.3000	72.8000
Stark County				
Residential/Agricultural Real	8.7993	8.9134	6.9852	3.9848
Commercial/Industrial and Public Utility Real	9.5912	9.4212	7.8365	7.6556
General Business and Public Utility	11.5000	11.5000	10.1000	10.1000
Plain Township				
Residential/Agricultural Real	0.1000	0.1000	0.1000	0.1000
Commercial/Industrial and Public Utility Real	0.1000	0.1000	0.1000	0.1000
General Business and Public Utility	0.1000	0.1000	0.1000	0.1000
Special Taxing Districts (1)				
Residential/Agricultural Real	1.7797	2.0555	0.7673	0.7677
Commercial/Industrial and Public Utility Real	1.8370	1.8344	0.8249	0.7974
General Business and Public Utility	2.0000	1.3818	1.0000	1.0000

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

2007	2006	2005	2004	2003	2002
\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000

\$ 34.7169	\$ 29.6110	\$ 29.6110	\$ 29.8692	\$ 29.8252	\$ 32.5882
39.3218	37.7864	37.7864	37.7094	37.3465	38.3893
72.8000	65.8000	65.8000	65.8000	65.5000	65.5000
6.9848	7.3694	7.3694	7.7612	7.8060	6.6084
7.4909	8.3378	8.3378	9.2125	9.2372	7.4910
10.1000	10.1000	10.1000	11.5000	11.5000	9.6000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	1.0000	1.0000	0.1000
0.6712	0.7232	0.7232	0.7315	0.7355	0.6883
0.7090	0.8281	0.8281	0.8276	0.8286	0.7751
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

CITY OF NORTH CANTON, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2011	\$ 2,461,163	\$ 2,400,180	97.52%	\$ 80,727	\$ 2,480,907
2010	1,887,486	1,837,223	97.34%	39,215	1,876,438
2009	1,908,956	1,865,586	97.73%	72,493	1,938,079
2008	1,963,272	1,895,920	96.57%	42,201	1,938,121
2007	2,004,956	1,958,900	97.70%	33,875	1,992,775
2006	1,984,367	1,932,148	97.37%	45,467	1,977,615
2005	1,440,031	1,404,479	97.53%	28,300	1,432,779
2004	1,456,096	1,414,519	97.14%	21,076	1,435,595
2003	1,389,753	1,343,805	96.69%	27,305	1,371,110
2002	1,337,631	1,277,950	95.54%	21,724	1,299,674

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>
100.80%	\$ 79,766	3.24%
99.41%	99,510	5.27%
101.53%	64,992	3.40%
98.72%	69,768	3.55%
99.39%	40,556	2.02%
99.66%	6,752	0.34%
99.50%	7,252	0.50%
98.59%	20,501	1.41%
98.66%	18,643	1.34%
97.16%	37,957	2.84%

CITY OF NORTH CANTON, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO

2011			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Versailles Gardens, Ltd.	\$ 4,899,730	1	1.30%
McKinley Development Leasing Co. Ltd.	3,885,610	2	1.03%
Albrecht Incorporated	2,548,410	3	0.67%
Potsdamer Platz, LLC	2,299,360	4	0.61%
Waterford at St. Luke	2,056,580	5	0.54%
Berlin Commons, Ltd.	1,801,710	6	0.48%
Williamsburg Apartments, Ltd.	1,617,140	7	0.43%
CETA Group Limited Partnership	1,085,010	8	0.29%
Winsor Medical Center Inc.	1,047,210	9	0.28%
Euro Development, Ltd.	1,011,790	10	0.27%
Total	\$ 22,252,550		5.90%
Total Assessed Valuation	\$ 377,895,960		

2002			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Maytag Corporation - Hoover Company	\$ 8,750,630	1	2.96%
Versailles Gardens	4,251,040	2	1.44%
McKinley Development Leasing Co. Ltd.	3,241,790	3	1.10%
Albrecht Incorporated	2,315,010	4	0.78%
Potsdamer Platz LLC	2,055,630	5	0.69%
Waterford at Saint Luke	1,864,950	6	0.63%
Berlin Commons Ltd.	1,661,540	7	0.56%
First Friends Church of Canton	1,498,540	8	0.51%
Williamsburg Apartments Ltd.	1,462,240	9	0.49%
CETA Group Limited Partnership	1,328,150	10	0.45%
Total	\$ 28,429,520		9.61%
Total Assessed Valuation	\$ 295,860,290		

Source: Stark County, Ohio, Auditor's Office

CITY OF NORTH CANTON, OHIO

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholdings	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2011	1.50%	\$ 5,942,112	\$ 3,970,865	66.83%	\$ 524,170	8.82%	\$ 1,447,077	24.35%
2010	1.50%	\$ 5,367,101	\$ 3,719,256	69.30%	\$ 309,501	5.77%	\$ 1,338,344	24.94%
2009	1.50%	5,460,640	3,531,379	64.67%	290,707	5.32%	1,638,554	30.01%
2008	1.50%	5,656,592	3,850,815	68.08%	326,172	5.77%	1,352,921	23.92%
2007	1.50%	6,400,520	4,404,728	68.82%	359,862	5.62%	1,635,930	25.56%
2006	1.50%	6,377,273	4,274,631	67.03%	502,516	7.88%	1,600,126	25.09%
2005	1.50%	6,553,223	4,793,884	73.15%	370,626	5.66%	1,388,713	21.19%
2004	1.50%	6,223,014	4,522,215	72.67%	401,058	6.44%	1,299,741	20.89%
2003	1.50%	6,261,167	4,616,733	73.74%	343,013	5.48%	1,301,421	20.79%
2002	1.50%	6,020,440	4,416,695	73.36%	271,153	4.50%	1,332,592	22.13%

Source: The City of North Canton Income Tax Department.

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

CITY OF NORTH CANTON, OHIO

**LEGAL DEBT MARGIN
LAST TEN YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Assessed Property Value	<u>\$ 377,895,960</u>	<u>\$ 378,629,750</u>	<u>\$ 389,904,030</u>	<u>\$ 394,082,950</u>
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>39,679,076</u>	<u>39,756,124</u>	<u>40,939,923</u>	<u>41,378,710</u>
Debt Outstanding				
Various Improvement Note	-	-	-	-
Governmental General Obligation Bonds	2,335,000	-	-	-
Water System Bonds	5,080,000	3,815,000	3,985,000	4,145,000
Water Notes	-	915,000	-	-
Sewer Notes	-	-	-	-
OPWC Loans	1,506,229	1,448,320	1,323,932	1,388,947
OWDA Loans	8,760,422	9,255,783	9,686,773	10,263,181
Total gross indebtedness	<u>17,681,651</u>	<u>15,434,103</u>	<u>14,995,705</u>	<u>15,797,128</u>
Less:				
Water System Bonds	5,080,000	3,815,000	3,985,000	4,145,000
Water Notes	-	915,000	-	-
Sewer Notes	-	-	-	-
OPWC Loans	1,506,229	1,448,320	1,323,932	1,388,947
OWDA Loans	8,760,422	9,255,783	9,686,773	10,263,181
Total net debt applicable to debt limit	<u>2,335,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 37,344,076</u>	<u>\$ 39,756,124</u>	<u>\$ 40,939,923</u>	<u>\$ 41,378,710</u>
Legal debt margin as a percentage of the debt limit	94.12%	100.00%	100.00%	100.00%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>20,784,278</u>	<u>20,824,636</u>	<u>21,444,722</u>	<u>21,674,562</u>
Total gross indebtedness	17,681,651	15,434,103	14,995,705	15,797,128
Less:				
Water System Bonds	5,080,000	3,815,000	3,985,000	4,145,000
Water Notes	-	915,000	-	-
Sewer Notes	-	-	-	-
OPWC Loans	1,506,229	1,448,320	1,323,932	1,388,947
OWDA Loans	8,760,422	9,255,783	9,686,773	10,263,181
Net debt within 5 1/2 % limitations	<u>2,335,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 18,449,278</u>	<u>\$ 20,824,636</u>	<u>\$ 21,444,722</u>	<u>\$ 21,674,562</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	88.77%	100.00%	100.00%	100.00%

Source: City financial records.

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

Restated 2007	2006	2005	2004	2003	2002
<u>\$ 409,541,909</u>	<u>\$ 386,897,880</u>	<u>\$ 387,703,613</u>	<u>\$ 385,277,048</u>	<u>\$ 352,770,066</u>	<u>\$ 338,080,433</u>
<u>43,001,900</u>	<u>40,624,277</u>	<u>40,708,879</u>	<u>40,454,090</u>	<u>37,040,857</u>	<u>35,498,445</u>
750,000	1,000,000	1,500,000	-	-	-
-	-	-	-	-	-
4,300,000	-	-	-	-	-
-	4,300,000	3,000,000	2,850,000	1,875,000	1,250,000
175,000	350,000	548,000	-	-	-
1,020,904	-	-	-	-	-
<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>	<u>847,048</u>
<u>17,059,104</u>	<u>16,959,281</u>	<u>15,681,475</u>	<u>12,054,935</u>	<u>6,373,059</u>	<u>2,097,048</u>
4,300,000	-	-	-	-	-
-	4,300,000	3,000,000	2,850,000	1,875,000	1,250,000
175,000	350,000	548,000	-	-	-
1,020,904	-	-	-	-	-
<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>	<u>847,048</u>
<u>750,000</u>	<u>1,000,000</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 42,251,900</u>	<u>\$ 39,624,277</u>	<u>\$ 39,208,879</u>	<u>\$ 40,454,090</u>	<u>\$ 37,040,857</u>	<u>\$ 35,498,445</u>
98.26%	97.54%	96.32%	100.00%	100.00%	100.00%
<u>22,524,805</u>	<u>21,279,383</u>	<u>21,323,699</u>	<u>21,190,238</u>	<u>19,402,354</u>	<u>18,594,424</u>
17,059,104	16,959,281	15,681,475	12,054,935	6,373,059	2,097,048
4,300,000	-	-	-	-	-
-	4,300,000	3,000,000	2,850,000	1,875,000	1,250,000
175,000	350,000	548,000	-	-	-
1,020,904	-	-	-	-	-
<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>	<u>847,048</u>
<u>750,000</u>	<u>1,000,000</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 21,774,805</u>	<u>\$ 20,279,383</u>	<u>\$ 19,823,699</u>	<u>\$ 21,190,238</u>	<u>\$ 19,402,354</u>	<u>\$ 18,594,424</u>
96.67%	95.30%	92.97%	100.00%	100.00%	100.00%

CITY OF NORTH CANTON, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases	Bonds Payable	Notes/ Bonds Payable	OWDA Loans	OPWC Loans			
2011	\$ -	\$ 134,662	\$ 2,335,000	\$ 5,080,000	\$ 8,760,422	\$ 1,506,229	\$ 17,816,313	3.57%	\$ 1,012
2010	-	370,977	-	4,730,000	9,255,783	1,448,320	15,805,080	3.19%	904
2009	-	398,126	-	3,985,000	9,686,773	1,323,932	15,393,831	3.91%	940
2008	-	647,237	-	4,145,000	10,263,181	1,388,947	16,444,365	4.18%	1,005
2007	750,000	934,433	-	4,475,000	10,813,200	1,020,904	17,993,537	4.57%	1,099
2006	2,500,000	99,126	-	4,650,000	11,309,281	-	18,558,407	4.72%	1,134
2005	3,300,000	143,787	-	3,548,000	10,633,475	-	17,625,262	4.48%	1,077
2004	1,800,000	-	-	2,850,000	9,204,935	-	13,854,935	3.52%	846
2003	2,100,000	-	-	1,875,000	4,498,059	-	8,473,059	2.15%	518
2002	-	-	-	1,250,000	847,048	-	2,097,048	0.53%	128

Source: City financial records.

Note: Population and personal income data are presented on page 143.

CITY OF NORTH CANTON, OHIO

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011**

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
Direct - City of North Canton			
General obligation bonds and capital leases	\$ 2,469,662	100.00%	\$ 2,469,662
	<u>2,469,662</u>		<u>2,469,662</u>
Overlapping debt:			
North Canton City School District	25,075,000	46.54%	11,669,905
Jackson Local School District	56,343,757	0.29%	163,397
Plain Local School District	50,635,000	6.61%	3,346,974
Stark County	6,339,252	5.31%	336,614
	<u>138,393,009</u>		<u>15,516,890</u>
Total direct and overlapping debt	<u>\$ 140,862,671</u>		<u>\$ 17,986,552</u>

Source: County Auditor

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

CITY OF NORTH CANTON, OHIO

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2011	\$ 5,929,810	\$ 3,004,923	\$ 2,924,887	\$ 593,050	\$ 324,435	3.19
2010	5,948,192	3,052,742	2,895,450	601,017	347,933	3.05
2009	5,885,354	3,480,388	2,404,966	576,449	372,500	2.53
2008	5,949,012	2,946,896	3,002,116	550,019	395,994	3.17
2007	5,872,497	3,192,233	2,680,264	522,394	339,805	3.11

(1) Operating expenses do not include depreciation.

Source: Office of the City Finance Director.

Note: Information prior to 2007 is unavailable.

CITY OF NORTH CANTON, OHIO

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2011	\$ 2,737,038	\$ 1,994,658	\$ 742,380	\$ 7,841	\$ 7,249	49.20
2010	2,440,683	1,951,856	488,827	3,822	3,723	64.79

(1) Operating expenses do not include depreciation.

Source: Office of the City Finance Director.

Note: Information prior to 2010 is unavailable.

CITY OF NORTH CANTON, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2011	17,610	\$ 499,278,720	\$ 28,352	\$ 47,300	43.4	35.8%
2010	17,488	495,819,776	28,352	47,300	43.4	35.8%
2009	16,369	393,592,605	24,045	42,013	42.3	33.6%
2008	16,369	393,592,605	24,045	42,013	42.3	33.6%
2007	16,369	393,592,605	24,045	42,013	42.3	33.6%
2006	16,369	393,592,605	24,045	42,013	42.3	33.6%
2005	16,369	393,592,605	24,045	42,013	42.3	33.6%
2004	16,369	393,592,605	24,045	42,013	42.3	33.6%
2003	16,369	393,592,605	24,045	42,013	42.3	33.6%
2002	16,369	393,592,605	24,045	42,013	42.3	33.6%

(1) Source: U.S. Census

(a) Years 2002 through 2010 Federal Census and Year 2011 Estimated by City

(2) North Canton City Schools

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

(4) Source: County Auditor

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

School Enrollment (2)	Stark County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value
4,738	7.9%	\$ 177,900	\$ 377,895,960
4,735	11.1%	136,436	378,629,750
4,853	13.5%	132,314	390,557,420
4,937	8.0%	147,498	402,251,469
4,932	5.9%	153,833	409,541,909
5,008	5.8%	148,683	386,897,880
4,963	6.4%	151,889	387,703,613
4,980	6.6%	152,500	385,277,048
4,933	6.5%	140,266	352,770,066
4,872	5.5%	145,865	338,080,433

CITY OF NORTH CANTON, OHIO

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

		2011
Employer	Description	Rank
North Canton Board of Education	North Canton City Schools	1
Walsh University	University	2
North Canton Medical Foundation	Medical Center	3
St. Lukes Home for the Aged	Nursing Care Home	4
City of North Canton	Local Government	5
Stark County DD	County Government	6
Myers Control Power LLC	Design Building Mfg.	7
Mullinax Ford	Car Dealer	8
Aultman Hospital Association	Medical Center	9
Altercare	Home Care Service	10

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

Source: Income Tax Department

Note: Information prior to 2006 was unavailable.

CITY OF NORTH CANTON, OHIO

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

Employer	2011		
	Employees	Rank	Percentage of Total City Employment
Walsh University	1,562	1	9.69%
North Canton Board of Education	933	2	5.79%
Schroer Group	763	3	4.73%
Lagacy Staffing LLC	727	4	4.51%
St. Lukes Home for the Aged	391	5	2.43%
YMCA of Central Stark County	338	6	2.10%
Absolute Rehabilitation	284	7	1.76%
Northeast Professional Home Care	266	8	1.65%
City of North Canton	257	9	1.59%
North Canton Medical Foundation	253	10	1.57%
Total	5,774		35.82%
Total City Employment	16,117		

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

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

Note: Information prior to 2006 was unavailable.

CITY OF NORTH CANTON, OHIO

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Council	4.50	4.50	6.00	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Mayor's office	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Law	1.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Finance	4.00	3.00	3.00	3.00	3.50	4.00	4.00	4.00	4.00	4.00
Tax	1.00	2.00	3.00	3.00	2.50	3.00	3.00	3.00	3.50	3.00
Administration	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City hall maintenance	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	1.50
Engineer	6.00	5.50	5.50	5.50	5.00	5.50	6.50	5.50	5.00	6.00
Security of Persons and Property										
Police - administration	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Police - officers	25.00	27.00	26.00	25.00	24.00	25.00	26.50	26.50	26.50	26.50
Police - crossing guards	6.00	6.00	6.00	6.00	6.50	7.50	6.00	6.00	6.00	6.50
Dispatchers/Chief Dispatcher	7.00	8.00	8.00	8.50	8.00	7.50	7.50	8.00	8.50	8.50
Fire Inspectors	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Fire Fighters	11.00	11.50	9.50	11.00	12.00	12.00	12.00	13.00	13.00	16.00
Public Health Services										
Emergency Medical Services	24.00	26.00	21.00	22.00	21.50	21.50	23.00	22.50	21.00	23.00
Leisure Time Activities										
Municipal Pool	22.00	21.50	20.50	19.50	18.00	19.00	18.00	18.50	17.00	17.00
Civic Center	2.00	2.00	3.00	2.00	3.00	3.00	3.50	2.50	2.50	2.00
Recreation	1.50	2.50	2.50	3.50	2.50	2.00	2.00	2.50	2.00	2.00
Park Maintenance	7.00	6.00	5.50	8.00	5.50	6.50	6.50	6.50	6.50	7.00
Community Development										
Permits & Inspections	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Economic Development	0.50	1.00	1.00	2.00	1.50	1.50	1.00	0.00	0.00	0.00
Transportation										
Street M&R	9.00	8.50	8.50	8.50	11.00	10.00	12.00	12.50	12.00	12.00
Basic Utility Services										
Water Administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50	4.00	4.50
Water Distribution	6.00	8.00	7.00	5.50	7.50	8.00	7.50	7.50	7.50	7.50
Water Treatment Plant	10.00	10.00	12.00	11.00	12.00	13.00	12.00	12.00	12.00	12.00
Sewer Collection	2.00	3.50	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Total	165.50	172.50	167.50	168.50	170.00	176.00	178.50	178.50	174.50	182.00

Source: City Payroll Department W2 Audit Listing

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

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CITY OF NORTH CANTON, OHIO

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

Function/Program	2011	2010	2009	2008
General Government				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	10	10	10	10
Police				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	13	13	13	13
Fire				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	11	11	11	11
Emergency Medical Service				
Stations	1	1	1	1
Square footage of building	8,970	8,970	8,970	8,970
Vehicles	5	6	6	6
Recreation				
Number of parks	11	11	11	11
Number of pools	1	1	1	1
Number of tennis courts	11	11	11	11
Number of basketball courts	7	7	7	7
Number of park shelters	9	8	8	8
Vehicles	11	11	11	11
Public Service Department				
Streets (miles)	97.50	95.46	95.46	95.46
Vehicles	15	18	18	18
Water Department				
Water lines (miles)	144.00	129.80	129.80	129.80
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	17	17	17	17
Wastewater				
Sanitary sewers (miles)	74.64	64.39	64.39	64.39
Storm sewers (miles)	72.59	49.42	49.42	49.42
Vehicles	15	9	9	9

Source: City of North Canton departments

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
31,517 10	31,517 8	31,517 9	31,517 9	31,517 8	31,517 8
1 11,960 14	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13
1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 10	1 8,989 10
1 8,970 5	1 8,970 6	1 8,970 6	1 8,970 5	1 8,970 5	1 8,970 5
11 1 11 7 7 11	13 1 11 8 7 11	12 1 11 8 6 11	12 1 11 8 6 11	12 1 11 8 6 11	12 1 11 8 6 11
95.46 18	95.46 18	95.46 18	93.70 18	93.70 18	93.30 18
129.80 32,125 17	127.93 32,125 17	127.34 26,925 17	126.27 20,640 16	124.90 20,640 16	123.00 20,640 16
64.39 49.42 9	64.06 48.3 9	63.70 47.41 9	62.48 47.41 9	62.30 47.30 9	61.60 46.50 8

CITY OF NORTH CANTON, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2011	2010	2009	2008
General Government				
Number of ordinances passed	111	110	123	122
Number of planning commission agenda items	8	12	2	15
Number of zoning board of appeals agenda items	1	10	3	11
Number of checks/vouchers issued	3,356	3,419	4,113	3,390
Interest earnings for fiscal year (cash basis)	\$32,364	\$47,819	\$81,158	\$360,120
General fund receipts (cash basis in thousands)	\$9,161	\$7,888	\$8,425	\$9,031
General fund expenditures (cash basis in thousands)	\$7,382	\$9,235	\$9,406	\$9,961
General fund cash balances (in thousands)	\$2,418	\$1,567	\$2,826	\$3,713
Income Tax Department				
Number of individual returns	7,267	7,471	7,742	7,852
Number of business returns	1,231	1,184	1,109	1,187
Annual number of reconciliation of withholding processed	1,144	1,397	1,503	1,529
Building Department Indicators				
Construction permits issued	1,327	776	786	703
Estimated value of construction	\$ 5,754,751	\$ 7,534,618	\$ 11,462,310	\$ 17,559,237
Inspections conducted	712	1,054	1,124	1,114
Security of Persons & Property				
Police				
Total calls for services	28,172	28,107	29,225	29,459
Traffic violations	1,139	1,175	1,495	1,418
Motor vehicle accidents	527	516	513	525
Written warnings	1,891	1,983	-	-
Total criminal arrests	504	399	504	392
Fire/Emergency Medical Services				
EMS calls	2,377	2,075	1,948	2,080
EMS transports	1,509	1,416	1,251	1,284
Ambulance billing collections	\$489,060	\$458,753	\$461,009	\$269,287
Fire calls	493	406	424	537
Fire safety inspections	1,694	1,655	1,543	1,410
Leisure Time Activities				
Recreation				
Swimming pool memberships	2,404	2,247	2,387	2,729
Civic center rentals	254	255	303	337
Dogwood shelter rentals	159	248	261	252
Transportation				
Asphalt resurfacing (miles)	375	3.12	2.58	2.7
Asphalt usage for pothole repairs (tons)	413.85	672.13	358.37	530.75
Salt usage (tons)	5,200	6,400	6,250	6,752
Cost of salt purchased	\$359,814	\$325,248	\$237,641	\$282,216
Water Department				
Average daily gallons sold per consumer	178	277	132	321
Number of customers	9,044	8,900	8,876	8,947
Annual water collections	\$5,874,591	\$5,832,610	\$5,819,610	\$5,759,068
Water main breaks	18	14	19	31
Number of wells	7	9	8	8
Gallons of water treated (millions of gallons)	1,211	1,163	1,210	1,321
Wastewater Department				
Residential sewer rate (flat monthly rate)	\$25.41	\$25.41	\$21.00	\$21.00
Number of customers	6,310	6,305	6,204	6,284

Source: City of North Canton departments

2007	2006	2005	2004	2003	2002
147	141	218	162	156	124
15	21	32	15	44	130
12	18	22	15	13	9
3,711	3,825	4,052	3,944	3,906	4,078
\$543,994	\$463,016	\$319,590	\$206,055	\$339,932	\$572,469
\$9,321	\$9,500	\$7,417	\$10,771	\$10,703	\$9,857
\$7,744	\$9,915	\$9,926	\$12,230	\$14,443	\$10,076
\$4,578	\$4,695	\$5,107	\$7,540	\$8,954	\$12,612
8,312	8,385	8,288	8,090	8,008	8,359
1,319	1,270	1,239	1,202	1,154	1,131
1,523	1,519	1,536	1,532	1,127	1,086
305	381	455	489	484	512
\$19,254,219	\$ 25,389,738	\$ 19,587,769	\$ 22,572,034	\$ 27,442,926	\$ 18,806,846
1,895	771	782	980	1,097	985
31,274	31,276	32,295	33,863	35,205	39,149
1,297	1,628	2,006	2,221	2,117	2,597
604	561	614	677	653	623
-	-	-	-	-	-
398	482	483	468	434	433
1,635	1,612	1,824	1,760	1,866	1,757
1,503	1,069	1,062	1,110	1,269	1,096
\$337,602	\$311,999	\$314,046	\$233,047	\$98,081	\$113,046
434	412	425	456	445	415
1,223	1,087	629	909	384	508
3,107	3,375	2,887	2,694	2,406	2,203
318	208	201	262	261	221
228	260	273	247	238	239
1.80	2.66	5.54	5.32	4.20	4.38
410	184	350	326	530	435
4,250	2,282	4,135	6,486	7,650	4,480
\$188,992	\$121,505	\$235,051	\$181,329	\$220,015	\$155,774
340.81	332.85	292.14	289.13	298.50	329.39
8,794	8,699	8,544	8,540	8,213	8,103
\$5,583,161	\$5,031,926	\$4,587,520	\$3,729,072	\$3,655,815	\$3,711,960
59	33	32	50	65	37
8	7	7	6	6	6
1,307	1,170	1,156	1,124	1,112	1,234
\$19.00	\$19.00	\$18.00	\$18.00	\$15.00	\$15.00
6,283	6,251	6,197	6,175	5,890	5,875

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Dave Yost • Auditor of State

CITY OF NORTH CANTON

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 14, 2012