

# City of Canal Fulton, Ohio

## Comprehensive Annual Financial Report



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**For the Year Ended December 31, 2020**

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OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Mayor and Members of City Council  
City of Canal Fulton  
155 East Market Street, Suite A  
Canal Fulton, Ohio 44614-0607

We have reviewed the *Independent Auditor's Report* of the City of Canal Fulton, Stark County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 01, 2021

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**CITY OF CANAL FULTON, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2020**

Prepared by The Department of Finance

Blake Fuller  
Director of Finance

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# Introductory Section

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**City of Canal Fulton, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2020*  
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# City of Canal Fulton

155 East Market Street, Suite A  
Canal Fulton, Ohio 44614  
(330) 854-6761 Fax (330) 854-6260

June 29, 2021

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

We are pleased to present our 2020 Comprehensive Annual Financial Report for the City of Canal Fulton for your review. This report, for the year ended December 31, 2020, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Canal Fulton (the City). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every general purpose local government prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have an annual audit. This report is published to fulfill that requirement for the year ended December 31, 2020.

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

State statutes require the City to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. Clark, Schaefer and Hackett was selected to perform these services and has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2020. The Independent Auditors’ Report on the basic financial statements is included in the financial section of this report.

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

## **Profile of the Government**

### *History of Canal Fulton*

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

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

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

### *Profile of the City*

The City of Canal Fulton, encompassing an area of approximately 3.3 square miles, is located in the northwest portion of Stark County, Ohio. The City has a population of 5,479 as reported in 2010 by the Bureau of Census. Canal Fulton is a “home-rule” city as defined by the State of Ohio Revised Code and operates pursuant to its Charter under a Mayor, City Council, and City Manager form of government. The representative branch of the City’s government consists of the Mayor and six City Council members who are elected at large to staggered four-year terms. The Mayor presides over all meetings of City Council and appoints the City Manager, upon confirmation of City Council, who serves as the Chief Administrative Officer of the City. The Mayor also appoints the Director of Law, the Director of Finance, the Police Chief, the Fire Chief, and members to a number of boards and commissions, upon confirmation of City Council. The Mayor does not have the authority to vote on ordinances or resolutions unless there is a tie among City Council members, nor does the Mayor have the power to veto legislation passed by City Council. City Council establishes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes.

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

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

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

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

## **Economic Condition**

### *Summary of Local Economy*

While there is some commercial property within the City, Canal Fulton is generally classified as a bedroom community with most residents commuting to work outside the City. As a result, the City's local economy is dependent on conditions throughout Stark County and the surrounding areas. The economic conditions in Stark County had been steadily improving as evidenced by the decline in the countywide unemployment rate from 11.2 percent during the recession year of 2009 to 4.4 percent in 2019. Due to the Coronavirus, there were some larger employment fluctuations in 2020 with the Stark County unemployment rate ranging from a high of 16.2 percent in April to a low of 5.1 percent in October, before ending the year at 4.4 percent. The local economic conditions have a significant impact on the City's income tax collections, which accounts for over 51 percent of the funding for the City's general government operations. The following table shows the City's income tax collections the last seven years by component:

## Income Tax Collections

Year of Collection	Collections from Individual Returns	Collections from Business Net Profit Returns	Collections from Payroll Withholdings	Total Collections
2013	\$828,246	\$166,361	\$1,248,925	\$2,243,532
2014	866,349	171,789	1,265,245	2,303,383
2015	902,118	216,211	1,300,300	2,418,629
2016	842,049	168,704	1,424,034	2,434,787
2017	763,713	176,184	1,380,269	2,320,166
2018	728,448	170,562	1,434,264	2,333,274
2019	758,368	194,279	1,481,923	2,434,570
2020	589,430	335,091	1,830,459	2,754,980

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

The table above shows that the City’s total income tax collections achieved an average annual growth rate of over two percent between 2013 and 2020. Although some of the fluctuations can be attributed to the local economy, it is important to note that the State of Ohio also passed House Bill 5 in 2014, which changed the laws governing municipal income tax collections for the 2016 tax year (2017 collection year for individuals). Some of the changes include revisions to the due dates for submitting payroll withholdings, higher thresholds for requiring individuals and businesses to submit estimated tax payments, and uniform rules for processing business net profit/loss returns. The City also passed a tax reform in 2019 that raised the tax rate from 1.5 percent to 2.0 percent, while giving the citizens full credit for taxes paid to other cities, taking effect January 1, 2020. Prior to the recent tax reform, the City only gave Citizens credit for 50 percent of taxes paid to other cities. The new laws and City tax reform contribute to the variances shown in the table.

The City’s residential tax base consists of approximately 2,400 housing units and includes new construction as well as a collection of century homes located in the historic district. Property values inside the City increased roughly 1 percent from 2019 to 2020 due to continued commercial and residential development within the City. The U.S. Census Bureau reports that the City’s homeowner vacancy rate was 3.5 percent during the 2010 census, which was essentially unchanged from the 2000 census. This is further illustrated by the City’s total population reported in the 2010 census (5,479) remaining relatively stable when compared to the 2000 census (5,061). Given the City’s status as a bedroom community, this stability has been important in ensuring consistent tax revenues and the overall health of the community.

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

## *Long-Term Financial Planning*

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

With the recent growth in income tax revenues, the City has made it a priority to set aside resources to help maintain long-term financial stability. Specifically, the City established the capital projects reserve fund to be used in accumulating resources to replace vehicles and equipment in the future. The City had \$225,874 unencumbered balances available in this fund, on a cash basis, as of December 31, 2020. Similarly, the City had \$201,700 unencumbered balances, on a cash basis, set aside for emergencies as of December 31, 2020.

## *Relevant Financial Policies*

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

- Section 182.01 of the City's administrative code specifies that 95.0 percent of income tax collections be distributed to the general fund and the remaining 5.0 percent be placed in the police fund.
- Ordinance 35-19 stipulates that 70.0 percent of water utility charges be used for water operations, 17.0 percent for water debt service, and 13.0 percent for water capital projects.
- Ordinance 36-19 stipulates that 83.0 percent of sewer utility charges be used for sewer operations, 6.5 percent for sewer debt service, and 10.5 percent for sewer capital projects.
- Ordinance 30-20 establishes employee pay rates and allocates personnel costs among the various governmental and enterprise funds.

## *Major Initiatives*

The City worked on the following initiatives in 2020:

- Creating a series of budget adjustments, extensive expenditure monitoring, and frequent department communication to help navigate the City through the unprecedented times brought upon by COVID-19.
- Major capital expenditures in 2020 included purchasing vehicles for fire and police.

## **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 for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Blake Fuller". The signature is written in dark ink and is positioned above the typed name.

Blake Fuller  
Finance Director  
City of Canal Fulton



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

*Principal Officials  
December 31, 2020*

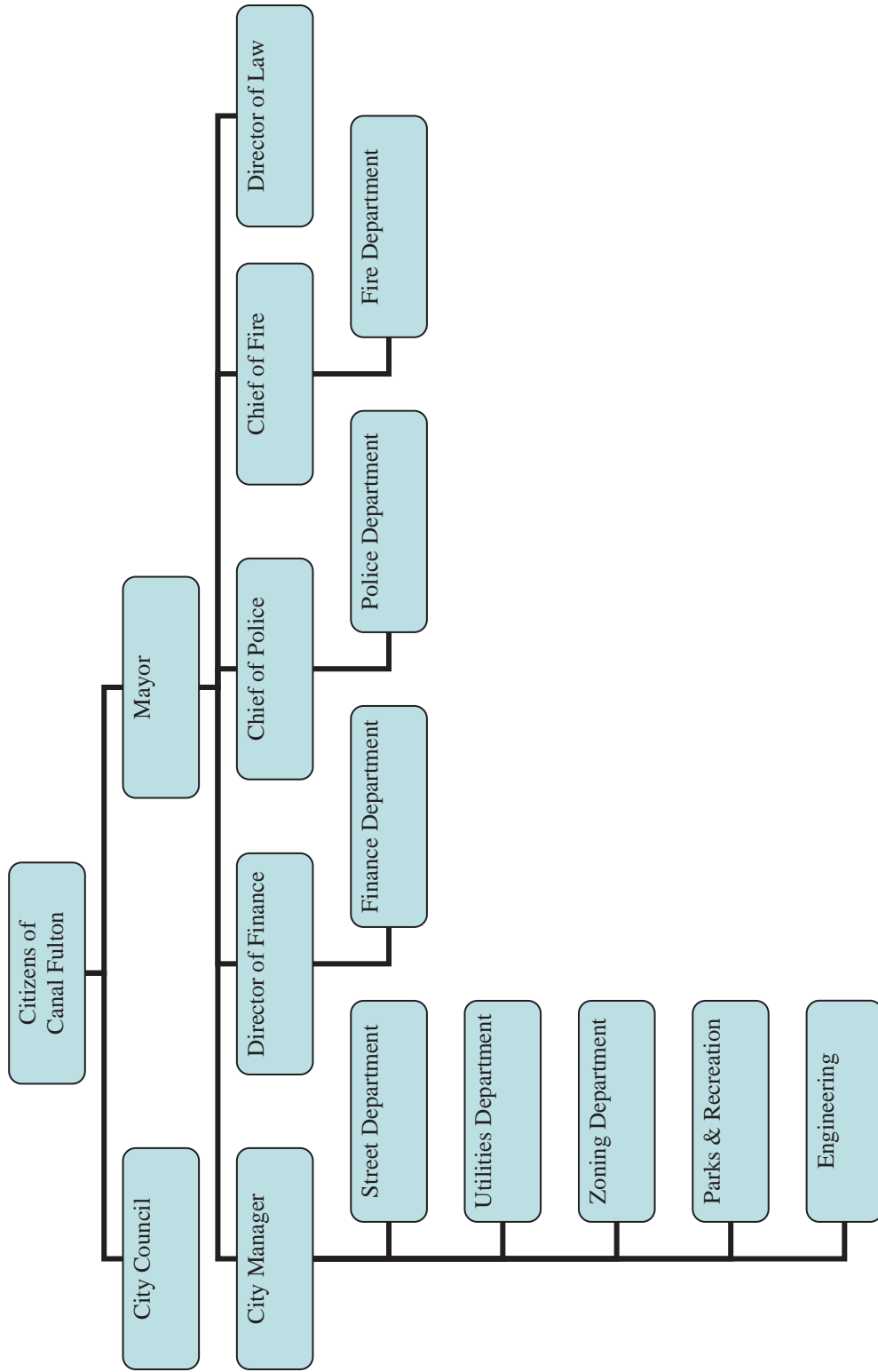
**Elected Officials**

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

**Appointed Officials**

City Manager ..... Bill Rouse  
Director of Finance ..... Blake Fuller  
Director of Law ..... Scott Fellmeth  
Chief of Police ..... Doug Swartz  
Chief of Fire ..... Raymond Durkee

**City of Canal Fulton  
Organization Chart – December 31, 2020**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Canal Fulton  
Ohio**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morrill*

Executive Director/CEO

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

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 Canal Fulton, Ohio (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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 Canal Fulton, Ohio, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Police and Fire/EMS Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements, individual fund schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 29, 2021

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**City of Canal Fulton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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The discussion and analysis for the City of Canal Fulton's (the City) financial statements provide an overall review of the financial activity of the City for the twelve months ended December 31, 2020. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the basic financial statements and the notes to the basic financial statements.

**Financial Highlights**

Financial highlights for 2020 are as follows:

- The 2020 income tax collections on a cash basis were \$2,754,980, which was 13.2 percent higher than the prior year. The higher income tax collections are primarily due to tax reform, which was voted on and passed by the citizens, increasing the tax rate from 1.5 percent to 2.0 percent.
- The balance of the City's general fund emergency reserve decreased to \$242,700 from \$250,000 due to the Small Business Loan program, which was an effort made by the City to help local businesses during the pandemic. This amount will be restored to \$250,000 during 2021. Also, the fund balance in the capital projects reserve fund was \$320,001.
- The City's 2020 water and sewer charges for services, on a cash basis, increased by 0.9 percent and 9.9 percent, respectively. The increases were due to the City's utility billing ordinances, which tie annual rate increases to changes in the consumer price index.
- The City started a comprehensive water meter replacement program in 2019. The intent of the program is to replace every residential and commercial meter in the City with automated meter reading technology. The program is estimated to be completed in 2022, and will significantly improve the efficiency of the City utility billing function.

**Using this Annual Financial Report**

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

The statement of net position and the statement of activities provide information from a summary perspective showing the effects of the operations for the year 2020 and how they affected the operations of the City as a whole.

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

***Reporting the City of Canal Fulton as a Whole***

*Statement of Net Position and Statement of Activities*

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

**City of Canal Fulton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

---

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

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

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

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

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

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

***Fund Financial Statements***

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

In this report, the focus is on seven major funds, the general fund, the police fund, the fire/EMS fund, the capital projects reserve fund, the water fund, the sewer fund, and the storm sewer fund.

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

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

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**The City of Canal Fulton as a Whole**

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2020 as it compares to 2019.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	Restated 2019	2020	2019	2020	Restated 2019
<b>Assets</b>						
Current and Other Assets	\$4,441,955	\$3,944,550	\$2,330,897	\$2,273,464	\$6,772,852	\$6,218,014
Net Pension Asset	29,788	15,169	37,906	19,306	67,694	34,475
Capital Assets, Net	13,043,279	12,848,954	11,056,302	11,213,578	24,099,581	24,062,532
<i>Total Assets</i>	<u>17,515,022</u>	<u>16,808,673</u>	<u>13,425,105</u>	<u>13,506,348</u>	<u>30,940,127</u>	<u>30,315,021</u>
<b>Deferred Outflows of Resources</b>						
Deferred Charge on Refunding	4,639	0	4,757	0	9,396	0
Pension	331,133	769,211	128,184	339,614	459,317	1,108,825
OPEB	218,317	164,077	87,240	51,832	305,557	215,909
<i>Total Deferred Outflows of Resources</i>	<u>554,089</u>	<u>933,288</u>	<u>220,181</u>	<u>391,446</u>	<u>774,270</u>	<u>1,324,734</u>
<b>Liabilities</b>						
Current and Other Liabilities	217,461	317,942	82,819	163,041	300,280	480,983
Long-Term Liabilities:						
Due Within One Year	241,404	263,014	226,997	219,736	468,401	482,750
Due in More than One Year:						
Net Pension Liability	2,258,497	2,882,979	722,576	1,070,394	2,981,073	3,953,373
Net OPEB Liability	680,698	660,924	550,814	551,228	1,231,512	1,212,152
Other Amounts	912,950	1,152,932	1,654,083	1,889,411	2,567,033	3,042,343
<i>Total Liabilities</i>	<u>4,311,010</u>	<u>5,277,791</u>	<u>3,237,289</u>	<u>3,893,810</u>	<u>7,548,299</u>	<u>9,171,601</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	452,338	453,516	0	0	452,338	453,516
Pension	462,991	96,226	204,128	27,402	667,119	123,628
OPEB	183,942	102,367	96,252	1,496	280,194	103,863
<i>Total Deferred Inflows of Resources</i>	<u>1,099,271</u>	<u>652,109</u>	<u>300,380</u>	<u>28,898</u>	<u>1,399,651</u>	<u>681,007</u>
<b>Net Position</b>						
Net Investment in Capital Assets	11,931,755	11,479,443	9,194,164	9,139,463	21,125,919	20,618,906
Restricted for:						
Capital Projects	339,139	323,330	0	0	339,139	323,330
Debt Service	23,315	39,289	0	0	23,315	39,289
Street Repair and Maintenance	626,934	568,174	0	0	626,934	568,174
Police Protection	496,454	346,339	0	0	496,454	346,339
Other Purposes	17,372	17,916	0	0	17,372	17,916
Unclaimed Monies	8,085	1,956	0	0	8,085	1,956
Unrestricted (Deficit)	(784,224)	(964,386)	913,453	835,623	129,229	(128,763)
<i>Total Net Position</i>	<u>\$12,658,830</u>	<u>\$11,812,061</u>	<u>\$10,107,617</u>	<u>\$9,975,086</u>	<u>\$22,766,447</u>	<u>\$21,787,147</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer.

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Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets increased in 2020 as a result of an increase in income tax receivable. This is a result of an increase in the income tax rate during 2020.

As current liabilities decreased, long-term liabilities also decreased during the year. This was due primarily to the prompt payment of payables prior to year end and the payment of debt and a decrease in net pension liability due to changes in assumptions.

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

Table 2 shows the change in net position for 2020 as it compares to 2019.

**Table 2**  
**Change in Net Position**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2020	Restated 2019	2020	2019	2020	Restated 2019
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$268,567	\$213,346	\$2,096,202	\$1,955,094	\$2,364,769	\$2,168,440
Operating Grants and Contributions	904,344	345,021	0	16,640	904,344	361,661
Capital Grants and Contributions	47,528	731,281	0	0	47,528	731,281
<b>Total Program Revenues</b>	<b>1,220,439</b>	<b>1,289,648</b>	<b>2,096,202</b>	<b>1,971,734</b>	<b>3,316,641</b>	<b>3,261,382</b>
General Revenues:						
Property Taxes	455,198	432,738	0	0	455,198	432,738
Income Taxes	2,747,457	2,439,590	0	0	2,747,457	2,439,590
Grants and Entitlements	146,112	135,532	0	0	146,112	135,532
Unrestricted Contributions	50	4,451	0	0	50	4,451
Interest	31,491	104,471	0	0	31,491	104,471
Other	197,578	65,133	57,490	40,700	255,068	105,833
<b>Total General Revenues</b>	<b>3,577,886</b>	<b>3,181,915</b>	<b>57,490</b>	<b>40,700</b>	<b>3,635,376</b>	<b>3,222,615</b>
<b>Total Revenues</b>	<b>\$4,798,325</b>	<b>\$4,471,563</b>	<b>\$2,153,692</b>	<b>\$2,012,434</b>	<b>\$6,952,017</b>	<b>\$6,483,997</b>

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**Table 2**  
**Change in Net Position (continued)**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2020	Restated 2019	2020	2019	2020	Restated 2019
<b>Program Expenses</b>						
General Government	\$729,108	\$797,909	\$0	\$0	\$729,108	\$797,909
Security of Persons and Property	2,410,912	1,181,505	0	0	2,410,912	1,181,505
Transportation	639,771	854,859	0	0	639,771	854,859
Leisure Time Activities	126,669	196,714	0	0	126,669	196,714
Interest and Fiscal Charges	45,096	57,345	0	0	45,096	57,345
Water	0	0	851,549	1,129,232	851,549	1,129,232
Sewer	0	0	1,089,560	1,096,143	1,089,560	1,096,143
Storm Sewer	0	0	80,052	55,941	80,052	55,941
Total Program Expenses	<u>3,951,556</u>	<u>3,088,332</u>	<u>2,021,161</u>	<u>2,281,316</u>	<u>5,972,717</u>	<u>5,369,648</u>
Increase (Decrease) in Net Position	846,769	1,383,231	132,531	(268,882)	979,300	1,114,349
Net Position Beginning of Year - <i>Restated (See Note 3)</i>	<u>11,812,061</u>	<u>10,428,830</u>	<u>9,975,086</u>	<u>10,243,968</u>	<u>21,787,147</u>	<u>20,672,798</u>
Net Position End of Year	<u>\$12,658,830</u>	<u>\$11,812,061</u>	<u>\$10,107,617</u>	<u>\$9,975,086</u>	<u>\$22,766,447</u>	<u>\$21,787,147</u>

**Governmental Activities**

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

The City's income tax was established to be effective January 1, 1984 at a rate of 0.5 percent. This rate was later increased to 0.75 percent effective January 1, 1996 and further increased to 1 percent effective January 1, 2001. In the November 2004 election, the voters of Canal Fulton elected to increase the income tax rate to 1.1 percent effective January 1, 2005. Effective on January 1, 2007, the income tax rate moved from the previous 1.1 percent to 1.5 percent. In the November 2019 election, the voters of Canal Fulton elected to increase the income tax rate to 2.0 percent effective January 1, 2020. Also, January 1, 2020, the City allowed a 100 percent credit of the City's income tax rate for taxes paid to other political subdivisions in Ohio, up to 2.0 percent. As a result, income tax revenue increased from \$2,439,590 in 2019 to \$2,747,457 in 2020.

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

For 2019, OP&F recognized a change in benefit terms for their OPEB plans. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years. These changes contributed to OP&F OPEB expense decreasing from \$109,487 in 2018 to a negative OPEB expense of \$1,124,408 for 2019. OP&F OPEB expense has now recovered and is \$21,911 for 2020.

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***Business-Type Activities***

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

The water utility services 2,160 customer accounts, which include customers within the City as well as customers outside of the City. The City owns and maintains the water treatment plant, which is located within the City, and the water lines of the distribution system, which are primarily located within the City, used to service the customers of the water utility.

Residential water customers within the City pay a water rate of \$2.47 per thousand gallons of usage plus a minimum fixed-rate charge of \$20.80 per month. Residential water customers outside the City pay a water rate of \$6.19 per thousand gallons of usage plus a minimum fixed-rate charge of \$20.80 per month. The City's utility billing ordinance stipulates that the per gallon water usage charge and minimum fixed-rate monthly charge are subject to inflationary increases based on the Consumer Price Index (CPI).

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

The sewer utility services 2,038 customer accounts. The City owns and maintains the sewer lines of the collection system, which are located primarily within the City, and the wastewater treatment plant, which is located in neighboring Lawrence Township.

Sewer customers with a water meter pay a sewer rate of \$3.01 per thousand gallons of usage plus a minimum fixed-rate charge of \$20.30 per month. Sewer customers without a water meter pay an unmetered flat sewer rate of \$33.83 per month. As of December 31, 2020, there were 55 sewer customer accounts paying the flat sewer rate. The City's utility billing ordinance stipulates that the per gallon sewer charge and minimum fixed-rate monthly charge are subject to inflationary increases based on CPI.

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

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

As of December 31, 2020, the Joint User Cost System had 3,429 single family home equivalent connections, of which the combined total of all City sewer customers comprised 83.6 percent of the single family home equivalent connections and the remaining 16.4 percent were located in the Stark County Metropolitan Sewer District. In 2020, the City sewer utility received \$128,207 (on a cash basis) from the Stark County Metropolitan Sewer District for the operations of the Joint User Cost System.

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

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

### **The City's Funds**

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. The City's general fund reflected an increase in fund balance, which was due primarily to an increase in income tax revenues. The police fund had an increase in fund balance due largely to income tax collections and transfers in exceeding expenditures, with intergovernmental and other receipts increasing fund balance further. The fire/EMS fund had an increase in fund balance due to an increase in intergovernmental receipts and transfers in. The capital projects reserve fund had an increase in fund balance due primarily transfers in that funded all current year expenditures.

Information about the proprietary funds starts on page 25. These funds are accounted for on an accrual basis. The water fund had operating income due to water charges being sufficient to cover the cost of operations. The sewer fund had an operating loss due primarily to an increase in operating expenses related to contractual services. The storm sewer fund had an operating loss due to the storm sewer charge not being able to cover all costs of maintaining storm sewer infrastructure, with depreciation being the largest expense.

### ***Budgeting Highlights***

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

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

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

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

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

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

All capital assets, except land and construction in progress, are reported net of depreciation. Additions to capital assets included land for a water tower, security system upgrades, an ambulance, and police vehicles. Despite annual depreciation, capital assets increased from the prior fiscal year. For more information on capital assets, refer to Note 17 of the basic financial statements.

#### ***Debt Administration***

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

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

During 2018, the City issued \$825,000 of Various Purpose Improvement General Obligation Bonds for the purpose of making improvements to the service building and retiring a portion of the 2018 bond anticipation notes.

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

The OPWC loans are comprised of ten separate, zero percent interest loans. The purpose of these loans are for the construction and improvement of various water, sewer, and storm sewer projects, which the most notable is the Water Treatment Plant project. These loans will be repaid over a period of 30 years by user fees. The loans will be retired anywhere from 2022 to 2041.

As of December 31, 2020, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$10,409,637 and the unvoted legal debt margin was \$4,752,779.

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

### **Current Financial Issues**

Over the past twenty years, income tax collections (on a cash basis) have increased from \$425,403 in 1993, to \$2,754,980 in 2020. This is largely attributed to the voter approved, tax increase, bringing the City tax percentage to 2 percent. In addition, the Northwest Local School District became the City's largest employer in June 2008 through annexation. The voters also approved a one tenth of a percent income tax



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rate levy dedicated to the Police Department. The remaining one and nine tenths of a percent income tax rate levies are receipted into the general fund, from where it is distributed to various City departments and funds via transfers in the annual appropriation ordinances adopted by City Council. Transfers from the general fund to the various funds are used to support the operating expenses and capital improvements for all City departments except the water and sewer utilities. Because income taxes represent the primary source for funding the City's traditional government functions (Police, Fire, Administration, etc.), it is important that the City continue to promote economic development.

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

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

In addition to building reserve balances in the utility funds, the City has an emergency reserve with a total balance of \$242,700 at the end of 2020. This reserve was originally established by City Council in 2010 to accumulate resources to help the City better withstand downturns in the local economy or the sudden loss of key revenues. Similarly, City Council created a capital projects reserve fund in 2015 to accumulate resources to help replace vehicles and equipment in the future. The City had \$320,001 in this fund at the end of 2020.

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

**Contacting the City's Finance Department**

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

## **Basic Financial Statements**

**City of Canal Fulton, Ohio**  
*Statement of Net Position*  
*December 31, 2020*

	Governmental Activities *	Business-Type Activities *	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,042,886	\$2,168,682	\$5,211,568
Accounts Receivable	33,257	160,018	193,275
Intergovernmental Receivable	346,796	0	346,796
Income Taxes Receivable	521,496	0	521,496
Property Taxes Receivable	470,278	0	470,278
Materials and Supplies Inventory	27,242	2,197	29,439
Net Pension Asset (See Note 18)	29,788	37,906	67,694
Nondepreciable Capital Assets	4,185,349	671,902	4,857,251
Depreciable Capital Assets, Net	8,857,930	10,384,400	19,242,330
<i>Total Assets</i>	<u>17,515,022</u>	<u>13,425,105</u>	<u>30,940,127</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	4,639	4,757	9,396
Pension	331,133	128,184	459,317
OPEB	218,317	87,240	305,557
<i>Total Deferred Outflows of Resources</i>	<u>554,089</u>	<u>220,181</u>	<u>774,270</u>
<b>Liabilities</b>			
Accounts Payable	50,964	22,190	73,154
Accrued Wages	51,875	19,990	71,865
Contracts Payable	12,722	4,185	16,907
Intergovernmental Payable	29,246	10,503	39,749
Deposits Held Payable	40,609	19,387	59,996
Vacation Benefits Payable	10,402	2,806	13,208
Unearned Revenue	18,225	0	18,225
Accrued Interest Payable	3,418	3,758	7,176
Long-Term Liabilities:			
Due Within One Year	241,404	226,997	468,401
Due In More Than One Year:			
Net Pension Liability (See Note 18)	2,258,497	722,576	2,981,073
Net OPEB Liability (See Note 19)	680,698	550,814	1,231,512
Other Amounts	912,950	1,654,083	2,567,033
<i>Total Liabilities</i>	<u>4,311,010</u>	<u>3,237,289</u>	<u>7,548,299</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	452,338	0	452,338
Pension	462,991	204,128	667,119
OPEB	183,942	96,252	280,194
<i>Total Deferred Inflows of Resources</i>	<u>1,099,271</u>	<u>300,380</u>	<u>1,399,651</u>
<b>Net Position</b>			
Net Investment in Capital Assets	11,931,755	9,194,164	21,125,919
Restricted for:			
Capital Projects	339,139	0	339,139
Debt Service	23,315	0	23,315
Street Repair and Maintenance	626,934	0	626,934
Police Protection	496,454	0	496,454
Other Purposes	17,372	0	17,372
Unclaimed Monies	8,085	0	8,085
Unrestricted (Deficit)	(784,224)	913,453	129,229
<i>Total Net Position</i>	<u>\$12,658,830</u>	<u>\$10,107,617</u>	<u>\$22,766,447</u>

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

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2020

	Program Revenues		
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Expenses			
<b>Governmental Activities:</b>			
General Government	\$729,108	\$85,571	\$0
Security of Persons and Property	2,410,912	178,411	483,337
Transportation	639,771	4,585	5,856
Leisure Time Activities	126,669	0	415,151
Interest and Fiscal Charges	45,096	0	0
<i>Total Governmental Activities</i>	<u>3,951,556</u>	<u>268,567</u>	<u>904,344</u>
<b>Business-Type Activities:</b>			
Water	851,549	1,025,182	0
Sewer	1,089,560	1,011,138	0
Storm Sewer	80,052	59,882	0
<i>Total Business-Type Activities</i>	<u>2,021,161</u>	<u>2,096,202</u>	<u>0</u>
<i>Total</i>	<u>\$5,972,717</u>	<u>\$2,364,769</u>	<u>\$904,344</u>

**General Revenues**

Property Taxes Levied for:  
    General Purposes  
    Debt Service  
    Capital Projects  
Income Tax Levied for:  
    General Purposes  
    Other Purposes  
Grants and Entitlements not  
    Restricted to Specific Programs  
Unrestricted Contributions  
Interest  
Other

*Total General Revenues*

*Change in Net Position*

*Net Position Beginning of Year -  
Restated (See Note 3)*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$643,537)	\$0	(\$643,537)
(1,749,164)	0	(1,749,164)
(586,389)	0	(586,389)
293,069	0	293,069
(45,096)	0	(45,096)
<u>(2,731,117)</u>	<u>0</u>	<u>(2,731,117)</u>
0	173,633	173,633
0	(78,422)	(78,422)
0	(20,170)	(20,170)
<u>0</u>	<u>75,041</u>	<u>75,041</u>
<u>(2,731,117)</u>	<u>75,041</u>	<u>(2,656,076)</u>
248,814	0	248,814
109,729	0	109,729
96,655	0	96,655
2,600,921	0	2,600,921
146,536	0	146,536
146,112	0	146,112
50	0	50
31,491	0	31,491
197,578	57,490	255,068
<u>3,577,886</u>	<u>57,490</u>	<u>3,635,376</u>
846,769	132,531	979,300
<u>11,812,061</u>	<u>9,975,086</u>	<u>21,787,147</u>
<u>\$12,658,830</u>	<u>\$10,107,617</u>	<u>\$22,766,447</u>

**City of Canal Fulton, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2020*

	General	Police	Fire/ EMS	Capital Projects Reserve	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$988,243	\$495,404	\$332,337	\$320,001	\$869,151	\$3,005,136
Accounts Receivable	4,624	0	14,098	0	14,535	33,257
Intergovernmental Receivable	52,584	0	69,484	0	224,728	346,796
Income Taxes Receivable	492,531	28,965	0	0	0	521,496
Property Taxes Receivable	255,320	0	0	0	214,958	470,278
Materials and Supplies Inventory	0	0	0	0	27,242	27,242
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	12,850	0	0	0	24,900	37,750
<b>Total Assets</b>	<b>\$1,806,152</b>	<b>\$524,369</b>	<b>\$415,919</b>	<b>\$320,001</b>	<b>\$1,375,514</b>	<b>\$4,441,955</b>
<b>Liabilities</b>						
Accounts Payable	\$9,775	\$3,667	\$19,649	\$0	\$17,873	\$50,964
Accrued Wages	9,844	22,154	12,602	0	7,275	51,875
Contracts Payable	1,395	0	0	0	11,327	12,722
Intergovernmental Payable	10,648	14,952	879	0	2,767	29,246
Unearned Revenue	0	0	0	0	18,225	18,225
Deposits Held Payable from Restricted Assets	1,174	0	0	0	39,435	40,609
<b>Total Liabilities</b>	<b>32,836</b>	<b>40,773</b>	<b>33,130</b>	<b>0</b>	<b>96,902</b>	<b>203,641</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	245,985	0	0	0	206,353	452,338
Unavailable Revenue	312,043	15,580	0	0	147,903	475,526
<b>Total Deferred Inflows of Resources</b>	<b>558,028</b>	<b>15,580</b>	<b>0</b>	<b>0</b>	<b>354,256</b>	<b>927,864</b>
<b>Fund Balances</b>						
Nonspendable	11,676	0	0	0	27,242	38,918
Restricted	0	468,016	0	0	891,695	1,359,711
Committed	0	0	382,789	320,001	5,419	708,209
Assigned	72,661	0	0	0	0	72,661
Unassigned	1,130,951	0	0	0	0	1,130,951
<b>Total Fund Balances</b>	<b>1,215,288</b>	<b>468,016</b>	<b>382,789</b>	<b>320,001</b>	<b>924,356</b>	<b>3,310,450</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$1,806,152</b>	<b>\$524,369</b>	<b>\$415,919</b>	<b>\$320,001</b>	<b>\$1,375,514</b>	<b>\$4,441,955</b>

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2020*

<b>Total Governmental Fund Balances</b>	<b>\$3,310,450</b>
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,043,279
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	17,940
Income Taxes	280,504
Intergovernmental	177,082
Total	475,526
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(10,402)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	4,639
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(3,418)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(874,974)
Capital Lease Payable	(244,373)
Compensated Absences	(35,007)
Total	(1,154,354)
The net pension/OPEB asset/liabilities are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds:	
Net Pension Asset	29,788
Deferred Outflows - Pension	331,133
Deferred Outflows - OPEB	218,317
Net Pension Liability	(2,258,497)
Net OPEB Liability	(680,698)
Deferred Inflows - Pension	(462,991)
Deferred Inflows - OPEB	(183,942)
Total	(3,006,890)
 <i>Net Position of Governmental Activities</i>	 <b>\$12,658,830</b>

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2020*

	General	Police	Fire/ EMS	Capital Projects Reserve	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$246,263	\$0	\$0	\$0	\$203,337	\$449,600
Income Taxes	2,635,223	152,447	0	0	0	2,787,670
Charges for Services	6,286	0	160,756	0	17,095	184,137
Fines, Licenses and Permits	76,410	1,420	0	0	1,700	79,530
Intergovernmental	127,011	92,213	108,794	42,941	762,722	1,133,681
Special Assessments	2,875	0	0	0	0	2,875
Interest	29,211	0	0	0	2,280	31,491
Rent	2,025	0	0	0	0	2,025
Contributions and Donations	50	0	150	0	5,856	6,056
Other	57,584	68,942	36,263	0	34,789	197,578
<i>Total Revenues</i>	<u>3,182,938</u>	<u>315,022</u>	<u>305,963</u>	<u>42,941</u>	<u>1,027,779</u>	<u>4,874,643</u>
<b>Expenditures</b>						
Current:						
General Government	788,580	0	0	0	1,721	790,301
Security of Persons and Property	0	1,236,618	623,969	0	296,820	2,157,407
Transportation	20,184	0	0	0	386,750	406,934
Leisure Time Activities	67,154	0	0	0	35,237	102,391
Capital Outlay	0	0	0	116,526	315,866	432,392
Debt Service:						
Principal Retirement	0	0	0	0	260,805	260,805
Interest and Fiscal Charges	0	0	0	0	47,308	47,308
Issuance Costs	0	0	0	0	2,486	2,486
<i>Total Expenditures</i>	<u>875,918</u>	<u>1,236,618</u>	<u>623,969</u>	<u>116,526</u>	<u>1,346,993</u>	<u>4,200,024</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,307,020</u>	<u>(921,596)</u>	<u>(318,006)</u>	<u>(73,585)</u>	<u>(319,214)</u>	<u>674,619</u>
<b>Other Financing Sources (Uses)</b>						
Refunding Bonds Issued	0	0	0	0	402,984	402,984
Payment to Refunding Bond Escrow Agent	0	0	0	0	(400,498)	(400,498)
Transfers In	0	1,080,000	453,000	200,000	415,000	2,148,000
Transfers Out	(2,148,000)	0	0	0	0	(2,148,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,148,000)</u>	<u>1,080,000</u>	<u>453,000</u>	<u>200,000</u>	<u>417,486</u>	<u>2,486</u>
<i>Net Change in Fund Balances</i>	159,020	158,404	134,994	126,415	98,272	677,105
<i>Fund Balances Beginning of Year</i>	1,056,268	309,612	247,795	193,586	826,084	2,633,345
<i>Fund Balances End of Year</i>	<u>\$1,215,288</u>	<u>\$468,016</u>	<u>\$382,789</u>	<u>\$320,001</u>	<u>\$924,356</u>	<u>\$3,310,450</u>

See accompanying notes to the basic financial statements



**City of Canal Fulton, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2020*

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**Net Change in Fund Balances - Total Governmental Funds** \$677,105

*Amounts reported for governmental activities in the  
statement of activities are different because:*

Governmental funds report capital outlay as an expenditure:  
however, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense. This is the amount by which  
capital outlay exceeded depreciation in the current period

Capital Asset Additions	899,074	
Current Year Depreciation	(704,749)	
Total		194,325

Revenues in the statement of activities that do not provide  
current financial resources are not reported as revenues  
in the funds:

Delinquent Property Taxes	5,598	
Income Taxes	(40,213)	
Intergovernmental	(41,703)	
Total		(76,318)

Repayment of long-term obligations is an expenditure in the  
governmental funds, but the repayment reduces  
long-term liabilities in the statement of net position:

Principal Retirement	260,805	
Payment to Refunding Bond Escrow Agent	400,498	
Total		661,303

Some expenses reported in the statement of activities do not require  
the use of current financial resources and therefore are not  
reported as expenditures in the governmental funds:

Accrued Interest	1,907	
Amortization of Deferred Charges	(332)	
Amortization of Premiums on Debt	637	
Total		2,212

Some expenses reported in the statement of activities do not require  
the use of current financial resources and therefore are not  
reported as expenditures in governmental funds:

Vacation Benefits Payable	(3,630)	
Compensated Absences	7,607	
Total		3,977

Other financing sources in the governmental funds, such as refunding  
bonds issued, increase long-term liabilities in the statement of net position. (402,984)

Contractually required contributions are reported as expenditures  
in governmental funds; however, the statement of net position  
reports these amounts as deferred outflows:

Pension	189,875	
OPEB	3,254	
Total		193,129

Except for amounts reported as deferred inflows/outflows, changes  
in the net pension liability are reported as pension expense in  
the statement of activities:

Pension	(355,617)	
OPEB	(50,363)	
Total		(405,980)

*Change in Net Position of Governmental Activities* \$846,769

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$245,679	\$246,059	\$246,263	\$204
Income Taxes	2,297,450	2,301,000	2,601,960	300,960
Charges for Services	6,490	6,500	6,286	(214)
Fines, Licenses, and Permits	30,064	30,110	76,581	46,471
Intergovernmental	115,489	115,667	124,842	9,175
Special Assessments	2,496	2,500	2,875	375
Interest	60,720	60,814	29,211	(31,603)
Rent	2,496	2,500	2,025	(475)
Contributions and Donations	499	500	1,150	650
Other	22,316	22,350	44,805	22,455
<i>Total Revenues</i>	<u>2,783,699</u>	<u>2,788,000</u>	<u>3,135,998</u>	<u>347,998</u>
<b>Expenditures</b>				
Current:				
General Government	894,413	991,513	860,000	131,513
Transportation	28,764	28,764	23,382	5,382
Leisure Time Activities	74,736	74,736	64,287	10,449
<i>Total Expenditures</i>	<u>997,913</u>	<u>1,095,013</u>	<u>947,669</u>	<u>147,344</u>
<i>Excess of Revenues Over Expenditures</i>	1,785,786	1,692,987	2,188,329	495,342
<b>Other Financing Uses</b>				
Transfers Out	(1,908,000)	(2,148,000)	(2,148,000)	0
<i>Net Change in Fund Balance</i>	(122,214)	(455,013)	40,329	495,342
<i>Fund Balance Beginning of Year</i>	566,275	566,275	566,275	0
Prior Year Encumbrances Appropriated	58,326	58,326	58,326	0
<i>Fund Balance End of Year</i>	<u>\$502,387</u>	<u>\$169,588</u>	<u>\$664,930</u>	<u>\$495,342</u>

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Income Taxes	\$183,886	\$164,886	\$153,020	(\$11,866)
Fines, Licenses and Permits	1,114	1,114	2,623	1,509
Intergovernmental	1,000	1,000	92,320	91,320
Contributions and Donations	3,000	3,000	0	(3,000)
Other	144,000	144,000	68,942	(75,058)
<i>Total Revenues</i>	333,000	314,000	316,905	2,905
<b>Expenditures</b>				
Current:				
Security of Persons and Property	1,550,017	1,550,017	1,367,559	182,458
<i>Excess of Revenues Under Expenditures</i>	(1,217,017)	(1,236,017)	(1,050,654)	185,363
<b>Other Financing Sources</b>				
Transfers In	1,080,000	1,080,000	1,080,000	0
<i>Net Change in Fund Balance</i>	(137,017)	(156,017)	29,346	185,363
<i>Fund Balance Beginning of Year</i>	267,718	267,718	267,718	0
Prior Year Encumbrances Appropriated	76,847	76,847	76,847	0
<i>Fund Balance End of Year</i>	\$207,548	\$188,548	\$373,911	\$185,363

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire/EMS Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$135,000	\$135,000	\$157,861	\$22,861
Intergovernmental	95,500	95,500	46,422	(49,078)
Contributions and Donations	0	0	150	150
Other	4,000	4,000	36,263	32,263
<i>Total Revenues</i>	234,500	234,500	240,696	6,196
<b>Expenditures</b>				
Current:				
Security of Persons and Property	773,042	918,174	729,760	188,414
<i>Excess of Revenues Under Expenditures</i>	(538,542)	(683,674)	(489,064)	194,610
<b>Other Financing Sources</b>				
Transfers In	446,000	457,000	453,000	(4,000)
<i>Net Change in Fund Balance</i>	(92,542)	(226,674)	(36,064)	190,610
<i>Fund Balance Beginning of Year</i>	230,162	230,162	230,162	0
Prior Year Encumbrances Appropriated	38,153	38,153	38,153	0
<i>Fund Balance End of Year</i>	\$175,773	\$41,641	\$232,251	\$190,610

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2020*

	Water	Sewer	Storm Sewer	Total
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,074,054	\$1,015,669	\$59,572	\$2,149,295
Accounts Receivable	86,706	68,590	4,722	160,018
Materials and Supplies Inventory	361	1,836	0	2,197
Restricted Cash and Cash Equivalents	9,888	8,917	582	19,387
<i>Total Current Assets</i>	<u>1,171,009</u>	<u>1,095,012</u>	<u>64,876</u>	<u>2,330,897</u>
<i>Noncurrent Assets:</i>				
Nondepreciable Capital Assets	475,344	181,636	14,922	671,902
Depreciable Capital Assets, Net	4,313,909	3,708,657	2,361,834	10,384,400
Net Pension Asset	18,953	18,953	0	37,906
<i>Total Noncurrent Assets</i>	<u>4,808,206</u>	<u>3,909,246</u>	<u>2,376,756</u>	<u>11,094,208</u>
<i>Total Assets</i>	<u>5,979,215</u>	<u>5,004,258</u>	<u>2,441,632</u>	<u>13,425,105</u>
<b>Deferred Outflows of Resources</b>				
Deferred Charge on Refunding	2,379	2,378	0	4,757
Deferred Outflows - Pension	64,092	64,092	0	128,184
Deferred Outflows - OPEB	44,003	44,003	0	88,006
<i>Total Deferred Outflows of Resources</i>	<u>110,474</u>	<u>110,473</u>	<u>0</u>	<u>220,947</u>
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	3,872	18,318	0	22,190
Accrued Wages	9,995	9,995	0	19,990
Contracts Payable	1,395	1,395	1,395	4,185
Intergovernmental Payable	5,064	5,439	0	10,503
Deposits Held Payable	9,888	8,917	582	19,387
Vacation Benefits Payable	1,403	1,403	0	2,806
Accrued Interest Payable	3,411	347	0	3,758
General Obligation Bonds Payable	57,407	12,407	0	69,814
OPWC Loans Payable	89,991	52,080	6,886	148,957
Compensated Absences Payable	4,113	4,113	0	8,226
<i>Total Current Liabilities</i>	<u>186,539</u>	<u>114,414</u>	<u>8,863</u>	<u>309,816</u>
<i>Long-Term Liabilities:</i>				
General Obligation Bonds Payable	374,219	173,198	0	547,417
OPWC Loans Payable	792,081	220,124	89,523	1,101,728
Compensated Absences Payable	2,469	2,469	0	4,938
Net Pension Liability	361,289	361,287	0	722,576
Net OPEB Liability	275,407	275,407	0	550,814
<i>Total Long-Term Liabilities</i>	<u>1,805,465</u>	<u>1,032,485</u>	<u>89,523</u>	<u>2,927,473</u>
<i>Total Liabilities</i>	<u>1,992,004</u>	<u>1,146,899</u>	<u>98,386</u>	<u>3,237,289</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows - Pension	102,063	102,065	0	204,128
Deferred Inflows - OPEB	48,509	48,509	0	97,018
<i>Total Deferred Inflows of Resources</i>	<u>150,572</u>	<u>150,574</u>	<u>0</u>	<u>301,146</u>
<b>Net Position</b>				
Net Investment in Capital Assets	3,478,955	3,434,862	2,280,347	9,194,164
Unrestricted	468,158	382,396	62,899	913,453
<i>Total Net Position</i>	<u>\$3,947,113</u>	<u>\$3,817,258</u>	<u>\$2,343,246</u>	<u>\$10,107,617</u>

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2020*

	Water	Sewer	Storm Sewer	Total
<b>Operating Revenues</b>				
Charges for Services	\$1,025,182	\$1,011,138	\$59,882	\$2,096,202
Other	29,458	27,866	166	57,490
<i>Total Operating Revenues</i>	<u>1,054,640</u>	<u>1,039,004</u>	<u>60,048</u>	<u>2,153,692</u>
<b>Operating Expenses</b>				
Personal Services	307,484	307,486	0	614,970
Fringe Benefits	181,239	181,245	0	362,484
Contractual Services	8,635	347,403	29,351	385,389
Materials and Supplies	36,118	54,022	421	90,561
Depreciation	176,705	192,000	50,181	418,886
Other	127,391	4,655	99	132,145
<i>Total Operating Expenses</i>	<u>837,572</u>	<u>1,086,811</u>	<u>80,052</u>	<u>2,004,435</u>
<i>Operating Income (Loss)</i>	217,068	(47,807)	(20,004)	149,257
<b>Non-Operating Expenses</b>				
Interest and Fiscal Charges	(13,977)	(2,749)	0	(16,726)
<i>Change in Net Position</i>	203,091	(50,556)	(20,004)	132,531
<i>Net Position Beginning of Year</i>	<u>3,744,022</u>	<u>3,867,814</u>	<u>2,363,250</u>	<u>9,975,086</u>
<i>Net Position End of Year</i>	<u>\$3,947,113</u>	<u>\$3,817,258</u>	<u>\$2,343,246</u>	<u>\$10,107,617</u>

See accompanying notes to the basic financial statements

**City of Canal Fulton, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
*For the Year Ended December 31, 2020*

	Water	Sewer	Storm Sewer	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$1,007,320	\$1,010,860	\$60,028	\$2,078,208
Other Cash Receipts	28,312	26,832	99	55,243
Cash Payments to Employees for Services	(452,235)	(452,239)	0	(904,474)
Cash Payments for Goods and Services	(116,336)	(421,311)	(29,284)	(566,931)
Other Cash Payments	(126,245)	(3,621)	0	(129,866)
<i>Net Cash Provided by Operating Activities</i>	<u>340,816</u>	<u>160,521</u>	<u>30,843</u>	<u>532,180</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payment to Refunding Bond Escrow Agent	(197,284)	(197,284)	0	(394,568)
General Obligation Refunding Bonds Issued	198,508	198,508	0	397,016
Bond Issuance Costs	(1,224)	(1,224)	0	(2,448)
Principal Paid on Bonds	(53,158)	(12,903)	0	(66,061)
Interest Paid on Bonds	(13,442)	(1,566)	0	(15,008)
Principal Paid on OPWC Loans	(89,991)	(52,080)	(6,886)	(148,957)
Payments for Capital Acquisitions	(233,359)	(9,728)	(18,523)	(261,610)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(389,950)</u>	<u>(76,277)</u>	<u>(25,409)</u>	<u>(491,636)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(49,134)	84,244	5,434	40,544
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,133,076</u>	<u>940,342</u>	<u>54,720</u>	<u>2,128,138</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,083,942</u>	<u>\$1,024,586</u>	<u>\$60,154</u>	<u>\$2,168,682</u>

(continued)

**City of Canal Fulton, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2020*

	Water	Sewer	Storm Sewer	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>				
Operating Income (Loss)	\$217,068	(\$47,807)	(\$20,004)	\$149,257
Adjustments:				
Depreciation	176,705	192,000	50,181	418,886
(Increase) Decrease in Assets:				
Accounts Receivable	(17,862)	(7,219)	146	(24,935)
Intergovernmental Receivable	0	6,941	0	6,941
Materials and Supplies Inventory	181	924	0	1,105
Net Pension Asset	(2,757)	(2,757)	0	(5,514)
Decrease in Deferred Outflows of Resources:				
Pension	82,228	82,230	0	164,458
OPEB	43,370	43,370	0	86,740
Increase (Decrease) in Liabilities:				
Accounts Payable	(8,570)	(19,206)	(974)	(28,750)
Accrued Wages	2,552	2,552	0	5,104
Contracts Payable	(64,693)	(3,313)	1,395	(66,611)
Intergovernmental Payable	3,510	3,885	0	7,395
Deposit Accounts Payable	1,675	1,510	99	3,284
Vacation Benefits Payable	213	213	0	426
Compensated Absences Payable	(10,296)	(10,296)	0	(20,592)
Net Pension Liability	7,933	7,934	0	15,867
Net OPEB Liability	16,759	16,759	0	33,518
Decrease in Deferred Inflows of Resources:				
Pension	(76,537)	(76,536)	0	(153,073)
OPEB	(30,663)	(30,663)	0	(61,326)
<i>Net Cash Provided by Operating Activities</i>	<u>\$340,816</u>	<u>\$160,521</u>	<u>\$30,843</u>	<u>\$532,180</u>

See accompanying notes to the basic financial statements



**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Description of the City and Reporting Entity**

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

***Reporting Entity***

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

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

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

**Note 2 – Summary of Significant Accounting Policies**

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

***Basis of Presentation***

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

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

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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

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

***Fund Accounting***

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

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

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

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

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

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

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

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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

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

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

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

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

**Measurement Focus**

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

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

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

**Basis of Accounting**

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

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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

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

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

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes income taxes, delinquent property taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 18 and 19).

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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

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

***Cash and Cash Equivalents***

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

During 2020, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2020 amounted to \$29,211, which includes \$18,855 assigned from other City funds.

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

***Inventory***

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

***Unearned Revenue***

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

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies, general trust and for amounts held on deposit for contractors. Restricted assets in other governmental funds represent fire demolition deposits.

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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***Capital Assets***

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

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

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

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

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

***Compensated Absences***

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

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

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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

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

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

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

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

***Fund Balances***

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

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

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

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level formal action (ordinance or resolution, as both are equally legally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally legally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

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

***Net Position***

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

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

***Operating Revenues and Expenses***

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

***Internal Activity***

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



**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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

***Interfund Balances***

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity-wide statement of net position.

***Premiums***

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

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

***Deferred Charge on Refunding***

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

***Estimates***

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

***Budgetary Process***

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

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
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The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the original and final amended certificate of estimated resources in effect at the time the original and final appropriations were passed by Council.

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

**Note 3 – Change in Accounting Principle and Restatement of Net Position**

*Change in Accounting Principle*

For 2020, the City implemented the Governmental Accounting Standard Board’s (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The implementation of GASB Statement No. 83 had no impact on the City’s net position.

*Restatement of Net Position*

During 2020, it was determined that intergovernmental receivable reported for the prior year was overstated. This resulted in the following change to net position at December 31, 2019:

	Governmental Activities	Business-Type Activity	Total
Net Position December 31, 2019	\$12,104,161	\$9,975,086	\$22,079,247
Adjustments:			
Intergovernmental Receivable	(292,100)	0	(292,100)
Restated Net Position December 31, 2019	\$11,812,061	\$9,975,086	\$21,787,147

This restatement also reduced intergovernmental receivables and unavailable revenue in the Fire/EMS fund, however there was no change in fund balance at December 31, 2019.

**Note 4 – Compliance**

Contrary to Ohio Revised Code Section 5705.39, the coronavirus relief special revenue fund and downtown improvement capital projects fund had original appropriations in excess of certified available resources in the amount of \$229,315 and \$270, respectively. Management has indicated that this will be closely monitored to ensure no future violations.

Contrary to Ohio Revised Code Section 5705.39, the capital projects reserve capital projects fund and the motor vehicle license special revenue fund had final appropriations in excess of certified available resources in the amounts of \$6,552 and \$6,477, respectively. Management has indicated that this will be closely monitored to ensure no future violations.

Contrary to Ohio Revised Code Section 5705.41(B), the budget stabilization fund had expenditures plus encumbrances in excess of final appropriations in the amount of \$1,800.

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 5 – Budgetary Basis of Accounting**

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

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

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Budgetary revenues and expenditures of the park deposits and budget stabilization funds are reclassified to the general fund for GAAP reporting.
4. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP).

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

Net Change in Fund Balance General and Major Special Revenue Funds			
	General	Police	Fire/EMS
GAAP Basis	\$159,020	\$158,404	\$134,994
Net Adjustment for Revenue Accruals	(34,955)	1,883	(65,267)
Net Adjustment for Expenditure Accruals	36,756	(9,448)	(5,705)
Perspective Differences:			
Unclaimed Monies	(6,129)	0	0
Park Deposits	(50)	0	0
Reserve Fund	7,300	0	0
Encumbrances	(121,613)	(121,493)	(100,086)
Budget Basis	\$40,329	\$29,346	(\$36,064)

**Note 6 – Deposits and Investments**

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

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

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

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

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

Interim monies may be deposited or invested in the following securities:

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

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The City has passed an ordinance allowing the City to invest any monies not required to be used for a period of six months or more in the following:

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

***Investments***

As of December 31, 2020, the City had investments in STAR Ohio in the amount of \$4,766,436. The investments in STAR Ohio are valued at net asset value (NAV) per share and had an average maturity of 55.8 days as of December 31, 2020.

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

**Note 7 – Receivables**

Receivables at December 31, 2020, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, and accounts (billings for utility service). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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.

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
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Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2020, was \$4.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Canal Fulton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2020, and for which there is an enforceable legal claim. In governmental funds, the entire receivable has been offset by deferred inflows of resources – property taxes since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes during the available period are not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

***Income Taxes***

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

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

***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	Amount
<b><i>Governmental Activities:</i></b>	
Gasoline Tax	\$182,524
SAFER Grant	69,484
Local Government	36,453
Permissive Motor Vehicle License Tax	33,708
Homestead	24,627
Total Governmental Activities	\$346,796

## **Note 8 – Contingencies**

### *Litigation*

The City is not party to legal proceedings as of December 31, 2020.

### *Grants*

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2020.

## **Note 9 – Other Employee Benefits**

### *Compensated Absences*

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

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

### *Medical and Dental Insurance*

The City provides medical, dental, and vision benefits to employees through the Stark County Educational Service Center. The City also provides \$25,000 of life insurance for employees through the Stark County Educational Service Center. The City's portion of monthly premiums for 2020 were \$1,886.60 for family and \$774.95 for single.

## **Note 10 – Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the City contracted with The Ohio Municipal Joint Self Insurance Pool for various types of insurance.

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

The coverage and deductible are as follows:

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

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

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

**Note 11 – Internal Activity**

***Interfund Transfers***

Interfund transfers for the year ended December 31, 2020, consisted of the following:

Transfer to	Transfer From General
Police	\$1,080,000
Fire/EMS	453,000
Capital Projects Reserve	200,000
Other Governmental Funds	415,000
Total	<u>\$2,148,000</u>

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

***Internal Balances – Change in Proportionate Share***

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.



**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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Balances related to the internal proportionate share for pension and OPEB at December 31, 2020, were as follows:

	OPEB	
	Deferred Outflows	Deferred Inflows
Governmental Activities	\$0	\$766
Business-Type Activities:		
Water	383	0
Sewer	383	0
Total Business-Type Activities	766	0
Total	\$766	\$766

**Note 12 – Joint Venture**

The City participates in the Local Organized Governments in Cooperation (LOGIC), a statutorily created political subdivision of the State formed in 1986 to provide safety dispatching services. LOGIC is a joint venture among the City, Jackson Township, Lawrence Township, City of Massillon, and Hills and Dales Village, with each participant providing one representative to serve on the board. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of LOGIC, including budgeting, appropriating, contracting, and designating management. Continued existence of LOGIC is dependent on the City’s continued participation; however, the City does not have an equity interest in the LOGIC. LOGIC does not provide specific financial benefits or impose specific financial burdens on the City. During 2020, the City made contributions of \$102,999, but does not have an equity interest in LOGIC. Financial statements of LOGIC may be obtained from Local Organized Governments in Cooperation, 2601 Cleveland Avenue, Canton, Ohio 44709.

**Note 13 – Related Organization**

Four of the nine members of the Northwest Stark Senior Citizens Commission (Senior Citizens Commission) are appointed by the Mayor of the City. Four of the nine members of the Senior Citizens Commission are elected by the members of the Northwest Stark Senior Center. These eight members of the Senior Citizens Commission elect the remaining member. The Senior Citizens Commission administers its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the Senior Citizens Commission nor is the Senior Citizens Commission financially dependent on the City. The City did not make any payments to the Senior Citizens Commission in 2020. Financial information may be obtained by contacting the Senior Citizens Commission at 853 Locust Street, Canal Fulton, Ohio 44614.

## **Note 14 – Jointly Governed Organizations**

### ***Stark County Regional Planning Commission***

The City participates in the Stark County Regional Planning Commission (Planning Commission), which is a statutorily created political subdivision of the State. The Planning Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 64 member board, the City appoints one member. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Planning Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Planning Commission. These include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Planning Commission's liabilities. In 2020, the City contributed a total of \$548 to the Planning Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, 201 3rd Street NE, Suite 201, Canton, Ohio 44702.

### ***Stark Council of Governments***

The City participates in the Stark Council of Governments (Council) which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships which direct the operations of the Stark County Metropolitan Narcotics Unit and the Stark County Crime Laboratory. Of the 27 members, the City has one appointed member. Each member's control over the operation of the Council is limited to its representation on the board. The board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City did not contribute any funds to the Council in 2020. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

### ***Stark County District Board of Health***

The City participates in the Stark County District Board of Health (Health District) which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Canal Fulton, the City of Louisville, and the City of North Canton. Of the 8 board members, the City has one appointed member. The board is made up of various professionals who are equally representative of the general health district. The board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$24,321 to the Health District in 2020. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

**City of Canal Fulton, Ohio**  
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*For the Year Ended December 31, 2020*

**Note 15 – Long-Term Obligations**

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

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

	Amount Outstanding 12/31/2019	Additions	Deletions	Amount Outstanding 12/31/2020	Amounts Due in One Year
<b><i>Governmental Activities:</i></b>					
<b><i>General Obligation Bonds:</i></b>					
Fire Station Bonds 1	\$295,000	\$0	\$45,000	\$250,000	\$45,000
Premium on Fire Station Bonds 1	2,701	0	450	2,251	0
Fire Station Bonds 2	290,000	0	45,000	245,000	45,000
Premium on Fire Station Bonds 2	1,120	0	187	933	0
2018 Various Purpose Improvement Bonds	395,527	0	395,527	0	0
2020 Various Purpose Refunding Bonds	0	402,984	26,194	376,790	25,186
<b>Total General Obligation Bonds</b>	<b>984,348</b>	<b>402,984</b>	<b>512,358</b>	<b>874,974</b>	<b>115,186</b>
<b><i>Other Long-Term Obligations:</i></b>					
Capital Leases	388,984	0	144,611	244,373	120,262
Compensated Absences	42,614	18,818	26,425	35,007	5,956
<b>Total Other Long-Term Obligations</b>	<b>431,598</b>	<b>18,818</b>	<b>171,036</b>	<b>279,380</b>	<b>126,218</b>
<b><i>Net Pension Liability:</i></b>					
OPERS	841,013	0	273,285	567,728	0
OPF	2,041,966	0	351,197	1,690,769	0
<b>Total Net Pension Liability</b>	<b>2,882,979</b>	<b>0</b>	<b>624,482</b>	<b>2,258,497</b>	<b>0</b>
<b><i>Net OPEB Liability:</i></b>					
OPERS	433,113	0	332	432,781	0
OPF	227,811	20,106	0	247,917	0
<b>Total Net OPEB Liability</b>	<b>660,924</b>	<b>20,106</b>	<b>332</b>	<b>680,698</b>	<b>0</b>
<b>Total Governmental Activities</b>	<b>\$4,959,849</b>	<b>\$441,908</b>	<b>\$1,308,208</b>	<b>\$4,093,549</b>	<b>\$241,404</b>

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2020

	Amount Outstanding 12/31/2019	Additions	Deletions	Amount Outstanding 12/31/2020	Amounts Due in One Year
<b><i>Business-Type Activities</i></b>					
<b><u>General Obligation Bonds:</u></b>					
Northwest Waterline Bonds - Water:					
Serial Bonds	\$40,000	\$0	\$40,000	\$0	\$0
Term Bonds	245,000	0	0	245,000	45,000
Premium on Northwest Waterline Bonds	1,276	0	255	1,021	0
Various Purpose Improvement Bonds 2018:					
Water	194,736	0	194,736	0	0
Sewer	194,737	0	194,737	0	0
Various Purpose Refunding Bonds 2020:					
Water	0	198,508	12,903	185,605	12,407
Sewer	0	198,508	12,903	185,605	12,407
<b>Total General Obligation Bonds</b>	<b>675,749</b>	<b>397,016</b>	<b>455,534</b>	<b>617,231</b>	<b>69,814</b>
<b><u>OPWC Loans from Direct Borrowings:</u></b>					
Water - Treatment Plant	135,134	0	30,030	105,104	30,030
Water - Milan Street	99,495	0	16,583	82,912	16,583
Water - Wooster/Milan	453,399	0	26,670	426,729	26,670
Water - Poplar/Steiner	259,164	0	15,245	243,919	15,245
Water - Locust Abandonment	24,871	0	1,463	23,408	1,463
Sewer - Denshire Sanitary Sewer	52,149	0	20,860	31,289	20,860
Sewer - Solids Handling Improvement	56,415	0	18,805	37,610	18,805
Sewer - High Street Sanitary Sewer	83,389	0	3,878	79,511	3,878
Sewer - WWTP Screening Improvements	132,331	0	8,537	123,794	8,537
Storm Sewer - Wooster Street Storm Sewer	103,295	0	6,886	96,409	6,886
<b>Total OPWC Loans</b>	<b>1,399,642</b>	<b>0</b>	<b>148,957</b>	<b>1,250,685</b>	<b>148,957</b>
Compensated Absences	33,756	6,801	27,393	13,164	8,226
<b>Net Pension Liability - OPERS:</b>					
Water	535,197	0	173,908	361,289	0
Sewer	535,197	0	173,910	361,287	0
<b>Total Net Pension Liability - OPERS</b>	<b>1,070,394</b>	<b>0</b>	<b>347,818</b>	<b>722,576</b>	<b>0</b>
<b>Net OPEB Liability - OPERS:</b>					
Water	275,614	0	207	275,407	0
Sewer	275,614	0	207	275,407	0
<b>Total Net OPEB Liability - OPERS</b>	<b>551,228</b>	<b>0</b>	<b>0</b>	<b>550,814</b>	<b>0</b>
<b>Total Business-Type Activities</b>	<b>\$3,730,769</b>	<b>\$403,817</b>	<b>\$219,736</b>	<b>\$3,154,470</b>	<b>\$226,997</b>

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

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

**City of Canal Fulton, Ohio**  
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**Redemption Provisions**

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

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

On October 30, 2018, the City issued \$825,000 of Various Purpose Improvement General Obligation Bonds for the purposes of making improvements to the service building and retiring a portion of the short-term 2018 bond anticipation notes. The bonds were issued for a period of 15 years at an interest rate of 3.47 percent. Interest payments are payable on June 1 and December 1 of each year until the principal amount is paid.

On September 3, 2020, the City issued general obligation bonds, in the amount of \$800,000, to refund the 2018 various purpose improvement bonds in order to take advantage of lower interest rates. The bonds were issued with an interest rates of 2.24 percent. The bonds were issued for a 14 year period with a final maturity on December 1, 2033. The bonds will be retired through the downtown improvement debt service fund, water fund, and sewer fund. Net proceeds of \$795,066 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded bonds. As a result, \$785,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. As of December 31, 2020, \$740,000 of the defeased bonds remain outstanding. The refunding resulted in a total debt service savings of \$71,830. The City also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$61,375 and incurred a difference on refunding of \$10,066 (difference between amount paid to bond escrow agent and the refunding amount), that will be amortized over the shorter of the life of the refunded bonds or the refunding bonds, which is shown in the following table:

	Governmental Activities	Water	Sewer	Total
<b>Refunded Bonds:</b>				
<i>General Obligation Bonds:</i>				
2018 Various Purpose Improvement Bonds	\$395,527	\$194,736	\$194,737	\$785,000
<b>Amount Paid to Refunded Bond Escrow Agent</b>	(400,498)	(197,284)	(197,284)	(795,066)
<b>2020 Refunding Difference</b>	(\$4,971)	(\$2,548)	(\$2,547)	(\$10,066)

The City has pledged future water revenues net of expenses to repay OPWC loans. These loans are payable solely from net revenues and are payable through 2026. Annual principal payments on these loans are expected to require less than 23 percent of net revenues and less than 9 percent of total revenues. The total principal remaining to be paid on the loans is \$882,072. Principal paid for the current year was \$89,991, total net revenues were \$393,773, and total revenues were \$1,054,640.

**City of Canal Fulton, Ohio**  
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The City has pledged future sewer revenues net of expenses to repay OPWC loans. These loans are payable solely from net revenues and are payable through 2041. Annual principal payments on these loans are expected to require less than 37 percent of net revenues and less than 6 percent of total revenues. The total principal remaining to be paid on the loans is \$272,204. Principal paid for the current year was \$52,080, total net revenues were \$144,193, and total revenues were \$1,039,004.

The City has pledged future storm sewer revenues net of expenses to repay an OPWC loan. This loan is payable solely from net revenues and is payable through 2034. Annual principal payments on this loan are expected to require less than 23 percent of net revenues and less than 12 percent of total revenues. The total principal remaining to be paid on the loan is \$96,409. Principal paid for the current year was \$6,886, total net revenues were \$30,177, and total revenues were \$60,048.

The City's outstanding OPWC loans from direct borrowings related to business-type activities of \$1,250,685 contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and, as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

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

As of December 31, 2020, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$10,409,637 and the unvoted legal debt margin was \$4,752,779.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2020, are as follows:

Year	Governmental Activities	
	General Obligation	
	Bonds	
	Principal	Interest
2021	\$115,186	\$33,190
2022	120,690	28,126
2023	126,194	22,800
2024	127,202	17,214
2025	137,706	11,604
2026-2030	147,592	20,954
2031-2033	97,220	4,390
Total	\$871,790	\$138,278

**City of Canal Fulton, Ohio**  
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Year	Business-Type Activities				
	General Obligation Bonds				OPWC Loans
	Serial		Term		
	Principal	Interest	Principal	Interest	
2021	\$24,814	\$8,312	\$45,000	\$10,013	\$148,957
2022	25,310	7,760	45,000	7,988	138,527
2023	25,806	7,192	50,000	5,851	109,293
2024	26,798	6,616	50,000	3,601	94,277
2025	27,294	6,016	55,000	1,233	79,265
2026-2030	145,408	20,636	0	0	313,405
2031-2035	95,780	4,332	0	0	302,248
2036-2040	0	0	0	0	62,781
2041	0	0	0	0	1,932
Total	<u>\$371,210</u>	<u>\$60,864</u>	<u>\$245,000</u>	<u>\$28,686</u>	<u>\$1,250,685</u>

**Note 16 – Capital Leases**

During 2015, the City entered into a capital lease with Huntington Public Capital Corporation for a dump truck. The lease ended in 2020. During 2018, the City entered into a capital lease with Huntington Public Capital Corporation for a fire truck, dump truck, and ambulance. The lease will end in 2022. The lease obligations meet the criteria of capital leases and have been recorded on the government-wide statements. The capital assets were capitalized at the present value of the minimum lease payments at the time the leases were entered into.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Vehicles	\$580,340
Less: Accumulated depreciation	<u>(174,102)</u>
Total	<u>\$406,238</u>

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

	Governmental Activities
2021	\$128,082
2022	<u>128,083</u>
Total Minimum Lease Payment	256,165
Less: Amount Representing Interest	<u>(11,792)</u>
Present Value of Minimum Lease Payments	<u>\$244,373</u>

**City of Canal Fulton, Ohio**  
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**Note 17 – Capital Assets**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/2019	Additions	Deductions	Balance 12/30/2020
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated and amortized</i>				
Land	\$3,240,718	\$115,500	\$0	\$3,356,218
Construction in Progress	705,983	123,148	0	829,131
<b>Total Capital Assets, not being depreciated and amortized</b>	<b>3,946,701</b>	<b>238,648</b>	<b>0</b>	<b>4,185,349</b>
<i>Capital Assets, being depreciated and amortized:</i>				
Buildings and Improvements	5,509,752	31,515	0	5,541,267
Equipment and Machinery	1,126,331	284,266	0	1,410,597
Vehicles	2,157,283	333,483	0	2,490,766
Infrastructure:				
Roads	6,708,522	11,162	0	6,719,684
<b>Total Capital Assets, being depreciated and amortized</b>	<b>15,501,888</b>	<b>660,426</b>	<b>0</b>	<b>16,162,314</b>
<b>Less Accumulated Depreciation and Amortization:</b>				
Buildings and Improvements	(2,744,905)	(98,503)	0	(2,843,408)
Equipment and Machinery	(776,615)	(149,649)	0	(926,264)
Vehicles	(1,298,152)	(120,613)	0	(1,418,765)
Infrastructure:				
Roads	(1,779,963)	(335,984)	0	(2,115,947)
<b>Total Accumulated Depreciation and Amortization</b>	<b>(6,599,635)</b>	<b>(704,749) *</b>	<b>0</b>	<b>(7,304,384)</b>
<b>Total Capital Assets being depreciated and amortized, Net</b>	<b>8,902,253</b>	<b>(44,323)</b>	<b>0</b>	<b>8,857,930</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$12,848,954</b>	<b>\$194,325</b>	<b>\$0</b>	<b>\$13,043,279</b>

\* Depreciation expense was charged to governmental activities as follows:

General Government	\$13,316
Security of Persons and Property	235,160
Transportation	433,292
Leisure Time Activities	22,981
<b>Total Depreciation Expense</b>	<b>\$704,749</b>



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	Balance 12/31/2019	Additions	Deductions	Balance 12/30/2020
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated and amortized</i>				
Land	\$234,514	\$115,500	\$0	\$350,014
Construction in Progress	236,979	84,909	0	321,888
<b>Total Capital Assets, not being depreciated and amortized</b>	<b>471,493</b>	<b>200,409</b>	<b>0</b>	<b>671,902</b>
<i>Capital Assets, being depreciated and amortized:</i>				
Buildings and Improvements	5,620,617	8,406	0	5,629,023
Equipment and Machinery	256,256	0	0	256,256
Vehicles	243,469	0	0	243,469
Infrastructure:				
Water Lines	7,127,384	44,000	0	7,171,384
Sewer Lines	5,214,142	0	0	5,214,142
Storm Sewers	4,718,773	8,795	0	4,727,568
<b>Total Capital Assets, being depreciated and amortized</b>	<b>23,180,641</b>	<b>61,201</b>	<b>0</b>	<b>23,241,842</b>
<b>Less Accumulated Depreciation and Amortization:</b>				
Buildings and Improvements	(3,117,263)	(157,616)	0	(3,274,879)
Equipment and Machinery	(171,168)	(17,410)	0	(188,578)
Vehicles	(157,202)	(12,888)	0	(170,090)
Infrastructure:				
Water Lines	(3,748,529)	(120,042)	0	(3,868,571)
Sewer Lines	(2,928,841)	(60,749)	0	(2,989,590)
Storm Sewers	(2,315,553)	(50,181)	0	(2,365,734)
<b>Total Accumulated Depreciation and Amortization</b>	<b>(12,438,556)</b>	<b>(418,886)</b>	<b>0</b>	<b>(12,857,442)</b>
<b>Total Capital Assets being depreciated and amortized, Net</b>	<b>10,742,085</b>	<b>(357,685)</b>	<b>0</b>	<b>10,384,400</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$11,213,578</b>	<b>(\$157,276)</b>	<b>\$0</b>	<b>\$11,056,302</b>

**Note 18 – Defined Benefit Pension Plans**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	State and Local
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2020 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

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

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

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

For 2020, the City’s contractually required contribution was \$132,120 for the traditional plan, \$20,882 for the combined plan and \$234 for the member-directed plan. Of these amounts, \$14,976 is reported as an intergovernmental payable for the traditional plan, \$2,367 for the combined plan, and \$26 for the member-directed plan.

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

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

	Police
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	19.50 %
Employee	12.25 %
 <b>2020 Actual Contribution Rates</b>	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50
Total Employer	19.50 %
Employee	12.25 %

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$122,555 for 2020. Of this amount, \$12,382 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.00652800%	0.03246200%	0.02509850%	
Prior Measurement Date	0.00697900%	0.03083000%	0.02501600%	
Change in Proportionate Share	<u>-0.00045100%</u>	<u>0.00163200%</u>	<u>0.00008250%</u>	
Proportionate Share of the:				
Net Pension Liability	\$1,290,304	\$0	\$1,690,769	\$2,981,073
Net Pension Asset	0	67,694	0	67,694
Pension Expense	159,157	7,272	296,608	463,037

2020 pension expense for the member-directed defined contribution plan was \$234. The aggregate pension expense for all pension plans was \$463,271 for 2020.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$0	\$0	\$64,001	\$64,001
Changes of assumptions	68,917	6,979	41,504	117,400
Changes in proportion and differences between City contributions and proportionate share of contributions	0	0	2,359	2,359
City contributions subsequent to the measurement date	<u>132,120</u>	<u>20,882</u>	<u>122,555</u>	<u>275,557</u>
Total Deferred Outflows of Resources	<u>\$201,037</u>	<u>\$27,861</u>	<u>\$230,419</u>	<u>\$459,317</u>

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	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$16,314	\$15,892	\$87,200	\$119,406
Net difference between projected and actual earnings on pension plan investments	257,387	8,780	81,678	347,845
Changes in proportion and differences between City contributions and proportionate share of contributions	62,766	2,633	134,469	199,868
<b>Total Deferred Inflows of Resources</b>	<b>\$336,467</b>	<b>\$27,305</b>	<b>\$303,347</b>	<b>\$667,119</b>

\$275,557 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2021	(\$71,663)	(\$4,675)	(\$53,586)	(\$129,924)
2022	(104,345)	(4,508)	(36,023)	(144,876)
2023	10,657	(2,062)	7,493	16,088
2024	(102,199)	(5,274)	(97,373)	(204,846)
2025	0	(1,280)	(15,994)	(17,274)
Thereafter	0	(2,527)	0	(2,527)
<b>Total</b>	<b>(\$267,550)</b>	<b>(\$20,326)</b>	<b>(\$195,483)</b>	<b>(\$483,359)</b>

***Actuarial Assumptions – OPERS***

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented as follows:

**City of Canal Fulton, Ohio**  
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	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent, simple through 2020, then 2.15 percent, simple	1.4 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 the 2.15 percent simple.

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:



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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

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

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
<b>City's proportionate share of the net pension liability (asset)</b>			
OPERS Traditional Plan	\$2,128,128	\$1,290,304	\$537,124
OPERS Combined Plan	(40,902)	(67,694)	(86,998)

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

**City of Canal Fulton, Ohio**  
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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented as follows:

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized as follows:

**City of Canal Fulton, Ohio**  
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
<b>Total</b>	<b>120.00 %</b>	

Note: Assumptions are geometric.

\* levered 2x

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$2,343,347	\$1,690,769	\$1,144,952

**Note 19 – Defined Benefit OPEB Plans**

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

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

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual Financial Report referenced as follows for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**City of Canal Fulton, Ohio**  
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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$67 for 2020. Of this amount, \$7 is reported as an intergovernmental payable.

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$3,225 for 2020. Of this amount, \$326 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.00712100%	0.02509850%	
Prior Measurement Date	<u>0.00755000%</u>	<u>0.02501600%</u>	
Change in Proportionate Share	<u>-0.00042900%</u>	<u>0.00008250%</u>	
			<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$983,595	\$247,917	\$1,231,512
OPEB Expense	\$87,422	\$21,911	\$109,333

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$26	\$0	\$26
Changes of assumptions	155,693	144,942	300,635
Changes in proportion and differences between City contributions and proportionate share of contributions	0	1,604	1,604
City contributions subsequent to the measurement date	<u>67</u>	<u>3,225</u>	<u>3,292</u>
Total Deferred Outflows of Resources	<u>\$155,786</u>	<u>\$149,771</u>	<u>\$305,557</u>

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	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$89,954	\$26,661	\$116,615
Changes of assumptions	0	52,834	52,834
Net difference between projected and actual earnings on OPEB plan investments	50,084	11,408	61,492
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>33,474</u>	<u>15,779</u>	<u>49,253</u>
Total Deferred Inflows of Resources	<u>\$173,512</u>	<u>\$106,682</u>	<u>\$280,194</u>

\$3,292 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2021	\$5,012	\$6,569	\$11,581
2022	(1,444)	6,569	5,125
2023	39	8,909	8,948
2024	(21,400)	5,220	(16,180)
2025	0	7,112	7,112
Thereafter	<u>0</u>	<u>5,485</u>	<u>5,485</u>
Total	<u>(\$17,793)</u>	<u>\$39,864</u>	<u>\$22,071</u>

***Actuarial Assumptions – OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.50 percent, initial 3.50 percent, ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:



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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

**Discount Rate** A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$1,287,192	\$983,595	\$740,513

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

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$954,570	\$983,595	\$1,012,250

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Single discount rate:	
Current measurement date	3.56 percent
Prior measurement date	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

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

**Discount Rate** For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2020

for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$307,400	\$247,917	\$198,489

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

**Note 20 – Encumbrances**

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

<b><i>Governmental Funds:</i></b>		<b><i>Proprietary Funds:</i></b>	
General	\$121,613	Water	\$437,094
Police	121,493	Sewer	103,957
Fire/EMS	100,086	Storm Sewer	2,494
Capital Projects Reserve	94,127		
Other Governmental Funds	100,563	Total	\$543,545
Total	\$537,882		

**Note 21 – Fund Balances**

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

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2020

Fund Balances	General	Police	Fire/ EMS	Capital Projects Reserve	Other Governmental Funds	Total
<u>Nonspendable:</u>						
Materials and Supplies Inventory	\$0	\$0	\$0	\$0	\$27,242	\$27,242
General Trust	3,591	0	0	0	0	3,591
Unclaimed Monies	8,085	0	0	0	0	8,085
<i>Total Nonspendable</i>	<u>11,676</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,242</u>	<u>38,918</u>
<u>Restricted to:</u>						
Capital Projects	0	0	0	0	333,719	333,719
Debt Service	0	0	0	0	18,236	18,236
Street Repair and Maintenance	0	0	0	0	476,890	476,890
Police Protection	0	468,016	0	0	49,069	517,085
St. Helena II	0	0	0	0	13,781	13,781
<i>Total Restricted</i>	<u>0</u>	<u>468,016</u>	<u>0</u>	<u>0</u>	<u>891,695</u>	<u>1,359,711</u>
<u>Committed to:</u>						
Capital Projects	0	0	0	320,001	5,419	325,420
Fire Protection	0	0	382,789	0	0	382,789
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>382,789</u>	<u>320,001</u>	<u>5,419</u>	<u>708,209</u>
<u>Assigned to:</u>						
Purchases on Order						
General Government	58,252	0	0	0	0	58,252
Transportation	3,071	0	0	0	0	3,071
Leisure Time Activities	11,338	0	0	0	0	11,338
<i>Total Assigned</i>	<u>72,661</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>72,661</u>
Unassigned	<u>1,130,951</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,130,951</u>
<b>Total Fund Balances</b>	<u><u>\$1,215,288</u></u>	<u><u>\$468,016</u></u>	<u><u>\$382,789</u></u>	<u><u>\$320,001</u></u>	<u><u>\$924,356</u></u>	<u><u>\$3,310,450</u></u>

In addition to the above fund balance constraints, the City has a general fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the City established a budget stabilization by resolution to provide options to respond to unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. City Council authorized the funding of this arrangement as resources become available in the general fund. The fund balance should not exceed 30 percent of the general fund average revenues. The balance in the reserve at December 31, 2020, was \$242,700.

**City of Canal Fulton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 22 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that may be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

**Required Supplementary Information**

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

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.00652800%	0.00697900%	0.00704100%	0.00723300%
City's Proportionate Share of the Net Pension Liability	\$1,290,304	\$1,911,407	\$1,104,597	\$1,642,490
City's Covered Payroll	\$918,429	\$943,886	\$929,262	\$935,058
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.49%	202.50%	118.87%	175.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%

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

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

See accompanying notes to the required supplementary information.



2016	2015	2014
0.00716800%	0.00733100%	0.00733100%
\$1,241,590	\$884,200	\$864,229
\$892,150	\$898,775	\$864,297
139.17%	98.38%	99.99%
81.08%	86.45%	86.36%

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

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

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information.

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

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

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

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

See accompanying notes to the required supplementary information

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

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.02509850%	0.02501600%	0.02499900%	0.02550200%
City's Proportionate Share of the Net Pension Liability	\$1,690,769	\$2,041,966	\$1,534,302	\$1,615,271
City's Covered Payroll	\$612,437	\$670,011	\$609,637	\$607,695
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	276.07%	304.77%	251.67%	265.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%	68.36%

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

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

See accompanying notes to the required supplementary information.

2016	2015	2014
0.02608600%	0.02718150%	0.02718150%
\$1,678,131	\$1,408,114	\$1,323,824
\$589,974	\$598,700	\$612,772
284.44%	235.20%	216.04%
66.77%	71.71%	73.00%

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

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

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

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

See accompanying notes to the required supplementary information.

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**City of Canal Fulton, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Public Employees Retirement System*  
*Last Eight Years (1)*

	2020	2019	2018	2017	2016
<b>Net Pension Liability - Traditional Plan</b>					
Contractually Required Contribution	\$132,120	\$128,580	\$132,144	\$120,804	\$112,207
Contributions in Relation to the Contractually Required Contribution	<u>(132,120)</u>	<u>(128,580)</u>	<u>(132,144)</u>	<u>(120,804)</u>	<u>(112,207)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$943,714	\$918,429	\$943,886	\$929,262	\$935,058
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
<b>Net Pension Liability - Combined Plan (3)</b>					
Contractually Required Contribution	\$20,882	\$20,231	\$18,460	\$16,163	\$13,358
Contributions in Relation to the Contractually Required Contribution	<u>(20,882)</u>	<u>(20,231)</u>	<u>(18,460)</u>	<u>(16,163)</u>	<u>(13,358)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$149,157	\$144,507	\$131,857	\$124,331	\$111,317
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
<b>Net OPEB Liability - OPEB Plan (3)</b>					
Contractually Required Contribution	\$67	\$518	\$824	\$11,223	\$21,431
Contributions in Relation to the Contractually Required Contribution	<u>(67)</u>	<u>(518)</u>	<u>(824)</u>	<u>(11,223)</u>	<u>(21,431)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$1,094,546	\$1,075,886	\$1,075,743	\$1,053,593	\$1,046,375
Contributions as a Percentage of Covered Payroll	<u>0.01%</u>	<u>0.05%</u>	<u>0.08%</u>	<u>1.07%</u>	<u>2.05%</u>

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

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

(3) Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.



2015	2014	2013
\$107,058	\$107,853	\$112,359
<u>(107,058)</u>	<u>(107,853)</u>	<u>(112,359)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$892,150	\$898,775	\$864,297
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$14,366	\$19,179	
<u>(14,366)</u>	<u>(19,179)</u>	
<u>\$0</u>	<u>\$0</u>	
\$119,717	\$159,825	
<u>12.00%</u>	<u>12.00%</u>	
\$20,517	\$21,172	
<u>(20,517)</u>	<u>(21,172)</u>	
<u>\$0</u>	<u>\$0</u>	
\$1,018,089	\$1,058,600	
<u>2.02%</u>	<u>2.00%</u>	

**City of Canal Fulton, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Police and Fire Pension Fund*  
*Last Eight Years (1)*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$122,555	\$116,363	\$127,302	\$115,831
Contributions in Relation to the Contractually Required Contribution	<u>(122,555)</u>	<u>(116,363)</u>	<u>(127,302)</u>	<u>(115,831)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$645,026	\$612,437	\$670,011	\$609,637
Pension Contributions as a Percentage of Covered Payroll	<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$3,225	\$3,062	\$3,350	\$3,048
Contributions in Relation to the Contractually Required Contribution	<u>(3,225)</u>	<u>(3,062)</u>	<u>(3,350)</u>	<u>(3,048)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>

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

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

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$115,462	\$112,095	\$113,753	\$97,329
<u>(115,462)</u>	<u>(112,095)</u>	<u>(113,753)</u>	<u>(97,329)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$607,695	\$589,974	\$598,700	\$612,772
<u>19.00%</u>	<u>19.00%</u>	<u>19.00%</u>	<u>15.88%</u>
\$3,038	\$2,950	\$2,994	\$22,162
<u>(3,038)</u>	<u>(2,950)</u>	<u>(2,994)</u>	<u>(22,162)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>
<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>

**City of Canal Fulton, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2020

**Changes in Assumptions – OPERS Pension – Traditional Plan**

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

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

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

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

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

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

**City of Canal Fulton, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2020

**Changes in Assumptions – OPERS Pension – Combined Plan**

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

**Changes in Assumptions – OP&F Pension**

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

	Beginning in 2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

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

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

**City of Canal Fulton, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2020

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

**Changes in Assumptions – OPERS OPEB**

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2020	10.50 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

**Changes in Assumptions – OP&F OPEB**

Single Discount Rate:	
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

**Changes in Benefit Terms – OP&F OPEB**

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

**Combining and Individual Fund Statements and  
Schedules**

## **Fund Descriptions – Nonmajor Governmental Funds**

### ***Nonmajor Special Revenue Funds***

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

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

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

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

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

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

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

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

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

***Unclaimed Monies Fund*** – To account for and report nonspendable revenues received from various unclaimed funds. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***General Trust Fund*** – To account for and report nonspendable revenues received as donations to various City departments. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

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

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



## **Fund Descriptions – Nonmajor Governmental Funds**

### ***Nonmajor Debt Service Fund***

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

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

### ***Nonmajor Capital Projects Funds***

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

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

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

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

***Road Improvement Projects Fund*** – To account for and report proceeds of debt and intergovernmental receipts restricted for road capital projects in the City.

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

**City of Canal Fulton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2020*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$511,559	\$18,236	\$339,356	\$869,151
Accounts Receivable	14,535	0	0	14,535
Intergovernmental Receivable	216,232	7,098	1,398	224,728
Property Taxes Receivable	0	114,283	100,675	214,958
Materials and Supplies Inventory	27,242	0	0	27,242
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	24,900	0	0	24,900
<i>Total Assets</i>	<u>\$794,468</u>	<u>\$139,617</u>	<u>\$441,429</u>	<u>\$1,375,514</u>
<b>Liabilities</b>				
Accounts Payable	\$17,655	\$0	\$218	\$17,873
Accrued Wages	7,275	0	0	7,275
Contracts Payable	11,327	0	0	11,327
Intergovernmental Payable	2,767	0	0	2,767
Unearned Revenue	18,225	0	0	18,225
Deposits Held Payable from Restricted Assets	39,435	0	0	39,435
<i>Total Liabilities</i>	<u>96,684</u>	<u>0</u>	<u>218</u>	<u>96,902</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	109,700	96,653	206,353
Unavailable Revenue	130,802	11,681	5,420	147,903
<i>Total Deferred Inflows of Resources</i>	<u>130,802</u>	<u>121,381</u>	<u>102,073</u>	<u>354,256</u>
<b>Fund Balances</b>				
Nonspendable	27,242	0	0	27,242
Restricted	539,740	18,236	333,719	891,695
Committed	0	0	5,419	5,419
<i>Total Fund Balances</i>	<u>566,982</u>	<u>18,236</u>	<u>339,138</u>	<u>924,356</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$794,468</u>	<u>\$139,617</u>	<u>\$441,429</u>	<u>\$1,375,514</u>

**City of Canal Fulton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2020*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$108,356	\$94,981	\$203,337
Charges for Services	17,095	0	0	17,095
Fines, Licenses and Permits	1,700	0	0	1,700
Intergovernmental	741,143	14,195	7,384	762,722
Interest	2,280	0	0	2,280
Contributions and Donations	5,856	0	0	5,856
Other	34,789	0	0	34,789
<i>Total Revenues</i>	<u>802,863</u>	<u>122,551</u>	<u>102,365</u>	<u>1,027,779</u>
<b>Expenditures</b>				
Current:				
General Government	0	1,721	0	1,721
Security of Persons and Property	296,820	0	0	296,820
Transportation	386,750	0	0	386,750
Leisure Time Activities	35,237	0	0	35,237
Capital Outlay	0	0	315,866	315,866
Debt Service:				
Principal Retirement	0	175,028	85,777	260,805
Interest and Fiscal Charges	0	35,759	11,549	47,308
Issuance Costs	0	2,486	0	2,486
<i>Total Expenditures</i>	<u>718,807</u>	<u>214,994</u>	<u>413,192</u>	<u>1,346,993</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>84,056</u>	<u>(92,443)</u>	<u>(310,827)</u>	<u>(319,214)</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Bonds Issued	0	402,984	0	402,984
Payment to Refunding Bond Escrow Agent	0	(400,498)	0	(400,498)
Transfers In	20,000	70,000	325,000	415,000
<i>Total Other Financing Sources (Uses)</i>	<u>20,000</u>	<u>72,486</u>	<u>325,000</u>	<u>417,486</u>
<i>Net Change in Fund Balances</i>	104,056	(19,957)	14,173	98,272
<i>Fund Balances Beginning of Year</i>	<u>462,926</u>	<u>38,193</u>	<u>324,965</u>	<u>826,084</u>
<i>Fund Balances End of Year</i>	<u><u>\$566,982</u></u>	<u><u>\$18,236</u></u>	<u><u>\$339,138</u></u>	<u><u>\$924,356</u></u>

**City of Canal Fulton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2020*

	Street Maintenance	State Highway	Motor Vehicle License	Enforcement and Education
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$309,589	\$32,899	\$86,927	\$17,322
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	169,006	13,518	33,708	0
Materials and Supplies Inventory	27,242	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	0	0
<i>Total Assets</i>	<u>\$505,837</u>	<u>\$46,417</u>	<u>\$120,635</u>	<u>\$17,322</u>
<b>Liabilities</b>				
Accounts Payable	\$2,351	\$0	\$15,304	\$0
Accrued Wages	6,744	0	0	0
Contracts Payable	11,327	0	0	0
Intergovernmental Payable	2,229	0	0	0
Unearned Revenue	0	0	0	0
Deposits Held Payable from Restricted Assets	0	0	0	0
<i>Total Liabilities</i>	<u>22,651</u>	<u>0</u>	<u>15,304</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	102,929	8,161	19,712	0
<b>Fund Balances</b>				
Nonspendable	27,242	0	0	0
Restricted	353,015	38,256	85,619	17,322
<i>Total Fund Balances</i>	<u>380,257</u>	<u>38,256</u>	<u>85,619</u>	<u>17,322</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$505,837</u>	<u>\$46,417</u>	<u>\$120,635</u>	<u>\$17,322</u>

Law Enforcement Trust	Coronavirus Relief	Canal Boat	Fire Demolition	Total Nonmajor Special Revenue Funds
\$31,747	\$18,225	\$14,850	\$0	\$511,559
0	0	0	14,535	14,535
0	0	0	0	216,232
0	0	0	0	27,242
0	0	0	24,900	24,900
<u>\$31,747</u>	<u>\$18,225</u>	<u>\$14,850</u>	<u>\$39,435</u>	<u>\$794,468</u>
\$0	\$0	\$0	\$0	\$17,655
0	0	531	0	7,275
0	0	0	0	11,327
0	0	538	0	2,767
0	18,225	0	0	18,225
0	0	0	39,435	39,435
0	18,225	1,069	39,435	96,684
0	0	0	0	130,802
0	0	0	0	27,242
<u>31,747</u>	<u>0</u>	<u>13,781</u>	<u>0</u>	<u>539,740</u>
<u>31,747</u>	<u>0</u>	<u>13,781</u>	<u>0</u>	<u>566,982</u>
<u>\$31,747</u>	<u>\$18,225</u>	<u>\$14,850</u>	<u>\$39,435</u>	<u>\$794,468</u>

**City of Canal Fulton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2020*

	Street Maintenance	State Highway	Motor Vehicle License	Enforcement and Education
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0	432
Intergovernmental	356,247	28,882	73,834	0
Interest	1,648	179	348	0
Contributions and Donations	0	0	0	0
Other	28,347	0	165	0
<i>Total Revenues</i>	<u>386,242</u>	<u>29,061</u>	<u>74,347</u>	<u>432</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	323,498	18,670	44,582	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>323,498</u>	<u>18,670</u>	<u>44,582</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	62,744	10,391	29,765	432
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	62,744	10,391	29,765	432
<i>Fund Balances Beginning of Year</i>	<u>317,513</u>	<u>27,865</u>	<u>55,854</u>	<u>16,890</u>
<i>Fund Balances End of Year</i>	<u><u>\$380,257</u></u>	<u><u>\$38,256</u></u>	<u><u>\$85,619</u></u>	<u><u>\$17,322</u></u>

Law Enforcement Trust	Coronavirus Relief	Canal Boat	Fire Demolition	Total Nonmajor Special Revenue Funds
\$0	\$0	\$2,560	\$14,535	\$17,095
1,268	0	0	0	1,700
0	282,180	0	0	741,143
0	105	0	0	2,280
0	0	5,856	0	5,856
0	0	6,277	0	34,789
<u>1,268</u>	<u>282,285</u>	<u>14,693</u>	<u>14,535</u>	<u>802,863</u>
0	282,285	0	14,535	296,820
0	0	0	0	386,750
0	0	35,237	0	35,237
<u>0</u>	<u>282,285</u>	<u>35,237</u>	<u>14,535</u>	<u>718,807</u>
1,268	0	(20,544)	0	84,056
0	0	20,000	0	20,000
1,268	0	(544)	0	104,056
30,479	0	14,325	0	462,926
<u>\$31,747</u>	<u>\$0</u>	<u>\$13,781</u>	<u>\$0</u>	<u>\$566,982</u>

**City of Canal Fulton, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2020*

	Parks and Recreation Capital Projects	Downtown Capital Improvement	Capital Improvements	Fire Equipment	Total Nonmajor Capital Projects Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$5,419	\$59,530	\$202,272	\$72,135	\$339,356
Intergovernmental Receivable	0	0	0	1,398	1,398
Property Taxes Receivable	0	0	0	100,675	100,675
<i>Total Assets</i>	<u>\$5,419</u>	<u>\$59,530</u>	<u>\$202,272</u>	<u>\$174,208</u>	<u>\$441,429</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$218	\$0	\$218
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	0	96,653	96,653
Unavailable Revenue	0	0	0	5,420	5,420
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,073</u>	<u>102,073</u>
<b>Fund Balances</b>					
Restricted	0	59,530	202,054	72,135	333,719
Committed	5,419	0	0	0	5,419
<i>Total Fund Balances</i>	<u>5,419</u>	<u>59,530</u>	<u>202,054</u>	<u>72,135</u>	<u>339,138</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,419</u>	<u>\$59,530</u>	<u>\$202,272</u>	<u>\$174,208</u>	<u>\$441,429</u>



**City of Canal Fulton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2020*

	Parks and Recreation Capital Projects	Downtown Capital Improvement	Capital Improvements	Fire Equipment	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$94,981	\$94,981
Intergovernmental	0	0	4,587	2,797	7,384
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>4,587</u>	<u>97,778</u>	<u>102,365</u>
<b>Expenditures</b>					
Capital Outlay	1	3,200	311,275	1,390	315,866
Debt Service:					
Principal Retirement	0	0	0	85,777	85,777
Interest and Fiscal Charges	0	0	0	11,549	11,549
<i>Total Expenditures</i>	<u>1</u>	<u>3,200</u>	<u>311,275</u>	<u>98,716</u>	<u>413,192</u>
<i>Excess of Revenues Under Expenditures</i>	(1)	(3,200)	(306,688)	(938)	(310,827)
<b>Other Financing Sources</b>					
Transfers In	0	50,000	275,000	0	325,000
<i>Net Change in Fund Balances</i>	(1)	46,800	(31,688)	(938)	14,173
<i>Fund Balances Beginning of Year</i>	<u>5,420</u>	<u>12,730</u>	<u>233,742</u>	<u>73,073</u>	<u>324,965</u>
<i>Fund Balances End of Year</i>	<u>\$5,419</u>	<u>\$59,530</u>	<u>\$202,054</u>	<u>\$72,135</u>	<u>\$339,138</u>

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

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$245,679	\$246,059	\$246,263	\$204
Income Taxes	2,297,450	2,301,000	2,601,960	300,960
Charges for Services	6,490	6,500	6,286	(214)
Fines, Licenses and Permits	30,064	30,110	76,581	46,471
Intergovernmental	115,489	115,667	124,842	9,175
Special Assessments	2,496	2,500	2,875	375
Interest	60,720	60,814	29,211	(31,603)
Rentals	2,496	2,500	2,025	(475)
Contributions and Donations	499	500	1,150	650
Other	22,316	22,350	44,805	22,455
<i>Total Revenues</i>	2,783,699	2,788,000	3,135,998	347,998
<b>Expenditures</b>				
Current:				
General Government				
City Council				
Personal Services	23,450	23,450	21,364	2,086
Contractual Services	600	600	0	600
Other	700	700	0	700
City Council Total	24,750	24,750	21,364	3,386
Mayor's Office				
Personal Services	120,068	120,068	117,696	2,372
Contractual Services	96,352	96,352	86,558	9,794
Materials and Supplies	8,752	8,752	8,752	0
Capital Outlay	500	500	0	500
Other	5,300	5,300	5,300	0
Mayor's Office Total	230,972	230,972	218,306	12,666
Finance Department				
Personal Services	86,608	86,608	80,556	6,052
Contractual Services	39,986	39,986	31,074	8,912
Materials and Supplies	5,746	5,746	4,486	1,260
Capital Outlay	1,500	1,500	1,500	0
Finance Department Total	133,840	133,840	117,616	16,224
Legal Department				
Personal Services	18,223	18,223	13,252	4,971
Contractual Services	55,436	55,436	48,656	6,780
Legal Department Total	\$73,659	\$73,659	\$61,908	\$11,751

(continued)

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Engineering Department				
Contractual Services	\$46,000	\$27,600	\$22,400	\$5,200
Materials and Supplies	5,000	5,000	0	5,000
Engineering Department Total	51,000	32,600	22,400	10,200
Land/Buildings				
Personal Services	62,314	62,314	44,571	17,743
Contractual Services	69,830	185,330	179,330	6,000
Materials and Supplies	6,166	6,166	5,165	1,001
Capital Outlay	5,624	5,624	4,539	1,085
Land/Buildings Total	143,934	259,434	233,605	25,829
Community Service				
Personal Services	21,503	21,503	16,546	4,957
Contractual Services	1,746	1,746	1,415	331
Materials and Supplies	2,300	2,300	2,300	0
Capital Outlay	500	500	0	500
Community Service Total	26,049	26,049	20,261	5,788
Income Tax				
Personal Services	85,127	85,127	73,155	11,972
Contractual Services	45,454	45,454	22,481	22,973
Materials and Supplies	2,800	2,800	2,610	190
Capital Outlay	2,894	2,894	1,332	1,562
Other	73,934	73,934	64,962	8,972
Income Tax Total	210,209	210,209	164,540	45,669
General Government Total	894,413	991,513	860,000	131,513
Transportation				
Contractual Services	28,764	28,764	23,382	5,382
Leisure Time Activities				
Personal Services	31,247	31,247	27,067	4,180
Contractual Services	35,721	35,721	31,391	4,330
Materials and Supplies	5,568	5,568	5,568	0
Capital Outlay	500	500	261	239
Other	1,700	1,700	0	1,700
Leisure Time Activities Total	74,736	74,736	64,287	10,449
<i>Total Expenditures</i>	\$997,913	\$1,095,013	\$947,669	\$147,344

(continued)

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (continued)  
For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of Revenues Over Expenditures</i>	\$1,785,786	\$1,692,987	\$2,188,329	\$495,342
<b>Other Financing Uses</b>				
Transfers Out	(1,908,000)	(2,148,000)	(2,148,000)	0
<i>Net Change in Fund Balance</i>	(122,214)	(455,013)	40,329	495,342
<i>Fund Balance Beginning of Year</i>	566,275	566,275	566,275	0
Prior Year Encumbrances Appropriated	58,326	58,326	58,326	0
<i>Fund Balance End of Year</i>	<u>\$502,387</u>	<u>\$169,588</u>	<u>\$664,930</u>	<u>\$495,342</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Income Taxes	\$183,886	\$164,886	\$153,020	(\$11,866)
Fines, Licenses and Permits	1,114	1,114	2,623	1,509
Intergovernmental	1,000	1,000	92,320	91,320
Contributions and Donations	3,000	3,000	0	(3,000)
Other	144,000	144,000	68,942	(75,058)
<i>Total Revenues</i>	333,000	314,000	316,905	2,905
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Personal Services	1,272,209	1,272,209	1,135,026	137,183
Contractual Services	207,014	207,014	173,819	33,195
Materials and Supplies	47,718	47,718	38,038	9,680
Capital Outlay	18,076	18,076	18,076	0
Other	5,000	5,000	2,600	2,400
<i>Total Expenditures</i>	1,550,017	1,550,017	1,367,559	182,458
<i>Excess of Revenues Under Expenditures</i>	(1,217,017)	(1,236,017)	(1,050,654)	185,363
<b>Other Financing Sources</b>				
Transfers In	1,080,000	1,080,000	1,080,000	0
<i>Net Change in Fund Balance</i>	(137,017)	(156,017)	29,346	185,363
<i>Fund Balance Beginning of Year</i>	267,718	267,718	267,718	0
Prior Year Encumbrances Appropriated	76,847	76,847	76,847	0
<i>Fund Balance End of Year</i>	\$207,548	\$188,548	\$373,911	\$185,363

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire/EMS Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$135,000	\$135,000	\$157,861	\$22,861
Intergovernmental	95,500	95,500	46,422	(49,078)
Contributions and Donations	0	0	150	150
Other	4,000	4,000	36,263	32,263
<i>Total Revenues</i>	234,500	234,500	240,696	6,196
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Personal Services	436,168	436,168	397,887	38,281
Contractual Services	180,600	180,600	172,119	8,481
Materials and Supplies	20,874	109,006	28,991	80,015
Capital Outlay	58,900	58,900	25,929	32,971
Other	76,500	133,500	104,834	28,666
<i>Total Expenditures</i>	773,042	918,174	729,760	188,414
<i>Excess of Revenues Under Expenditures</i>	(538,542)	(683,674)	(489,064)	194,610
<b>Other Financing Sources</b>				
Transfers In	446,000	457,000	453,000	(4,000)
<i>Net Change in Fund Balance</i>	(92,542)	(226,674)	(36,064)	190,610
<i>Fund Balance Beginning of Year</i>	230,162	230,162	230,162	0
Prior Year Encumbrances Appropriated	38,153	38,153	38,153	0
<i>Fund Balance End of Year</i>	\$175,773	\$41,641	\$232,251	\$190,610

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Projects Reserve Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$750,000	\$50,000	\$42,941	(\$7,059)
<b>Expenditures</b>				
Current:				
Transportation:				
Capital Outlay				
Street Construction				
Capital Outlay	253,970	253,970	214,485	39,485
<i>Excess of Revenues Over (Under) Expenditures</i>	496,030	(203,970)	(171,544)	(7,059)
<b>Other Financing Sources</b>				
Transfers In	0	0	200,000	200,000
<i>Net Change in Fund Balance</i>	496,030	(203,970)	28,456	192,941
<i>Fund Balance Beginning of Year</i>	157,933	157,933	157,933	0
Prior Year Encumbrances Appropriated	39,485	39,485	39,485	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$693,448</u>	<u>(\$6,552)</u>	<u>\$225,874</u>	<u>\$192,941</u>



**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$981,219	\$982,219	\$1,007,320	\$25,101
Refunding Bonds Issued	198,508	198,508	198,508	0
Proceeds of OPWC Loan	0	407,583	0	(407,583)
Other	2,781	2,781	29,458	26,677
<i>Total Revenues</i>	<u>1,182,508</u>	<u>1,591,091</u>	<u>1,235,286</u>	<u>(355,805)</u>
<b>Expenses</b>				
Personal Services	516,641	516,641	472,050	44,591
Contractual Services	190,509	186,775	104,216	82,559
Materials and Supplies	68,476	68,476	41,810	26,666
Capital Outlay	211,330	618,913	617,384	1,529
Other	5,500	134,251	127,391	6,860
Debt Service:				
Principal Retirement	141,269	145,003	145,003	0
Interest and Fiscal Charges	20,332	20,332	15,152	5,180
Issuance Costs	1,224	1,224	1,224	0
Payment to Refunding Bond Escrow Agent	197,284	197,284	197,284	0
<i>Total Expenses</i>	<u>1,352,565</u>	<u>1,888,899</u>	<u>1,721,514</u>	<u>167,385</u>
<i>Net Change in Fund Equity</i>	<u>(170,057)</u>	<u>(297,808)</u>	<u>(486,228)</u>	<u>(188,420)</u>
<i>Fund Equity Beginning of Year</i>	1,017,845	1,017,845	1,017,845	0
Prior Year Encumbrances Appropriated	<u>115,231</u>	<u>115,231</u>	<u>115,231</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$963,019</u>	<u>\$835,268</u>	<u>\$646,848</u>	<u>(\$188,420)</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$951,955	\$955,955	\$1,010,862	\$54,907
Refunding Bonds Issued	198,508	198,508	198,508	0
Other	5,045	5,045	27,866	22,821
<i>Total Revenues</i>	<u>1,155,508</u>	<u>1,159,508</u>	<u>1,237,236</u>	<u>77,728</u>
<b>Expenses</b>				
Personal Services	515,867	515,867	472,054	43,813
Contractual Services	511,615	503,449	434,367	69,082
Materials and Supplies	56,880	61,413	61,413	0
Capital Outlay	45,300	45,300	15,838	29,462
Other	4,500	4,655	4,655	0
Debt Service:				
Principal Retirement	63,359	66,837	66,837	0
Interest and Fiscal Charges	6,757	6,757	3,275	3,482
Issuance Costs	1,224	1,224	1,224	0
Payment to Refunding Bond Escrow Agent	197,284	197,284	197,284	0
<i>Total Expenses</i>	<u>1,402,786</u>	<u>1,402,786</u>	<u>1,256,947</u>	<u>145,839</u>
<i>Net Change in Fund Equity</i>	(247,278)	(243,278)	(19,711)	223,567
<i>Fund Equity Beginning of Year</i>	835,818	835,818	835,818	0
Prior Year Encumbrances Appropriated	104,522	104,522	104,522	0
<i>Fund Equity End of Year</i>	<u>\$693,062</u>	<u>\$697,062</u>	<u>\$920,629</u>	<u>\$223,567</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Storm Sewer Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$60,000	\$60,000	\$60,028	\$28
Other	0	0	166	166
<i>Total Revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>60,194</u>	<u>194</u>
<b>Expenses</b>				
Contractual Services	39,587	57,987	29,351	28,636
Capital Outlay	18,523	18,523	18,523	0
Debt Service:				
Principal Retirement	6,886	6,886	6,886	0
<i>Total Expenses</i>	<u>64,996</u>	<u>83,396</u>	<u>54,760</u>	<u>28,636</u>
<i>Net Change in Fund Equity</i>	(4,996)	(23,396)	5,434	28,830
<i>Fund Equity Beginning of Year</i>	52,222	52,222	52,222	0
Prior Year Encumbrances Appropriated	<u>2,498</u>	<u>2,498</u>	<u>2,498</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$49,724</u></u>	<u><u>\$31,324</u></u>	<u><u>\$60,154</u></u>	<u><u>\$28,830</u></u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Maintenance Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$387,600	\$387,600	\$360,847	(\$26,753)
Interest	2,400	2,400	1,648	(752)
Other	9,000	9,000	28,347	19,347
<i>Total Revenues</i>	399,000	399,000	390,842	(8,158)
<b>Expenditures</b>				
Current:				
Transportation				
Personal Services	215,893	215,893	190,206	25,687
Contractual Services	98,928	98,928	90,504	8,424
Materials and Supplies	35,180	110,180	50,331	59,849
Capital Outlay	105,000	105,000	25,596	79,404
<i>Total Expenditures</i>	455,001	530,001	356,637	173,364
<i>Net Change in Fund Balance</i>	(56,001)	(131,001)	34,205	165,206
<i>Fund Balance Beginning of Year</i>	198,445	198,445	198,445	0
Prior Year Encumbrances Appropriated	25,210	25,210	25,210	0
<i>Fund Balance End of Year</i>	\$167,654	\$92,654	\$257,860	\$165,206

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 State Highway Fund  
 For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$21,500	\$21,500	\$29,256	\$7,756
Interest	0	0	179	179
<i>Total Revenues</i>	21,500	21,500	29,435	7,935
<b>Expenditures</b>				
Current:				
Transportation				
Contractual Services	23,000	23,000	20,132	2,868
Materials and Supplies	2,700	2,700	2,251	449
<i>Total Expenditures</i>	25,700	25,700	22,383	3,317
<i>Net Change in Fund Balance</i>	(4,200)	(4,200)	7,052	11,252
<i>Fund Balance Beginning of Year</i>	23,978	23,978	23,978	0
<i>Fund Balance End of Year</i>	\$19,778	\$19,778	\$31,030	\$11,252

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Motor Vehicle License Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$78,500	\$78,500	\$75,273	(\$3,227)
Interest	0	0	348	348
Other	0	0	165	165
<i>Total Revenues</i>	<u>78,500</u>	<u>78,500</u>	<u>75,786</u>	<u>(2,714)</u>
<b>Expenditures</b>				
Current:				
Transportation				
Contractual Services	36,000	36,000	5,872	30,128
Materials and Supplies	61,346	96,346	41,772	54,574
<i>Total Expenditures</i>	<u>97,346</u>	<u>132,346</u>	<u>47,644</u>	<u>84,702</u>
<i>Net Change in Fund Balance</i>	(18,846)	(53,846)	28,142	81,988
<i>Fund Balance Beginning of Year</i>	36,196	36,196	36,196	0
Prior Year Encumbrances Appropriated	11,173	11,173	11,173	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$28,523</u>	<u>(\$6,477)</u>	<u>\$75,511</u>	<u>\$81,988</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Enforcement and Education Fund  
 For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses, and Permits	\$1,500	\$1,500	\$432	(\$1,068)
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Materials and Supplies	1,500	1,500	0	1,500
<i>Net Change in Fund Balance</i>	0	0	432	432
<i>Fund Balance Beginning of Year</i>	16,890	16,890	16,890	0
<i>Fund Balance End of Year</i>	<u>\$16,890</u>	<u>\$16,890</u>	<u>\$17,322</u>	<u>\$432</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Trust Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$2,000	\$2,000	\$15,523	\$13,523
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Capital Outlay	2,000	2,000	2,000	0
<i>Net Change in Fund Balance</i>	0	0	13,523	13,523
<i>Fund Balance Beginning of Year</i>	16,224	16,224	16,224	0
<i>Fund Balance End of Year</i>	<u>\$16,224</u>	<u>\$16,224</u>	<u>\$29,747</u>	<u>\$13,523</u>



**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Coronavirus Relief Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$68,868	\$300,485	\$300,405	(\$80)
Interest	<u>0</u>	<u>0</u>	<u>105</u>	<u>105</u>
<i>Total Revenues</i>	68,868	300,485	300,510	25
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Capital Outlay	<u>298,183</u>	<u>300,485</u>	<u>300,485</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(229,315)	0	25	25
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$229,315)</u></u>	<u><u>\$0</u></u>	<u><u>\$25</u></u>	<u><u>\$25</u></u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Canal Boat Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$50,575	\$50,575	\$2,560	(\$48,015)
Contributions and Donations	5,425	5,425	5,856	431
Other	0	0	6,277	6,277
<i>Total Revenues</i>	<u>56,000</u>	<u>56,000</u>	<u>14,693</u>	<u>(41,307)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Personal Services	27,064	27,064	21,029	6,035
Contractual Services	28,326	28,326	16,157	12,169
Materials and Supplies	2,000	2,000	2,000	0
Capital Outlay	2,500	2,500	25	2,475
Other	1,500	1,500	975	525
<i>Total Expenditures</i>	<u>61,390</u>	<u>61,390</u>	<u>40,186</u>	<u>21,204</u>
<i>Excess of Revenues Under Expenditures</i>	(5,390)	(5,390)	(25,493)	(20,103)
<b>Other Financing Sources</b>				
Transfers In	0	20,000	20,000	0
<i>Net Change in Fund Balance</i>	(5,390)	14,610	(5,493)	(20,103)
<i>Fund Balance Beginning of Year</i>	15,691	15,691	15,691	0
Prior Year Encumbrances Appropriated	513	513	513	0
<i>Fund Balance End of Year</i>	<u>\$10,814</u>	<u>\$30,814</u>	<u>\$10,711</u>	<u>(\$20,103)</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Demolition Fund*  
*For the Year Ended December 31, 2020*

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

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Unclaimed Monies Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other	\$0	\$0	\$8,085	\$8,085
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Other	0	0	1,956	(1,956)
<i>Net Change in Fund Balance</i>	0	0	6,129	6,129
<i>Fund Balance Beginning of Year</i>	1,956	1,956	1,956	0
<i>Fund Balance End of Year</i>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$8,085</u>	<u>\$6,129</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 General Trust Fund  
 For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>3,591</u>	<u>3,591</u>	<u>3,591</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,591</u></u>	<u><u>\$3,591</u></u>	<u><u>\$3,591</u></u>	<u><u>\$0</u></u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Park Deposits Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other	\$0	\$0	\$400	\$400
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Other	0	0	350	(350)
<i>Net Change in Fund Balance</i>	0	0	50	50
<i>Fund Balance Beginning of Year</i>	1,124	1,124	1,124	0
<i>Fund Balance End of Year</i>	<u>\$1,124</u>	<u>\$1,124</u>	<u>\$1,174</u>	<u>\$50</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Budget Stabilization Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other	\$0	\$0	\$3,500	\$3,500
<b>Expenditures</b>				
Current:				
Transportation:				
Leisure Time Activities				
Other	50,000	50,000	51,800	(1,800)
<i>Net Change in Fund Balance</i>	(50,000)	(50,000)	(48,300)	1,700
<i>Fund Balance Beginning of Year</i>	250,000	250,000	250,000	0
<i>Fund Balance End of Year</i>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$201,700</u>	<u>\$1,700</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Debt Retirement Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$108,915	\$108,915	\$108,356	(\$559)
Intergovernmental	14,000	14,000	14,195	195
<i>Total Revenues</i>	122,915	122,915	122,551	(364)
<b>Expenditures</b>				
Current:				
General Government				
Contractual Services	3,500	3,500	1,721	1,779
Debt Service:				
Principal Retirement	178,481	178,481	178,481	0
Interest and Fiscal Charges	36,617	36,617	36,617	0
Issuance Costs	2,486	2,486	2,486	0
<i>Total Debt Service</i>	217,584	217,584	217,584	0
<i>Total Expenditures</i>	221,084	221,084	219,305	1,779
<i>Excess of Revenues Under Expenditures</i>	(98,169)	(98,169)	(96,754)	1,415
<b>Other Financing Sources (Uses)</b>				
Refunding Bonds Issued	402,984	402,984	402,984	0
Payment to Refunding Bond Escrow Agent	(400,498)	(400,498)	(400,498)	0
Transfers In	100,000	70,000	70,000	0
<i>Total Other Financing Sources (Uses)</i>	102,486	72,486	72,486	0
<i>Net Change in Fund Balance</i>	4,317	(25,683)	(24,268)	1,415
<i>Fund Balance Beginning of Year</i>	38,193	38,193	38,193	0
<i>Fund Balance End of Year</i>	\$42,510	\$12,510	\$13,925	\$1,415



**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Parks and Recreation Capital Projects Fund  
 For the Year Ended December 31, 2020*

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

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Downtown Capital Improvement Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	13,000	12,729	3,200	9,529
<i>Excess of Revenues Under Expenditures</i>	(13,000)	(12,729)	(3,200)	9,529
<b>Other Financing Sources</b>				
Transfers In	0	0	50,000	50,000
<i>Net Change in Fund Balance</i>	(13,000)	(12,729)	46,800	59,529
<i>Fund Balance Beginning of Year</i>	12,730	12,730	12,730	0
<i>Fund Balance (Deficit) End of Year</i>	(\$270)	\$1	\$59,530	\$59,529

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Capital Improvements Fund  
 For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$12,000	\$12,000	\$4,587	(\$7,413)
<b>Expenditures</b>				
Current:				
General Government				
Capital Outlay	27,472	27,472	26,517	955
Security of Persons and Property				
Capital Outlay	248,138	305,930	243,387	62,543
Transportation				
Capital Outlay	179,514	179,514	170,802	8,712
<i>Total Expenditures</i>	<u>455,124</u>	<u>512,916</u>	<u>440,706</u>	<u>72,210</u>
<i>Excess of Revenues Under Expenditures</i>	(443,124)	(500,916)	(436,119)	64,797
<b>Other Financing Sources</b>				
Transfers In	213,000	275,000	275,000	0
<i>Net Change in Fund Balance</i>	(230,124)	(225,916)	(161,119)	64,797
<i>Fund Balance Beginning of Year</i>	292,930	292,930	292,930	0
Prior Year Encumbrances Appropriated	63,562	63,562	63,562	0
<i>Fund Balance End of Year</i>	<u>\$126,368</u>	<u>\$130,576</u>	<u>\$195,373</u>	<u>\$64,797</u>

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Road Improvement Projects Fund  
 For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$225,000	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	225,000	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$225,000	\$0	\$0	\$0

**City of Canal Fulton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Equipment Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$92,644	\$92,644	\$94,981	\$2,337
Intergovernmental	5,973	5,973	2,797	(3,176)
<i>Total Revenues</i>	98,617	98,617	97,778	(839)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Contractual Services	2,500	2,500	1,390	1,110
Capital Outlay	13,900	13,900	6,810	7,090
Total Security of Persons and Property	16,400	16,400	8,200	8,200
Debt Service:				
Principal Retirement	85,777	85,777	85,777	0
Interest and Fiscal Charges	11,549	11,549	11,549	0
Total Debt Service	97,326	97,326	97,326	0
<i>Total Expenditures</i>	113,726	113,726	105,526	8,200
<i>Net Change in Fund Balance</i>	(15,109)	(15,109)	(7,748)	7,361
<i>Fund Balance Beginning of Year</i>	73,073	73,073	73,073	0
Prior Year Encumbrances Appropriated	8,200	8,200	8,200	0
<i>Fund Balance End of Year</i>	\$66,164	\$66,164	\$73,525	\$7,361

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# Statistical Section

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# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>S2-S11</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.	<b>S12-S19</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>S20-S28</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>S29-S31</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>S32-S39</b>

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



**City of Canal Fulton, Ohio**  
*Net Position By Component*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2020	2019	2018 (1)	2017 (2)
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$11,931,755	\$11,479,443	\$10,876,002	\$9,814,140
Restricted:				
Capital Projects	339,139	323,330	432,538	1,128,667
Debt Service	23,315	39,289	20,276	0
Street Repair and Maintenance	626,934	568,174	425,479	440,477
Police Protection	496,454	346,339	214,246	288,092
Other Purposes	17,372	17,916	7,366	17,777
Unclaimed Monies	8,085	1,956	1,956	1,956
Unrestricted (Deficit)	(784,224)	(964,386)	(1,549,033)	(1,808,732)
<i>Total Governmental Activities Net Position</i>	<u>12,658,830</u>	<u>11,812,061</u>	<u>10,428,830</u>	<u>9,882,377</u>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	9,194,164	9,139,463	8,987,568	8,641,577
Unrestricted	913,453	835,623	1,256,400	1,421,426
<i>Total Business-Type Activities Net Position</i>	<u>10,107,617</u>	<u>9,975,086</u>	<u>10,243,968</u>	<u>10,063,003</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	21,125,919	20,618,906	19,863,570	18,455,717
Restricted	1,511,299	1,297,004	1,101,861	1,876,969
Unrestricted	129,229	(128,763)	(292,633)	(387,306)
<i>Total Primary Government Net Position</i>	<u>\$22,766,447</u>	<u>\$21,787,147</u>	<u>\$20,672,798</u>	<u>\$19,945,380</u>

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

2016 (3)	2015	2014 (4)	2013	2012	2011
\$9,442,004	\$9,570,228	\$9,686,893	\$9,286,839	\$8,417,409	\$8,522,496
1,334,524	425,433	229,167	141,739	203,907	277,209
12,121	17,928	0	0	0	0
447,347	396,260	476,418	445,553	448,063	390,788
230,585	259,268	193,117	194,407	204,411	27,444
13,501	9,843	10,104	14,168	11,386	21,524
1,956	1,956	2,825	2,825	2,825	2,731
(268,626)	258,710	264,745	1,994,711	1,876,011	1,403,426
11,213,412	10,939,626	10,863,269	12,080,242	11,164,012	10,645,618
8,544,408	6,621,541	6,542,902	6,523,767	6,484,989	6,527,679
1,569,975	1,238,405	1,125,947	1,220,427	1,022,573	754,749
10,114,383	7,859,946	7,668,849	7,744,194	7,507,562	7,282,428
17,986,412	16,191,769	16,229,795	15,810,606	14,902,398	15,050,175
2,040,034	1,110,688	911,631	798,692	870,592	719,696
1,301,349	1,497,115	1,390,692	3,215,138	2,898,584	2,158,175
\$21,327,795	\$18,799,572	\$18,532,118	\$19,824,436	\$18,671,574	\$17,928,046

**City of Canal Fulton, Ohio**  
*Changes in Net Position*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2020	2019	2018 (1)	2017
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$85,571	\$30,084	\$41,894	\$38,739
Security of Persons and Property	178,411	148,765	146,856	136,847
Transportation	4,585	0	1,311	1,284
Leisure Time Activities	0	34,497	41,238	51,440
Community Environment	0	0	0	0
Subtotal - Charges for Services	<u>268,567</u>	<u>213,346</u>	<u>231,299</u>	<u>228,310</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	483,337	149,696	439,612	41,002
Transportation	5,856	484,481	361,949	334,599
Leisure Time Activities	415,151	2,944	4,188	4,079
Subtotal - Operating Grants and Contributions	<u>904,344</u>	<u>637,121</u>	<u>805,749</u>	<u>379,680</u>
Capital Grants and Contributions:				
General Government	0	0	69,742	0
Security of Persons and Property	0	49,479	102,509	0
Transportation	42,941	0	92,414	196,221
Leisure Time Activities	4,587	681,802	7,485	2,326
Subtotal - Capital Grants and Contributions	<u>47,528</u>	<u>731,281</u>	<u>272,150</u>	<u>198,547</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,220,439</u>	<u>1,581,748</u>	<u>1,309,198</u>	<u>806,537</u>
Business-type Activities:				
Charges for Services:				
Water	1,025,182	984,545	948,232	931,320
Sewer	1,011,138	911,741	906,509	901,630
Storm Sewer	59,882	58,808	58,023	52,372
Operating Grants and Contributions				
Storm Sewer	0	16,640	0	0
Capital Grants and Contributions				
Water	0	0	38,099	0
Sewer	0	0	45,040	0
Storm Sewer	0	0	112,314	352,701
<i>Total Business-type Activities Program Revenues</i>	<u>2,096,202</u>	<u>1,971,734</u>	<u>2,108,217</u>	<u>2,238,023</u>
<i>Total Primary Government Program Revenues</i>	<u>3,316,641</u>	<u>3,553,482</u>	<u>3,417,415</u>	<u>3,044,560</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	729,108	797,909	749,583	968,111
Security of Persons and Property	2,410,912	1,181,505	2,181,540	1,894,929
Transportation	639,771	854,859	813,188	557,060
Leisure Time Activities	126,669	196,714	143,612	112,419
Interest and Fiscal Charges	45,096	57,345	92,628	67,326
<i>Total Governmental Activities Expenses</i>	<u>3,951,556</u>	<u>3,088,332</u>	<u>3,980,551</u>	<u>3,599,845</u>
Business-Type Activities				
Water	851,549	1,129,232	916,730	873,302
Sewer	1,089,560	1,096,143	1,024,207	1,002,379
Storm Sewer	80,052	55,941	70,993	79,452
<i>Total Business-Type Activities Expenses</i>	<u>2,021,161</u>	<u>2,281,316</u>	<u>2,011,930</u>	<u>1,955,133</u>
<i>Total Primary Government Expenses</i>	<u>5,972,717</u>	<u>5,369,648</u>	<u>5,992,481</u>	<u>5,554,978</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(2,731,117)	(1,506,584)	(2,671,353)	(2,793,308)
Business-Type Activities	75,041	(309,582)	96,287	282,890
<i>Total Primary Government Net Expense</i>	<u>(2,656,076)</u>	<u>(1,816,166)</u>	<u>(2,575,066)</u>	<u>(2,510,418)</u>

2016	2015 (2)	2014	2013	2012	2011
\$43,865	\$16,811	\$23,265	\$12,625	\$65,015	\$39,013
118,968	131,280	126,494	124,829	132,350	106,513
1,794	306	451	274	1,461	2,711
57,297	43,181	43,346	40,977	43,426	41,009
0	0	0	0	0	0
<u>221,924</u>	<u>191,578</u>	<u>193,556</u>	<u>178,705</u>	<u>242,252</u>	<u>189,246</u>
0	9,285	17,832	1,323	2,172	825
4,065	8,622	46,069	5,293	7,717	32,812
350,761	330,533	351,170	322,892	314,221	315,034
168	41	63	439	243	21
<u>354,994</u>	<u>348,481</u>	<u>415,134</u>	<u>329,947</u>	<u>324,353</u>	<u>348,692</u>
0	0	0	0	0	0
0	0	0	0	0	0
2,416,960	20	375,769	765,074	0	459,472
2,751	5,180	11,989	250	75	0
<u>2,419,711</u>	<u>5,200</u>	<u>387,758</u>	<u>765,324</u>	<u>75</u>	<u>459,472</u>
<u>2,996,629</u>	<u>545,259</u>	<u>996,448</u>	<u>1,273,976</u>	<u>566,680</u>	<u>997,410</u>
922,925	886,090	855,225	834,882	791,011	655,213
969,515	979,301	860,934	838,437	747,401	736,079
0	0	0	0	0	0
0	0	0	0	0	0
0	0	82	0	0	0
0	0	10,204	0	0	32,654
0	0	0	0	0	0
<u>1,892,440</u>	<u>1,865,391</u>	<u>1,726,445</u>	<u>1,673,319</u>	<u>1,538,412</u>	<u>1,423,946</u>
<u>4,889,069</u>	<u>2,410,650</u>	<u>2,722,893</u>	<u>2,947,295</u>	<u>2,105,092</u>	<u>2,421,356</u>
1,055,431	1,016,114	897,594	763,165	690,025	699,287
2,027,991	1,811,002	1,743,433	1,592,712	1,401,939	1,544,127
205,825	507,694	562,997	481,443	439,701	391,491
120,034	123,410	136,787	124,813	140,071	123,679
57,890	56,621	51,445	54,716	57,128	58,840
<u>3,467,171</u>	<u>3,514,841</u>	<u>3,392,256</u>	<u>3,016,849</u>	<u>2,728,864</u>	<u>2,817,424</u>
762,036	680,771	680,780	648,508	608,981	700,984
870,450	935,430	786,729	861,574	767,769	856,600
0	0	0	0	0	0
<u>1,632,486</u>	<u>1,616,201</u>	<u>1,467,509</u>	<u>1,510,082</u>	<u>1,376,750</u>	<u>1,557,584</u>
<u>5,099,657</u>	<u>5,131,042</u>	<u>4,859,765</u>	<u>4,526,931</u>	<u>4,105,614</u>	<u>4,375,008</u>
(470,542)	(2,969,582)	(2,395,808)	(1,742,873)	(2,162,184)	(1,820,014)
259,954	249,190	258,936	163,237	161,662	(133,638)
<u>(210,588)</u>	<u>(2,720,392)</u>	<u>(2,136,872)</u>	<u>(1,579,636)</u>	<u>(2,000,522)</u>	<u>(1,953,652)</u>

(continued)

**City of Canal Fulton, Ohio**  
*Changes in Net Position*  
*Last Ten Years (continued)*  
*(Accrual Basis of Accounting)*

	2020	2019	2018 (1)	2017
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$248,814	\$242,040	\$215,404	\$207,001
Debt Service	109,729	106,101	103,926	85,639
Capital Projects	96,655	84,597	85,410	89,069
Income Taxes levied for:				
General Purposes	2,600,921	2,276,114	2,162,932	2,305,909
Other Purposes	146,536	163,476	155,323	165,590
Law Enforcement	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	146,112	135,532	122,413	88,763
Gain on Sale of Capital Assets	0	0	168,058	0
Unrestricted Contributions	50	4,451	0	0
Interest	31,491	104,471	97,077	27,022
Other	197,578	65,133	103,672	66,737
<i>Total Governmental Activities</i>	<u>3,577,886</u>	<u>3,181,915</u>	<u>3,214,215</u>	<u>3,035,730</u>
Business-Type Activities				
Other	57,490	40,700	84,678	62,210
<i>Total Primary Government</i>	<u>3,635,376</u>	<u>3,222,615</u>	<u>3,298,893</u>	<u>3,097,940</u>
<b>Transfers</b>				
Governmental Activities	0	0	0	0
Business-Type Activities	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Change in Net Position</b>				
Governmental Activities	846,769	1,675,331	542,862	242,422
Business-type Activities	132,531	(268,882)	180,965	345,100
	<u>\$979,300</u>	<u>\$1,406,449</u>	<u>\$723,827</u>	<u>\$587,522</u>

- (1) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.  
(2) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2016	2015 (2)	2014	2013	2012	2011
\$209,304	\$188,988	\$184,963	\$184,194	\$232,614	\$194,529
91,915	97,869	118,647	95,904	0	0
0	0	0	0	111,663	93,374
2,037,563	2,327,106	2,139,654	2,099,510	2,051,620	1,999,600
146,321	167,111	153,652	150,770	147,229	0
0	0	0	0	0	136,525
123,128	119,315	113,121	145,860	133,897	307,238
0	15,000	0	0	0	0
0	0	0	0	0	0
2,897	4,875	2,178	1,232	80	102
51,879	61,075	64,497	41,633	63,475	75,290
2,663,007	2,981,339	2,776,712	2,719,103	2,740,578	2,806,658
75,804	6,507	34,289	13,395	3,472	1,372
2,738,811	2,987,846	2,811,001	2,732,498	2,744,050	2,808,030
0	64,600	(55,000)	(60,000)	(60,000)	(60,000)
0	(64,600)	55,000	60,000	60,000	60,000
0	0	0	0	0	0
2,192,465	76,357	325,904	916,230	518,394	926,644
335,758	191,097	348,225	236,632	225,134	(72,266)
\$2,528,223	\$267,454	\$674,129	\$1,152,862	\$743,528	\$854,378

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

	2020	2019	2018	2017
<b>General Fund</b>				
Nonspendable	\$11,676	\$5,547	\$5,547	\$1,956
Assigned	72,661	37,449	84,712	36,113
Unassigned	1,130,951	1,013,272	919,076	984,782
Total General Fund	1,215,288	1,056,268	1,009,335	1,022,851
<b>All Other Governmental Funds</b>				
Nonspendable	27,242	32,535	32,212	27,024
Restricted	1,359,711	1,097,741	1,297,131	1,506,928
Committed	708,209	446,801	409,891	305,908
Assigned	0	0	1,644	1,644
Unassigned (Deficit)	0	0	0	(996,274)
Total All Other Governmental Funds	2,095,162	1,577,077	1,740,878	845,230
<b>Total Governmental Funds</b>	<u>\$3,310,450</u>	<u>\$2,633,345</u>	<u>\$2,750,213</u>	<u>\$1,868,081</u>

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

2016	2015	2014	2013	2012	2011
\$1,956	\$1,956	\$2,825	\$2,825	\$2,825	\$2,731
64,161	154,679	93,874	3,436	2,509	1,943
890,246	931,960	1,167,137	1,360,605	1,206,894	722,384
956,363	1,088,595	1,263,836	1,366,866	1,212,228	727,058
26,722	25,867	25,386	17,868	25,942	20,566
1,803,102	1,441,228	741,365	687,320	747,026	593,271
246,618	250,382	170,026	210,813	249,540	240,565
1,644	1,855	33,596	16,071	21,041	40,050
0	0	(87,303)	0	0	0
2,078,086	1,719,332	883,070	932,072	1,043,549	894,452
\$3,034,449	\$2,807,927	\$2,146,906	\$2,298,938	\$2,255,777	\$1,621,510



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

	2020	2019	2018	2017
<b>Revenues</b>				
Property Taxes	\$449,600	\$437,049	\$399,281	\$383,734
Income Taxes	2,787,670	2,430,744	2,320,096	2,350,351
Charges for Services	184,137	183,907	187,995	190,094
Fines, Licenses and Permits	79,530	23,629	43,304	38,216
Intergovernmental	1,133,681	1,503,716	752,953	717,700
Special Assessments	2,875	2,700	0	0
Interest	31,491	104,471	97,077	27,022
Rent	2,025	3,110	0	0
Contributions and Donations	6,056	8,275	17,499	10,255
Other	197,578	65,133	103,672	66,737
<i>Total Revenues</i>	<u>4,874,643</u>	<u>4,762,734</u>	<u>3,921,877</u>	<u>3,784,109</u>
<b>Expenditures</b>				
Current:				
General Government	790,301	691,029	691,533	897,086
Security of Persons and Property	2,157,407	1,924,474	1,947,734	1,756,630
Transportation	406,934	391,499	415,029	586,499
Leisure Time Activities	102,391	98,600	109,666	106,870
Capital Outlay	432,392	1,480,406	803,384	409,955
Debt Service:				
Principal Retirement	260,805	232,362	220,849	1,105,799
Interest and Fiscal Charges	47,308	61,232	89,990	87,638
Issuance Costs	2,486	0	0	0
<i>Total Expenditures</i>	<u>4,200,024</u>	<u>4,879,602</u>	<u>4,278,185</u>	<u>4,950,477</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>674,619</u>	<u>(116,868)</u>	<u>(356,308)</u>	<u>(1,166,368)</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Bonds Issued	402,984	0	415,577	0
Payment to Refunding Bond Escrow Agent	(400,498)	0	0	0
Sale of Capital Assets	0	0	173,058	0
Inception of Capital Lease	0	0	580,340	0
Notes Issued	0	0	0	0
Premium on Note Issuance	0	0	0	0
Transfers In	2,148,000	1,984,025	2,999,248	1,791,200
Transfers Out	(2,148,000)	(1,984,025)	(2,999,248)	(1,791,200)
<i>Total Other Financing Sources (Uses)</i>	<u>2,486</u>	<u>0</u>	<u>1,168,975</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$677,105</u>	<u>(\$116,868)</u>	<u>\$812,667</u>	<u>(\$1,166,368)</u>
Debt Service as a Percentage of Noncapital Expenditures (1)	9.3%	8.3%	9.1%	28.5%

(1) The large increases in 2016 and 2008 were due to the retirement of long-term notes with short-term note proceeds

2016	2015	2014	2013	2012	2011
\$299,717	\$286,690	\$303,213	\$281,651	\$340,925	\$305,926
2,440,861	2,432,858	2,266,371	2,240,289	2,209,364	2,033,742
171,885	177,251	171,066	176,795	170,362	166,131
50,039	14,327	22,490	11,531	70,872	38,422
2,890,064	518,265	853,520	1,228,594	479,962	1,088,614
0	0	0	0	0	0
3,185	4,875	2,178	1,232	80	102
0	0	0	0	0	0
3,684	3,579	4,572	6,624	4,698	3,118
51,879	61,075	64,497	41,633	63,475	75,290
<u>5,911,314</u>	<u>3,498,920</u>	<u>3,687,907</u>	<u>3,988,349</u>	<u>3,339,738</u>	<u>3,711,345</u>
1,026,444	970,280	806,201	697,133	619,642	623,832
1,827,881	1,706,800	1,627,886	1,497,832	1,303,885	1,390,094
496,842	554,821	335,527	341,090	292,365	304,019
96,704	98,481	110,282	99,009	115,295	83,551
2,031,999	577,517	901,987	1,116,792	281,740	678,578
1,123,953	95,818	88,241	77,576	68,546	125,882
60,371	48,700	52,542	55,756	57,045	60,357
6,400	7,460	0	0	0	0
<u>6,670,594</u>	<u>4,059,877</u>	<u>3,922,666</u>	<u>3,885,188</u>	<u>2,738,518</u>	<u>3,266,313</u>
<u>(759,280)</u>	<u>(560,957)</u>	<u>(234,759)</u>	<u>103,161</u>	<u>601,220</u>	<u>445,032</u>
0	0	0	0	0	0
0	0	137,727	0	0	0
0	15,000	0	0	0	0
0	134,918	0	0	93,047	0
1,000,000	1,000,000	0	0	0	0
6,400	7,460	0	0	0	0
1,776,600	1,828,940	1,627,000	1,463,000	1,290,000	1,328,376
<u>(1,776,600)</u>	<u>(1,764,340)</u>	<u>(1,682,000)</u>	<u>(1,523,000)</u>	<u>(1,350,000)</u>	<u>(1,388,376)</u>
<u>1,006,400</u>	<u>1,221,978</u>	<u>82,727</u>	<u>(60,000)</u>	<u>33,047</u>	<u>(60,000)</u>
<u>\$247,120</u>	<u>\$661,021</u>	<u>(\$152,032)</u>	<u>\$43,161</u>	<u>\$634,267</u>	<u>\$385,032</u>
29.4%	4.5%	4.5%	4.8%	5.1%	7.2%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2020	\$82,802,100	\$28,008,210	\$316,600,886	\$2,326,840	\$9,307,360
2019	80,144,960	27,888,470	308,666,943	2,009,780	8,039,120
2018	71,388,160	23,213,080	270,289,257	1,936,070	7,744,280
2017	70,381,950	22,898,350	266,515,143	1,805,160	7,220,640
2016	69,985,570	22,700,260	264,816,657	1,656,380	6,625,520
2015	62,658,180	21,382,750	240,116,943	1,560,960	6,243,840
2014	61,875,110	21,604,180	238,512,257	1,432,390	5,729,560
2013	61,758,210	21,178,040	236,960,714	1,308,760	5,235,040
2012	71,120,910	23,447,950	270,196,744	1,193,020	4,772,080
2011	70,632,540	23,481,600	268,897,543	1,139,010	4,556,040

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

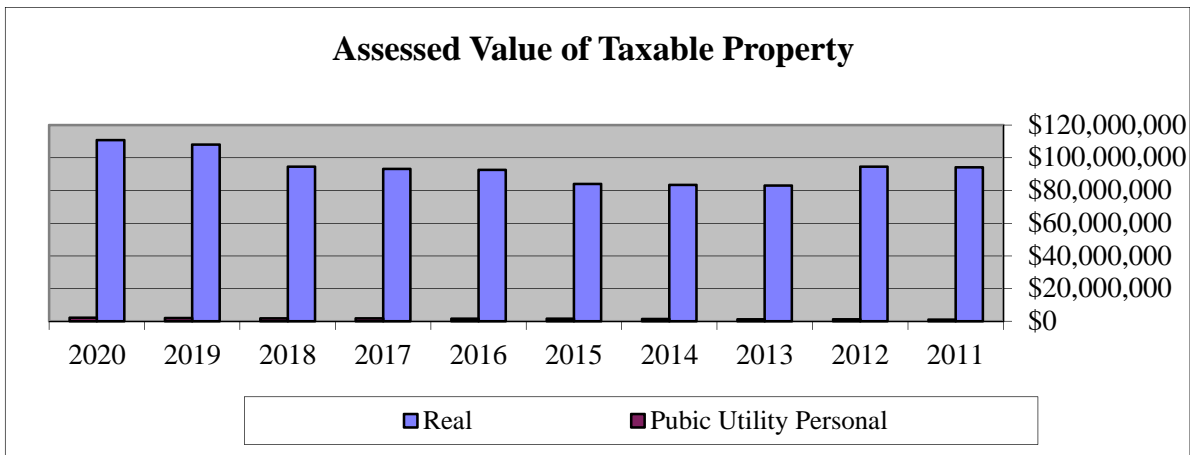
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

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

Source: Stark County Auditor



Assessed Value	Total		Direct Tax Rate
	Estimated Actual Value	Ratio	
\$113,137,150	\$325,908,246	34.71%	\$4.60
110,043,210	316,706,063	34.75	4.60
96,537,310	278,033,537	34.72	4.60
95,085,460	273,735,783	34.74	4.70
94,342,210	271,442,177	34.76	4.60
85,601,890	246,360,783	34.75	3.80
84,911,680	244,241,817	34.77	4.10
84,245,010	242,195,754	34.78	3.80
95,761,880	274,968,823	34.83	3.70
95,253,150	273,453,583	34.83	3.70



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

	2020	2019	2018	2017	2016
<b>Unvoted Millage</b>					
Operating	\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000
Debt	1.1000	1.1000	1.1000	1.2000	2.1000
Capital Projects	1.0000	1.0000	1.0000	1.0000	0.0000
<b>Total Unvoted Millage</b>	<b>\$4.6000</b>	<b>\$4.6000</b>	<b>\$4.6000</b>	<b>\$4.7000</b>	<b>\$4.6000</b>
<b>Overlapping Rates by Taxing District</b>					
Northwest Local School District					
Residential/Agricultural Real	\$29.6000	\$30.5000	\$31.6000	\$32.6561	\$33.2000
Commercial/Industrial and Public Utility Real	29.6648	30.7693	31.7305	35.0735	35.0700
General Business and Public Utility Personal	52.4000	53.3000	54.4000	55.0000	55.1000
Stark County JVSD					
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000	2.0000
Commercial/Industrial and Public Utility Real	2.0000	2.0000	2.0000	2.0000	2.0000
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000	2.0000
Stark County					
Residential/Agricultural Real	8.2811	8.0589	8.0803	8.6770	8.7200
Commercial/Industrial and Public Utility Real	9.0091	8.8684	8.7898	9.6374	9.6100
General Business and Public Utility Personal	11.5000	11.5000	11.5000	11.5000	11.5000
Canal Fulton Library					
Residential/Agricultural Real	0.7743	0.7969	0.8004	0.8846	0.9100
Commercial/Industrial and Public Utility Real	0.8347	0.8448	0.8366	0.9737	0.9700
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
Stark County Parks					
Residential/Agricultural Real	0.8204	0.8237	0.8267	0.9106	0.9200
Commercial/Industrial and Public Utility Real	0.8376	0.8467	0.8367	0.9443	0.9400
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000

Source: Ohio Department of Taxation

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

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

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

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

2015	2014	2013	2012	2011
\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000
1.3000	1.6000	1.3000	1.2000	1.2000
0.0000	0.0000	0.0000	0.0000	0.0000
<u>\$3.8000</u>	<u>\$4.1000</u>	<u>\$3.8000</u>	<u>\$3.7000</u>	<u>\$3.7000</u>

\$35.8668	\$35.8785	\$36.0069	\$32.4480	\$32.2261
36.6052	36.5338	36.5711	32.5809	32.4888
56.0000	56.0000	56.1000	55.0000	55.0000

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

9.2924	9.3007	9.3131	8.9180	8.9134
10.0762	10.0757	10.0727	9.5921	9.5212
11.5000	11.5000	11.5000	11.5000	11.5000

1.9977	1.9971	0.9955	0.9668	0.9542
2.0000	1.9986	1.0000	0.8522	0.8452
2.0000	2.0000	1.0000	1.0000	1.0000

0.9971	0.9986	1.0000	0.5000	0.5000
1.0000	1.0000	1.0000	0.5000	0.5000
1.0000	1.0000	1.0000	0.5000	0.5000

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

Year	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2020	\$500,254	\$488,257	97.60 %	\$10,310	\$498,567
2019	493,267	476,071	96.51	10,453	486,524
2018	453,161	436,658	96.36	9,419	446,077
2017	437,470	422,071	96.48	7,262	429,333
2016	339,632	335,105	98.67	6,460	341,565
2015	325,287	320,379	98.49	7,339	327,718
2014	348,138	341,300	98.04	7,846	349,146
2013	320,428	315,135	98.35	7,804	322,939
2012	354,319	348,580	98.38	36,380	384,960
2011	352,391	337,894	95.89	12,027	349,921

Source: Stark County Fiscal Officer

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

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

<u>Percentage of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
99.66 %	\$17,940	3.59 %
98.63	12,241	2.48
98.44	16,653	3.67
98.14	14,731	3.37
100.57	12,554	3.70
100.75	10,843	3.33
100.29	10,675	3.07
100.78	10,278	3.21
108.65	11,080	3.13
99.30	8,469	2.40



**City of Canal Fulton, Ohio**  
*Principal Real Estate Property Taxpayers*  
 2020 and 2011

<u>2020</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Total Real Property Assessed Valuation</u>
Schalmo Properties, Incorporated	\$5,495,070	5.09 %
United Church Homes, Incorporated	2,099,520	1.94
G & B Properties, Incorporated	1,435,710	1.33
Centennial Apartments, LTD	1,400,040	1.30
Avalon Food Service, Incorporated	1,179,890	1.09
Campbell Oil Company	770,840	0.71
Vandenberg E.K.	736,720	0.68
KHELP Properties, LTD	617,380	0.57
Canal Fulton DOHP LLC	573,100	0.53
Willison Realty, LLC	558,220	0.52
<b>Total</b>	<b>\$14,866,490</b>	<b>13.76 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$108,033,430</b>	

<u>2011</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Total Real Real Assessed Valuation</u>
Schalmo Properties, Incorporated	\$5,408,950	5.74 %
NLP Acquisition, LP	1,461,900	1.55
Avalon Food Service, Incorporated	1,079,760	1.15
KHELP Properties, LTD	727,500	0.77
Vandenberg E.K.	680,200	0.72
G & B Properties, Incorporated	608,160	0.65
Schalmo Builders, Incorporated	550,920	0.59
Oakes Galen SR Trustee	533,000	0.57
Spirit SPE Portfolio, LLC	498,620	0.53
IB Property Holdings, LLC	455,000	0.48
<b>Total</b>	<b>\$12,004,010</b>	<b>12.75 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$94,114,140</b>	

Source: Stark County Auditor

(1) The amounts presented represent the assessed values upon which 2010 and 2011 collections were based.

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

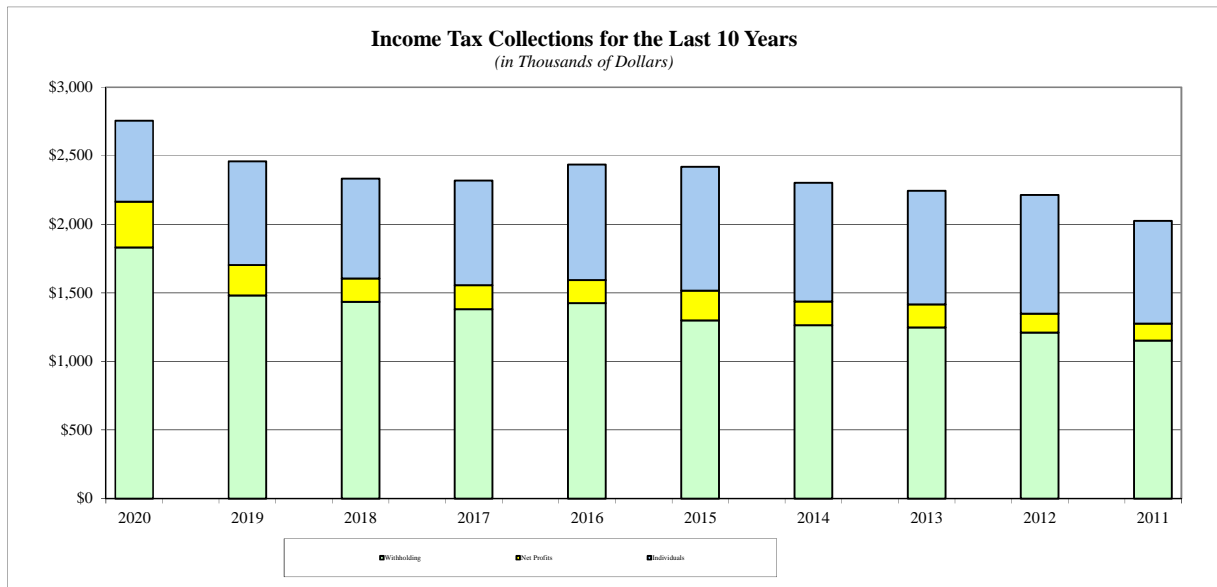
Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2020	2.00%	\$2,754,980	\$1,830,459	66.44%	\$335,091	7.98%	\$589,430	31.15%
2019	1.50	2,434,570	1,481,923	60.87	219,847	0.08	758,368	31.15
2018	1.50	2,333,274	1,434,264	61.47	170,562	7.31	728,448	31.22
2017	1.50	2,320,166	1,380,269	59.49	176,184	7.59	763,713	32.92
2016	1.50	2,434,787	1,424,034	58.49	168,704	6.93	842,049	34.58
2015	1.50	2,418,629	1,300,300	53.76	216,211	8.94	902,118	37.30
2014	1.50	2,303,383	1,265,245	54.93	171,789	7.46	866,349	37.61
2013	1.50	2,243,532	1,248,925	55.67	166,361	7.42	828,246	36.92
2012	1.50	2,215,042	1,211,004	54.67	138,164	6.24	865,874	39.09
2011	1.50	2,025,752	1,151,156	56.83	125,807	6.21	748,789	36.96

Source: City Income Tax Department

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

(2) Gross Collections - Cash Basis of Accounting

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



**City of Canal Fulton, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2020	2019	2018	2017
Total Assessed Property Value	<u>\$113,137,150</u>	<u>\$110,043,210</u>	<u>\$96,537,310</u>	<u>\$95,085,460</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$11,879,401</u>	<u>\$11,554,537</u>	<u>\$10,136,418</u>	<u>\$9,983,973</u>
Debt Outstanding:				
Various Purpose General Obligation Bonds	1,243,000	1,370,000	1,490,000	745,000
Water Improvement Enterprise Bonds	245,000	285,000	325,000	365,000
Various Purpose Notes	0	0	0	1,730,000
OPWC Loans	<u>1,250,685</u>	<u>1,399,642</u>	<u>1,548,602</u>	<u>1,697,558</u>
Total Gross Indebtedness	2,738,685	3,054,642	3,363,602	4,537,558
Less:				
OPWC Loans	(1,250,685)	(1,399,642)	(1,548,602)	(1,697,558)
Various Purpose Notes	0	0	0	(1,730,000)
Amount Available in Debt Service	<u>(18,236)</u>	<u>(38,193)</u>	<u>(21,722)</u>	<u>(22,649)</u>
Total Net Debt Applicable to Debt Limit	<u>1,469,764</u>	<u>1,616,807</u>	<u>1,793,278</u>	<u>1,087,351</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$10,409,637</u>	<u>\$9,937,730</u>	<u>\$8,343,140</u>	<u>\$8,896,622</u>
Legal Debt Margin as a Percentage of the Debt Limit	87.63%	86.01%	82.31%	89.11%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$6,222,543</u>	<u>\$6,052,377</u>	<u>\$5,309,552</u>	<u>\$5,229,700</u>
Total Gross Indebtedness	2,738,685	3,054,642	3,363,602	4,537,558
Less:				
Total Debt Outside Limitations	(1,250,685)	(1,399,642)	(1,548,602)	(1,697,558)
Amount Available in Debt Service	<u>(18,236)</u>	<u>(38,193)</u>	<u>(21,722)</u>	<u>(22,649)</u>
Net Debt Within 5 ½ % Limitations	<u>1,469,764</u>	<u>1,616,807</u>	<u>1,793,278</u>	<u>2,817,351</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$4,752,779</u>	<u>\$4,435,570</u>	<u>\$3,516,274</u>	<u>\$2,412,349</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	76.38%	73.29%	66.23%	46.13%

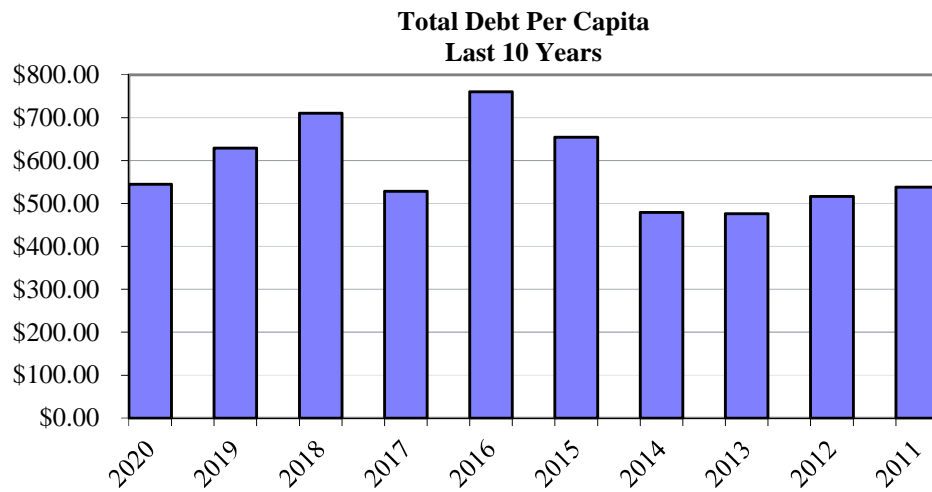
Source: City Financial Records

2016	2015	2014	2013	2012	2011
<u>\$94,342,210</u>	<u>\$85,601,890</u>	<u>\$84,911,680</u>	<u>\$84,245,010</u>	<u>\$95,761,880</u>	<u>\$95,253,150</u>
<u>\$9,905,932</u>	<u>\$8,988,198</u>	<u>\$8,915,726</u>	<u>\$8,845,726</u>	<u>\$10,054,997</u>	<u>\$10,001,581</u>
815,000	885,000	955,000	1,025,000	1,085,000	1,145,000
400,000	435,000	470,000	505,000	535,000	565,000
1,000,000	1,000,000	0	0	0	0
<u>1,821,273</u>	<u>1,084,526</u>	<u>1,141,090</u>	<u>1,000,932</u>	<u>1,113,368</u>	<u>1,225,805</u>
4,036,273	3,404,526	2,566,090	2,530,932	2,733,368	2,935,805
(1,821,273)	(1,084,526)	(1,141,090)	(1,000,932)	(1,113,368)	(1,225,805)
(1,000,000)	(1,000,000)	0	0	0	0
<u>(26,085)</u>	<u>(28,080)</u>	<u>(33,598)</u>	<u>(16,072)</u>	<u>(21,041)</u>	<u>(40,050)</u>
<u>1,188,915</u>	<u>1,291,920</u>	<u>1,391,402</u>	<u>1,513,928</u>	<u>1,598,959</u>	<u>1,669,950</u>
<u>\$8,717,017</u>	<u>\$7,696,278</u>	<u>\$7,524,324</u>	<u>\$7,331,798</u>	<u>\$8,456,038</u>	<u>\$8,331,631</u>
88.00%	85.63%	84.39%	82.89%	84.10%	83.30%
<u>\$5,188,822</u>	<u>\$4,708,104</u>	<u>\$4,670,142</u>	<u>\$4,633,476</u>	<u>\$5,266,903</u>	<u>\$5,238,923</u>
4,036,273	3,404,526	2,566,090	2,530,932	2,733,368	2,935,805
(1,821,273)	(1,084,526)	(1,141,090)	(1,000,932)	(1,113,368)	(1,225,805)
<u>(26,085)</u>	<u>(28,080)</u>	<u>(33,598)</u>	<u>(16,072)</u>	<u>(21,041)</u>	<u>(40,050)</u>
<u>2,188,915</u>	<u>2,291,920</u>	<u>1,391,402</u>	<u>1,513,928</u>	<u>1,598,959</u>	<u>1,669,950</u>
<u>\$2,999,907</u>	<u>\$2,416,184</u>	<u>\$3,278,740</u>	<u>\$3,119,548</u>	<u>\$3,667,944</u>	<u>\$3,568,973</u>
57.81%	51.32%	70.21%	67.33%	69.64%	68.12%

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

<b>Governmental Activities</b>				
Year	General Obligation Bonds	Bond Anticipation Notes	OPWC Loans	Capital Leases
2020	\$874,974	\$0	\$0	\$244,373
2019	984,348	0	0	388,984
2018	1,085,035	0	0	521,296
2017	750,095	0	0	81,805
2016	820,731	1,006,400	123,954	117,604
2015	891,368	1,007,460	130,841	164,670
2014	962,005	0	137,727	48,684
2013	1,032,642	0	0	66,925
2012	1,093,279	0	0	84,501
2011	1,153,916	0	0	0

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



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**Business-Type Activities**

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Water Utility Bonds	General Obligation Bonds	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
\$246,021	\$371,210	\$1,250,685	\$2,987,263	2.48 %	\$545.22
286,276	389,473	1,399,642	3,448,723	2.87	629.44
326,531	409,423	1,548,602	3,890,887	3.24	710.15
366,787	0	1,697,558	2,896,245	2.41	528.61
402,043	0	1,697,319	4,168,051	3.47	760.73
437,298	0	953,685	3,585,322	2.98	654.38
472,554	0	1,003,363	2,624,333	2.18	478.98
507,809	0	1,000,932	2,608,308	2.17	476.06
538,064	0	1,113,368	2,829,212	2.35	516.37
568,320	0	1,225,805	2,948,041	2.45	538.06

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2020	5,479	\$325,908,246	\$1,492,205	0.46 %	\$272
2019	5,479	316,706,063	1,660,097	0.52	303
2018	5,479	278,033,537	1,820,989	0.65	332
2017	5,479	273,735,783	1,116,882	0.41	204
2016	5,479	271,442,177	1,222,774	0.45	223
2015	5,479	246,360,783	1,328,666	0.54	243
2014	5,479	244,241,817	1,434,559	0.59	262
2013	5,479	242,195,754	1,540,451	0.64	281
2012	5,479	274,968,823	1,631,343	0.59	298
2011	5,479	273,453,583	1,722,236	0.63	314

(1) U. S. Bureau of Census, Census of Population. 2011-2020 from 2010 Federal Census.

(2) Stark County Auditor

(3) Includes all general obligation bonded debt.

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

**City of Canal Fulton, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2020*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Canal Fulton</b>			
General Obligation Bonds	\$874,974	100 %	\$874,974
Capital Leases	244,373	100	244,373
<i>Total Direct Debt</i>	<u>1,119,347</u>		<u>1,119,347</u>
<b>Overlapping</b>			
Northwest Local School District			
General Obligation Bonds	995,000	35.30	351,235
Stark County			
General Obligation Bonds	1,730,945	1.31	22,675
Wayne Public Library District			
General Obligation Bonds	<u>2,050,000</u>	3.08	<u>63,140</u>
<i>Total Overlapping Debt</i>	<u>4,775,945</u>		<u>437,050</u>
<b>Total</b>	<u><u>\$5,895,292</u></u>		<u><u>\$1,556,397</u></u>

Source: Stark County Auditor

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



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

Year	Water Operating Revenues (1)	Water Operating Expenses (2)	Net Available Revenues	Debt Service (3)	
				Principal	Coverage
2020	\$1,054,640	\$660,867	\$393,773	\$89,991	4.38
2019	998,428	927,100	71,328	89,991	0.79
2018	989,301	711,472	277,829	89,991	3.09
2017	971,931	688,252	283,679	89,991	3.15
2016	957,241	618,596	338,645	46,612	7.27
2015	886,553	535,285	351,268	57,750	6.08
2014	886,075	536,165	349,910	68,892	5.08
2013	840,874	506,507	334,367	68,893	4.85
2012	792,812	449,424	343,388	68,893	4.98
2011	656,285	500,083	156,202	103,339	1.51

(1) Includes other non-operating revenues, except federal and state subsidies.

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

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

**Source:** City financial records

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

Year	Sewer Operating Revenues (1)	Sewer Operating Expenses (2)	Net Available Revenues	Debt Service (3)	
				Principal	Coverage
2020	\$1,039,004	\$894,811	\$144,193	\$52,080	2.77
2019	938,459	890,431	48,028	52,082	0.92
2018	950,118	822,236	127,882	52,080	2.46
2017	923,229	807,406	115,823	52,081	2.22
2016	1,011,003	686,562	324,441	52,080	6.23
2015	985,345	767,950	217,395	47,812	4.55
2014	864,373	634,295	230,078	43,543	5.28
2013	845,840	711,765	134,075	43,543	3.08
2012	749,072	616,552	132,520	43,544	3.04
2011	736,379	626,129	110,250	61,436	1.79

(1) Includes other non-operating revenues, except federal and state subsidies

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

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

**Source:** City financial records

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

Year	Storm Sewer Operating Revenues (1)	Storm Sewer Operating Expenses (2)	Net Available Revenues	Debt Service (3)	
				Principal	Coverage
2020	\$60,048	\$29,871	\$30,177	\$6,886	4.38
2019	58,907	5,877	53,030	6,887	7.70
2018	58,023	27,669	30,354	6,885	4.41
2017	52,372	26,291	26,081	6,887	3.79
2016	0	0	0	0	0.00
2015	0	0	0	0	0.00
2014	0	0	0	0	0.00
2013	0	0	0	0	0.00
2012	0	0	0	0	0.00
2011	0	0	0	0	0.00

(1) Includes other non-operating revenues, except federal and state subsidies

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

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

**Source:** City financial records

**City of Canal Fulton, Ohio**  
*Principal Employers*  
 2020 and 2011

<b>2020</b>	
Employer	Employees
Northwest Local School District	394
United Church Homes, Incorporated	266
Echoing Hills Village, Incorporated	174
Skipco Financial Adjusters, Incorporated	118
City of Canal Fulton	100
Communication Exhibits, Incorporated	93
Avalon Foodservice, Incorporated	89
BJAAM Environmental, Incorporated	51
Avalon Transportation	49
ZVN Properties, Incorporated	42
Total	<u>1,376</u>
Total Employment within the City	<u>N/A</u>

<b>2011</b>	
Employer	Employees
Northwest Local School District	463
United Church Homes, Incorporated	254
Echoing Hills Village, Incorporated	289
Hydrochem Industrial Services, Incorporated	152
City of Canal Fulton	114
Avalon Foodservice, Incorporated	84
R&B Management, LLC	69
Communication Exhibits, Incorporated	83
BJAAM Environmental, Incorporated	62
Avalon Transportation	45
Total	<u>1,615</u>
Total Employment within the City	<u>3,489</u>

Source: City Records  
 N/A - Information not available

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2020	5,479	\$120,214,739	\$21,941	\$50,332	40.3
2019	5,479	120,214,739	21,941	50,332	40.3
2018	5,479	120,214,739	21,941	50,332	40.3
2017	5,479	120,214,739	21,941	50,332	40.3
2016	5,479	120,214,739	21,941	50,332	40.3
2015	5,479	120,214,739	21,941	50,332	40.3
2014	5,479	120,214,739	21,941	50,332	40.3
2013	5,479	120,214,739	21,941	50,332	40.3
2012	5,479	120,214,739	21,941	50,332	40.3
2011	5,479	120,214,739	21,941	50,332	40.3

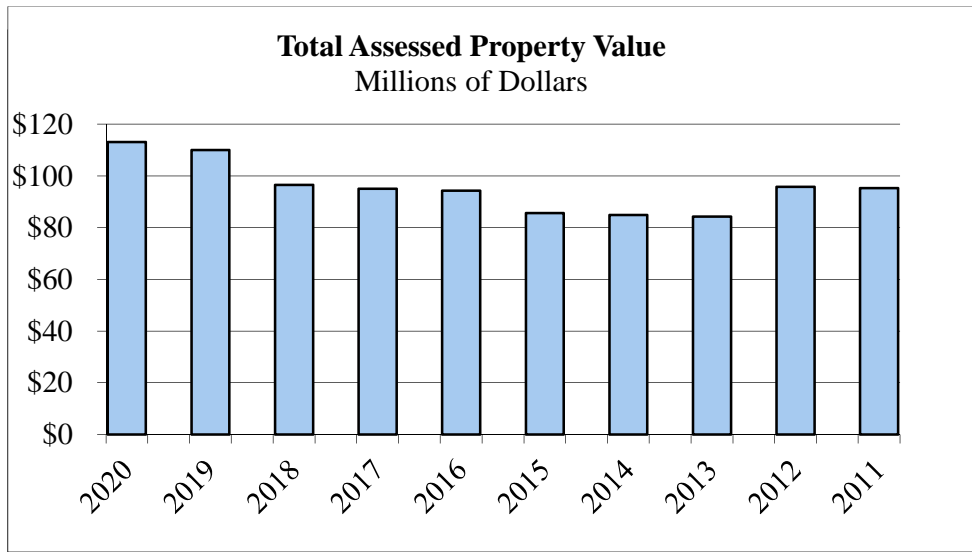
(1) Source: U. S. Census - 2011-2020 from 2010 Federal Census.

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

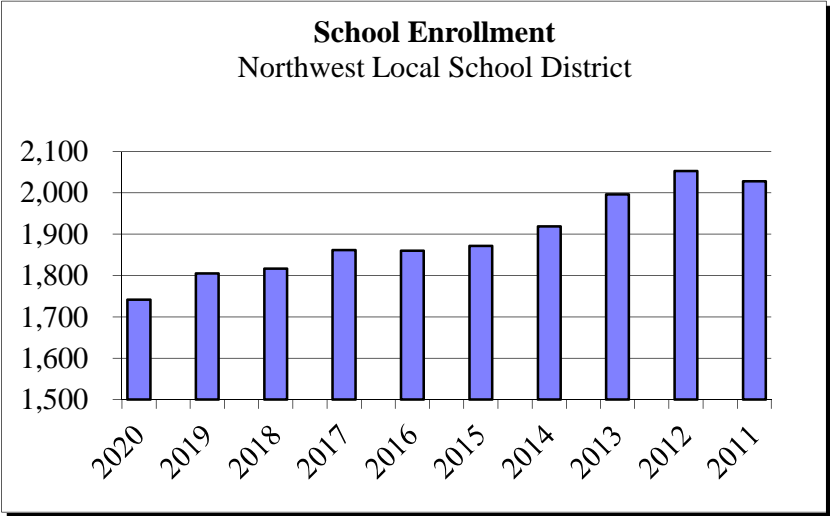
(3) Source: Ohio Department of Job and Family Services & Stark County Comprehensive Annual Financial Report.

(4) Source: Stark County Auditor's Office

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



Educational Attainment: Bachelor's Degree or Higher (1)	Public School Enrollment (2)	Stark County Unemployment Rate (3)	Total Assessed Property Value (4)
20.5 %	1,742	4.4 %	\$113,137,150
20.5	1,805	4.4	110,043,210
20.5	1,817	5.2	96,537,310
20.5	1,862	5.0	95,085,460
20.5	1,860	5.2	94,342,210
20.5	1,872	5.3	85,601,890
20.5	1,919	4.8	84,911,680
20.5	1,996	6.8	84,245,010
20.5	2,053	7.3	95,761,880
20.5	2,028	9.2	95,253,150



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

Function/Program	2020	2019	2018	2017	2016
General Government					
Council	3.00	3.00	3.00	3.00	3.00
Administration	3.00	3.00	3.00	3.00	3.00
Finance	4.50	3.50	3.50	3.50	3.50
Law	1.50	0.50	0.50	0.50	0.50
Community Service	0.50	0.50	0.50	0.50	0.50
Other	0.00	1.20	2.70	0.90	1.50
Security of Persons and Property					
Police	14.00	14.00	13.00	12.00	12.50
Fire	36.00	27.50	27.00	23.50	23.00
Leisure Time Activities					
Recreation and Parks	1.80	1.10	1.10	1.30	1.40
Canal Boat	0.00	3.00	3.00	3.30	2.70
Transportation					
Streets	5.00	4.00	4.00	4.00	4.00
Utilities					
Water	3.50	3.50	3.50	3.50	3.75
Sewer	3.50	3.50	3.50	3.50	3.75
Totals:	<u>76.30</u>	<u>68.30</u>	<u>68.30</u>	<u>62.50</u>	<u>63.10</u>

**Source:** City Payroll Department W2 Listing

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

2015	2014	2013	2012	2011
3.00	3.00	3.00	3.00	3.00
3.00	4.00	4.00	4.00	4.00
3.50	3.50	4.00	3.50	3.00
0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50
1.80	1.80	1.80	0.00	3.60
12.50	12.50	13.50	13.50	11.50
21.00	20.50	21.00	14.50	17.50
1.40	1.40	1.40	2.30	2.00
3.30	3.60	3.30	2.40	2.10
4.00	4.00	4.00	5.50	6.50
3.75	3.75	3.50	3.50	3.50
3.75	3.75	3.50	3.50	3.50
62.00	62.80	64.00	56.70	61.20



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

Function/Program	2020	2019	2018
<b>General Government</b>			
<i>Council and Clerk</i>			
Number of ordinances proposed	36	43	53
Number of resolutions proposed	17	16	32
<i>Finance Department</i>			
Value of payments issued (1)	\$6,423,693	\$6,854,906	\$10,204,363
General fund interest earnings for fiscal year (cash basis)	\$29,211	\$99,156	\$92,764
Number of receipt transactions processed (1)	1,729	1,774	1,808
General fund receipts (cash basis in thousands)	\$3,136	\$2,792	\$2,676
General fund expenditures/net financing (cash basis in thousands)	\$3,096	\$2,787	\$2,972
Ending general fund balance (cash basis in thousands)	\$665	\$566	\$541
<i>Income Tax Department</i>			
Number of annual withholding forms processed	3,945	4,477	5,065
Number of business net profit forms processed	324	364	386
Number of individual returns processed	2,174	2,802	2,887
Amount of penalties and interest collected	\$9,785	\$59,415	\$67,675
Annual number of balance due/estimated payment forms processed	953	2,342	2,700
Annual number of reconciliations of withholdings processed	546	689	710
<b>Security of Persons and Property</b>			
<i>Police</i>			
Number of traffic stops	1,260	2,482	2,104
Number of arrests	78	127	133
DUI arrests	15	21	23
Motor vehicle accidents	89	100	114
<i>Fire</i>			
EMS calls for service	526	675	617
Fire calls for service	216	274	239
Fire safety inspections	64	183	120
Number of times mutual aid given	9	18	32
Number of times mutual aid received	23	11	63
<b>Leisure Time Activities</b>			
<i>Recreation</i>			
Canal boat visitors (1)	1,034	4,167	4,101
Canal boat receipts (1)	\$8,603	\$34,601	\$44,713
<b>Transportation</b>			
Street resurfacing (miles)	-	1.02	2.40
Tons of salt used	400	775	882

2017	2016	2015	2014	2013	2012	2011
39	36	35	31	32	44	42
35	29	41	32	33	31	34
\$7,305,062	\$9,069,803	\$5,785,401	\$5,562,203	\$5,489,015	\$4,082,749	\$4,839,123
\$25,727	\$4,640	\$4,302	\$1,022	\$764	\$72	\$94
1,752	1,727	1,695	1,647	1,533	1,552	1,250
\$2,565	\$2,649	\$2,591	\$2,498	\$2,439	\$2,552	\$2,460
\$2,578	\$2,647	\$2,382	\$2,571	\$2,729	\$2,007	\$2,180
\$778	\$770	\$768	\$559	\$632	\$923	\$377
6,471	5,756	4,230	3,807	3,767	3,342	3,142
399	438	494	442	441	427	430
3,195	3,041	3,353	3,384	3,213	3,123	3,177
\$62,649	\$56,291	\$63,374	\$54,432	\$62,453	\$48,691	\$43,918
2,588	2,385	1,726	1,861	1,956	1,919	1,922
712	676	699	652	639	597	591
1,575	1,041	1,237	1,596	1,636	1,417	1,003
140	106	119	133	159	208	215
17	19	29	22	34	42	40
116	115	120	97	113	108	117
596	602	859	795	804	713	656
269	270	379	402	358	315	284
165	206	154	147	155	130	128
28	16	29	27	20	16	24
58	18	54	60	31	18	23
5,484	5,551	5,214	5,086	N/A	N/A	N/A
\$47,588	\$49,601	\$42,179	\$42,084	\$40,791	\$36,312	\$40,033
2.63	2.56	3.81	3.00	3.63	3.76	0.00
392	384	877	563	392	636	441

(continued)

**City of Canal Fulton, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Ten Years*

Function/Program	2020	2019	2018
<b>Utilities</b>			
<i>Water</i>			
Minimum water rate	\$20.80	\$20.41	\$19.97
Rate per thousand gallons used	\$2.47	\$2.43	\$2.38
Number of water accounts (1)	2,160	2,128	2,109
Total water collections (2)	\$971,594	\$963,333	\$948,741
<i>Sewer</i>			
Minimum sewer rate	\$20.30	\$19.92	\$19.49
Rate per thousand gallons used	\$3.01	\$2.95	\$2.89
Number of sewer accounts (1)	2,038	2,007	1,990
Total sewer collections (2)	\$854,361	\$826,518	\$814,079

**Source:** City Records (unless otherwise noted)

- (1) N/A indicates that the information is not available for the indicated year.
- (2) This represents only collections from City residents for utility service and does not include tap-in fees or revenue from Stark County.

2017	2016	2015	2014	2013	2012	2011
\$19.66	\$19.50	\$18.75	\$17.50	\$16.25	\$15.00	\$12.03
\$2.34	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32
2,158	2,075	2,122	2,105	2,040	2,188	2,058
\$929,492	\$916,961	\$879,656	\$856,655	\$807,497	\$781,055	\$650,179
\$19.18	\$19.03	\$18.03	\$16.53	\$15.33	\$13.83	\$13.43
\$2.84	\$2.82	\$2.82	\$2.82	\$2.82	\$2.82	\$2.74
2,023	1,957	1,963	2,019	1,912	2,052	2,182
\$797,063	\$790,189	\$758,970	\$739,134	\$692,142	\$665,795	\$631,222

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

Function/Program	2020	2019	2018	2017
<b>General Government</b>				
Buildings	3	3	3	4
Vehicles	2	2	2	2
<b>Security of Persons and Property</b>				
<b>Police</b>				
Stations	1	1	1	1
Vehicles	18	15	14	12
<b>Fire</b>				
Stations	2	2	2	2
Vehicles	11	10	9	8
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Buildings	7	7	7	7
Vehicles	0	0	0	0
<b>Transportation</b>				
<b>Service</b>				
Buildings	3.3	3.3	3.3	3
Vehicles	10	10	9	8
<b>Utilities</b>				
<b>Water</b>				
Buildings	1.3	1.3	1.3	1
Vehicles	8.5	8.5	7.5	7
<b>Sewer</b>				
Buildings	10.3	10.3	10.3	10
Vehicles	8.5	8.5	7.5	7

**Source:** City Records

2016	2015	2014	2013	2012	2011
4 2	4 2	4 2	4 2	4 2	4 2
1 11	1 10	1 11	1 11	1 9	1 11
2 8	2 8	2 8	2 8	2 8	2 8
7 0	7 0	7 0	7 0	7 0	7 0
3 7	3 6	3 6	3 6	3 6	3 7
1 7	1 9	1 8	1 7	1 7	1 7
10 7	10 9	10 7	10 6	10 6	10 6

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CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

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

REGULAR AUDIT

FOR YEAR ENDED DECEMBER 31, 2020



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canal Fulton, Ohio (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City's Response to Finding**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 29, 2021

**Finding 2020-001: Financial Reporting**

During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the City's internal control over financial reporting. A deficiency in internal control exists when the design of operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. In this case, the internal controls over the preparation and review of the City's financial statements did not operate as designed. The City contracts with a third-party consultant to prepare its year-end financial statements. While the City may rely on the consultant to provide technical assistance and financial statement preparation, it is still the responsibility of the City to review the financials prepared by the consultant for errors and omissions.

Audit adjustments were proposed to correct an overstatement of income taxes receivable for the year, to record an intergovernmental receivable for a reimbursement grant for which the City made qualifying expenditures prior to the end of the year, to reduce intergovernmental receivable in another fund in which the City did not make qualifying expenditures prior to year-end, and adjustments to the budgetary amounts within the budgetary comparison statement and schedules which did not originally include all appropriation amendments. Other adjustments, which were not significant to any opinion unit, were also noted during the audit and corrected by the City in the final financial statements.

We recommend the City enhance its internal controls over financial reporting with steps such as management's review of conversion documentation for completeness and accuracy and improved communication with hired consultants to ensure the preparation of complete, accurate and reliable financial statements in conformity with generally accepted accounting principles.

*Management's Response: The City concurred with the adjustment proposed and posted it to the 2020 financial statements. The City will continue to improve financial reporting procedures to ensure such issues are not repeated in the future.*



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF CANAL FULTON**

**STARK COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/12/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)