



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**CITY OF NORTH CANTON
STARK COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

City Council
City of North Canton
145 North Main Street
North Canton, Ohio 44720

We have reviewed the *Independent Auditor's Report* of the City of North Canton, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2023. 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.

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 10, 2024

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**CITY OF NORTH CANTON
STARK COUNTY**

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

City of North Canton
Stark County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Purpose of This Report

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

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

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

June 30, 2024



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

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

To the City Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the **City of North Canton’s**, Stark County (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City of North Canton’s major federal program for the year ended December 31, 2023. The City of North Canton’s major federal program is identified in the *Summary of Auditor’s Results* section of the accompanying schedule of audit findings.

In our opinion, the City of North Canton complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Internal Control Over Compliance (Continued)

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 30, 2024. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



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

June 30, 2024

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR <i>Pass Through Grantor Program / Cluster Title</i>	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Office of Budget and Management</i>			
Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	N/A	\$ <u>885,000</u>
Total U.S. Department of Treasury			<u>885,000</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through the Stark County Regional Planning Commission</i>			
Community Development Block Grants/Entitlement Grants (CDBG)	14.218	N/A	<u>395,000</u>
Total U.S. Department of Housing and Urban Development			<u>395,000</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u><u>\$ 1,280,000</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF NORTH CANTON
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of North Canton, Stark County (the City) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - MATCHING REQUIREMENTS

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

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEARE ENDED DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR’S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

City of North Canton, Ohio



Annual Comprehensive Financial Report

For the Year Ended December 31, 2023

CITY OF NORTH CANTON, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023



JINA E. ALABACK
DIRECTOR OF FINANCE

JIM BERTOVICH
DEPUTY DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT

Introductory Section



CITY OF NORTH CANTON, OHIO

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CITY OF NORTH CANTON

145 North Main Street
North Canton, OH 44720

June 30, 2024

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

Transmittal Letter

The Annual Comprehensive Financial Report (ACFR) of the City of North Canton, Ohio (the “City”) is hereby presented. This Annual Report represents the official report of the City of North Canton's operations and financial position for the year ended December 31, 2023, and has been developed to accurately detail the status of City finances to North Canton residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

State statutes require the City to be subjected to an annual audit by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The firm of Perry & Associates, CPA's A.C. has performed the City audit as of December 31, 2023 and they have issued an unmodified (“clean”) opinion. The Independent Auditor's Report on the basic financial statements and the combining and individual fund statements and schedules are included financial section of this report.

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

As part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2023 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Reporting Entity

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

Profile of the Government

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

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

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

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

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

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

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

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

North Canton Local Economy

Background

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

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

Recent Economic History

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

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

Current Local Economy

The local economy of North Canton, Ohio, is experiencing a period of steady growth and diversification. Historically known for its industrial base, particularly with the Hoover Company, the city has successfully pivoted towards a more varied economic structure. The presence of higher education institutions like Walsh University has contributed significantly to the local economy by attracting students, educators, and related service industries. Additionally, the city's efforts to foster small businesses and startups through initiatives and incentives have created a robust environment for entrepreneurial activities.

North Canton has also seen an increase in investment in infrastructure and public amenities, which has further bolstered economic development. The improvement of transportation links and the revitalization of commercial areas have made the city more attractive for both residents and businesses. Real estate development has kept pace with demand, providing housing options that cater to a growing population while also promoting sustainable growth.

Moreover, North Canton is benefiting from its proximity to larger metropolitan areas like Akron and Cleveland, allowing it to leverage regional economic trends and opportunities. The local government's proactive approach to planning and economic development, coupled with community engagement, has positioned North Canton as a thriving small city with a bright economic future. This positive trajectory is supported by a diverse economic base that includes manufacturing, education, healthcare, and retail sectors.

Long-Term Financial Planning

The City's income tax ordinance provided for 0.30 percent of the first 1 percent tax rate (after paying all costs associated with the collection of the income tax) be used for capital improvements and 0.70 percent of the first 1 percent be used for general operations of the City. The remaining 0.5 percent tax rate was to be used for either general operations of the City or capital improvements. As the cost of general operations increased at a greater pace than income tax collections, the amount directed to capital improvements had been reduced to the minimum amount allowed. This minimum amount was about 20 percent of the full 1.5 percent tax. As there were fewer funds for capital projects, the City looked at other means to finance equipment purchases and road, curb and gutter improvements. These financing options included capital leasing, grants and zero interest loans. Although the City will continue to explore all financing options, the income tax ordinance was revised in 2017. This allocation is reviewed each year as the budget is prepared for the following year and can be adjusted to meet the priorities of each year's budget. For 2017 through 2023, 30 percent of the full 1.5 percent income tax rate (after paying all costs associated with the collection of the income tax) was used for capital improvements and the remaining 70 percent was used for general operations of the City. The funding plan for future capital improvements will continue to include allocations from the income tax, lease-purchase financing for equipment, and applying for grants.

Relevant Financial Policies

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

Major Initiatives

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

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

Since April 2023, a portion of the land is under construction by Meijer for a new \$20 million superstore opening in May 2024 that will establish over 350 new jobs. Other area development projects include a new full-service family dining restaurant, 3 new quick service restaurants, a full-service car wash, and additional retail options. These properties were purchased by the City, funded with the Economic Development Bond Anticipation Notes, for a total of \$4 million and sold for a total of \$7.3 million. Across all development projects on the sold properties, a total of approximately \$27 million in new private capital will be invested, and over 400 new jobs will be created.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Annual Comprehensive Financial Report for the year ended December 31, 2022. This was the 18th consecutive year that the government has achieved this prestigious national award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,

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

Jina E. Alaback
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Canton
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

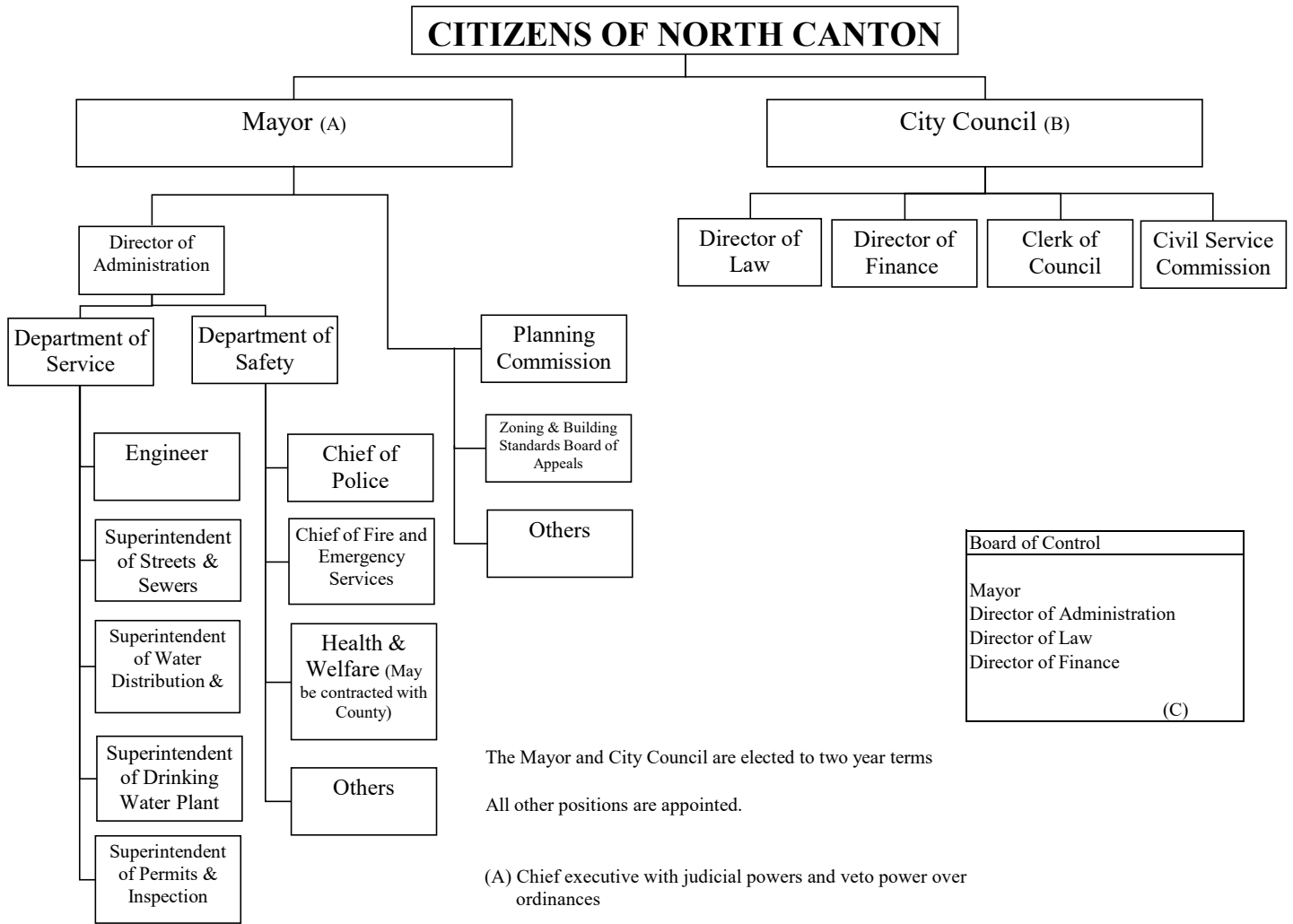
December 31, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF NORTH CANTON, OHIO

CHARTER GOVERNMENT
ORGANIZATIONAL CHART



The Mayor and City Council are elected to two year terms

All other positions are appointed.

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

(B) Elects Council President and Vice President

(C) Awards contracts over Ohio Revised Code bidding limit

CITY OF NORTH CANTON, OHIO

LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2023

ELECTED CITY OFFICIALS

MAYOR

HONORABLE STEPHAN B. WILDER

CITY COUNCIL

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

APPOINTED CITY OFFICIALS

DIRECTOR OF ADMINISTRATION

PATRICK A. DE ORIO

DIRECTOR OF FINANCE

JINA E. ALABACK

DIRECTOR OF LAW

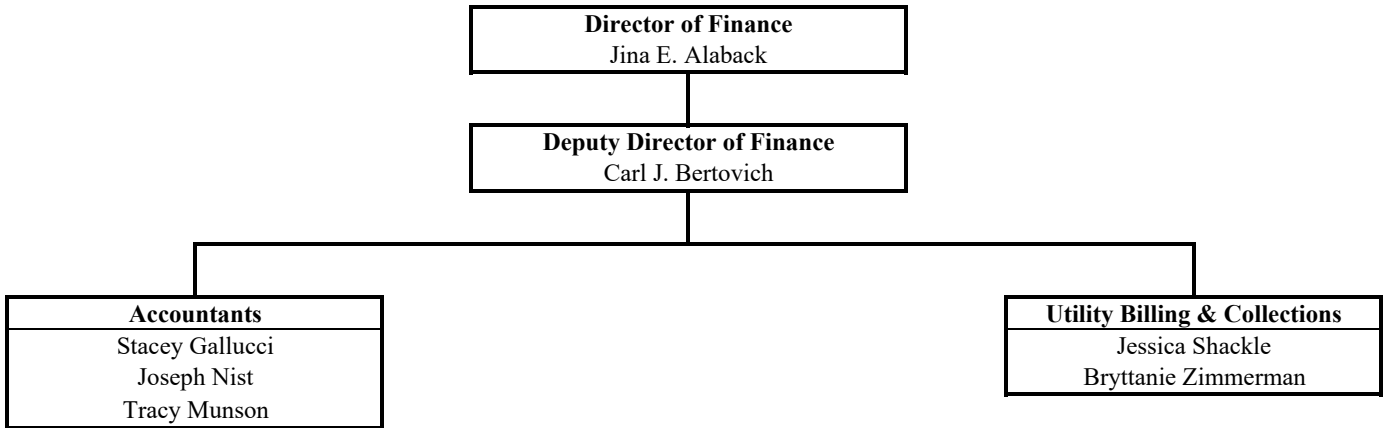
Wayne A. Boyer, Attorney at Krugliak, Wilkins, Griffiths & Dougherty Co, LPA

CLERK OF COUNCIL

BENJAMIN YOUNG

CITY OF NORTH CANTON, OHIO

DEPARTMENT OF FINANCE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2023



Financial Section



INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Fire Operating Levy, and Emergency Medical Services Levy funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 30, 2024

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CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

The Management's Discussion and Analysis for the City of North Canton's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The total net position of the City increased \$8,809,056. Net position of governmental activities increased \$7,290,013 or 15.89% from December 31, 2022's net position and business-type activities increased \$1,519,043 or 3.26% over December 31, 2022's net position.
- General revenues accounted for \$22,940,475 or 79.19% of total governmental activities revenue. Program specific revenues accounted for \$6,028,254 or 20.81% of total governmental activities revenue.
- The City had \$21,678,716 in expenses related to governmental activities; \$6,028,254 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$15,650,462 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$22,940,475.
- The general fund had revenues and other financing sources of \$18,973,034 in 2023. The expenditures and other financing uses of the general fund totaled \$16,670,725 in 2023. The net increase in the fund balance for the general fund was \$2,302,309 or 43.61%, from \$5,279,380 to \$7,581,689.
- The fire operating fund had revenues and other financing sources of \$1,476,533 in 2023. The fire operating fund had expenditures of \$1,368,301. The fund balance of the fire operating fund increased \$108,232 from \$220,442 to \$328,674.
- The emergency medical services levy fund had revenues and other financing sources of \$2,859,190 in 2023. The emergency medical services levy fund had expenditures of \$2,537,443. The fund balance of the emergency medical services levy fund increased \$321,747 from \$495,166 to \$816,913.
- The capital improvements major fund had revenues and other financing sources of \$7,563,904 and expenditures of \$3,910,981 in 2023. The fund balance for the capital improvements fund increased \$3,652,923 or 78.25%, from \$4,668,214 to \$8,321,137.
- Net position for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$1,519,043 from a net position of \$46,593,965 to \$48,113,008 in 2023.
- The water fund had \$7,390,644 in operating revenues and \$6,121,496 in operating expenses in 2023. The water fund also had nonoperating revenues of \$21,791, nonoperating expenses of \$92,947 and capital contributions of \$102,605. The net position of the water fund increased \$1,300,597 or 3.56%.
- The sewer fund had \$4,052,332 in operating revenues and \$3,624,318 in operating expenses in 2023. The sewer fund also had non-operating expenses of \$78,605. The net position of the sewer fund increased \$349,409 or 3.82%.
- The garbage fund had \$1,274,478 in operating revenues and \$1,332,508 in operating expenses in 2023. The garbage fund also had non-operating revenues of \$10,831. The net position of the garbage fund decreased \$47,199 or 8.81%.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Using this Annual Comprehensive Financial Report (ACFR)

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

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

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

Reporting the City as a Whole

Statement of Net Position and Statement of Activities

One of the most important questions asked about the City's finances is, "How did the City perform financially during 2023?" The Statement of Net Position and the Statement of Activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and net OPEB liability/asset.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Government-Wide Financial Analysis

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

The table below provides a summary of the City's net position at December 31, 2023 compared to December 31, 2022.

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>						
Current assets	\$ 32,039,893	\$ 29,417,711	\$ 13,014,843	\$ 12,231,262	\$ 45,054,736	\$ 41,648,973
Capital assets, net	<u>47,898,864</u>	<u>45,569,208</u>	<u>43,661,313</u>	<u>44,830,964</u>	<u>91,560,177</u>	<u>90,400,172</u>
Total assets	<u>79,938,757</u>	<u>74,986,919</u>	<u>56,676,156</u>	<u>57,062,226</u>	<u>136,614,913</u>	<u>132,049,145</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	36,070	41,284	77,547	88,759	113,617	130,043
Pension	6,422,421	3,728,662	1,381,880	533,837	7,804,301	4,262,499
OPEB	<u>1,172,200</u>	<u>1,112,966</u>	<u>208,845</u>	<u>57,854</u>	<u>1,381,045</u>	<u>1,170,820</u>
Total deferred outflows of resources	<u>7,630,691</u>	<u>4,882,912</u>	<u>1,668,272</u>	<u>680,450</u>	<u>9,298,963</u>	<u>5,563,362</u>
<u>Liabilities</u>						
Current liabilities	2,163,200	5,065,505	569,144	612,232	2,732,344	5,677,737
Long-term liabilities:						
Due within one year	671,582	516,512	1,580,266	1,618,032	2,251,848	2,134,544
Net pension liability	15,895,181	8,413,252	3,183,329	955,704	19,078,510	9,368,956
Net OPEB liability	936,208	1,240,733	68,939	-	1,005,147	1,240,733
Other amounts	<u>8,928,383</u>	<u>9,366,385</u>	<u>4,686,367</u>	<u>6,231,666</u>	<u>13,614,750</u>	<u>15,598,051</u>
Total liabilities	<u>28,594,554</u>	<u>24,602,387</u>	<u>10,088,045</u>	<u>9,417,634</u>	<u>38,682,599</u>	<u>34,020,021</u>
<u>Deferred inflows of resources</u>						
Property taxes	4,353,415	4,423,226	-	-	4,353,415	4,423,226
Leases	31,463	53,671	-	-	31,463	53,671
Pension	528,100	3,961,580	111,867	1,341,855	639,967	5,303,435
OPEB	<u>891,010</u>	<u>948,074</u>	<u>31,508</u>	<u>389,222</u>	<u>922,518</u>	<u>1,337,296</u>
Total deferred inflows of resources	<u>5,803,988</u>	<u>9,386,551</u>	<u>143,375</u>	<u>1,731,077</u>	<u>5,947,363</u>	<u>11,117,628</u>
<u>Net Position</u>						
Net investment in capital assets	39,735,940	34,648,962	37,661,677	37,269,026	77,397,617	71,917,988
Restricted	4,080,271	4,286,804	46,698	-	4,126,969	4,286,804
Unrestricted	<u>9,354,695</u>	<u>6,945,127</u>	<u>10,404,633</u>	<u>9,324,939</u>	<u>19,759,328</u>	<u>16,270,066</u>
Total net position	<u>\$ 53,170,906</u>	<u>\$ 45,880,893</u>	<u>\$ 48,113,008</u>	<u>\$ 46,593,965</u>	<u>\$ 101,283,914</u>	<u>\$ 92,474,858</u>

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$101,283,914. At year-end, net position was \$53,170,906 and \$48,113,008 for the governmental activities and the business-type activities, respectively.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2023, capital assets represented 67.02% of total assets. Capital assets include land, easements and rights of way, construction in progress (CIP), land improvements, buildings, equipment, software, sewer rights, intangible right-to-use assets, and infrastructure. Net investment in capital assets at December 31, 2023, was \$39,735,940 and \$37,661,677 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Assets of governmental activities increased \$4,951,838 or 6.6%. This increase can mainly be attributed to an increase in assets held for resale. The increase in capital assets was the result of new construction in progress and street programs that were purchased during the year. Liabilities of the governmental activities increase by \$3,992,167 or 16.23% which is due primarily to an increase in the net pension liability.

Assets of business-type activities decreased \$386,070 or 0.68%. This decrease was the result of a decrease in net OPEB asset. Liabilities of the business-type activities increased by \$670,411 or 7.12%. This increase was primarily due to an increase in net pension liability and net OPEB liability.

As of December 31, 2023, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net position, \$4,080,271, represents resources that are subject to external restriction on how they may be used. This is a decrease of \$206,533 from 2022. In the governmental activities, the remaining balance of unrestricted net position of \$9,354,695 may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

The table below shows the changes in net position for years 2023 and 2022.

	Change in Net Position					
	Governmental	Governmental	Business-Type	Business-Type	2023	2022
	Activities	Activities	Activities	Activities	Total	Total
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>		
Revenues						
Program revenues:						
Charges for services	\$ 2,138,580	\$ 1,774,899	\$ 12,557,925	\$ 11,862,739	\$ 14,696,505	\$ 13,637,638
Operating grants and contributions	2,095,314	1,762,904	10,831	55,055	2,106,145	1,817,959
Capital grants and contributions	<u>1,794,360</u>	<u>1,449,570</u>	<u>102,605</u>	<u>249,950</u>	<u>1,896,965</u>	<u>1,699,520</u>
Total program revenues	<u>6,028,254</u>	<u>4,987,373</u>	<u>12,671,361</u>	<u>12,167,744</u>	<u>18,699,615</u>	<u>17,155,117</u>
General revenues:						
Taxes	15,431,943	12,738,131	-	-	15,431,943	12,738,131
Grants and entitlements	769,248	848,464	-	-	769,248	848,464
Investment earnings	1,111,005	(381,420)	-	-	1,111,005	(381,420)
Contributions and donations	5,600,000	-	-	-	5,600,000	-
Miscellaneous	<u>28,279</u>	<u>8,746</u>	<u>159,529</u>	<u>10,811</u>	<u>187,808</u>	<u>19,557</u>
Total general revenues	<u>22,940,475</u>	<u>13,213,921</u>	<u>159,529</u>	<u>10,811</u>	<u>23,100,004</u>	<u>13,224,732</u>
Total revenues	<u>28,968,729</u>	<u>18,201,294</u>	<u>12,830,890</u>	<u>12,178,555</u>	<u>41,799,619</u>	<u>30,379,849</u>

--Continued

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Change in Net Position - (Continued)

	Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	2023 Total	2022 Total
Expenses:						
General government	1,729,759	2,486,895	-	-	1,729,759	2,486,895
Security of persons and property:			-	-		
Police	5,861,829	4,612,550	-	-	5,861,829	4,612,550
Fire	1,600,308	959,325	-	-	1,600,308	959,325
Public health and welfare	3,146,064	2,447,310	-	-	3,146,064	2,447,310
Transportation	4,820,390	4,536,609	-	-	4,820,390	4,536,609
Community environment	1,390,435	1,140,853	-	-	1,390,435	1,140,853
Leisure time activities	2,104,038	1,460,583	-	-	2,104,038	1,460,583
Basic utility services	688,268	770,956	-	-	688,268	770,956
Economic development	-	27,300	-	-	-	27,300
Interest and fiscal charges	337,625	204,726	-	-	337,625	204,726
Water	-	-	6,251,504	5,012,750	6,251,504	5,012,750
Sewer	-	-	3,724,453	3,167,134	3,724,453	3,167,134
Garbage	-	-	1,335,890	1,190,997	1,335,890	1,190,997
Total expenses	<u>21,678,716</u>	<u>18,647,107</u>	<u>11,311,847</u>	<u>9,370,881</u>	<u>32,990,563</u>	<u>28,017,988</u>
Change before special items and transfers	<u>7,290,013</u>	<u>(445,813)</u>	<u>1,519,043</u>	<u>2,807,674</u>	<u>8,809,056</u>	<u>2,361,861</u>
Special item - sale of easement	-	467,087	-	-	-	467,087
Special item - loss on disposal of sewer rights	-	-	-	(1,064,792)	-	(1,064,792)
Transfers	-	(3,696,101)	-	-	-	(3,696,101)
Total special items and transfers	<u>-</u>	<u>(3,229,014)</u>	<u>-</u>	<u>(1,064,792)</u>	<u>-</u>	<u>(4,293,806)</u>
Change in net position	7,290,013	(3,674,827)	1,519,043	1,742,882	8,809,056	(1,931,945)
Net position at beginning of year	<u>45,880,893</u>	<u>49,555,720</u>	<u>46,593,965</u>	<u>44,851,083</u>	<u>92,474,858</u>	<u>94,406,803</u>
Net position at end of year	<u>\$ 53,170,906</u>	<u>\$ 45,880,893</u>	<u>\$ 48,113,008</u>	<u>\$ 46,593,965</u>	<u>\$ 101,283,914</u>	<u>\$ 92,474,858</u>

Governmental Activities

Governmental activities net position increased \$7,290,013 in 2023.

Expenses increased in all categories during the year excluding general government and basic utility services. The largest increases were in public health and welfare, security of persons and property, and transportation. General government expenses totaled \$1,729,759. General government expenses were partially funded by \$95,455 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$2,106,145 in operating grants and contributions. The increase in operating grants and contributions was due to the City receiving money from the American Rescue Plan Act (ARPA) that was spent on basic utility services. Capital grants and contributions increased intergovernmental revenue from the State of Ohio and contributions and donations in the park development capital project fund (a nonmajor governmental fund).

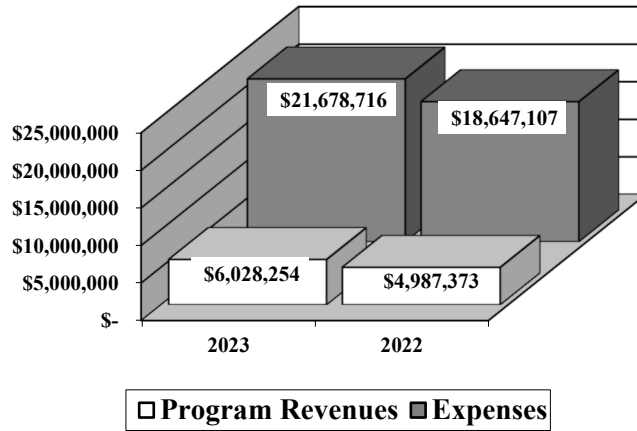
General revenues totaled \$22,940,475. These revenues primarily consist of property and income tax revenue of \$15,418,631. The City also received a \$5.6 million contributions from the North Canton CIC.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

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

Governmental Activities - Program Revenues vs. Total Expenses



Governmental Activities

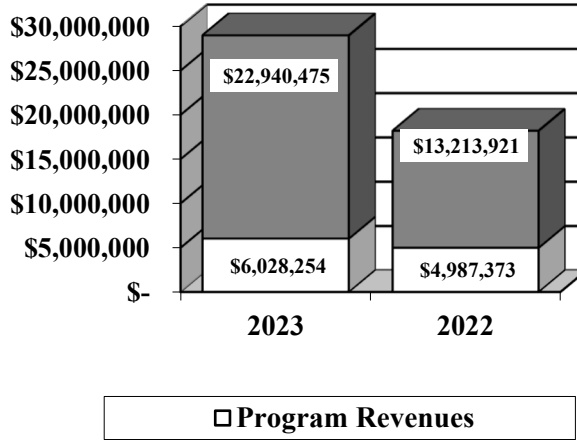
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
<u>Program expenses:</u>				
General government	\$ 1,729,759	\$ 1,623,701	\$ 2,486,895	\$ 2,477,813
Security of persons and property:				
Police	5,861,829	5,609,125	4,612,550	4,422,775
Fire	1,600,308	1,593,269	959,325	954,442
Public health and welfare	3,146,064	2,234,333	2,447,310	1,738,613
Transportation	4,820,390	1,119,793	4,536,609	2,838,905
Community environment	1,390,435	742,274	1,140,853	585,563
Leisure time activities	2,104,038	1,702,074	1,460,583	318,939
Economic development	-	-	27,300	8,202
Basic utility services	688,268	688,268	770,956	109,756
Interest and fiscal charges	337,625	337,625	204,726	204,726
Total Expenses	\$ 21,678,716	\$ 15,650,462	\$ 18,647,107	\$ 13,659,734

CITY OF NORTH CANTON, OHIO

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The dependence upon general revenues for governmental activities is apparent, with 72.15% of expenses supported through taxes and other general revenues in 2023.

Governmental Activities – General and Program Revenues

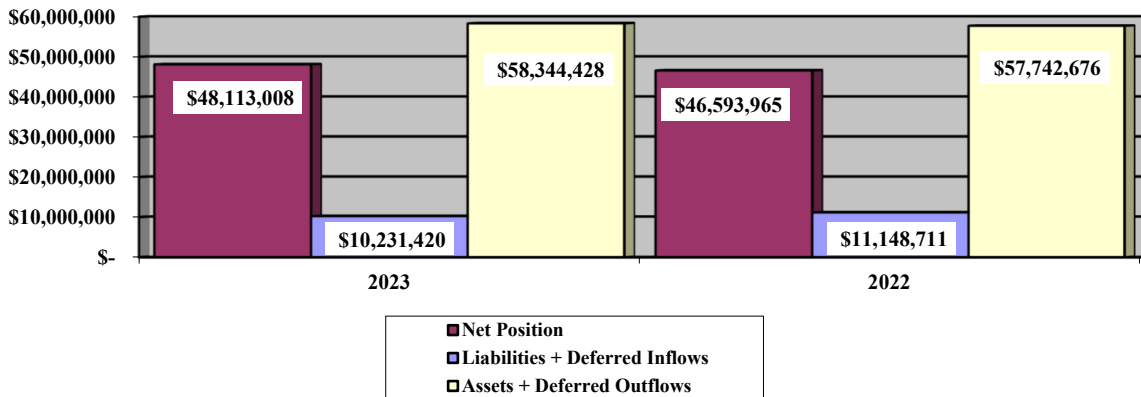


Business-Type Activities

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$12,671,361, expenses of \$11,311,847 and general revenues of \$159,529 for 2023. Additional discussion on the enterprise funds can be found on the subsequent pages.

The graph below shows the business-type activities assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2023 and 2022.

Net Position in Business - Type Activities



CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Governmental Funds

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

The City's governmental funds reported a combined fund balance of \$21,289,057 which is \$6,215,974 higher than last year's total of \$15,073,083. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2023 for all major and nonmajor governmental funds.

	<u>Fund Balances 12/31/23</u>	<u>Fund Balances 12/31/22</u>	<u>Change</u>
Major Funds:			
General	\$ 7,581,689	\$ 5,279,380	\$ 2,302,309
Fire Operating Fund	328,674	220,442	108,232
Emergency Medical Services Levy	816,913	495,166	321,747
Capital Improvements	8,321,137	4,668,214	3,652,923
Other Nonmajor Governmental Funds	<u>4,240,644</u>	<u>4,409,881</u>	<u>(169,237)</u>
Total	<u>\$ 21,289,057</u>	<u>\$ 15,073,083</u>	<u>\$ 6,215,974</u>

General Fund

The City's general fund balance increased \$2,302,309. The table that follows assists in illustrating the revenues of the general fund.

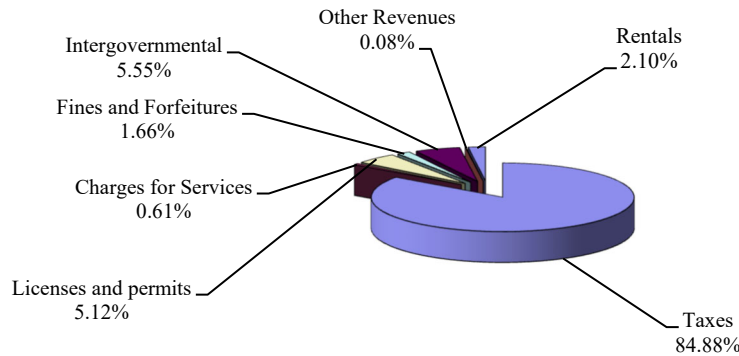
	<u>2023 Amount</u>	<u>2022 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
Revenues				
Taxes	\$ 10,292,471	\$ 9,213,507	\$ 1,078,964	11.71 %
Charges for services	51,903	66,505	(14,602)	(21.96) %
Licenses and permits	648,161	555,290	92,871	16.72 %
Fines and forfeitures	305,993	179,894	126,099	70.10 %
Intergovernmental	590,549	602,945	(12,396)	(2.06) %
Interest	1,076,863	(371,835)	1,448,698	389.61 %
Rentals	241,956	227,818	14,138	6.21 %
Contributions and donations	5,600,000	-	5,600,000	100.00 %
Hotel motel taxes	13,312	-	13,312	100.00 %
Other	<u>28,279</u>	<u>8,746</u>	<u>19,533</u>	223.34 %
Total	<u>\$ 18,849,487</u>	<u>\$ 10,482,870</u>	<u>\$ 8,366,617</u>	79.81 %

CITY OF NORTH CANTON, OHIO

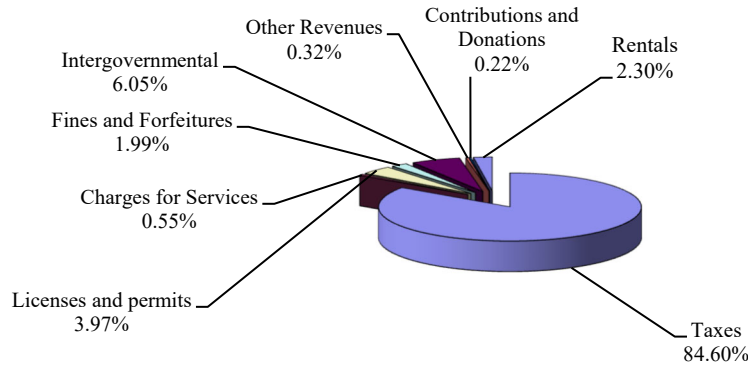
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Revenues of the general fund increased \$8,366,617 or 79.81%. The largest revenue source, tax revenues, increased by \$1,078,964. This increase was the result of better income tax collections compared to the prior year and increase in property valuations. The general fund also received a \$5.6 million contribution from the North Canton CIC.

Revenues – 2023



Revenues – 2022



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

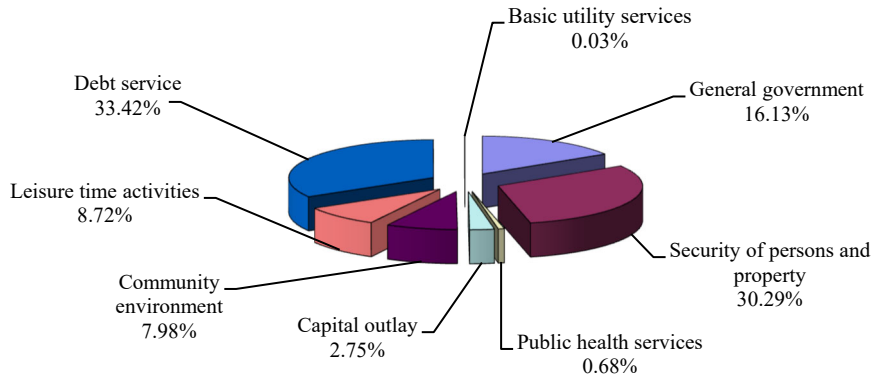
	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 2,806,940	\$ 2,336,523	\$ 470,417	20.13 %
Security of persons and property:				
Police	4,769,783	4,387,141	382,642	8.72 %
Public health and welfare	100,566	99,113	1,453	1.47 %
Community environment	1,367,678	1,155,337	212,341	18.38 %
Leisure time activities	1,552,304	1,262,147	290,157	22.99 %
Basic utility services	40,609	3,745	36,864	984.35 %
Capital outlay	91,806	397,600	(305,794)	(76.91) %
Debt service	4,841,039	4,839,991	1,048	0.02 %
Total	<u>\$ 15,570,725</u>	<u>\$ 14,481,597</u>	<u>\$ 1,089,128</u>	7.52 %

CITY OF NORTH CANTON, OHIO

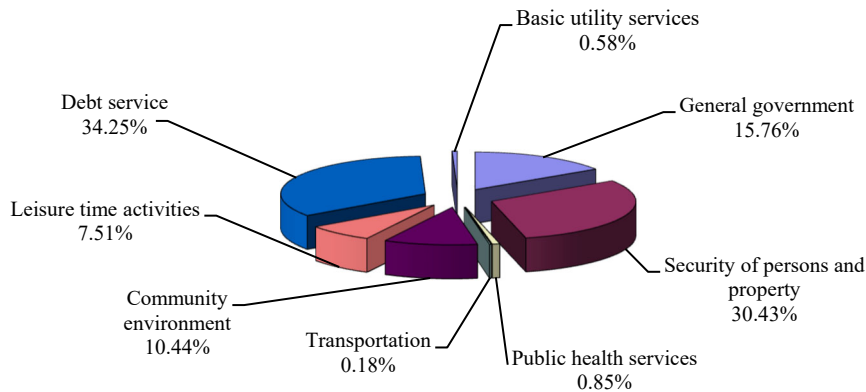
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Expenditures of the general fund increased \$1,089,128 or 7.52%. The largest increases were in the areas of leisure time activity, security of persons and property - police, and general government which increased \$290,157, \$382,642 and \$470,417, respectively. The increase in general government was the result of increased spending by the Director of Administration, Director of Finance and Engineer. The increase in capital outlay is due primarily to the City entering into notes payable - financed purchase agreements. The increase in security of persons and property - police was due to an increase in wages and benefits.

Expenditures – 2023



Expenditures – 2022



Fire Operating Fund

The fire operating fund had revenues and other financing sources of \$1,476,533. The fire operating fund had expenditures of \$1,368,301. The fund balance of the fire operating fund increased \$108,232 during 2023 from \$220,442 to \$328,674. The fund balance increased due to lower expenditures compared to revenues.

Emergency Medical Services Levy

The emergency medical services levy fund had revenues and other financing sources of \$2,859,190. The emergency medical services levy fund had expenditures of \$2,537,443. The fund balance of the emergency medical services levy fund increased \$321,747 during 2023 from \$495,166 to \$816,913. The fund balance increased due to lower expenditures compared to revenues.

CITY OF NORTH CANTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Capital Improvements Fund

The capital improvements major fund had \$7,563,904 in revenues and other financing sources and \$3,910,981 in expenditures in 2023. The fund balance for the capital improvements fund increased \$3,652,923, from \$4,668,214 to \$8,321,137 in 2023. The increase in fund balance was primarily the result of the City receiving properties in the form of assets held for resale from the North Canton CIC during 2023. These properties will eventually be given back to the CIC.

Budgeting Highlights – General Fund

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$18,385,189 were lower than the final budget amount by \$1,402,087. This decrease is due to the interest revenue and advances in being less than it was budgeted for.

Actual expenditures and other financing uses of \$19,299,725 were lower than the final budget amount by \$492,734. This decrease was primarily due to conservative spending in the police department, community environment, leisure time activities, and general government. Final appropriations were \$1,751,425 lower than original appropriations. The City was able to reallocate costs between departments and lower other amounts in order to stay on budget as well as decrease the City’s transfers out.

Proprietary Funds

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

The City’s business-type funds reported a combined net position of \$47,822,745, which is \$1,602,807 higher than last year’s total of \$46,219,938.

The schedule below indicates the net position and the total change in net position as of December 31, 2023 and December 31, 2022 for all major business-type funds.

	<u>Net Position</u> <u>12/31/23</u>	<u>Net Position</u> <u>12/31/22</u>	<u>Change</u>
Major Funds:			
Water	\$ 37,829,173	\$ 36,528,576	\$ 1,300,597
Sewer	9,504,809	9,155,400	349,409
Garbage	<u>488,763</u>	<u>535,962</u>	<u>(47,199)</u>
Total	<u>\$ 47,822,745</u>	<u>\$ 46,219,938</u>	<u>\$ 1,602,807</u>

Water Fund

The water fund had \$7,390,644 in operating revenues and \$6,121,496 in operating expenses during 2023. The water fund also had \$71,156 in net nonoperating expenses and \$102,605 in capital contributions. The net position of the water fund increased \$1,300,597 from \$36,528,576 to \$37,829,173. This increase was the result of water rates being sufficient to cover the costs needing to operate the water department.

CITY OF NORTH CANTON, OHIO

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FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Sewer Fund

The sewer fund had \$4,052,332 in operating revenues and \$3,624,318 in operating expenses during 2023. The sewer fund also had \$78,605 in nonoperating expenses. The net position of the sewer fund increased \$349,409 from \$9,155,400 to \$9,504,809. This increase is the result of City disposing of sewer rights during 2022.

Garbage Fund

The garbage fund had \$1,274,478 in operating revenues and \$1,332,508 in operating expenses in 2023. The garbage fund also had non-operating revenues of \$10,831. The net position of the garbage fund decreased \$47,199 from \$535,962 to \$488,763. The fund balance decreased due primarily to a reduction of solid waste grant funds.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2023, the City had \$91,560,177 (net of accumulated depreciation/amortization) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software, intangible right to use assets, sewer rights, and infrastructure. Of this total, \$47,898,864 was reported in governmental activities and \$43,661,313 was reported in business-type activities. See Note 11 in the basic financial statements for additional capital asset disclosure. The table on the following page shows December 31, 2023 balances compared to December 31, 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 8,699,439	\$ 8,699,439	\$ 1,023,702	\$ 1,023,702	\$ 9,723,141	\$ 9,723,141
Easements and right of ways	658,336	658,336	-	-	658,336	658,336
Construction in progress	1,408,002	59,859	1,311,232	580,183	2,719,234	640,042
Land improvements	5,568,833	3,807,385	1,079,687	1,104,849	6,648,520	4,912,234
Buildings	4,539,014	4,472,117	6,686,468	7,091,274	11,225,482	11,563,391
Equipment	4,257,033	3,894,429	2,881,758	2,731,970	7,138,791	6,626,399
Software	900	6,499	-	2,424	900	8,923
Intangible right to use assets:						
Leased land	12,556	12,822	-	-	12,556	12,822
Leased equipment	35,906	21,710	11,926	16,716	47,832	38,426
SBITAs	34,941	21,710	-	16,716	34,941	38,426
Sewer rights	-	-	2,275,282	2,556,761	2,275,282	2,556,761
Infrastructure	<u>22,683,904</u>	<u>23,936,612</u>	<u>28,391,258</u>	<u>29,723,085</u>	<u>51,075,162</u>	<u>53,659,697</u>
Totals	<u>\$ 47,898,864</u>	<u>\$ 45,590,918</u>	<u>\$ 43,661,313</u>	<u>\$ 44,847,680</u>	<u>\$ 91,560,177</u>	<u>\$ 90,438,598</u>

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Debt

The City had the following long-term obligations outstanding at December 31, 2023 and 2022.

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
General obligation bonds	\$ 7,154,044	\$ 3,114,516
Various purpose notes	-	4,314,000
Notes payable - financed purchase	577,416	691,932
Leases payable	47,885	-
SBITAs payable	<u>29,114</u>	<u>34,065</u>
Total governmental activities long-term obligations	<u>\$ 7,808,459</u>	<u>\$ 8,154,513</u>
	Business-type Activities <u>2023</u>	Business-type Activities <u>2022</u>
OWDA loans	\$ 1,223,727	\$ 1,983,199
Intergovernmental loans	2,405,718	2,637,119
OPWC loans	906,006	963,551
General obligation bonds	1,404,956	1,754,484
Notes payable - financed purchase	152,245	309,305
Leases payable	<u>12,250</u>	<u>16,921</u>
Total business-type activities long-term obligations	<u>\$ 6,104,902</u>	<u>\$ 7,664,579</u>

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

Economic Factors and Next Year's Budget

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

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

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

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

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

Beginning in 2020, the City launched a land bank initiative by acquiring more than a dozen commercial properties for the purposes of controlled redevelopment that included 30 acres around and including the bankrupt Kmart property. In April 2023, the City announced the sale of 24 acres of that property for the commercial development of four new business locations, including a new Meijer store and fuel station, Sgt. Clean Car Wash, Seven Brew Coffee, and Papa Bears. This project successfully concludes a first-of-its-kind City project estimated to yield over \$8.8 million in economic value over the next ten years. This development project has also leveraged interest for additional commercial development in the area, with at least three additional businesses planning to locate in the surrounding area.

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

The City remains steadfast in its commitment to maintaining and enhancing the vital infrastructure that supports our community's well-being. Throughout 2023, significant strides were made in infrastructure development and upkeep, thanks to a judicious allocation of resources and strategic partnerships.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Key highlights of infrastructure projects completed in 2023 include:

1. **Wise Avenue Reconstruction:** This crucial project, bolstered by nearly \$885,000 in ARPA federal COVID relief funding, exemplifies the City's dedication to revitalizing essential thoroughfares.
2. **Valley Drive Waterline Replacement:** Through prudent management of resources, the City leveraged \$395,000 of federal Community Development Block Grant (CDBG) funds to ensure the integrity of our water distribution system.
3. **Charlotte Street Improvement Project:** A testament to collaborative efforts, this multifaceted initiative received support from various grants, including those from the Ohio Department of Transportation, Ohio Department of Development, County Commissioners Municipal Road Fund (MRF), Ohio Public Works Commission (OPWC), and Stark County Area Transportation (SCTID).
4. **Annual Repaving Projects:** With an annual investment averaging \$350,000, the City prioritized the upkeep of roadways essential for safe and efficient transportation.
5. **Alley Repaving Initiative:** Leveraging state-of-the-art paving technology, approximately seven alleyways were rejuvenated, enhancing both functionality and aesthetics.
6. **Parks Improvements:** Recognizing the importance of recreational spaces, the City undertook various enhancements to elevate the visitor experience within our parks.

In alignment with our commitment to holistic asset management, the City acknowledges the significance of attending to business-type capital assets alongside governmental ones. This comprehensive approach ensures the sustained functionality and resilience of our infrastructure network.

Furthermore, proactive measures were taken regarding water rate adjustments, reflecting a responsible approach to financial stewardship. The incremental 5 percent annual increase, implemented from 2022 to 2024, was guided by a thorough review of the water asset management plan. In May 2023, following this review, the City Council approved continued annual rate increases for 2025-2026, underscoring our dedication to fiscal prudence and infrastructure sustainability.

Looking ahead to 2024, the City remains poised to address pressing infrastructure needs with a forward-looking perspective. Planned projects, such as the East Maple Repaving, Woodrow/Lois Waterline Replacement, Arrowhead Well and raw waterline, curb and gutter from South Main to corporation limits, and the collaborative effort with Plain Township on the Orion Street Waterline extension, exemplify our proactive approach to infrastructure development.

The City's unwavering commitment to infrastructure investment, coupled with strategic funding partnerships and prudent financial management, lays a robust foundation for continued community prosperity and resilience.

Requests for Information

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

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CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
Assets:				
Equity in pooled cash and investments	\$ 15,997,794	\$ 10,796,300	\$ 26,794,094	\$ -
Cash and cash equivalents				
With fiscal agents	-	-	-	343,273
Receivables:				
Property taxes	4,462,367	-	4,462,367	-
Municipal income taxes	3,113,777	-	3,113,777	-
Accounts	112,890	1,248,384	1,361,274	-
Intergovernmental	1,165,820	105,313	1,271,133	-
Special assessments	11,999	19,510	31,509	-
Leases	31,950	-	31,950	-
Accrued interest	99,104	-	99,104	-
Hotel motel taxes	3,076	-	3,076	-
Due from component units	1,443,635	-	1,443,635	-
Materials and supplies inventory	283,067	490,422	773,489	-
Prepayments	75,930	17,953	93,883	-
Assets held for resale	5,458,513	-	5,458,513	118,800
Net pension asset	70,234	46,698	116,932	-
Internal balance	(290,263)	290,263	-	-
Capital assets:				
Non-depreciable/amortizable capital assets	10,765,777	2,334,934	13,100,711	2,346,133
Depreciable/amortizable capital assets, net	37,133,087	41,326,379	78,459,466	1,372,215
Total capital assets, net	47,898,864	43,661,313	91,560,177	3,718,348
Total assets	79,938,757	56,676,156	136,614,913	4,180,421
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	36,070	77,547	113,617	-
Pension	6,422,421	1,381,880	7,804,301	-
OPEB	1,172,200	208,845	1,381,045	-
Total deferred outflows of resources	7,630,691	1,668,272	9,298,963	-
Liabilities:				
Accounts payable	229,926	188,440	418,366	2,620
Contracts payable	345,911	-	345,911	-
Accrued wages and benefits payable	513,407	119,624	633,031	-
Intergovernmental payable	255,249	231,344	486,593	40,472
Due to primary government	-	-	-	1,443,635
Accrued interest payable	24,468	29,736	54,204	-
Claims payable	372,697	-	372,697	-
Unearned revenue	421,542	-	421,542	6,490
Long-term liabilities:				
Due within one year	671,582	1,580,266	2,251,848	35,724
Due in more than one year:				
Net pension liability	15,895,181	3,183,329	19,078,510	-
Net OPEB liability	936,208	68,939	1,005,147	-
Other amounts	8,928,383	4,686,367	13,614,750	507,160
Total liabilities	28,594,554	10,088,045	38,682,599	2,036,101
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	4,353,415	-	4,353,415	-
Leases	31,463	-	31,463	-
Pension	528,100	111,867	639,967	-
OPEB	891,010	31,508	922,518	-
Total deferred inflows of resources	5,803,988	143,375	5,947,363	-
Net position:				
Net investment in capital assets	39,735,940	37,661,677	77,397,617	3,599,373
Restricted for:				
Capital projects	772,436	-	772,436	-
Security of persons and property - police	107,068	-	107,068	-
Transportation	2,295,784	-	2,295,784	-
Basic utilities	764,645	-	764,645	-
General trust	46,502	-	46,502	-
Pension	70,234	46,698	116,932	-
Other purposes	23,602	-	23,602	-
Unrestricted	9,354,695	10,404,633	19,759,328	(1,455,053)
Total net position	\$ 53,170,906	\$ 48,113,008	\$ 101,283,914	\$ 2,144,320

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government	\$ 1,729,759	\$ 95,455	\$ 10,603	\$ -
Security of persons and property:				
Police	5,861,829	228,203	24,501	-
Fire	1,600,308	7,039	-	-
Public health and welfare	3,146,064	839,912	71,819	-
Transportation	4,820,390	-	1,981,465	1,719,132
Community environment	1,390,435	648,161	-	-
Leisure time activities	2,104,038	319,810	6,926	75,228
Basic utility services	688,268	-	-	-
Interest and fiscal charges	337,625	-	-	-
Total governmental activities	<u>21,678,716</u>	<u>2,138,580</u>	<u>2,095,314</u>	<u>1,794,360</u>
Business-type activities:				
Water	6,251,504	7,292,696	-	102,605
Sewer	3,724,453	4,000,045	-	-
Garbage	1,335,890	1,265,184	10,831	-
Total business-type activities	<u>11,311,847</u>	<u>12,557,925</u>	<u>10,831</u>	<u>102,605</u>
Total primary government	<u>\$ 32,990,563</u>	<u>\$ 14,696,505</u>	<u>\$ 2,106,145</u>	<u>\$ 1,896,965</u>
Component Unit:				
North Canton Community Improvement Corporation	<u>\$ 9,973,505</u>	<u>\$ 163,109</u>	<u>\$ 5,664,306</u>	<u>\$ 710,100</u>

General revenues:

Property taxes levied for:
 General purposes
 Fire operating levy
 Emergency medical services levy
 Storm sewer levy
 Street levy
Income taxes levied for:
 General purposes
 Capital improvement
Hotel/motel taxes
Grants and entitlements not restricted
to specific programs
Contributions not restricted
to specific programs
Investment earnings
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
\$ (1,623,701)	\$ -	\$ (1,623,701)	\$ -
(5,609,125)	-	(5,609,125)	-
(1,593,269)	-	(1,593,269)	-
(2,234,333)	-	(2,234,333)	-
(1,119,793)	-	(1,119,793)	-
(742,274)	-	(742,274)	-
(1,702,074)	-	(1,702,074)	-
(688,268)	-	(688,268)	-
(337,625)	-	(337,625)	-
<u>(15,650,462)</u>	<u>-</u>	<u>(15,650,462)</u>	<u>-</u>
-	1,143,797	1,143,797	-
-	275,592	275,592	-
-	(59,875)	(59,875)	-
<u>-</u>	<u>1,359,514</u>	<u>1,359,514</u>	<u>-</u>
<u>(15,650,462)</u>	<u>1,359,514</u>	<u>(14,290,948)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,435,990)</u>
1,117,136	-	1,117,136	-
886,562	-	886,562	-
1,785,858	-	1,785,858	-
343,901	-	343,901	-
343,901	-	343,901	-
9,152,735	-	9,152,735	-
1,788,538	-	1,788,538	-
13,312	-	13,312	-
769,248	-	769,248	-
5,600,000	-	5,600,000	-
1,111,005	-	1,111,005	20,949
28,279	159,529	187,808	500
<u>22,940,475</u>	<u>159,529</u>	<u>23,100,004</u>	<u>21,449</u>
7,290,013	1,519,043	8,809,056	(3,414,541)
<u>45,880,893</u>	<u>46,593,965</u>	<u>92,474,858</u>	<u>5,558,861</u>
<u>\$ 53,170,906</u>	<u>\$ 48,113,008</u>	<u>\$ 101,283,914</u>	<u>\$ 2,144,320</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Fire Operating Levy	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and investments	\$ 7,390,873	\$ 398,085	\$ 907,712	\$ 1,487,513	\$ 4,397,421	\$ 14,581,604
Receivables:						
Property taxes	1,068,902	928,961	1,772,120	-	692,384	4,462,367
Municipal income taxes	2,491,022	-	-	622,755	-	3,113,777
Accounts	905	-	111,985	-	-	112,890
Intergovernmental	357,979	19,999	66,356	143,764	577,722	1,165,820
Special assessments	11,999	-	-	-	-	11,999
Leases	31,950	-	-	-	-	31,950
Accrued interest	99,104	-	-	-	-	99,104
Hotel motel taxes	3,076	-	-	-	-	3,076
Due from component units	-	-	-	1,443,635	-	1,443,635
Materials and supplies inventory	79,589	-	8,896	-	194,582	283,067
Prepayments	60,683	6,116	4,265	-	4,866	75,930
Assets held for resale	-	-	-	5,458,513	-	5,458,513
Total assets	<u>\$ 11,596,082</u>	<u>\$ 1,353,161</u>	<u>\$ 2,871,334</u>	<u>\$ 9,156,180</u>	<u>\$ 5,866,975</u>	<u>\$ 30,843,732</u>
Liabilities:						
Accounts payable	\$ 190,992	\$ 15,413	\$ 15,510	\$ -	\$ 6,292	\$ 228,207
Contracts payable	-	-	-	338,930	6,981	345,911
Accrued wages and benefits payable	333,354	41,587	113,335	-	25,131	513,407
Compensated absences payable	50,571	-	-	-	-	50,571
Intergovernmental payable	171,552	18,527	54,623	-	10,547	255,249
Unearned revenue	-	-	-	-	421,542	421,542
Total liabilities	<u>746,469</u>	<u>75,527</u>	<u>183,468</u>	<u>338,930</u>	<u>470,493</u>	<u>1,814,887</u>
Deferred inflows of resources:						
Property taxes levied for the next fiscal year	1,040,428	907,726	1,730,191	-	675,070	4,353,415
Delinquent property tax revenue not available	28,474	21,235	41,929	-	17,314	108,952
Accrued interest not available	53,199	-	-	-	-	53,199
Leases	31,463	-	-	-	-	31,463
Special assessments and miscellaneous not available	11,999	-	32,477	-	-	44,476
Income tax revenue not available	1,858,422	-	-	464,605	-	2,323,027
Intergovernmental revenues not available	243,939	19,999	66,356	31,508	463,454	825,256
Total deferred inflows of resources	<u>3,267,924</u>	<u>948,960</u>	<u>1,870,953</u>	<u>496,113</u>	<u>1,155,838</u>	<u>7,739,788</u>
Fund balances:						
Nonspendable	155,272	6,116	13,161	-	199,448	373,997
Restricted	-	322,558	803,752	-	3,718,975	4,845,285
Committed	980,084	-	-	8,321,137	329,202	9,630,423
Assigned	1,884,345	-	-	-	-	1,884,345
Unassigned (deficit)	4,561,988	-	-	-	(6,981)	4,555,007
Total fund balances	<u>7,581,689</u>	<u>328,674</u>	<u>816,913</u>	<u>8,321,137</u>	<u>4,240,644</u>	<u>21,289,057</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,596,082</u>	<u>\$ 1,353,161</u>	<u>\$ 2,871,334</u>	<u>\$ 9,156,180</u>	<u>\$ 5,866,975</u>	<u>\$ 30,843,732</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances		\$	21,289,057
<i>Amounts reported for governmental activities on the Statement of Net Position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			47,898,864
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$		108,952
Municipal income taxes receivable		2,323,027	
Accounts receivable		32,477	
Special assessments receivable		11,999	
Intergovernmental receivable		825,256	
Accrued interest receivable		53,199	
Total			3,354,910
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Position.			1,041,774
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.			(290,263)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(24,468)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			36,070
Unamortized premiums on bond issuances are not recognized in the funds.			(63,182)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		70,234	
Deferred outflows of resources		6,422,421	
Deferred inflows of resources		(528,100)	
Net pension liability		(15,895,181)	
Total			(9,930,626)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows of resources		1,172,200	
Deferred inflows of resources		(891,010)	
Net OPEB liability		(936,208)	
Total			(655,018)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(1,677,753)	
General obligation bonds payable		(7,154,044)	
Leases payable		(47,885)	
Notes payable - financed purchases		(577,416)	
SBITAs payable		(29,114)	
Total			(9,486,212)
Net position of governmental activities		\$	53,170,906

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Fire Operating Levy	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 1,127,002	\$ 871,318	\$ 1,773,887	\$ -	\$ 694,456	\$ 4,466,663
Municipal income taxes	9,165,469	-	-	1,739,746	-	10,905,215
Hotel motel taxes	13,312	-	-	-	-	13,312
Charges for services	51,903	7,039	858,771	-	25,951	943,664
Licenses and permits	648,161	-	-	-	-	648,161
Fines and forfeitures	305,993	-	-	-	31,883	337,876
Intergovernmental	590,549	48,176	126,503	1,481,758	2,337,567	4,584,553
Interest	1,076,863	-	-	-	-	1,076,863
Rentals	241,956	-	-	-	-	241,956
Contributions and donations	5,600,000	-	-	-	53,682	5,653,682
Other	28,279	-	-	-	1,331	29,610
Total revenues	<u>18,849,487</u>	<u>926,533</u>	<u>2,759,161</u>	<u>3,221,504</u>	<u>3,144,870</u>	<u>28,901,555</u>
Expenditures:						
Current:						
General government	2,806,940	-	-	-	12,804	2,819,744
Security of persons and property:						
Police	4,769,783	-	-	-	25,968	4,795,751
Fire	-	1,366,483	-	-	-	1,366,483
Public health and welfare	100,566	-	2,535,625	-	8,094	2,644,285
Transportation	-	-	-	-	3,235,363	3,235,363
Community environment	1,367,678	-	-	-	-	1,367,678
Leisure time activities	1,552,304	-	-	-	8,364	1,560,668
Basic utility services	40,609	-	-	-	379,921	420,530
Capital outlay	91,806	-	-	3,609,953	106,238	3,807,997
Debt service:						
Principal retirement	4,553,708	1,789	1,789	194,574	-	4,751,860
Interest and fiscal charges	287,331	29	29	40,442	-	327,831
Bond issuance costs	-	-	-	66,012	-	66,012
Total expenditures	<u>15,570,725</u>	<u>1,368,301</u>	<u>2,537,443</u>	<u>3,910,981</u>	<u>3,776,752</u>	<u>27,164,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,278,762</u>	<u>(441,768)</u>	<u>221,718</u>	<u>(689,477)</u>	<u>(631,882)</u>	<u>1,737,353</u>
Other financing sources (uses):						
Bonds issued	-	-	-	4,314,000	-	4,314,000
Sale of capital assets	31,741	-	29	28,400	12,645	72,815
Lease transaction	33,571	-	-	-	-	33,571
Transfers in	-	550,000	100,000	-	450,000	1,100,000
Transfers out	(1,100,000)	-	-	-	-	(1,100,000)
SBITA transaction	58,235	-	-	-	-	58,235
Total other financing sources (uses)	<u>(976,453)</u>	<u>550,000</u>	<u>100,029</u>	<u>4,342,400</u>	<u>462,645</u>	<u>4,478,621</u>
Net change in fund balances	2,302,309	108,232	321,747	3,652,923	(169,237)	6,215,974
Fund balance at beginning of year	<u>5,279,380</u>	<u>220,442</u>	<u>495,166</u>	<u>4,668,214</u>	<u>4,409,881</u>	<u>15,073,083</u>
Fund balances at end of year	<u>\$ 7,581,689</u>	<u>\$ 328,674</u>	<u>\$ 816,913</u>	<u>\$ 8,321,137</u>	<u>\$ 4,240,644</u>	<u>\$ 21,289,057</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds		\$	6,215,974
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.			
Capital asset additions	\$	5,643,422	
Current year depreciation/amortization		<u>(3,223,952)</u>	
Total			2,419,470
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.			
			(89,814)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			
Delinquent property taxes		10,695	
Municipal income taxes		36,058	
Charges for services		(39,208)	
Intergovernmental		17,213	
Special assessments		8,274	
Interest		34,142	
Total		<u>67,174</u>	
Repayment of bond, notes, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.			
			4,751,860
The issuance of long-term liabilities is recorded as an other financing source in the governmental funds; however, the proceeds increase long-term liabilities on the statement of net assets.			
General obligation bonds		(4,314,000)	
Leases payable		(33,571)	
SBITAs payable		<u>(58,235)</u>	
Total			(4,405,806)
In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.			
Accrued interest payable		52,298	
Amortization of deferred amounts on refunding		9,134	
Amortization of bond premiums		<u>(5,214)</u>	
Total			56,218
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
			(21,685)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.			
Pension			1,204,579
OPEB			24,866
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability/asset are reported as pension/OPEB expense in the Statement of Activities.			
Pension			(2,606,979)
OPEB			(100,511)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.			
			<u>(225,333)</u>
Change in net position of governmental activities		\$	<u>7,290,013</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 1,195,000	\$ 1,127,000	\$ 1,127,002	\$ 2
Municipal income taxes	7,845,000	9,276,376	9,178,186	(98,190)
Charges for services	26,000	51,900	51,903	3
Licenses and permits	488,000	651,350	652,130	780
Fines and forfeitures	308,000	221,275	221,265	(10)
Intergovernmental	614,000	595,350	595,310	(40)
Interest	300,000	565,000	563,144	(1,856)
Rentals	308,000	146,250	243,632	97,382
Hotel/motel taxes	11,000	10,250	10,236	(14)
Contributions and donations	7,000,000	7,000,000	5,600,000	(1,400,000)
Other	10,000	27,750	27,620	(130)
Total revenues	<u>18,105,000</u>	<u>19,672,501</u>	<u>18,270,428</u>	<u>(1,402,073)</u>
Expenditures:				
Current:				
General government	3,616,734	2,989,351	2,816,708	172,643
Security of persons and property:				
Police	5,467,037	4,919,725	4,737,225	182,500
Public health and welfare	108,000	100,575	100,566	9
Community environment	1,721,675	1,430,757	1,390,721	40,036
Leisure time activities	2,003,688	1,741,351	1,643,822	97,529
Debt service:				
Principal retirement	7,091,981	7,225,931	7,225,914	17
Interest and fiscal charges	284,769	284,769	284,769	-
Total expenditures	<u>20,293,884</u>	<u>18,692,459</u>	<u>18,199,725</u>	<u>492,734</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,188,884)</u>	<u>980,042</u>	<u>70,703</u>	<u>(909,339)</u>
Other financing sources (uses):				
Sale of capital assets	-	31,750	31,741	(9)
Advances in	300,000	83,025	83,020	(5)
Advances out	(300,000)	-	-	-
Transfers out	(1,250,000)	(1,100,000)	(1,100,000)	-
Total other financing sources (uses)	<u>(1,250,000)</u>	<u>(985,225)</u>	<u>(985,239)</u>	<u>(14)</u>
Net change in fund balances	(3,438,884)	(5,183)	(914,536)	(909,353)
Fund balances at beginning of year	7,483,075	7,483,075	7,483,075	-
Prior year encumbrances appropriated	175,684	175,684	175,684	-
Fund balance at end of year	<u>\$ 4,219,875</u>	<u>\$ 7,653,576</u>	<u>\$ 6,744,223</u>	<u>\$ (909,353)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE OPERATING LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and other taxes	\$ 963,000	\$ 871,325	\$ 871,318	\$ (7)
Charges for services	4,000	7,025	7,049	24
Intergovernmental	24,000	48,200	48,176	(24)
Total revenues	<u>991,000</u>	<u>926,550</u>	<u>926,543</u>	<u>(7)</u>
Expenditures:				
Current:				
Security of persons and property	<u>1,722,138</u>	<u>1,421,127</u>	<u>1,384,102</u>	<u>37,025</u>
Total expenditures	<u>1,722,138</u>	<u>1,421,127</u>	<u>1,384,102</u>	<u>37,025</u>
Excess of expenditures over revenues	<u>(731,138)</u>	<u>(494,577)</u>	<u>(457,559)</u>	<u>37,018</u>
Other financing sources:				
Transfers in	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Total other financing sources	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Net change in fund balances	(181,138)	55,423	92,441	37,018
Fund balances at beginning of year	253,456	253,456	253,456	-
Prior year encumbrances appropriated	<u>25,388</u>	<u>25,388</u>	<u>25,388</u>	<u>-</u>
Fund balance at end of year	<u>\$ 97,706</u>	<u>\$ 334,267</u>	<u>\$ 371,285</u>	<u>\$ 37,018</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMERGENCY MEDICAL SERVICES LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 1,891,700	\$ 1,773,900	\$ 1,773,887	\$ (13)
Charges for services	666,000	833,075	833,075	-
Intergovernmental	121,300	126,525	126,503	(22)
Total revenues	<u>2,679,000</u>	<u>2,733,500</u>	<u>2,733,465</u>	<u>(35)</u>
Expenditures:				
Current:				
Public health and welfare	2,808,401	2,638,008	2,529,069	108,939
Total expenditures	<u>2,808,401</u>	<u>2,638,008</u>	<u>2,529,069</u>	<u>108,939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,401)</u>	<u>95,492</u>	<u>204,396</u>	<u>108,904</u>
Other financing sources:				
Sale of capital assets	-	25	29	4
Transfers in	100,000	100,000	100,000	-
Total other financing sources	<u>100,000</u>	<u>100,025</u>	<u>100,029</u>	<u>4</u>
Net change in fund balances	(29,401)	195,517	304,425	108,908
Fund balance at beginning of year	515,976	515,976	515,976	-
Prior year encumbrances appropriated	56,001	56,001	56,001	-
Fund balance at end of year	<u>\$ 542,576</u>	<u>\$ 767,494</u>	<u>\$ 876,402</u>	<u>\$ 108,908</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Fund
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 7,155,473	\$ 3,016,152	\$ 624,675	\$ 10,796,300	\$ 1,416,190
Receivables:					
Accounts	786,974	455,334	6,076	1,248,384	-
Special assessments	138	19,372	-	19,510	-
Intergovernmental	102,605	-	2,708	105,313	-
Materials and supplies inventory	480,423	9,999	-	490,422	-
Prepayments	14,328	2,602	1,023	17,953	-
Total current assets	8,539,941	3,503,459	634,482	12,677,882	1,416,190
Noncurrent assets:					
Net pension asset	34,017	11,347	1,334	46,698	-
Capital assets:					
Non-depreciable capital assets	2,169,459	165,475	-	2,334,934	-
Depreciable/amortizable capital assets, net	32,233,609	9,092,770	-	41,326,379	-
Total capital assets, net	34,403,068	9,258,245	-	43,661,313	-
Total noncurrent assets	34,437,085	9,269,592	1,334	43,708,011	-
Total assets	42,977,026	12,773,051	635,816	56,385,893	1,416,190
Deferred outflows of resources:					
Unamortized deferred charges on debt refunding	77,547	-	-	77,547	-
Pension	1,001,005	335,291	45,584	1,381,880	-
OPEB	152,117	50,741	5,987	208,845	-
Total deferred outflows of resources	1,230,669	386,032	51,571	1,668,272	-
Liabilities:					
Current liabilities:					
Accounts payable	79,822	6,795	101,823	188,440	1,719
Accrued wages and benefits payable	91,694	26,675	1,255	119,624	-
Intergovernmental payable	43,219	187,072	1,053	231,344	-
Accrued interest payable	28,538	1,198	-	29,736	-
General obligation bonds payable	351,876	-	-	351,876	-
OWDA loans payable	777,453	9,770	-	787,223	-
OPWC loans payable	100,932	14,968	-	115,900	-
Intergovernmental loans payable	-	244,671	-	244,671	-
Claims and judgements payable	-	-	-	-	372,697
Leases payable	5,428	-	-	5,428	-
Notes payable - financed purchase	75,168	-	-	75,168	-
Total current liabilities	1,554,130	491,149	104,131	2,149,410	374,416
Long-term liabilities:					
General obligation bonds payable	1,214,811	-	-	1,214,811	-
OWDA loans payable	376,403	60,101	-	436,504	-
OPWC loans payable	662,884	127,222	-	790,106	-
Notes payable - financed purchase	77,077	-	-	77,077	-
Intergovernmental loans payable	-	2,161,047	-	2,161,047	-
Leases payable	6,822	-	-	6,822	-
Net pension liability	2,318,859	773,538	90,932	3,183,329	-
Net OPEB liability	50,218	16,752	1,969	68,939	-
Total long-term liabilities	4,707,074	3,138,660	92,901	7,938,635	-
Total liabilities	6,261,204	3,629,809	197,032	10,088,045	374,416
Deferred inflows of resources:					
Pension	94,761	16,276	830	111,867	-
OPEB	22,557	8,189	762	31,508	-
Total deferred inflows of resources	117,318	24,465	1,592	143,375	-
Net position:					
Net investment in capital assets	31,021,211	6,640,466	-	37,661,677	-
Restricted for pension	34,017	11,347	1,334	46,698	-
Unrestricted	6,773,945	2,852,996	487,429	10,114,370	1,041,774
Total net position	\$ 37,829,173	\$ 9,504,809	\$ 488,763	47,822,745	\$ 1,041,774
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				290,263	
Net position of business-type activities				\$ 48,113,008	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 7,124,973	\$ 3,924,956	\$ 1,265,184	\$ 12,315,113	\$ 2,166,665
Tap-in fees	167,723	75,089	-	242,812	-
Other operating revenues	97,948	52,287	9,294	159,529	1,800
Total operating revenues	<u>7,390,644</u>	<u>4,052,332</u>	<u>1,274,478</u>	<u>12,717,454</u>	<u>2,168,465</u>
Operating expenses:					
Personal services	2,215,158	779,550	99,434	3,094,142	-
Contract services	1,254,499	2,047,027	1,180,057	4,481,583	550,181
Materials and supplies	773,570	29,164	53,017	855,751	-
Claims expense	-	-	-	-	1,927,381
Depreciation/amortization	1,878,269	768,577	-	2,646,846	-
Total operating expenses	<u>6,121,496</u>	<u>3,624,318</u>	<u>1,332,508</u>	<u>11,078,322</u>	<u>2,477,562</u>
Operating income (loss)	<u>1,269,148</u>	<u>428,014</u>	<u>(58,030)</u>	<u>1,639,132</u>	<u>(309,097)</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(92,947)	(78,605)	-	(171,552)	-
Gain on disposal of capital assets	21,791	-	-	21,791	-
Intergovernmental	-	-	10,831	10,831	-
Total nonoperating revenues (expenses)	<u>(71,156)</u>	<u>(78,605)</u>	<u>10,831</u>	<u>(138,930)</u>	<u>-</u>
Income (loss) before capital contributions	1,197,992	349,409	(47,199)	1,500,202	(309,097)
Capital contributions	<u>102,605</u>	<u>-</u>	<u>-</u>	<u>102,605</u>	<u>-</u>
Change in net position	1,300,597	349,409	(47,199)	1,602,807	(309,097)
Net position at beginning of year	<u>36,528,576</u>	<u>9,155,400</u>	<u>535,962</u>		<u>1,350,871</u>
Net position at end of year	<u>\$ 37,829,173</u>	<u>\$ 9,504,809</u>	<u>\$ 488,763</u>		<u>\$ 1,041,774</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(83,764)</u>	
Change in net position of business-type activities				<u>\$ 1,519,043</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 7,017,974	\$ 3,784,117	\$ 1,264,017	\$ 12,066,108	\$ -
Cash received from interfund services	-	-	-	-	2,166,665
Cash received from tap-in fees	167,723	75,089	-	242,812	-
Cash received from other operations	97,948	52,287	9,294	159,529	1,800
Cash payments for personal services	(2,213,635)	(761,335)	(93,683)	(3,068,653)	-
Cash payments for contractual services	(1,247,471)	(2,015,608)	(1,179,048)	(4,442,127)	(550,471)
Cash payments for materials and supplies	(808,771)	(30,034)	(53,036)	(891,841)	-
Cash payments for claims	-	-	-	-	(1,607,637)
Net cash provided by (used in) operating activities	<u>3,013,768</u>	<u>1,104,516</u>	<u>(52,456)</u>	<u>4,065,828</u>	<u>10,357</u>
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies	-	-	18,721	18,721	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>18,721</u>	<u>18,721</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Sale of capital assets	24,000	-	-	24,000	-
Acquisition of capital assets	(1,422,224)	(57,180)	-	(1,479,404)	-
Notes payable - financed purchase proceeds	-	-	-	-	-
Principal payments - bonds	(349,528)	-	-	(349,528)	-
Principal payments - OWDA loans	(750,028)	(9,444)	-	(759,472)	-
Principal payments - OPWC loans	(50,061)	(7,484)	-	(57,545)	-
Principal payments - intergovernmental loans	-	(231,401)	-	(231,401)	-
Principal payments - leases payable	(4,671)	-	-	(4,671)	-
Principal payments - notes payable - financed purchase	(157,060)	-	-	(157,060)	-
Interest and fiscal charges - bonds	(50,577)	-	-	(50,577)	-
Interest and fiscal charges - OWDA loans	(64,567)	(2,308)	-	(66,875)	-
Interest and fiscal charges - intergovernmental loans	-	(76,459)	-	(76,459)	-
Interest and fiscal charges - leases	(401)	-	-	(401)	-
Interest and fiscal charges - notes payable - financed purchase	(7,856)	-	-	(7,856)	-
Net cash used in capital and related financing activities	<u>(2,832,973)</u>	<u>(384,276)</u>	<u>-</u>	<u>(3,209,393)</u>	<u>-</u>
Net change in cash and cash equivalents	180,795	720,240	(33,735)	875,156	10,357
Cash and cash equivalents at beginning of year	6,974,678	2,295,912	658,410	8,017,163	1,405,833
Cash and cash equivalents at end of year	<u>\$ 7,155,473</u>	<u>\$ 3,016,152</u>	<u>\$ 624,675</u>	<u>\$ 10,796,300</u>	<u>\$ 1,416,190</u>

-- Continued

CITY OF NORTH CANTON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,269,148	\$ 428,014	\$ (58,030)	\$ 1,639,132	\$ (309,097)
Adjustments:					
Depreciation/amortization	1,878,269	768,577	-	2,646,846	-
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	(107,147)	(138,752)	(1,167)	(247,066)	-
Special assessments receivable	148	(2,087)	-	(1,939)	-
Materials and supplies inventory	(41,727)	(851)	-	(42,578)	-
Prepayments	(3,436)	(761)	(1,023)	(5,220)	-
Net pension asset	29,557	7,641	551	37,749	-
Net OPEB asset	266,293	79,536	7,895	353,724	-
Deferred outflows - Pension	(601,795)	(212,112)	(34,136)	(848,043)	-
Deferred outflows - OPEB	(110,490)	(35,465)	(5,036)	(150,991)	-
Accounts payable	(52,700)	(2,496)	2,013	(53,183)	(290)
Accrued wages and benefits	2,156	12,502	131	14,789	-
Intergovernmental payable	5,002	8,385	359	13,746	-
Net pension liability	1,599,379	558,644	69,602	2,227,625	-
Net OPEB liability	50,218	16,752	1,969	68,939	-
Deferred inflows - Pension	(900,763)	(301,365)	(27,860)	(1,229,988)	-
Deferred inflows - OPEB	(268,344)	(81,646)	(7,724)	(357,714)	-
Claims payable	-	-	-	-	319,744
Net cash provided by (used in) operating activities	<u>\$ 3,013,768</u>	<u>\$ 1,104,516</u>	<u>\$ (52,456)</u>	<u>\$ 4,065,828</u>	<u>\$ 10,357</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023

	<u>Custodial</u>
Assets:	
Equity in pooled cash and investments	\$ 5,299
Total assets	<u>5,299</u>
Net position:	
Restricted for individuals, organizations and other governments	<u>5,299</u>
Total net position	<u>\$ 5,299</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Custodial</u>
Additions:	
Licenses, permits and fees for other governments	\$ 2,199
Other custodial fund collections	<u>21,595</u>
Total additions	<u>23,794</u>
Deductions:	
Other custodial fund disbursements	<u>21,595</u>
Total deductions	<u>21,595</u>
Net change in fiduciary net position	2,199
Net position beginning of year	<u>3,100</u>
Net position end of year	<u>\$ 5,299</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - DESCRIPTION OF THE CITY

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

Reporting Entity

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

Fire Operating Levy fund - The fire operating levy fund accounts for property taxes that are restricted for the partial operation of the fire department.

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

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

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

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

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

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

C. Measurement Focus

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

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

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

Fiduciary Funds - The fiduciary funds are prepared using the economic resources measurement focus.

D. Basis of Accounting

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

E. Budgetary Process

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

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

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

F. Cash and Investments

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

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

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

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2023 amounted to \$1,076,863, which includes \$788,957 assigned from other City funds.

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

G. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

H. Inventory

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

I. Capital Assets

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

The City is reporting intangible right-to-use assets related to land, equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

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

J. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivables/payables". Receivables and payables resulting from negative cash balances are classified as “due to/due from other funds”. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. At December 31, 2023, there were interfund balances outstanding.

K. Compensated Absences

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

N. Net Position

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

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

O. Operating Revenues and Expenses

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

P. Contributions of Capital

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

Q. Internal Activity

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

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

R. Estimates

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

Bond issuance costs are expensed when they occur.

T. Pensions/Other Postemployment Benefits (OPEB)

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

U. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2023, the City has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the City's 2023 financial statements.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the City.

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

B. Deficit Fund Balances

Fund balances at December 31, 2023 included the following individual fund deficit:

	<u>Deficit</u>
<u>Nonmajor governmental funds</u>	
Municipal Road Fund	\$ 6,981

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

A. Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all City deposits was \$3,428,078. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, \$3,274,106 of the City's bank balance of \$3,526,858 was exposed to custodial risk as discussed below, while \$252,752 was covered by the FDIC and the remaining was either covered by the Ohio Pooled Collateral System or exposed to custodial credit risk as described below.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

As of December 31, 2023, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>						
FFCB	\$ 2,395,174	\$ -	\$ 480,390	\$ 118,578	\$ 1,048,898	\$ 747,308
FHLB	3,839,091	254,607	1,123,718	-	1,579,367	881,399
FHLMC	1,468,448	-	-	378,837	271,623	817,988
FNMA	1,073,584	-	-	-	1,073,584	-
U.S. Treasury notes	941,251	698,586	-	242,665	-	-
Negotiable CDs	7,062,248	2,121,430	1,095,938	478,763	869,891	2,496,226
U.S government money market	702,922	702,922	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	5,887,397	5,887,397	-	-	-	-
Total	<u>\$ 23,370,115</u>	<u>\$ 9,664,942</u>	<u>\$ 2,700,046</u>	<u>\$ 1,218,843</u>	<u>\$ 4,843,363</u>	<u>\$ 4,942,921</u>

The weighted average of maturity of investments is 1.06 years.

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
FFCB	\$ 2,395,174	10.25%
FHLB	3,839,091	16.43%
FHLMC	1,468,448	6.28%
FNMA	1,073,584	4.59%
U.S. Treasury notes	941,251	4.03%
Negotiable CD's	7,062,248	30.22%
U.S. government money market	702,922	3.01%
<i>Amortized cost:</i>		
STAR Ohio	<u>5,887,397</u>	<u>25.19%</u>
 Total	 <u>\$ 23,370,115</u>	 <u>100.00%</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position as of December 31, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,428,078
Investments	23,370,115
Cash on hand	<u>1,200</u>
Total	<u>\$ 26,799,393</u>
<u>Cash and Investments per Statement of Net Position</u>	
Governmental activities	\$ 15,997,794
Business-type activities	10,796,300
Custodial funds	<u>5,299</u>
Total	<u>\$ 26,799,393</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5 - PROPERTY TAXES

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

Public utility real taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of North Canton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2023 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 390,965,860
Commercial/industrial/mineral	107,589,420
Public utility	<u>14,728,550</u>
Total assessed value	<u>\$ 513,283,830</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2023, consisted primarily of municipal income taxes, property and other taxes and intergovernmental receivables arising from grants, entitlements, and shared revenues, special assessments, accrued interest on investments and accounts (billings for utility service).

An allowance for doubtful accounts in the amount of \$54,919 has been recorded for accounts that are expected to be uncollectible. All receivables except for delinquent property taxes and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$31,509. At December 31, 2023, the amount of delinquent special assessments was \$14,441.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - RECEIVABLES - (Continued)

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental activities:

Local government	\$ 205,079
Homestead and rollback	193,239
Street construction, maintenance and repair	507,100
Miscellaneous	<u>260,402</u>
Total governmental activities	<u>\$ 1,165,820</u>

Business-type activities:

Water	\$ 102,605
Garbage	<u>2,708</u>
Total business-type activities	<u>\$ 105,313</u>

B. Municipal Income Taxes

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

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

C. Leases Receivable

The City is reporting leases receivable of \$31,950 in the general fund. For 2023, the City recognized lease revenue of \$22,209, which is reported in rental income, and interest revenue of \$1,265.

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - RECEIVABLES - (Continued)

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

Year End December 31,	Principal	Interest	Total
2024	\$ 22,874	\$ 646	\$ 23,520
2025	9,076	65	9,141
Total	<u>\$ 31,950</u>	<u>\$ 711</u>	<u>\$ 32,661</u>

NOTE 7 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2023, the City contracted with U.S. Specialty Insurance for the following coverages:

Commercial General Liability & Employee Benefits:	
Each Occurrence	\$1,000,000
Damage to Rented Premises	\$100,000
Medical Expense	\$10,000
Personal and Advertising Injury	\$1,000,000
General Aggregate	\$3,000,000
Products - Comp/Op Aggregate	\$3,000,000
Stop Gap	\$1,000,000
Automobile:	
Combined Single Limit	\$1,000,000
Comprehensive/Collision Deductible	\$1,000
Umbrella Liability:	
Each Occurrence	\$5,000,000
Aggregate	\$5,000,000
Blanket Property - Building/Contents	\$67,649,923
Law Enforcement Liability	\$1,000,000
Public Officials Liability	\$1,000,000
Employment Practices Liability	\$1,000,000
Employee Dishonesty	\$100,000

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 - RISK MANAGEMENT - (Continued)

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

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

	Traditional PPO	High-deductible HSA
Single	\$ 743	\$ 660
Employee/Child(ren)	\$1,342	\$1,191
Employee/Spouse	\$1,564	\$1,389
Family	\$2,232	\$1,981

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

The claims liability of \$372,697 reported in the internal service fund at December 31, 2023 is estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amounts in 2023 and 2022 are:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2022	\$ 52,953	\$ 1,927,381	\$ (1,607,637)	\$ 372,697
2022	159,242	1,116,648	(1,222,937)	52,953

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 - GOLF COURSE OPERATING MANAGEMENT AGREEMENT

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

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

The assets involved in the agreement are as follows:

	<u>Governmental Activities</u>
Asset:	
Land	\$ 1,780,214
Buildings	2,466,290
Land improvements	1,250,020
Equipment	<u>176,749</u>
Subtotal	5,673,273
Less: accumulated depreciation	<u>(1,987,459)</u>
Total	<u>\$ 3,685,814</u>

NOTE 9 - CONTRACTUAL COMMITMENTS

The City had the following contractual commitments outstanding at December 31, 2023:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Stark County Engineer	\$ 200,000	\$ -	\$ 200,000
Wenger Excavating Inc	18,580	-	18,580
Superior Paving/Materials Inc	592,638	-	592,638
Core & Main LP	87,065	(34,997)	52,068
Northstar Asphalt Inc	80,000	-	80,000
Ct Consultants Inc	164,875	(71,840)	93,035
Bells Custom Concrete LLC	15,000	-	15,000
Bennett& Williams Environmental Consultants Inc	25,000	(21,702)	3,298
GPD Group	60,086	(10,808)	49,278
Lampion Companies LLC	265,188	(109,467)	155,721
Loukas Engineering	15,880	(11,600)	4,280
Ohm Advisors	9,700	(7,312)	2,388
Ray Bertolini Trucking Co Inc	<u>447,500</u>	<u>(10,266)</u>	<u>437,234</u>
Total Contractual Commitments	<u>\$ 1,981,512</u>	<u>\$ (277,992)</u>	<u>\$ 1,703,520</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year End Encumbrances</u>
General fund	\$ 34,239
Emergency medical service levy fund	15,800
Capital improvement fund	602,824
Other governmental	<u>309,829</u>
Total	<u>\$ 962,692</u>

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities

Governmental capital asset activity for the year ended December 31, 2023, was as follows:

<u>Governmental activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/23</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 8,699,439	\$ -	\$ -	\$ 8,699,439
Easements and rights-of-way	658,336	-	-	658,336
Construction in progress	<u>59,859</u>	<u>1,348,143</u>	<u>-</u>	<u>1,408,002</u>
Total capital assets, not being depreciated/amortized	<u>9,417,634</u>	<u>1,348,143</u>	<u>-</u>	<u>10,765,777</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	5,582,771	2,088,925	(49,934)	7,621,762
Buildings	11,149,836	352,954	(804,650)	10,698,140
Equipment	10,794,375	1,149,567	(481,440)	11,462,502
Software	163,666	-	-	163,666
<i>Intangible right-to-use assets:</i>				
Land	13,087	-	-	13,087
Equipment	34,690	33,571	-	68,261
SBITAs	-	58,235	-	58,235
Infrastructure - streets subsystem	47,448,518	612,027	-	48,060,545
Infrastructure - storm sewers subsystem	11,527,922	-	-	11,527,922
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated/amortized	<u>86,917,865</u>	<u>4,295,279</u>	<u>(1,336,024)</u>	<u>89,877,120</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(1,775,386)	(326,228)	48,685	(2,052,929)
Buildings	(6,677,719)	(285,232)	803,825	(6,159,126)
Equipment	(6,899,946)	(699,223)	393,700	(7,205,469)
Software	(157,167)	(5,599)	-	(162,766)
<i>Intangible right-to-use assets:</i>				
Land	(265)	(266)	-	(531)
Equipment	(12,980)	(19,375)	-	(32,355)
SBITAs	-	(23,294)	-	(23,294)
Infrastructure - streets subsystem	(28,464,670)	(1,614,905)	-	(30,079,575)
Infrastructure - storm sewers subsystem	(6,596,683)	(246,755)	-	(6,843,438)
Infrastructure - bridge subsystem	<u>(181,475)</u>	<u>(3,075)</u>	<u>-</u>	<u>(184,550)</u>
Total accumulated depreciation/amortization	<u>(50,766,291)</u>	<u>(3,223,952)</u>	<u>1,246,210</u>	<u>(52,744,033)</u>
Total capital assets, being depreciated/amortized, net	<u>36,151,574</u>	<u>1,071,327</u>	<u>(89,814)</u>	<u>37,133,087</u>
Governmental activities capital assets, net	<u>\$ 45,569,208</u>	<u>\$ 2,419,470</u>	<u>\$ (89,814)</u>	<u>\$ 47,898,864</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 - CAPITAL ASSETS - (Continued)

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

General government	\$ 253,891
Police	160,367
Fire	160,724
Public health and welfare	60,388
Transportation	1,911,609
Community environment	470
Leisure time activities	424,838
Basic utility services	<u>251,665</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 3,223,952</u>

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - CAPITAL ASSETS - (Continued)

A. Business-Type Activities

Business-type activities capital asset activity for 2023 is as follows.

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/23</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>580,183</u>	<u>731,049</u>	<u>-</u>	<u>1,311,232</u>
Total capital assets, not being depreciated/amortized	<u>1,603,885</u>	<u>731,049</u>	<u>-</u>	<u>2,334,934</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	1,521,139	24,999	-	1,546,138
Buildings	18,591,239	-	-	18,591,239
Equipment	9,859,877	686,676	(166,897)	10,379,656
Software	46,778	-	-	46,778
<i>Intangible right-to-use assets:</i>				
Equipment	21,507	-	-	21,507
Sewer rights	2,838,240	-	-	2,838,240
Infrastructure - water lines	42,452,879	-	-	42,452,879
Infrastructure - sewer lines	<u>16,743,383</u>	<u>36,680</u>	<u>-</u>	<u>16,780,063</u>
Total capital assets, being depreciated/amortized	<u>92,075,042</u>	<u>748,355</u>	<u>(166,897)</u>	<u>92,656,500</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(416,290)	(50,161)	-	(466,451)
Buildings	(11,499,965)	(404,806)	-	(11,904,771)
Equipment	(7,127,907)	(534,679)	164,688	(7,497,898)
Software	(44,354)	(2,424)	-	(46,778)
<i>Intangible right-to-use assets:</i>				
Equipment	(4,791)	(4,790)	-	(9,581)
Sewer rights	(281,479)	(281,479)	-	(562,958)
Infrastructure - water lines	(19,499,441)	(949,465)	-	(20,448,906)
Infrastructure - sewer lines	<u>(9,973,736)</u>	<u>(419,042)</u>	<u>-</u>	<u>(10,392,778)</u>
Total accumulated depreciation/amortization	<u>(48,847,963)</u>	<u>(2,646,846)</u>	<u>164,688</u>	<u>(51,330,121)</u>
Total capital assets, being depreciated/amortized, net	<u>43,227,079</u>	<u>(1,898,491)</u>	<u>(2,209)</u>	<u>41,326,379</u>
Business-type activities capital assets, net	<u>\$ 44,830,964</u>	<u>\$ (1,167,442)</u>	<u>\$ (2,209)</u>	<u>\$ 43,661,313</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - CAPITAL ASSETS - (Continued)

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

Water	\$ 1,878,269
Sewer	<u>768,577</u>
Total depreciation expense - business-type activities:	<u>\$ 2,646,846</u>

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

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 is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. 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 20.00% 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 and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
 2023 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

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

The City’s contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$757,453 for 2023. Of this amount, \$122,496 is reported as intergovernmental payable.

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$749,622 for 2023. Of this amount, \$93,617 is reported as intergovernmental payable.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2022, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.02640200%	0.05025100%	0.02743000%	0.11319670%	
Proportion of the net pension liability/asset current measurement date	<u>0.02698400%</u>	<u>0.04888900%</u>	<u>0.02180900%</u>	<u>0.11693220%</u>	
Change in proportionate share	<u>0.00058200%</u>	<u>-0.00136200%</u>	<u>-0.00562100%</u>	<u>0.00373550%</u>	
Proportionate share of the net pension liability	\$ 7,971,084	\$ -	\$ -	\$ 11,107,426	\$ 19,078,510
Proportionate share of the net pension asset	-	(115,226)	(1,706)	-	(116,932)
Pension expense	1,339,271	14,773	(165)	1,743,521	3,097,400

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 264,766	\$ 7,083	\$ 4,906	\$ 166,606	\$ 443,361
Net difference between projected and actual earnings on pension plan investments	2,272,011	41,994	801	1,617,110	3,931,916
Changes of assumptions	84,208	7,625	110	1,001,853	1,093,796
Changes in employer's proportionate percentage/difference between employer contributions	141,156	-	-	686,997	828,153
Contributions subsequent to the measurement date	712,765	27,491	17,197	749,622	1,507,075
Total deferred outflows of resources	<u>\$ 3,474,906</u>	<u>\$ 84,193</u>	<u>\$ 23,014</u>	<u>\$ 4,222,188</u>	<u>\$ 7,804,301</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ -	\$ 16,470	\$ -	\$ 253,061	\$ 269,531
Changes of assumptions	-	-	-	216,592	216,592
Changes in employer's proportionate percentage/ difference between employer contributions	105,290	-	-	48,554	153,844
Total deferred inflows of resources	<u>\$ 105,290</u>	<u>\$ 16,470</u>	<u>\$ -</u>	<u>\$ 518,207</u>	<u>\$ 639,967</u>

\$1,507,075 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:					
2024	\$ 318,368	\$ 1,708	\$ 816	\$ 447,760	\$ 768,652
2025	556,731	7,725	871	708,254	1,273,581
2026	668,764	10,715	889	761,035	1,441,403
2027	1,112,988	18,083	1,005	1,026,794	2,158,870
2028	-	(56)	573	10,515	11,032
Thereafter	-	2,057	1,663	1	3,721
Total	<u>\$ 2,656,851</u>	<u>\$ 40,232</u>	<u>\$ 5,817</u>	<u>\$ 2,954,359</u>	<u>\$ 5,657,259</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 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, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

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

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 11,940,420	\$ 7,971,084	\$ 4,669,311
Combined Plan	(60,133)	(115,226)	(158,889)
Member-Directed Plan	(1,090)	(1,706)	(2,181)

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 retirement 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. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful lives of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

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

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. A discount rate of 7.50% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 11,652,837	\$ 11,107,426	\$ 8,160,124

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 12 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 post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the 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 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$11,461 for 2023. Of this amount, \$1,853 is reported as intergovernmental payable.

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

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

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

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded.

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

The City’s contractually required contribution to OP&F was \$17,982 for 2023. Of this amount, \$2,246 is reported as intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. 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:

	OPERS	OP&F	Total
Proportion of the net OPEB liability/asset prior measurement date	0.02714400%	0.11319670%	
Proportion of the net OPEB liability current measurement date	<u>0.02737800%</u>	<u>0.11693220%</u>	
Change in proportionate share	<u>0.00023400%</u>	<u>0.00373550%</u>	
Proportionate share of the net OPEB liability	\$ 172,624	\$ 832,523	\$ 1,005,147
OPEB expense	(172,613)	191,659	19,046

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 49,680	\$ 49,680
Net difference between projected and actual earnings on OPEB plan investments	342,836	71,409	414,245
Changes of assumptions	168,605	414,878	583,483
Changes in employer's proportionate percentage/difference between employer contributions	22	304,172	304,194
Contributions subsequent to the measurement date	11,461	17,982	29,443
Total deferred outflows of resources	<u>\$ 522,924</u>	<u>\$ 858,121</u>	<u>\$ 1,381,045</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 43,059	\$ 164,158	\$ 207,217
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Changes of assumptions	13,873	680,936	694,809
Changes in employer's proportionate percentage/difference between employer contributions	9,381	11,111	20,492
Total deferred inflows of resources	<u>\$ 66,313</u>	<u>\$ 856,205</u>	<u>\$ 922,518</u>

\$29,443 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS	OP&F	Total
Year Ending December 31:			
2024	\$ 47,493	\$ 111,202	\$ 158,695
2025	125,130	110,512	235,642
2026	106,908	(18,536)	88,372
2027	165,619	(7,623)	157,996
2028	-	(59,257)	(59,257)
Thereafter	-	(152,364)	(152,364)
Total	\$ 445,150	\$ (16,066)	\$ 429,084

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, 2021, rolled forward to the measurement date of December 31, 2022.

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board’s investment consultant.

For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	<u></u>

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City’s proportionate share of the net OPEB liability/(asset)	\$ 587,532	\$ 172,624	\$ (169,744)

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 161,804	\$ 172,624	\$ 184,802

Actuarial Assumptions - OP&F

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

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

Discount Rate - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%), or one percentage point higher (5.27%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,025,174	\$ 832,523	\$ 669,876

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 14 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Fulltime Employees will be credited with accrued vacation:

Exempt Employees and Utility Workers and Service Union Employees

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - OTHER EMPLOYEE BENEFITS - (Continued)

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

B. Insurance

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

NOTE 15 - LONG-TERM OBLIGATIONS

<u>Debt Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Governmental activities:			
General obligation bonds			
Series 2016 Refunding	2.00 - 4.00	1,233,180	December 1, 2026
Real Estate Acquisition - Series 2020	1.76	2,900,000	December 1, 2034
Series 2023 1 & 2 bonds	5	4,314,000	December 1, 2037
Business-type activities:			
OWDA loans - direct borrowing			
Water treatment plant improvement 2003	3.65	6,789,904	July 1, 2024
Water treatment plant improvement 2004	3.76	3,022,687	July 1, 2025
Water treatment backwash tank 2005	3.25	1,670,933	January 1, 2026
Portage St./W. Park sanitary sewer 2010	3.43	173,849	January 1, 2030
Intergovernmental loans - direct borrowing			
Sewer rights - City of Canton #6699	3.38	n/a	n/a
Sewer rights - City of Canton #6556	3.39	n/a	n/a
OPWC loans - direct borrowing			
Booster pump station 2007	0	1,020,904	January 1, 2028
Applegrove waterline 2008	0	419,088	January 1, 2039
North Main St. waterline 2010	0	320,335	January 1, 2032
Water Tower #1 exterior painting	0	398,000	January 1, 2033
Lynbrook sanitary sewer	0	299,354	January 1, 2033
Other long-term liabilities			
Raw waterline - Series 2011A	2.00 - 5.50	915,000	December 1, 2030
Frank/Applegrove waterline - Series 2011A	2.00 - 5.50	600,000	December 1, 2030
Series 2016 Refunding	2.00 - 4.00	3,691,820	December 1, 2030

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

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

	Balance <u>12/31/2022</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>12/31/2023</u>	Amounts Due <u>in One Year</u>
Governmental activities:					
General obligation bonds					
Series 2023 Bonds	\$ -	3,298,000	-	\$ 3,298,000	-
Series 2023 Bonds	-	1,016,000	-	1,016,000	-
Series 2016 Refunding	750,516	-	(95,472)	655,044	98,124
Real Estate Acquisition - Series 2020	<u>2,364,000</u>	-	<u>(179,000)</u>	<u>2,185,000</u>	<u>182,000</u>
Total GO bonds	<u>3,114,516</u>	<u>4,314,000</u>	<u>(274,472)</u>	<u>7,154,044</u>	<u>280,124</u>
Various purpose notes					
Various purpose notes - Series 2022	<u>4,314,000</u>	-	<u>(4,314,000)</u>	-	-
Total notes payable	<u>4,314,000</u>	-	<u>(4,314,000)</u>	-	-
Other long-term liabilities					
Unamortized premiums on bonds	72,316	-	(9,134)	63,182	-
Compensated absences	1,656,068	553,375	(481,119)	1,728,324	228,895
Notes payable - financed purchase	691,932	-	(114,516)	577,416	119,652
Leases payable	34,065	33,571	(19,751)	47,885	13,797
SBITAs payable	-	58,235	(29,121)	29,114	29,114
Net pension liability	8,413,252	7,481,929	-	15,895,181	-
Net OPEB liability	<u>1,240,733</u>	<u>103,685</u>	<u>(408,210)</u>	<u>936,208</u>	-
Total governmental activities	<u>\$ 19,536,882</u>	<u>\$ 12,544,795</u>	<u>\$ (5,650,323)</u>	<u>\$ 26,431,354</u>	<u>\$ 671,582</u>

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

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

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

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

On May 2, 2023, the City issued \$4,314,000 in Economic Development Nontax Revenue Bonds to refund the previous notes. The bonds carry an interest rate of 5.00% and have a final maturity date of December 1, 2037.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

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

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

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

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

	Balance <u>12/31/2022</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>12/31/2023</u>	Amounts Due <u>in One Year</u>
Business-type activities:					
OWDA loans - direct borrowing					
Water treatment plant improvement	\$ 920,256	\$ -	\$ (451,807)	\$ 468,449	\$ 468,449
Water treatment plant improvement	608,447	-	(195,310)	413,137	202,721
Water treatment backwash tank	375,181	-	(102,911)	272,270	106,283
Portage St./W. Park sanitary	79,315	-	(9,444)	69,871	9,770
Total OWDA loans	<u>1,983,199</u>	<u>-</u>	<u>(759,472)</u>	<u>1,223,727</u>	<u>787,223</u>
Intergovernmental loans - direct borrowing					
Sewer rights - City of Canton 2022 - 2031	2,637,119	-	(231,401)	2,405,718	244,671
Total intergovernmental loans	<u>2,637,119</u>	<u>-</u>	<u>(231,401)</u>	<u>2,405,718</u>	<u>244,671</u>
OPWC loans - direct borrowing					
Booster pump station	255,228	-	(25,522)	229,706	51,045
Applegrove waterline	223,508	-	(6,981)	216,527	13,970
North Main St. waterline	136,141	-	(8,008)	128,133	16,017
Water Tower #1 exterior painting	199,000	-	(9,550)	189,450	19,900
Lynbrook sanitary sewer	149,674	-	(7,484)	142,190	14,968
Total OPWC loans	<u>963,551</u>	<u>-</u>	<u>(57,545)</u>	<u>906,006</u>	<u>115,900</u>
General obligation bonds					
Series 2016 Refunding	664,484	-	(84,528)	579,956	86,876
Series 2016 Refunding	1,090,000	-	(265,000)	825,000	265,000
Total general obligation bonds	<u>1,754,484</u>	<u>-</u>	<u>(349,528)</u>	<u>1,404,956</u>	<u>351,876</u>
Unamortized premiums on bonds	185,119	-	(23,388)	161,731	-
Notes payable - financed purchase	309,305	-	(157,060)	152,245	75,168
Leases payable	16,921	-	(4,671)	12,250	5,428
Net pension liability	955,704	2,227,625	-	3,183,329	-
Net OPEB liability	-	68,939	-	68,939	-
Total business-type activities	<u>\$ 8,805,402</u>	<u>\$ 2,296,564</u>	<u>\$ (1,583,065)</u>	<u>\$ 9,518,901</u>	<u>\$ 1,580,266</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

OWDA Loans - In January 2003, the City was approved for a construction loan through the Water Supply Revolving Loan Fund, which is administered by the Ohio Environmental Protection Agency, for the purpose of funding the improvements and upgrades to the City's Water Treatment Plant. The loan, which is administered by the Ohio Water Development Authority, is at a rate of 3.65 percent and is to be repaid over 20 years. The total amount of the loan, including capitalized interest, was \$7.2 million. In January, 2004, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.76 percent and is to be repaid over 20 years. The total amount of the loan was for \$3.0 million, repayments began in 2005. In July 2005, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.25 percent for \$1.7 million and is to be repaid over 20 years. These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default. The City has pledged future water and sewer revenues to repay OWDA loans. The loans are payable solely from water and sewer fund revenues and are payable through 2026. Annual principal and interest payments on the loans are expected to require 16.10% of net revenues and 7.94% of total revenues. The total principal and interest remaining to be paid on the loans is \$1,278,274. Principal and interest paid for the current year were \$824,039, total net revenues were \$4,344,088 and total revenues were \$11,442,976.

Intergovernmental Loans Payable - In 2022, the City entered into a contractual agreement with the City of Canton for the use of the Water Reclamation Facility that is in the area and will be shared between the City of Canton, Stark County and the City of North Canton and that City residents are able to tap into. The plant will be a capital asset of the City of Canton. The total amount collectively owed to the City of Canton as of December 31, 2023 is \$2,405,718. This amount has been recorded on the City's books as a long-term liability in the sewer enterprise fund. An amount has been recorded as sewer rights in the City sewer enterprise fund capital assets. These amounts will be amortized over the useful life of the asset to the City of Canton.

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

Principal and interest requirements to retire the outstanding debt at December 31, 2023, are as follows:

<u>Year Ending</u>	<u>Total Governmental</u>			<u>Total Governmental</u>		
	<u>General Obligation Bonds</u>			<u>Notes Payable - Financed Purchase</u>		
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 280,124	\$ 295,457	\$ 575,581	\$ 119,652	\$ 18,206	\$ 137,858
2025	526,428	288,329	814,757	123,481	14,377	137,858
2026	521,212	268,202	789,414	16,785	9,632	26,417
2027	540,864	248,177	789,041	17,268	9,149	26,417
2028	566,820	278,834	845,654	17,764	8,653	26,417
2029-2033	2,853,596	797,743	3,651,339	96,782	35,303	132,085
2034-2038	1,865,000	230,056	2,095,056	111,518	20,567	132,085
2039-2041	-	-	-	74,166	5,085	79,251
Total	\$ 7,154,044	\$ 2,406,798	\$ 9,560,842	\$ 577,416	\$ 120,972	\$ 698,388

<u>Year End</u>	<u>Total Governmental</u>		
	<u>Leases Payable</u>		
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 13,795	\$ 1,244	\$ 15,039
2025	6,793	932	7,725
2026	6,668	735	7,403
2027	6,870	532	7,402
2028	1,851	375	2,226
2029 - 2033	733	1,767	2,500
2034 - 2038	851	1,649	2,500
2039 - 2043	988	1,512	2,500
2044 - 2048	1,148	1,352	2,500
2049 - 2053	1,334	1,166	2,500
2054 - 2058	1,549	951	2,500
2059 - 2063	1,800	700	2,500
2064 - 2068	2,091	409	2,500
2069 - 2072	1,414	87	1,501
Total	\$ 47,885	\$ 13,411	\$ 61,296

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Ohio Public Works Commission - Direct Borrowing			OWDA Loans - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 115,900	\$ -	\$ 115,900	\$ 787,223	\$ 36,813	\$ 824,036
2025	115,901	-	115,901	330,290	12,438	342,728
2026	115,901	-	115,901	66,679	2,539	69,218
2027	115,901	-	115,901	10,820	1,264	12,084
2028	90,378	-	90,378	11,194	889	12,083
2029-2033	274,399	-	274,399	17,521	604	18,125
2034-2039	<u>77,626</u>	<u>-</u>	<u>77,626</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 906,006</u>	<u>\$ -</u>	<u>\$ 906,006</u>	<u>\$ 1,223,727</u>	<u>\$ 54,547</u>	<u>\$ 1,278,274</u>

Year Ending December 31,	Total Business-Type Activities General Obligation Bonds			Total Business-Type Activities Intergovernmental Loans		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 351,876	\$ 56,198	\$ 408,074	\$ 244,671	\$ 68,833	\$ 313,504
2025	366,572	42,123	408,695	258,470	61,304	319,774
2026	357,788	27,460	385,248	272,815	53,354	326,169
2027	75,136	13,149	88,285	287,727	44,966	332,693
2028	82,180	55,788	137,968	303,224	36,122	339,346
2029-2032	<u>171,404</u>	<u>10,331</u>	<u>181,735</u>	<u>1,038,811</u>	<u>50,478</u>	<u>1,089,289</u>
Total	<u>\$ 1,404,956</u>	<u>\$ 205,049</u>	<u>\$ 1,610,005</u>	<u>\$ 2,405,718</u>	<u>\$ 315,057</u>	<u>\$ 2,720,775</u>

Year Ending December 31,	Total Business-Type Activities Notes Payable - Financed Purchase			Total Business-Type Activities Leases Payable		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 75,168	\$ 7,856	\$ 83,024	\$ 5,428	\$ 302	\$ 5,730
2025	77,077	3,867	80,944	3,094	166	3,260
2026	-	1,958	1,958	3,188	68	3,256
2027	<u>-</u>	<u>-</u>	<u>-</u>	<u>540</u>	<u>2</u>	<u>542</u>
Total	<u>\$ 152,245</u>	<u>\$ 13,681</u>	<u>\$ 165,926</u>	<u>\$ 12,250</u>	<u>\$ 538</u>	<u>\$ 12,788</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

Notes Payable - Short Term

Changes in the City’s note activity for the year ended December 31, 2023, were as follows:

	<u>Balance</u> <u>12/31/2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2023</u>
<u>Governmental fund notes</u>				
Various purpose notes - series 2022	\$ 2,717,500	\$ -	\$ (2,717,500)	\$ -
Total Governmental Fund Notes	<u>\$ 2,717,500</u>	<u>\$ -</u>	<u>\$ (2,717,500)</u>	<u>\$ -</u>

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

On June 3, 2022, the issued Series 2022 bond anticipation notes in the amount of \$7,031,500 for the purpose of economic development. Of this amount, \$4,314,000 has been replaced by debt that extends at least one year beyond the balance sheet date. The notes have an interest rate of 1.4% and will matured on May 9, 2023. At December 31, 2023, there were no further obligations outstanding.

Conduit Debt

From time to time, the City has issued Industrial Revenue Bonds to provide assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans; ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2023, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$14,180,700.

Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2023, the City’s total debt margin was \$46,740,758 and the unvoted debt margin was \$21,076,567.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 16 - INTERFUND ACTIVITY

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

Transfer from	Transfer to			Total
Major fund	Fire Levy	Emergency Levy	Nonmajor Governmental	
General	\$ 550,000	\$ 100,000	\$ 450,000	\$ 1,100,000

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

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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

The Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (non-GAAP budgetary basis) presented for the general fund and any 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 budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	<u>General Fund</u>	Fire <u>Operating Fund</u>	Emergency Medical Services <u>Levy Fund</u>
Budget basis	\$ (914,536)	\$ 92,441	\$ 304,425
Net adjustment for revenue accruals	578,400	10	25,696
Net adjustment for expenditure accruals	2,592,858	(11,019)	(39,684)
Net adjustment for other financing sources/uses	10,000	-	-
Funds budgeted elsewhere	(169,369)	-	-
Adjustment for encumbrances	<u>204,956</u>	<u>26,800</u>	<u>31,310</u>
GAAP basis	<u>\$ 2,302,309</u>	<u>\$ 108,232</u>	<u>\$ 321,747</u>

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

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - FUND BALANCE

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

Fund balance	General	Fire Operating Levy Fund	Emergency Medical Services Levy Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ 79,589	\$ -	\$ 8,896	\$ -	\$ 194,582	\$ 283,067
Prepays	60,683	6,116	4,265	-	4,866	75,930
Unclaimed monies	<u>15,000</u>	-	-	-	-	<u>15,000</u>
Total nonspendable	<u>155,272</u>	<u>6,116</u>	<u>13,161</u>	-	<u>199,448</u>	<u>373,997</u>
Restricted:						
Security of persons and property police	-	-	-	-	107,068	107,068
Security of persons and property fire	-	322,558	803,752	-	-	1,126,310
Public health and welfare	-	-	-	-	23,602	23,602
Transportation	-	-	-	-	2,035,034	2,035,034
Utility services	-	-	-	-	734,333	734,333
General trust	-	-	-	-	46,502	46,502
Capital Improvements	-	-	-	-	<u>772,436</u>	<u>772,436</u>
Total restricted	-	<u>322,558</u>	<u>803,752</u>	-	<u>3,718,975</u>	<u>4,845,285</u>
Committed:						
Capital improvements	-	-	-	8,321,137	329,202	8,650,339
Compensated absences	<u>980,084</u>	-	-	-	-	<u>980,084</u>
Total committed	<u>980,084</u>	-	-	<u>8,321,137</u>	<u>329,202</u>	<u>9,630,423</u>
Assigned:						
Community environment	63,395	-	-	-	-	63,395
Security of persons and property police	23,919	-	-	-	-	23,919
Leisure time activity	21,781	-	-	-	-	21,781
Subsequent year appropriation	<u>1,775,250</u>	-	-	-	-	<u>1,775,250</u>
Total assigned	<u>1,884,345</u>	-	-	-	-	<u>1,884,345</u>
Unassigned (deficit)	<u>4,561,988</u>	-	-	-	<u>(6,981)</u>	<u>4,555,007</u>
Total fund balances	<u>\$ 7,581,689</u>	<u>\$ 328,674</u>	<u>\$ 816,913</u>	<u>\$ 8,321,137</u>	<u>\$ 4,240,644</u>	<u>\$ 21,289,057</u>

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

Stark Council of Governments

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Stark County Combined General Health District

The City participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, and the City of North Canton. Of the 7 Board Members, the City has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$100,566 to the Health District in 2023. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. Today, RITA serves as the income tax collection agency for over 300 municipalities and JEDD/JEDZ/ENTPZ districts throughout the State of Ohio.

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

NOTE 20 - LITIGATION

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

NOTE 21 - TAX ABATEMENTS

The City had two Community Reinvestment Areas, Main Street CRA and Valley View CRA. These CRA programs were created by ordinance as authorized in Ohio Revised Code Sections 3735.65-70. The CRAs provided an incentive for new residential, commercial, or industrial development or rehabilitation in designated areas. A property tax exemption on 100% of the increase in assessed valuation resulting from improvements was given on residential properties. The residential tax exemption varied from 10 to 15 years, based on the type of dwelling and the cost of remodeling or construction. For commercial and industrial properties, those exemptions were negotiated on a case-by-case bases in advance of the commencement of construction or remodeling. An ordinance to repeal both CRAs was passed by City Council in 2016; however, abatements granted prior to the repeal are still in place. The amount of property taxes that were reduced during 2023 as a result of tax abatement agreements were approximately \$100,000.

NOTE 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

Summary of Significant Accounting Policies

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

The CIC’s significant accounting policies are described below.

A. Basis of Accounting

The basic financial statements of the CIC are prepared using the accrual basis of accounting in conformity with GAAP.

B. Basis of Presentation

The CIC’s basic financial statements consist of a statement of net position, a statement of revenues, expenses, changes in net position and a statement of cash flows.

The CIC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the CIC’s principal ongoing operation. The principal operating revenues of the CIC are contributions from the City. Operating expenses for the CIC primarily include purchased services and depreciation expense on capital assets purchased by the CIC. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. Nonoperating revenues consist of interest income.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, all cash in the CIC’s checking and savings accounts with a maturity of less than three months is considered to be cash and cash equivalents. All monies received by the CIC are deposited in a demand deposit account.

D. Capital Assets and Depreciation

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

E. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The CIC has no restricted net position.

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

G. Accrued Liabilities and Long-Term Obligations

The CIC has recognized certain expenses and long-term obligations due, but unpaid as of December 31, 2023. These expenses and long-term obligations are reported as accrued liabilities in the accompanying financial statements.

F. Estimates

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

H. Assets Held for Resale

During 2023, the City of North Canton transferred property to the CIC that is being held for resale. The CIC sold the property in March of 2024 for development. The associated assets have been reported at lower of cost or market.

I. Contributions of Capital

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

Deposits

At December 31, 2023, the carrying amount of the CIC's deposits was \$343,273. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, \$294,771 of the bank balance of \$344,911 was covered by the Federal Deposit Insurance Corporation and the remaining \$44,771 was either covered by the Ohio Pooled Collateral System (OPCS) or exposed to custodial credit risk as described below.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/23</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,555,464	\$ 1,541,319	\$ (1,750,650)	\$ 2,346,133
<i>Total capital assets, not being depreciated</i>	<u>2,555,464</u>	<u>1,541,319</u>	<u>(1,750,650)</u>	<u>2,346,133</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	44,200	-	-	44,200
Buildings	993,375	713,181	(286,750)	1,419,806
Equipment	<u>444,000</u>	<u>-</u>	<u>(444,000)</u>	<u>-</u>
<i>Total capital assets, being depreciated</i>	<u>1,481,575</u>	<u>713,181</u>	<u>(730,750)</u>	<u>1,464,006</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(44,200)	-	-	(44,200)
Buildings and improvements	(30,676)	(26,581)	9,666	(47,591)
Equipment	<u>(155,400)</u>	<u>-</u>	<u>155,400</u>	<u>-</u>
<i>Total accumulated depreciation</i>	<u>(230,276)</u>	<u>(26,581)</u>	<u>165,066</u>	<u>(91,791)</u>
Total capital assets, net	<u>\$ 3,806,763</u>	<u>\$ 2,227,919</u>	<u>\$ (2,316,334)</u>	<u>\$ 3,718,348</u>

Litigation

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

Long-term Obligations

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

	Balance <u>12/31/2022</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>12/31/2023</u>	Amounts Due <u>in One Year</u>
Governmental activities - direct borrowings:					
Mortgage payable - 1023 N. Main St.	\$ 126,635	\$ -	\$ (7,660)	\$ 118,975	\$ 7,928
Mortgage payable - 6507 Wise Ave. NW & Whipple Ave. NW	382,078	-	(23,111)	358,967	23,921
Mortgage payable - 6631 Wise Ave. NW	<u>68,676</u>	<u>-</u>	<u>(3,734)</u>	<u>64,942</u>	<u>3,875</u>
Total governmental activities	<u>\$ 577,389</u>	<u>\$ -</u>	<u>\$ (34,505)</u>	<u>\$ 542,884</u>	<u>\$ 35,724</u>

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

Principal and interest requirements to retire the outstanding debt at December 31, 2023 are as follows.

Year Ending	Total		
	Mortgages Payable		
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 35,724	\$ 19,200	\$ 54,924
2025	37,098	17,826	54,924
2026	38,469	16,456	54,925
2027	39,890	15,034	54,924
2028	41,324	13,600	54,924
2029-2033	230,864	43,753	274,617
2034-2037	<u>119,515</u>	<u>5,306</u>	<u>124,821</u>
Total	<u>\$ 542,884</u>	<u>\$ 131,175</u>	<u>\$ 674,059</u>

Due to Primary Government

During 2022, the City of North Canton advanced the CIC \$1,149,378 for the purchase of property. The CIC transferred \$5,600,000 to the City in April of 2023, which included the repayment of the advance. During 2023, the City transferred \$5,894,257 to the CIC due to the reissuance of bond anticipation notes. \$1,443,635 is recorded as “due to primary governments” on the basic financial statements.

NOTE 23 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.026984%	0.026402%	0.027717%	0.023053%
City's proportionate share of the net pension liability	\$ 7,971,084	\$ 2,297,081	\$ 4,104,285	\$ 4,556,582
City's covered payroll	\$ 4,348,221	\$ 3,848,979	\$ 4,200,693	\$ 3,095,071
City's proportionate share of the net pension liability as a percentage of its covered payroll	183.32%	59.68%	97.70%	147.22%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	96.62%	86.88%	82.17%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.048889%	0.050251%	0.055492%	0.050324%
City's proportionate share of the net pension asset	\$ 115,226	\$ 197,992	\$ 160,184	\$ 104,938
City's covered payroll	\$ 229,093	\$ 229,093	\$ 226,207	\$ 242,364
City's proportionate share of the net pension asset as a percentage of its covered payroll	50.30%	86.42%	70.81%	43.30%
Plan fiduciary net position as a percentage of the total pension asset	137.14%	169.88%	157.67%	145.28%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.021809%	0.027430%	0.030597%	0.030872%
City's proportionate share of the net pension asset	\$ 1,706	\$ 4,980	\$ 5,578	\$ 1,167
City's covered payroll	\$ 171,970	\$ 171,970	\$ 168,270	\$ 199,010
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.99%	2.90%	3.31%	0.59%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017	2016	2015	2014
	0.027004%	0.028288%	0.280710%	0.030226%	0.031691%	0.031691%
\$	7,395,848	\$ 4,437,839	\$ 6,374,447	\$ 5,235,523	\$ 3,822,289	\$ 3,735,956
\$	3,624,036	\$ 3,826,369	\$ 3,617,467	\$ 3,503,758	\$ 3,935,808	\$ 3,898,908
	204.08%	115.98%	176.21%	149.43%	97.12%	95.82%
	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
	0.055653%	0.071714%	0.658650%	0.074670%	0.075345%	0.075345%
\$	62,234	\$ 97,627	\$ 36,658	\$ 36,337	\$ 29,010	\$ 7,906
\$	238,021	\$ 293,700	\$ 256,375	\$ 271,733	\$ 264,817	\$ 254,254
	26.15%	33.24%	14.30%	13.37%	10.95%	3.11%
	126.64%	137.28%	116.55%	116.90%	114.83%	104.56%
	0.021849%	0.019983%	0.016979%	0.020418%	n/a	n/a
\$	498	\$ 697	\$ 71	\$ 78	n/a	n/a
\$	124,890	\$ 142,380	\$ 88,142	\$ 113,708	n/a	n/a
	0.40%	0.49%	0.08%	0.07%	n/a	n/a
	113.42%	124.46%	103.40%	103.40%	n/a	n/a

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	0.11693220%	0.11319670%	0.10399570%	0.10665340%
City's proportionate share of the net pension liability	\$ 11,107,426	\$ 7,071,875	\$ 7,089,480	\$ 7,184,743
City's covered payroll	\$ 3,188,600	\$ 3,008,274	\$ 3,034,346	\$ 2,298,107
City's proportionate share of the net pension liability as a percentage of its covered payroll	348.35%	235.08%	233.64%	312.64%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.10369100%	0.09438800%	0.08695100%	0.09668200%	0.07778590%	0.07778590%
\$ 8,463,925	\$ 5,793,004	\$ 5,507,346	\$ 6,219,582	\$ 4,029,634	\$ 3,788,418
\$ 2,438,943	\$ 2,251,083	\$ 1,983,744	\$ 1,825,891	\$ 1,835,351	\$ 1,689,819
347.03%	257.34%	277.62%	340.63%	219.56%	224.19%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 712,765	\$ 608,751	\$ 538,857	\$ 588,097
Contributions in relation to the contractually required contribution	<u>(712,765)</u>	<u>(608,751)</u>	<u>(538,857)</u>	<u>(588,097)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,091,179	\$ 4,348,221	\$ 3,848,979	\$ 4,200,693
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 27,491	\$ 32,073	\$ 32,073	\$ 31,669
Contributions in relation to the contractually required contribution	<u>(27,491)</u>	<u>(32,073)</u>	<u>(32,073)</u>	<u>(31,669)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 229,092	\$ 229,093	\$ 229,093	\$ 226,207
Contributions as a percentage of covered payroll	12.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 17,197	\$ 17,197	\$ 17,197	\$ 16,827
Contributions in relation to the contractually required contribution	<u>(17,197)</u>	<u>(17,197)</u>	<u>(17,197)</u>	<u>(16,827)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 171,970	\$ 171,970	\$ 171,970	\$ 168,270
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 433,310	\$ 509,885	\$ 497,428	\$ 434,096	\$ 420,451	\$ 472,297
<u>(433,310)</u>	<u>(509,885)</u>	<u>(497,428)</u>	<u>(434,096)</u>	<u>(420,451)</u>	<u>(472,297)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,095,071	\$ 3,642,036	\$ 3,826,369	\$ 3,617,467	\$ 3,503,758	\$ 3,935,808
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$ 33,931	\$ 33,323	\$ 38,181	\$ 30,765	\$ 32,608	\$ 31,778
<u>(33,931)</u>	<u>(33,323)</u>	<u>(38,181)</u>	<u>(30,765)</u>	<u>(32,608)</u>	<u>(31,778)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 242,364	\$ 238,021	\$ 293,700	\$ 256,375	\$ 271,733	\$ 264,817
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$ 19,901	\$ 12,489	\$ 14,238	\$ 10,577	\$ 13,645	
<u>(19,901)</u>	<u>(12,489)</u>	<u>(14,238)</u>	<u>(10,577)</u>	<u>(13,645)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 199,010	\$ 124,890	\$ 142,380	\$ 88,142	\$ 113,708	
10.00%	10.00%	10.00%	12.00%	12.00%	

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 403,199	\$ 383,577	\$ 384,768	\$ 400,120
Contributions in relation to the contractually required contribution	<u>(403,199)</u>	<u>(383,577)</u>	<u>(384,768)</u>	<u>(400,120)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,122,100	\$ 2,018,826	\$ 2,025,095	\$ 2,105,895
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 346,423	\$ 231,047	\$ 218,186	\$ 165,235
Contributions in relation to the contractually required contribution	<u>(346,423)</u>	<u>(231,047)</u>	<u>(218,186)</u>	<u>(165,235)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,474,140	\$ 983,179	\$ 928,451	\$ 703,128
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 303,046	\$ 320,993	\$ 311,340	\$ 286,727	\$ 274,092	\$ 297,289
<u>(303,046)</u>	<u>(320,993)</u>	<u>(311,340)</u>	<u>(286,727)</u>	<u>(274,092)</u>	<u>(297,289)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,594,979	\$ 1,689,437	\$ 1,638,632	\$ 1,509,089	\$ 1,442,589	\$ 1,564,679
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
\$ 176,134	\$ 143,926	\$ 111,544	\$ 90,076	\$ 63,608	\$ 32,344
<u>(176,134)</u>	<u>(143,926)</u>	<u>(111,544)</u>	<u>(90,076)</u>	<u>(63,608)</u>	<u>(32,344)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 749,506	\$ 612,451	\$ 474,655	\$ 383,302	\$ 270,672	\$ 137,634
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability/asset	0.027378%	0.027144%	0.028645%	0.024166%
City's proportionate share of the net OPEB liability/(asset)	\$ 172,624	\$ (850,192)	\$ (510,335)	\$ 3,337,952
City's covered payroll	\$ 4,749,284	\$ 4,250,042	\$ 4,595,170	\$ 3,536,445
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.63%	20.00%	11.11%	94.39%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.027648%	0.029240%	0.028650%
\$ 3,604,647	\$ 3,175,249	\$ 2,893,697
\$ 4,004,947	\$ 4,262,449	\$ 3,961,984
90.00%	74.49%	73.04%
46.33%	54.14%	54.05%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability	0.11693220%	0.11319670%	0.10399570%	0.10665340%
City's proportionate share of the net OPEB liability	\$ 832,523	\$ 1,240,733	\$ 1,101,851	\$ 1,053,494
City's covered payroll	\$ 3,188,600	\$ 3,008,274	\$ 3,034,346	\$ 2,298,107
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	26.11%	41.24%	36.31%	45.84%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.10369100%	0.09438800%	0.08695100%
\$ 944,266	\$ 5,347,886	\$ 4,127,368
\$ 2,438,943	\$ 2,251,083	\$ 1,983,744
38.72%	237.57%	208.06%
46.57%	14.13%	15.96%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 11,461	\$ 6,879	\$ 6,879	\$ 6,731
Contributions in relation to the contractually required contribution	<u>(11,461)</u>	<u>(6,879)</u>	<u>(6,879)</u>	<u>(6,731)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,492,241	\$ 4,749,284	\$ 4,250,042	\$ 4,595,170
Contributions as a percentage of covered payroll	0.21%	0.14%	0.16%	0.15%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 7,960	\$ 8,447	\$ 42,296	\$ 79,240	\$ 77,784	\$ 82,759
<u>(7,960)</u>	<u>(8,447)</u>	<u>(42,296)</u>	<u>(79,240)</u>	<u>(77,784)</u>	<u>(82,759)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,536,445	\$ 4,004,947	\$ 4,262,449	\$ 3,961,984	\$ 3,889,199	\$ 4,200,625
0.23%	0.21%	0.99%	2.00%	2.00%	1.97%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 10,611	\$ 10,094	\$ 10,125	\$ 10,529
Contributions in relation to the contractually required contribution	<u>(10,611)</u>	<u>(10,094)</u>	<u>(10,125)</u>	<u>(10,529)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,122,100	\$ 2,018,826	\$ 2,025,095	\$ 2,105,895
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 7,371	\$ 5,849	\$ 4,916	\$ 4,642
Contributions in relation to the contractually required contribution	<u>(7,371)</u>	<u>(5,849)</u>	<u>(4,916)</u>	<u>(4,642)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,474,140	\$ 983,179	\$ 928,451	\$ 703,128
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 7,975	\$ 8,193	\$ 7,749	\$ 7,408	\$ 7,760	\$ 51,825
<u>(7,975)</u>	<u>(8,193)</u>	<u>(7,749)</u>	<u>(7,408)</u>	<u>(7,760)</u>	<u>(51,825)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,594,979	\$ 1,689,437	\$ 1,638,632	\$ 1,509,089	\$ 1,442,589	\$ 1,564,679
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
\$ 3,516	\$ 3,748	\$ 3,062	\$ 2,373	\$ 1,917	\$ 1,413
<u>(3,516)</u>	<u>(3,748)</u>	<u>(3,062)</u>	<u>(2,373)</u>	<u>(1,917)</u>	<u>(1,413)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 749,506	\$ 612,451	\$ 474,655	\$ 383,302	\$ 270,672	\$ 137,634
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

CITY OF NORTH CANTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

GENERAL FUND

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

Major Special Revenue Funds

Fire Operating Levy Fund

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

Emergency Medical Services Levy Fund

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

Major Capital Projects Fund

Capital Improvement Fund

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

Major Enterprise Funds

Water Fund

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

Sewer Fund

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

Garbage Fund

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

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,195,000	\$ 1,127,000	\$ 1,127,002	\$ 2
Municipal income taxes	7,845,000	9,276,375	9,178,186	(98,189)
Charges for services	26,000	51,900	51,903	3
Licenses and permits	488,000	651,350	652,130	780
Fines and forfeitures	308,000	221,275	221,265	(10)
Intergovernmental	625,000	595,350	595,310	(40)
Interest	300,000	565,000	563,144	(1,856)
Rentals	308,000	146,250	243,632	97,382
Hotel motel taxes	-	10,250	10,236	(14)
Contributions and donations	7,000,000	7,000,000	5,600,000	(1,400,000)
Other	10,000	27,750	27,620	(130)
Total revenues	<u>18,105,000</u>	<u>19,672,500</u>	<u>18,270,428</u>	<u>(1,402,072)</u>
Expenditures:				
Current:				
General Government				
Legislative and Executive:				
Director of Administration:				
Personal services	667,283	495,854	473,670	22,184
Other operating	99,617	79,074	79,167	(93)
Total director of administration	<u>766,900</u>	<u>574,928</u>	<u>552,837</u>	<u>22,091</u>
Director of Finance:				
Personal services	444,583	431,594	412,640	18,954
Other operating	25,800	16,725	16,662	63
Total director of finance	<u>470,383</u>	<u>448,319</u>	<u>429,302</u>	<u>19,017</u>
Electronic Data Processing:				
Other operating	378,925	443,100	443,061	39
Total electronic data processing	<u>378,925</u>	<u>443,100</u>	<u>443,061</u>	<u>39</u>
Director of Law:				
Other operating	267,400	174,075	174,060	15
Total director of law	<u>267,400</u>	<u>174,075</u>	<u>174,060</u>	<u>15</u>
City Council:				
Personal services	104,500	98,593	97,931	662
Other operating	44,269	27,596	27,486	110
Total city council	<u>148,769</u>	<u>126,189</u>	<u>125,417</u>	<u>772</u>

Continued

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civil Service Commission:				
Personal services	\$ 10,007	\$ 5,291	\$ 4,958	\$ 333
Other operating	2,738	1,763	1,730	33
Total civil service commission	<u>12,745</u>	<u>7,054</u>	<u>6,688</u>	<u>366</u>
Land and Buildings:				
Personal services	134,117	96,367	90,490	5,877
Other operating	482,370	363,470	363,379	91
Total land and buildings	<u>616,487</u>	<u>459,837</u>	<u>453,869</u>	<u>5,968</u>
Department of Engineering:				
Personal services	209,650	207,810	198,730	9,080
Other operating	129,650	113,939	113,830	109
Total department of engineering	<u>339,300</u>	<u>321,749</u>	<u>312,560</u>	<u>9,189</u>
Other General Government				
Other operating	615,825	434,100	318,914	115,186
Total other general government	<u>615,825</u>	<u>434,100</u>	<u>318,914</u>	<u>115,186</u>
Total General Government	<u>3,616,734</u>	<u>2,989,351</u>	<u>2,816,708</u>	<u>172,643</u>
Security of Persons and Property:				
Police:				
Personal services	3,318,031	2,841,295	2,718,925	122,370
Other operating	474,903	435,820	435,596	224
Total police	<u>3,792,934</u>	<u>3,277,115</u>	<u>3,154,521</u>	<u>122,594</u>
Dispatch:				
Personal services	960,266	912,445	876,190	36,255
Other operating	24,850	19,800	19,757	43
Total dispatch	<u>985,116</u>	<u>932,245</u>	<u>895,947</u>	<u>36,298</u>
School Patrol:				
Personal services	510,587	514,215	490,722	23,493
Other operating	23,400	18,300	18,200	100
Total school patrol	<u>533,987</u>	<u>532,515</u>	<u>508,922</u>	<u>23,593</u>
Street lighting:				
Other operating	155,000	177,850	177,835	15
Total street lighting	<u>155,000</u>	<u>177,850</u>	<u>177,835</u>	<u>15</u>
Total Security of Persons and Property	<u>5,467,037</u>	<u>4,919,725</u>	<u>4,737,225</u>	<u>182,500</u>

Continued

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Health and Welfare:				
County Health Department:				
Other operating	\$ 108,000	\$ 100,575	\$ 100,566	\$ 9
Total county health department	<u>108,000</u>	<u>100,575</u>	<u>100,566</u>	<u>9</u>
Total Public Health and Welfare	<u>108,000</u>	<u>100,575</u>	<u>100,566</u>	<u>9</u>
Community Environment:				
Building:				
Personal services	96,150	62,675	60,877	1,798
Other operating	632,400	933,375	933,252	123
Total building	<u>728,550</u>	<u>996,050</u>	<u>994,129</u>	<u>1,921</u>
Economic Development:				
Personal services	168,875	153,947	115,869	38,078
Contract services	824,250	280,760	280,723	37
Total economic development	<u>993,125</u>	<u>434,707</u>	<u>396,592</u>	<u>38,115</u>
Total Community Environment	<u>1,721,675</u>	<u>1,430,757</u>	<u>1,390,721</u>	<u>40,036</u>
Leisure Time Activities:				
Dogwood Shelter:				
Other operating	60,585	39,885	39,836	49
Total dogwood shelter	<u>60,585</u>	<u>39,885</u>	<u>39,836</u>	<u>49</u>
Swimming Pool:				
Other operating	96,385	62,335	62,269	66
Total swimming pool	<u>96,385</u>	<u>62,335</u>	<u>62,269</u>	<u>66</u>
Parks Department:				
Personal services	642,454	575,692	553,624	22,068
Other operating	376,708	329,283	329,082	201
Total parks department	<u>1,019,162</u>	<u>904,975</u>	<u>882,706</u>	<u>22,269</u>

Continued

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civic Center:				
Other operating	\$ 187,085	\$ 101,785	\$ 101,675	\$ 110
Total civic center	<u>187,085</u>	<u>101,785</u>	<u>101,675</u>	<u>110</u>
Golf Course:				
Other operating	640,471	632,371	557,336	75,035
Total golf course	<u>640,471</u>	<u>632,371</u>	<u>557,336</u>	<u>75,035</u>
Total Leisure Time Activities	<u>2,003,688</u>	<u>1,741,351</u>	<u>1,643,822</u>	<u>97,529</u>
Debt Service:				
Debt service	7,091,981	7,225,931	7,225,914	17
Bond issuance costs	<u>284,769</u>	<u>284,769</u>	<u>284,769</u>	<u>-</u>
Total debt service	<u>7,376,750</u>	<u>7,510,700</u>	<u>7,510,683</u>	<u>-</u>
Total expenditures	<u>20,293,884</u>	<u>18,692,459</u>	<u>18,199,725</u>	<u>492,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,188,884)</u>	<u>980,041</u>	<u>70,703</u>	<u>(909,355)</u>
Other financing sources (uses):				
Sale of capital assets	-	31,750	31,741	(9)
Advances in	300,000	83,025	83,020	(5)
Advances out	(300,000)	-	-	-
Transfers out	<u>(1,250,000)</u>	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,250,000)</u>	<u>(985,225)</u>	<u>(985,239)</u>	<u>(14)</u>
Net change in fund balance	(3,438,884)	(5,184)	(914,536)	(909,369)
Fund balance at beginning of year	7,483,075	7,483,075	7,483,075	-
Prior year encumbrances appropriated	<u>175,684</u>	<u>175,684</u>	<u>175,684</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,219,875</u>	<u>\$ 7,653,575</u>	<u>\$ 6,744,223</u>	<u>\$ (909,369)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE OPERATING LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 963,000	\$ 871,325	\$ 871,318	\$ (7)
Charges for services	4,000	7,025	7,049	24
Intergovernmental	24,000	48,200	48,176	(24)
Total revenues	<u>991,000</u>	<u>926,550</u>	<u>926,543</u>	<u>(7)</u>
Expenditures:				
Current:				
Security of Person and Property:				
Fire:				
Personal services	1,305,220	1,009,407	972,559	36,848
Other operating	416,918	411,719	411,543	176
	<u>1,722,138</u>	<u>1,421,126</u>	<u>1,384,102</u>	<u>37,024</u>
Total expenditures	<u>1,722,138</u>	<u>1,421,126</u>	<u>1,384,102</u>	<u>37,024</u>
Excess of expenditures over revenues	<u>(731,138)</u>	<u>(494,576)</u>	<u>(457,559)</u>	<u>37,017</u>
Other financing sources:				
Transfers in	550,000	550,000	550,000	-
Total other financing sources	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Net change in fund balance	(181,138)	55,424	92,441	37,017
Fund balance at beginning of year	253,456	253,456	253,456	-
Prior year encumbrances appropriated	<u>25,388</u>	<u>25,388</u>	<u>25,388</u>	<u>-</u>
Fund balance at end of year	<u>\$ 97,706</u>	<u>\$ 334,268</u>	<u>\$ 371,285</u>	<u>\$ 37,017</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,891,700	\$ 1,773,900	\$ 1,773,887	\$ (13)
Charges for services	666,000	833,075	833,075	-
Intergovernmental	121,300	126,550	126,503	(47)
Total revenues	<u>2,679,000</u>	<u>2,733,525</u>	<u>2,733,465</u>	<u>(60)</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Personal services	2,476,758	2,298,589	2,189,849	108,740
Other operating	331,643	339,419	339,220	199
Total expenditures	<u>2,808,401</u>	<u>2,638,008</u>	<u>2,529,069</u>	<u>108,939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,401)</u>	<u>95,517</u>	<u>204,396</u>	<u>108,879</u>
Other financing sources:				
Sale of capital assets	-	25	29	4
Transfers in	100,000	100,000	100,000	-
Total other financing sources	<u>100,000</u>	<u>100,025</u>	<u>100,029</u>	<u>4</u>
Net change in fund balance	(29,401)	195,542	304,425	108,883
Fund balance at beginning of year	515,976	515,976	515,976	-
Prior year encumbrances appropriated	<u>56,001</u>	<u>56,001</u>	<u>56,001</u>	<u>-</u>
Fund balance at end of year	<u>\$ 542,576</u>	<u>\$ 767,519</u>	<u>\$ 876,402</u>	<u>\$ 108,883</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,725,000	\$ 1,725,000	\$ 1,725,000	\$ -
Intergovernmental	-	1,616,175	1,369,502	(246,673)
Total revenues	1,725,000	3,341,175	3,094,502	(246,673)
Expenditures:				
Current:				
Capital Outlay:				
Other operating	3,807,434	9,950,515	9,950,424	91
Total capital outlay	3,807,434	9,950,515	9,950,424	91
Debt service				
Principal retirement	95,475	95,475	95,475	-
Interest and fiscal charges	28,175	28,100	28,100	-
Bond issuance costs	-	66,012	66,012	-
Total debt service	123,650	189,587	189,587	-
Total expenditures	3,931,084	10,140,102	10,140,011	91
Excess of expenditures over revenues	(2,206,084)	(6,798,927)	(7,045,509)	(246,582)
Other financing sources:				
Bond issuance	-	4,314,000	4,314,000	-
Sale of capital assets	-	28,400	28,400	-
Total other financing sources	-	4,342,400	4,342,400	-
Net change in fund balance	(2,206,084)	(2,456,527)	(2,703,109)	(246,582)
Fund balance at beginning of year	1,186,548	1,186,548	1,186,548	-
Prior year encumbrances appropriated	2,206,084	2,206,084	2,206,084	-
Fund balance at end of year	\$ 1,186,548	\$ 936,105	\$ 689,523	\$ (246,582)

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 7,700,000	\$ 7,005,100	\$ 7,017,974	\$ 12,874
Tap-in fees	50,000	167,750	167,723	(27)
Other	20,000	98,000	97,948	(52)
Total operating revenues	7,770,000	7,270,850	7,283,645	12,795
Operating expenses:				
Personal services	2,431,039	2,326,030	2,231,399	94,631
Other operating	6,713,799	4,685,841	4,685,148	693
Total operating expenses	9,144,838	7,011,871	6,916,547	95,324
Operating income (loss)	(1,374,838)	258,979	367,098	108,119
Nonoperating revenues (expenses):				
Sale of capital assets	-	24,000	24,000	-
Debt service:				
Principal retirement	(1,214,325)	(1,200,525)	(1,200,503)	22
Interest and fiscal charges	(101,025)	(114,750)	(114,742)	8
Total nonoperating revenues (expenses)	(1,315,350)	(1,291,275)	(1,291,245)	30
Loss before transfers	(2,690,188)	(1,032,296)	(924,147)	108,149
Transfers in	-	81,300	81,279	(21)
Transfers out	-	(81,300)	(81,279)	21
Net change in fund equity	(2,690,188)	(1,032,296)	(924,147)	108,149
Fund equity at beginning of year	5,610,740	5,610,740	5,610,740	-
Prior year encumbrances appropriated	1,363,938	1,363,938	1,363,938	-
Fund equity at end of year	\$ 4,284,490	\$ 5,942,382	\$ 6,050,531	\$ 108,149

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 4,304,000	3784100	\$ 3,784,117	\$ 17
Tap-in fees	40,500	75,100	75,089	(11)
Other	23,500	52,300	52,287	(13)
Total operating revenues	4,368,000	3,911,500	3,911,493	(7)
Operating expenses:				
Personal services	930,711	802,359	767,378	34,981
Other operating	3,291,974	2,410,934	2,410,675	259
Total operating expenses	4,222,685	3,213,293	3,178,053	35,240
Operating income	145,315	698,207	733,440	35,233
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement	(24,425)	(24,425)	(24,425)	-
Interest and fiscal charges	(2,325)	(2,309)	(2,309)	-
Total nonoperating expenses	(26,750)	(26,734)	(26,734)	-
Income before transfers	118,565	671,473	706,706	35,233
Transfers out	(81,300)	-	-	-
Net change in fund equity	37,265	671,473	706,706	35,233
Fund equity at beginning of year	2,259,377	2,259,377	2,259,377	-
Prior year encumbrances appropriated	36,535	36,535	36,535	-
Fund equity at end of year	\$ 2,333,177	\$ 2,967,385	\$ 3,002,618	\$ 35,233

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GARBAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,206,000	\$ 1,264,000	\$ 1,264,017	\$ 17
Other	-	9,300	9,294	(6)
Total operating revenues	<u>1,206,000</u>	<u>1,273,300</u>	<u>1,273,311</u>	<u>11</u>
Operating expenses:				
Personal services	103,686	98,329	94,410	3,919
Other operating	<u>1,250,950</u>	<u>1,232,150</u>	<u>1,232,084</u>	<u>66</u>
Total operating expenses	<u>1,354,636</u>	<u>1,330,479</u>	<u>1,326,494</u>	<u>3,985</u>
Operating loss	<u>(148,636)</u>	<u>(57,179)</u>	<u>(53,183)</u>	<u>3,996</u>
Nonoperating revenues:				
Intergovernmental	<u>50,000</u>	<u>21,425</u>	<u>18,721</u>	<u>(2,704)</u>
Total nonoperating revenues	<u>50,000</u>	<u>21,425</u>	<u>18,721</u>	<u>(2,704)</u>
Net change in fund equity	(98,636)	(35,754)	(34,462)	1,292
Fund equity at beginning of year	657,924	657,924	657,924	-
Prior year encumbrances appropriated	<u>486</u>	<u>486</u>	<u>486</u>	<u>-</u>
Fund equity at end of year	<u>\$ 559,774</u>	<u>\$ 622,656</u>	<u>\$ 623,948</u>	<u>\$ 1,292</u>

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CITY OF NORTH CANTON, OHIO

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

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Computer Fund

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

Enforcement and Education Fund

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

Street Construction, Maintenance and Repair Fund

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

Storm Sewer Levy Fund

This fund accounts for property taxes levied that are restricted to maintain, improve or construct storm sewers within the City.

Street Levy Fund

This fund accounts for property taxes levied that are restricted to subsidize improvement of streets within the City.

Municipal Road Fund

This fund accounts for the portion of permissive motor vehicle license tax levied by the County that is allocated to the City that is restricted for street repair.

General Trust Fund

This fund accounts for donations to the City that are restricted by the donors to be used for specific purposes.

Law Enforcement Trust Fund

This fund accounts for money collected from federal forfeitures that is restricted for specific law enforcement purposes.

Continuing Professional Education Fund

This fund accounts for grant money received from the State of Ohio that is restricted for Peace Officer training.

OneOhio Opioid Settlement Fund

This fund is used to account for opioid settlement proceeds that are restricted for public health and welfare.

Required Deposits Fund

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

COVID-19 Relief Fund

This fund accounts for financial resources provided by the American Rescue Plan Act (ARPA).

CITY OF NORTH CANTON, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Compensated Absences Fund

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

Unclaimed Monies Fund

This fund is used to account for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

CAPITAL PROJECTS FUND

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

Nonmajor Capital Projects Fund

Indoor Firearms Training Range Improvement Fund

This fund accounts for transfers that are committed to improve the indoor firearms range for the police department.

Park Development Fund

This fund accounts for grants and donations that are restricted to improve the City's parks.

Dogwood Pool Fund

This fund accounts for twenty percent of seasonal net operating funds that are committed to improve the Dogwood Pool.

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 3,323,652	\$ 1,073,769	\$ 4,397,421
Receivables:			
Property taxes	692,384	-	692,384
Intergovernmental	549,853	27,869	577,722
Materials and supplies inventory	194,582	-	194,582
Prepayments	4,866	-	4,866
	<hr/>	<hr/>	<hr/>
Total assets	\$ 4,765,337	\$ 1,101,638	\$ 5,866,975
	<hr/>	<hr/>	<hr/>
Liabilities:			
Accounts payable	\$ 6,292	\$ -	\$ 6,292
Contracts payable	6,981	-	6,981
Accrued wages and benefits payable	25,131	-	25,131
Due to other governments	10,547	-	10,547
Unearned revenue	421,542	-	421,542
	<hr/>	<hr/>	<hr/>
Total liabilities	470,493	-	470,493
	<hr/>	<hr/>	<hr/>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	675,070	-	675,070
Delinquent property tax revenue not available	17,314	-	17,314
Intergovernmental revenues not available	463,454	-	463,454
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	1,155,838	-	1,155,838
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Nonspendable	199,448	-	199,448
Restricted	2,946,539	772,436	3,718,975
Committed	-	329,202	329,202
Unassigned (deficit)	(6,981)	-	(6,981)
	<hr/>	<hr/>	<hr/>
Total fund balances	3,139,006	1,101,638	4,240,644
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 4,765,337	\$ 1,101,638	\$ 5,866,975
	<hr/>	<hr/>	<hr/>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 694,456	\$ -	\$ 694,456
Charges for services	-	25,951	25,951
Fines and forfeitures	31,883	-	31,883
Intergovernmental	2,288,418	49,149	2,337,567
Contributions and donations	27,603	26,079	53,682
Other	1,331	-	1,331
	<hr/>	<hr/>	<hr/>
Total revenues	3,043,691	101,179	3,144,870
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	12,804	-	12,804
Security of persons and property:			
Police	25,968	-	25,968
Public health and welfare	8,094	-	8,094
Transportation	3,235,363	-	3,235,363
Leisure time activity	8,364	-	8,364
Basic utility services	379,921	-	379,921
Capital outlay	-	106,238	106,238
	<hr/>	<hr/>	<hr/>
Total expenditures	3,670,514	106,238	3,776,752
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues	(626,823)	(5,059)	(631,882)
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Sale of capital assets	12,645	-	12,645
Transfers in	450,000	-	450,000
Total other financing sources	462,645	-	462,645
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(164,178)	(5,059)	(169,237)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	3,303,184	1,106,697	4,409,881
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 3,139,006	\$ 1,101,638	\$ 4,240,644
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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	Enforcement and Education	Street Construction, Maintenance and Repair	Storm Sewer Levy	Street Levy
Assets:				
Equity in pooled cash and investments	\$ 37,397	\$ 1,765,396	\$ 734,464	\$ 224,353
Receivables:				
Property taxes	-	-	346,192	346,192
Intergovernmental	25	507,110	21,359	21,359
Materials and supplies inventory	-	194,582	-	-
Prepayments	-	4,570	296	-
Total assets	<u>\$ 37,422</u>	<u>\$ 2,471,658</u>	<u>\$ 1,102,311</u>	<u>\$ 591,904</u>
Liabilities:				
Accounts payable	\$ -	\$ 5,411	\$ 131	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	-	25,131	-	-
Due to other governments	-	10,547	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>41,089</u>	<u>131</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	337,535	337,535
Delinquent property tax revenue not available	-	-	8,657	8,657
Nonexchange transactions	-	420,736	21,359	21,359
Total deferred inflows of resources	<u>-</u>	<u>420,736</u>	<u>367,551</u>	<u>367,551</u>
Fund Balances:				
Nonspendable		199,152	296	-
Restricted	37,422	1,810,681	734,333	224,353
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>37,422</u>	<u>2,009,833</u>	<u>734,629</u>	<u>224,353</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 37,422</u>	<u>\$ 2,471,658</u>	<u>\$ 1,102,311</u>	<u>\$ 591,904</u>

<u>Municipal Road</u>	<u>General Trust</u>	<u>Law Enforcement Trust</u>	<u>Continuing Professional Education</u>
\$ -	\$ 46,502	\$ 61,111	\$ 8,535
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ 46,502</u>	<u>\$ 61,111</u>	<u>\$ 8,535</u>
\$ -	\$ -	\$ -	\$ -
6,981	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,981	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	46,502	61,111	8,535
(6,981)	-	-	-
<u>(6,981)</u>	<u>46,502</u>	<u>61,111</u>	<u>8,535</u>
<u>\$ -</u>	<u>\$ 46,502</u>	<u>\$ 61,111</u>	<u>\$ 8,535</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2023

	OneOhio Opioid Settlement	Required Deposits	COVID-19 Relief	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 24,352	\$ 149,355	\$ 272,187	\$ 3,323,652
Receivables:				
Property taxes	-	-	-	692,384
Intergovernmental	-	-	-	549,853
Materials and supplies inventory	-	-	-	194,582
Prepayments	-	-	-	4,866
Total assets	<u>\$ 24,352</u>	<u>\$ 149,355</u>	<u>\$ 272,187</u>	<u>\$ 4,765,337</u>
Liabilities:				
Accounts payable	\$ 750	\$ -	\$ -	\$ 6,292
Contracts payable	-	-	-	6,981
Accrued wages and benefits	-	-	-	25,131
Due to other governments	-	-	-	10,547
Unearned revenue	-	149,355	272,187	421,542
Total liabilities	<u>750</u>	<u>149,355</u>	<u>272,187</u>	<u>470,493</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	675,070
Delinquent property tax revenue not available	-	-	-	17,314
Nonexchange transactions	-	-	-	463,454
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,155,838</u>
Fund Balances:				
Nonspendable	-	-	-	199,448
Restricted	23,602	-	-	2,946,539
Unassigned (deficit)	-	-	-	(6,981)
Total fund balances	<u>23,602</u>	<u>-</u>	<u>-</u>	<u>3,139,006</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 24,352</u>	<u>\$ 149,355</u>	<u>\$ 272,187</u>	<u>\$ 4,765,337</u>

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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Enforcement and Education</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Storm Sewer Levy</u>	<u>Street Levy</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ 347,228	\$ 347,228
Fines and forfeitures	2,143	-	-	-
Intergovernmental	-	1,093,005	42,653	42,625
Contributions and donations	-	-	-	-
Other	-	1,331	-	-
Total revenues	<u>2,143</u>	<u>1,094,336</u>	<u>389,881</u>	<u>389,853</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property:				
Police	-	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	1,366,831	-	436,963
Leisure time activities	-	-	-	-
Basic utility services	-	-	379,921	-
Total expenditures	<u>-</u>	<u>1,366,831</u>	<u>379,921</u>	<u>436,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,143</u>	<u>(272,495)</u>	<u>9,960</u>	<u>(47,110)</u>
Other financing sources:				
Sale of capital assets	-	12,645	-	-
Transfers in	-	450,000	-	-
Total other financing sources	<u>-</u>	<u>462,645</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,143	190,150	9,960	(47,110)
Fund balances at beginning of year	<u>35,279</u>	<u>1,819,683</u>	<u>724,669</u>	<u>271,463</u>
Fund balances (deficit) at end of year	<u>\$ 37,422</u>	<u>\$ 2,009,833</u>	<u>\$ 734,629</u>	<u>\$ 224,353</u>

<u>Municipal Road</u>	<u>General Trust</u>	<u>Law Enforcement Trust</u>
\$ -	\$ -	\$ -
-	-	9,391
205,866	-	-
-	27,603	-
-	-	-
<u>205,866</u>	<u>27,603</u>	<u>9,391</u>
-	12,804	-
-	5,355	1,344
-	6,811	-
546,569	-	-
-	8,364	-
-	-	-
<u>546,569</u>	<u>33,334</u>	<u>1,344</u>
<u>(340,703)</u>	<u>(5,731)</u>	<u>8,047</u>
-	-	-
-	-	-
-	-	-
<u>(340,703)</u>	<u>(5,731)</u>	<u>8,047</u>
<u>333,722</u>	<u>52,233</u>	<u>53,064</u>
<u>\$ (6,981)</u>	<u>\$ 46,502</u>	<u>\$ 61,111</u>

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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Continuing Professional Education	OneOhio Opioid Settlement	COVID-19 Relief	Total Nonmajor Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 694,456
Fines and forfeitures	-	20,349	-	31,883
Intergovernmental	19,269	-	885,000	2,288,418
Contributions and donations	-	-	-	27,603
Other	-	-	-	1,331
Total revenues	<u>19,269</u>	<u>20,349</u>	<u>885,000</u>	<u>3,043,691</u>
Expenditures:				
Current:				
General government	-	-	-	12,804
Security of persons and property:				
Police	19,269	-	-	25,968
Public health and welfare	-	1,283	-	8,094
Transportation	-	-	885,000	3,235,363
Leisure time activities	-	-	-	8,364
Basic utility services	-	-	-	379,921
Total expenditures	<u>19,269</u>	<u>1,283</u>	<u>885,000</u>	<u>3,670,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>19,066</u>	<u>-</u>	<u>(626,823)</u>
Other financing sources:				
Sale of capital assets	-	-	-	12,645
Transfers in	-	-	-	450,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>462,645</u>
Net change in fund balances	-	19,066	-	(164,178)
Fund balances at beginning of year	<u>8,535</u>	<u>4,536</u>	<u>-</u>	<u>3,303,184</u>
Fund balances (deficit) at end of year	<u>\$ 8,535</u>	<u>\$ 23,602</u>	<u>\$ -</u>	<u>\$ 3,139,006</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMPUTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General Government:				
Computer:				
Other operating	\$ 4,000	\$ -	\$ -	\$ -
Total expenditures	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,000)	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (4,000)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 3,000	\$ 2,125	\$ 2,118	\$ (7)
Total revenues	<u>3,000</u>	<u>2,125</u>	<u>2,118</u>	<u>(7)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Other operating	4,000	-	-	-
	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,000)	2,125	2,118	(7)
Fund balance at beginning of year	<u>35,279</u>	<u>35,279</u>	<u>35,279</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34,279</u>	<u>\$ 37,404</u>	<u>\$ 37,397</u>	<u>\$ (7)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,048,000	\$ 1,090,900	\$ 1,090,877	\$ (23)
Other	2,000	1,350	1,331	(19)
Total revenues	<u>1,050,000</u>	<u>1,092,250</u>	<u>1,092,208</u>	<u>(42)</u>
Expenditures:				
Current:				
Transportation:				
Personal services	718,417	708,807	682,896	25,911
Other operating	1,065,072	748,554	748,243	311
Total expenditures	<u>1,783,489</u>	<u>1,457,361</u>	<u>1,431,139</u>	<u>26,222</u>
Excess expenditures over revenues	<u>(733,489)</u>	<u>(365,111)</u>	<u>(338,931)</u>	<u>26,180</u>
Other financing sources:				
Sale of capital assets	-	12,650	12,645	(5)
Transfers in	600,000	450,000	450,000	-
Total other financing sources	<u>600,000</u>	<u>462,650</u>	<u>462,645</u>	<u>(5)</u>
Net change in fund balance	(133,489)	97,539	123,714	26,175
Fund balance at beginning of year	1,508,614	1,508,614	1,508,614	-
Prior year encumbrances appropriated	<u>128,089</u>	<u>128,089</u>	<u>128,089</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,503,214</u>	<u>\$ 1,734,242</u>	<u>\$ 1,760,417</u>	<u>\$ 26,175</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM SEWER LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 387,200	\$ 347,225	\$ 347,228	\$ 3
Intergovernmental	48,800	42,650	42,653	3
Total revenues	<u>436,000</u>	<u>389,875</u>	<u>389,881</u>	<u>6</u>
Expenditures:				
Current:				
Basic Utility Services:				
Storm Sewers:				
Other operating	432,532	391,100	391,019	81
Total expenditures	<u>432,532</u>	<u>391,100</u>	<u>391,019</u>	<u>81</u>
Net change in fund balance	3,468	(1,225)	(1,138)	87
Fund balance at beginning of year	721,958	721,958	721,958	-
Prior year encumbrances appropriated	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>-</u>
Fund balance at end of year	<u>\$ 729,158</u>	<u>\$ 724,465</u>	<u>\$ 724,552</u>	<u>\$ 87</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 387,200	\$ 347,250	\$ 347,228	\$ (22)
Intergovernmental	48,800	42,625	42,625	-
Total revenues	<u>436,000</u>	<u>389,875</u>	<u>389,853</u>	<u>(22)</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Other operating	455,799	441,142	441,130	12
Total expenditures	<u>455,799</u>	<u>441,142</u>	<u>441,130</u>	<u>12</u>
Net change in fund balance	(19,799)	(51,267)	(51,277)	(10)
Fund balance at beginning of year	265,831	265,831	265,831	-
Prior year encumbrances appropriated	<u>9,799</u>	<u>9,799</u>	<u>9,799</u>	<u>-</u>
Fund balance at end of year	<u>\$ 255,831</u>	<u>\$ 224,363</u>	<u>\$ 224,353</u>	<u>\$ (10)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL ROAD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 240,000	\$ 205,900	\$ 205,866	\$ (34)
Total revenues	<u>240,000</u>	<u>205,900</u>	<u>205,866</u>	<u>(34)</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Other operating	240,000	539,600	539,588	12
Total expenditures	<u>240,000</u>	<u>539,600</u>	<u>539,588</u>	<u>12</u>
Net change in fund balance	-	(333,700)	(333,722)	(22)
Fund balance at beginning of year	<u>333,722</u>	<u>333,722</u>	<u>333,722</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 333,722</u></u>	<u><u>\$ 22</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (22)</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 26,000	\$ 27,650	\$ 27,603	\$ (47)
Total revenues	<u>26,000</u>	<u>27,650</u>	<u>27,603</u>	<u>(47)</u>
Expenditures:				
Current:				
Other General Government				
Other operating	22,290	22,291	22,291	-
Total other general government	<u>22,290</u>	<u>22,291</u>	<u>22,291</u>	<u>-</u>
Total General Government	<u>22,290</u>	<u>22,291</u>	<u>22,291</u>	<u>-</u>
Security of Persons and Property:				
Police:				
Other operating	2,283	4,508	4,488	20
Total police	<u>2,283</u>	<u>4,508</u>	<u>4,488</u>	<u>20</u>
School Patrol:				
Other operating	11,931	7,656	7,644	12
Total school patrol	<u>11,931</u>	<u>7,656</u>	<u>7,644</u>	<u>12</u>
Fire:				
Other operating	3,646	7,846	7,834	12
Total fire	<u>3,646</u>	<u>7,846</u>	<u>7,834</u>	<u>12</u>
Total Security of Persons and Property	<u>17,860</u>	<u>20,010</u>	<u>19,966</u>	<u>44</u>
Public Health and Welfare:				
E.M.S.:				
Other operating	8,041	7,240	7,240	-
Total E.M.S.	<u>8,041</u>	<u>7,240</u>	<u>7,240</u>	<u>-</u>
Total Public Health and Welfare	<u>8,041</u>	<u>7,240</u>	<u>7,240</u>	<u>-</u>
Leisure Time Activities:				
Park Maintenance:				
Other operating	8,959	9,059	9,059	-
Total Park maintenance	<u>8,959</u>	<u>9,059</u>	<u>9,059</u>	<u>-</u>
Park Department:				
Other operating	230	8,480	8,477	3
Total Park department	<u>230</u>	<u>8,480</u>	<u>8,477</u>	<u>3</u>
Total Leisure Time Activities	<u>9,189</u>	<u>17,539</u>	<u>17,536</u>	<u>3</u>
Economic Development:				
Other operating	20,853	12,803	12,803	-
Total Economic development	<u>20,853</u>	<u>12,803</u>	<u>12,803</u>	<u>-</u>
Total expenditures	<u>78,233</u>	<u>79,883</u>	<u>79,836</u>	<u>47</u>
Net change in fund balance	(52,233)	(52,233)	(52,233)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>52,233</u>	<u>52,233</u>	<u>52,233</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 9,400	\$ 9,391	\$ (9)
Total revenues	<u>1,000</u>	<u>9,400</u>	<u>9,391</u>	<u>(9)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Other operating	40,484	35,484	35,484	-
Total expenditures	<u>40,484</u>	<u>35,484</u>	<u>35,484</u>	<u>-</u>
Net change in fund balance	(39,484)	(26,084)	(26,093)	(9)
Fund balance at beginning of year	17,580	17,580	17,580	-
Prior year encumbrances appropriated	<u>35,484</u>	<u>35,484</u>	<u>35,484</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,580</u>	<u>\$ 26,980</u>	<u>\$ 26,971</u>	<u>\$ (9)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONTINUING PROFESSIONAL EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 10,500	\$ 19,275	\$ 19,269	\$ (6)
Total revenues	<u>10,500</u>	<u>19,275</u>	<u>19,269</u>	<u>(6)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal services	10,500	19,275	19,269	6
Total Police	<u>10,500</u>	<u>19,275</u>	<u>19,269</u>	<u>6</u>
Total expenditures	<u>10,500</u>	<u>19,275</u>	<u>19,269</u>	<u>6</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>8,535</u>	<u>8,535</u>	<u>8,535</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,535</u>	<u>\$ 8,535</u>	<u>\$ 8,535</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ONE OHIO OPIOID SETTLEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 20,350	\$ 20,349	\$ (1)
Total revenues	<u>5,000</u>	<u>20,350</u>	<u>20,349</u>	<u>(1)</u>
Expenditures:				
Current:				
General Government:				
Income Tax:				
Other operating	\$ 9,500	\$ 1,300	\$ 1,283	\$ 17
Total Income Tax	<u>9,500</u>	<u>1,300</u>	<u>1,283</u>	<u>17</u>
Total General Government	<u>9,500</u>	<u>1,300</u>	<u>1,283</u>	<u>17</u>
Net change in fund balance	(4,500)	19,050	19,066	16
Fund balance at beginning of year	<u>4,536</u>	<u>4,536</u>	<u>4,536</u>	<u>-</u>
Fund balance at end of year	<u>\$ 36</u>	<u>\$ 23,586</u>	<u>\$ 23,602</u>	<u>\$ 16</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REQUIRED DEPOSITS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 17,000	\$ 32,000	\$ 31,367	\$ (633)
Total revenues	<u>17,000</u>	<u>32,000</u>	<u>31,367</u>	<u>(633)</u>
Net change in fund balance	17,000	32,000	31,367	(633)
Fund balance at beginning of year	<u>117,988</u>	<u>117,988</u>	<u>117,988</u>	<u>-</u>
Fund balance at end of year	<u>\$ 134,988</u>	<u>\$ 149,988</u>	<u>\$ 149,355</u>	<u>\$ (633)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COVID-19 RELIEF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Transportation:				
Streets:				
Other operating	\$ 1,157,200	\$ 885,012	\$ 885,000	\$ 12
Total expenditures	1,157,200	885,012	885,000	12
Net change in fund balance	(1,157,200)	(885,012)	(885,000)	12
Fund balance at beginning of year	1,157,187	1,157,187	1,157,187	-
Fund balance at end of year	\$ (13)	\$ 272,175	\$ 272,187	\$ 12

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMPENSATED ABSENCES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal services	\$ 562,250	\$ 77,300	\$ 77,246	\$ 54
Total Police	<u>562,250</u>	<u>77,300</u>	<u>77,246</u>	<u>54</u>
Fire:				
Personal services	151,300	-	-	-
Total Fire	<u>151,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Security of Persons and Property	<u>713,550</u>	<u>77,300</u>	<u>77,246</u>	<u>54</u>
Public Health and Welfare:				
Personal services	80,625	-	-	-
Total public health and welfare	<u>80,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
Basic Utilities Services:				
Water:				
Personal services	93,750	90,850	39,504	51,346
Total Water	<u>93,750</u>	<u>90,850</u>	<u>39,504</u>	<u>51,346</u>
Storm Sewer:				
Personal services	-	1,150	1,105	45
Total Storm Sewer	<u>-</u>	<u>1,150</u>	<u>1,105</u>	<u>45</u>
Total Basic Utility Services	<u>93,750</u>	<u>92,000</u>	<u>40,609</u>	<u>51,391</u>
Leisure Time Activities:				
Park Department:				
Personal services	104,075	-	-	-
Total Leisure Time Activities	<u>104,075</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>992,000</u>	<u>169,300</u>	<u>117,855</u>	<u>51,445</u>
Net change in fund balance	(992,000)	(169,300)	(117,855)	51,445
Fund balance at beginning of year	<u>1,148,510</u>	<u>1,148,510</u>	<u>1,148,510</u>	<u>-</u>
Fund balance at end of year	<u>\$ 156,510</u>	<u>\$ 979,210</u>	<u>\$ 1,030,655</u>	<u>\$ 51,445</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNCLAIMED MONIES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 8,000	\$ 1,000	\$ 659	\$ (341)
Total revenues	<u>8,000</u>	<u>1,000</u>	<u>659</u>	<u>(341)</u>
Expenditures:				
Current:				
General Government:				
Other	1,100	1,625	1,602	23
Total expenditures	<u>1,100</u>	<u>1,625</u>	<u>1,602</u>	<u>23</u>
Net change in fund balance	6,900	(625)	(943)	(318)
Fund balance at beginning of year	<u>15,943</u>	<u>15,943</u>	<u>15,943</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 22,843</u></u>	<u><u>\$ 15,318</u></u>	<u><u>\$ 15,000</u></u>	<u><u>\$ (318)</u></u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2023

	Indoor Firearms Training Range Improvement	Park Development	Dogwood Pool	Total Nonmajor Capital Projects Funds
Assets:				
Equity in pooled cash and investments	\$ 224,000	\$ 744,567	\$ 105,202	\$ 1,073,769
Receivables:				
Intergovernmental	-	27,869	-	27,869
Total assets	<u>\$ 224,000</u>	<u>\$ 772,436</u>	<u>\$ 105,202</u>	<u>\$ 1,101,638</u>
Fund Balances:				
Restricted	\$ -	\$ 772,436	\$ -	\$ 772,436
Committed	224,000	-	105,202	329,202
Total fund balances	<u>224,000</u>	<u>772,436</u>	<u>105,202</u>	<u>1,101,638</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 224,000</u>	<u>\$ 772,436</u>	<u>\$ 105,202</u>	<u>\$ 1,101,638</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Indoor Firearms Training Range Improvement	Park Development	Dogwood Pool	Total Nonmajor Capital Projects Funds
Revenues:				
Charges for services	\$ -	\$ -	\$ 25,951	25,951
Intergovernmental	-	49,149	-	49,149
Contributions and donations	-	26,079	-	26,079
Total revenues	<u>-</u>	<u>75,228</u>	<u>25,951</u>	<u>101,179</u>
Expenditures:				
Capital outlay	-	99,769	6,469	106,238
Total expenditures	<u>-</u>	<u>99,769</u>	<u>6,469</u>	<u>106,238</u>
Net change in fund balances	-	(24,541)	19,482	(5,059)
Fund balances at beginning of year	<u>224,000</u>	<u>796,977</u>	<u>85,720</u>	<u>1,106,697</u>
Fund balances at end of year	<u>\$ 224,000</u>	<u>\$ 772,436</u>	<u>\$ 105,202</u>	<u>\$ 1,101,638</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDOOR FIREARMS TRAINING RANGE IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 224,000	\$ 224,000	\$ 224,000	\$ -
Fund balance at end of year	<u>\$ 224,000</u>	<u>\$ 224,000</u>	<u>\$ 224,000</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 300,000	\$ 104,300	\$ 21,280	\$ (83,020)
Contributions and donations	50,000	26,200	26,204	4
Total revenues	<u>350,000</u>	<u>130,500</u>	<u>47,484</u>	<u>(83,016)</u>
Expenditures:				
Capital Outlay:				
Other operating	1,366,158	364,608	364,607	1
Total capital outlay	<u>1,366,158</u>	<u>364,608</u>	<u>364,607</u>	<u>1</u>
Total expenditures	<u>1,366,158</u>	<u>364,608</u>	<u>364,607</u>	<u>1</u>
Excess of expenditures over revenues	<u>(1,016,158)</u>	<u>(234,108)</u>	<u>(317,123)</u>	<u>(83,015)</u>
Other financing sources (uses):				
Advances in	300,000	-	-	-
Advances out	-	(83,025)	(83,019)	6
Total other financing sources (uses)	<u>300,000</u>	<u>(83,025)</u>	<u>(83,019)</u>	<u>6</u>
Net change in fund balance	(716,158)	(317,133)	(400,142)	(83,009)
Fund balance at beginning of year	613,714	613,714	613,714	-
Prior year encumbrances appropriated	<u>266,158</u>	<u>266,158</u>	<u>266,158</u>	<u>-</u>
Fund balance at end of year	<u>\$ 163,714</u>	<u>\$ 562,739</u>	<u>\$ 479,730</u>	<u>\$ (83,009)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOGWOOD POOL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ 25,950	\$ 25,951	\$ 1
Total revenues	<u>-</u>	<u>25,950</u>	<u>25,951</u>	<u>1</u>
Expenditures:				
Current:				
Capital Outlay:				
Other operating	-	28,675	28,669	6
Total capital outlay	<u>-</u>	<u>28,675</u>	<u>28,669</u>	<u>6</u>
Total expenditures	<u>-</u>	<u>28,675</u>	<u>28,669</u>	<u>6</u>
Excess of expenditures over revenues	<u>-</u>	<u>(2,725)</u>	<u>(2,718)</u>	<u>7</u>
Other financing sources:				
Transfers in	20,000	-	-	-
Total other financing sources	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	20,000	(2,725)	(2,718)	7
Fund balance at beginning of year	<u>85,720</u>	<u>85,720</u>	<u>85,720</u>	<u>-</u>
Fund balance at end of year	<u>\$ 105,720</u>	<u>\$ 82,995</u>	<u>\$ 83,002</u>	<u>\$ 7</u>

CITY OF NORTH CANTON, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS**

ENTERPRISE FUNDS

Enterprise funds are used to account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

INTERNAL SERVICE FUNDS

To account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Internal Service Fund

Insurance Fund

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

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Charges for services	\$ 2,233,000	\$ 2,166,650	\$ 2,166,665	\$ 15
Other		1,800	1,800	-
Total operating revenues	<u>2,233,000</u>	<u>2,168,450</u>	<u>2,168,465</u>	<u>15</u>
Operating Expenses:				
Current:				
Security of Persons and Property:				
Police:				
Oother operating	2,233,000	2,169,725	2,159,780	9,945
Total operating expenses	<u>2,233,000</u>	<u>2,169,725</u>	<u>2,159,780</u>	<u>9,945</u>
Operating income/ change in fund equity	-	(1,275)	8,685	9,960
Fund equity at beginning of year	<u>1,405,833</u>	<u>1,405,833</u>	<u>1,405,833</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,405,833</u>	<u>\$ 1,404,558</u>	<u>\$ 1,414,518</u>	<u>\$ 9,960</u>

CITY OF NORTH CANTON, OHIO

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

Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The following are is the City's custodial fund:

Permit Fee Fund

This fund accounts for a permit fee collected by the City for the State of Ohio.

North Ridge Development

This fund accounts for activity related to the North Ridge Development.

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023

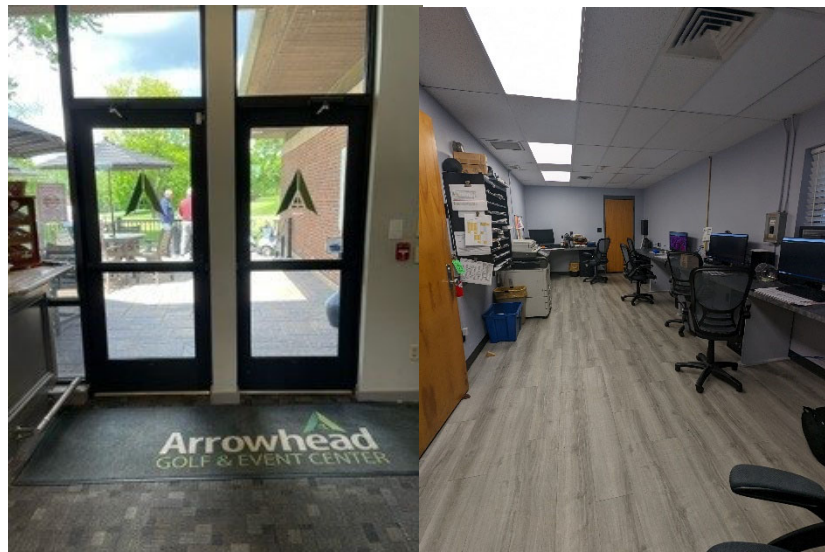
	<u>Permit Fee</u>
Assets:	
Equity in pooled cash and investments	<u>\$ 5,299</u>
Total assets	<u>5,299</u>
Net position:	
Restricted for individuals, organizations and other governments	<u>5,299</u>
Total net position	<u><u>\$ 5,299</u></u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Permit Fee</u>	<u>North Ridge Development</u>	<u>Total</u>
Additions:			
Licenses, permits and fees for other governments	\$ 2,199	\$ -	\$ 2,199
Other custodial fund collections	-	21,595	21,595
Total additions	<u>2,199</u>	<u>21,595</u>	<u>23,794</u>
Deductions:			
Other custodial fund disbursements	-	21,595	21,595
Total deductions	<u>-</u>	<u>21,595</u>	<u>21,595</u>
Net change in fiduciary net position	2,199	-	2,199
Net position beginning of year	<u>3,100</u>	<u>-</u>	<u>3,100</u>
Net position end of year	<u><u>\$ 5,299</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,299</u></u>

Statistical Section



CITY OF NORTH CANTON, OHIO

**STATISTICAL SECTION
TABLE OF CONTENTS**

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	174-185
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the income tax.	186-193
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	194-200
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	202-206
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	208-211

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

CITY OF NORTH CANTON, OHIO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Net investment in capital assets	\$ 39,735,940	\$ 34,648,962	\$ 36,942,454	\$ 35,218,442
Restricted for:				
Capital projects	772,436	796,977	357,389	542,847
Computer systems		-	19,539	22,395
Security of persons and property - police	107,068	96,878	106,956	114,414
Security of persons and property - fire	-	-	-	-
Public health and welfare			1,375	1,375
Transportation	2,295,784	2,578,334	2,519,642	1,437,641
Basic utilities	764,645	757,846	744,883	490,091
General trust	46,502	52,233	70,515	59,902
Mayors Court		-	-	-
Pension	70,234	-	-	-
Other purposes	23,602	4,536	-	435
Unrestricted	<u>9,354,695</u>	<u>6,945,127</u>	<u>8,792,967</u>	<u>11,754,275</u>
Total governmental activities net position	<u>\$ 53,170,906</u>	<u>\$ 45,880,893</u>	<u>\$ 49,555,720</u>	<u>\$ 49,641,817</u>
Business-type Activities				
Net investment in capital assets	\$ 37,661,677	\$ 37,269,026	\$ 36,927,021	\$ 36,569,863
Restricted for:				
Pension	46,698	-	-	-
Unrestricted	<u>10,404,633</u>	<u>9,324,939</u>	<u>7,924,062</u>	<u>5,413,523</u>
Total business-type activities net position	<u>\$ 48,113,008</u>	<u>\$ 46,593,965</u>	<u>\$ 44,851,083</u>	<u>\$ 41,983,386</u>
Total Primary Government				
Net investment in capital assets	\$ 77,397,617	\$ 71,917,988	\$ 73,869,475	\$ 71,788,305
Restricted	4,126,969	4,286,804	3,820,299	2,669,100
Unrestricted	<u>19,759,328</u>	<u>16,270,066</u>	<u>16,717,029</u>	<u>17,167,798</u>
Total primary government net position	<u>\$ 101,283,914</u>	<u>\$ 92,474,858</u>	<u>\$ 94,406,803</u>	<u>\$ 91,625,203</u>

Source: City financial records.

- (1) Amounts have been restated to reflect a restatement.
- (2) Amounts have been restated to reflect a restatement related to GASB Statement No. 68 & 71.
- (3) Amounts have been restated to reflect a restatement related to GASB Statement No. 84

2019	2018 (3)	2017	2016	2015	2014 (2)
\$ 35,953,375	\$ 35,525,631	\$ 33,955,258	\$ 32,868,204	\$ 31,398,690	\$ 31,628,172
376,695	44,788	219,188	368,468	302,578	713,158
22,395	25,800	30,484	20,593	7,856	2,243
104,700	91,861	86,654	70,044	57,373	46,564
-	-	194,168	278,879	150,299	211,861
1,375	3,229	217,191	1,375	1,370	530,811
1,193,603	1,338,449	1,548,496	1,473,127	1,183,270	1,580,377
385,399	437,168	655,354	760,292	875,885	430,153
58,523	117,353	212,165	225,669	221,262	194,378
-	-	23,280	10,424	7,357	10,269
-	-	-	-	-	-
-	-	-	-	-	-
6,075,448	2,752,106	8,132,845	7,877,344	8,810,236	6,443,087
<u>\$ 44,171,513</u>	<u>\$ 40,336,385</u>	<u>\$ 45,275,083</u>	<u>\$ 43,954,419</u>	<u>\$ 43,016,176</u>	<u>\$ 41,791,073</u>
\$ 35,380,099	\$ 33,212,578	\$ 31,587,314	\$ 29,398,761	\$ 28,680,671	\$ 27,533,121
-	-	-	-	-	-
4,268,157	5,056,950	6,794,126	7,896,552	7,300,889	7,074,176
<u>\$ 39,648,256</u>	<u>\$ 38,269,528</u>	<u>\$ 38,381,440</u>	<u>\$ 37,295,313</u>	<u>\$ 35,981,560</u>	<u>\$ 34,607,297</u>
\$ 71,333,474	\$ 68,738,209	\$ 65,542,572	\$ 62,266,965	\$ 60,079,361	\$ 59,161,293
2,142,690	2,058,648	3,186,980	3,208,871	2,807,250	3,719,814
10,343,605	7,809,056	14,926,971	15,773,896	16,111,125	13,517,263
<u>\$ 83,819,769</u>	<u>\$ 78,605,913</u>	<u>\$ 83,656,523</u>	<u>\$ 81,249,732</u>	<u>\$ 78,997,736</u>	<u>\$ 76,398,370</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 95,455	\$ 7,822	\$ 647	\$ 5,968
Security of persons and property:				
Police	228,203	176,256	179,954	183,754
Fire	7,039	2,335	2,372	3,360
Public health and welfare	839,912	705,620	642,006	637,295
Community environment	648,161	555,290	359,718	316,466
Leisure time activities	319,810	327,576	258,248	49,121
Subtotal - charges for services	<u>2,138,580</u>	<u>1,774,899</u>	<u>1,442,945</u>	<u>1,195,964</u>
Operating grants and contributions				
General government	10,603	1,260	-	451,604
Security of persons and property:				
Police	24,501	13,519	6,392	465,324
Fire	-	2,548	152,366	401,201
Public health and welfare	71,819	3,077	32,237	288,195
Transportation	1,981,465	1,043,068	1,113,938	1,011,935
Leisure time activities	6,926	19,134	2,557	-
Economic development	-	19,098	11,286	13,499
Basic utility services	-	661,200	-	-
Subtotal - operating grants and contributions	<u>2,095,314</u>	<u>1,762,904</u>	<u>1,318,776</u>	<u>2,631,758</u>
Capital grants and contributions				
Transportation	1,719,132	654,636	1,079,863	2,952,203
Leisure time activities	75,228	794,934	-	342,493
Economic development	-	-	505,556	-
Subtotal - capital grants and contributions	<u>1,794,360</u>	<u>1,449,570</u>	<u>1,585,419</u>	<u>3,294,696</u>
Total governmental activities program revenues	<u>6,028,254</u>	<u>4,987,373</u>	<u>4,347,140</u>	<u>7,122,418</u>
Business-type activities:				
Charges for services:				
Water	7,292,696	6,902,933	6,795,291	6,589,633
Sewer	4,000,045	3,738,531	3,548,569	3,527,128
Garbage	1,265,184	1,221,275	1,163,989	1,128,095
Subtotal - charges for services	<u>12,557,925</u>	<u>11,862,739</u>	<u>11,507,849</u>	<u>11,244,856</u>
Operating grants and contributions:				
Garbage	10,831	55,055	34,730	48,638
Subtotal - operating grants and contributions	<u>10,831</u>	<u>55,055</u>	<u>34,730</u>	<u>48,638</u>
Capital grants and contributions:				
Water	102,605	249,950	68,747	188,608
Subtotal - capital grants and contributions	<u>102,605</u>	<u>249,950</u>	<u>68,747</u>	<u>188,608</u>
Total business-type activities program revenues	<u>12,671,361</u>	<u>12,167,744</u>	<u>11,611,326</u>	<u>11,482,102</u>
Total primary government	<u>\$ 18,699,615</u>	<u>\$ 17,155,117</u>	<u>\$ 15,958,466</u>	<u>\$ 18,604,520</u>

2019	2018	2017	2016	2015	2014
\$ 19,821	\$ 122,045	\$ 420,751	\$ 448,431	\$ 349,591	\$ 389,409
210,362	20,792	18,316	17,508	17,119	13,069
3,740	1,600	-	-	100	430
636,315	637,739	624,130	580,315	470,156	551,809
369,095	346,327	325,414	352,345	467,586	397,787
191,602	161,288	143,365	85,268	134,058	301,977
<u>1,430,935</u>	<u>1,289,791</u>	<u>1,531,976</u>	<u>1,483,867</u>	<u>1,438,610</u>	<u>1,654,481</u>
1,263	872	2	8,887	6	5
16,911	572	16,113	5,500	2,080	2,608
3,374	56,346	3,391	9	38,934	16,854
340	36	1,449	140	26,693	54,123
1,061,985	878,454	767,210	961,922	784,987	780,991
8,762	12,471	-	1,768	-	1,282
-	-	-	-	-	-
-	-	-	-	-	702
<u>1,092,635</u>	<u>948,751</u>	<u>788,165</u>	<u>978,226</u>	<u>852,700</u>	<u>856,565</u>
181,611	786,219	192,500	-	1,127,854	994,073
375,000	30,000	-	-	-	-
-	-	-	-	65,920	2,331,548
<u>556,611</u>	<u>816,219</u>	<u>192,500</u>	<u>-</u>	<u>1,193,774</u>	<u>3,325,621</u>
<u>3,080,181</u>	<u>3,054,761</u>	<u>2,512,641</u>	<u>2,462,093</u>	<u>3,485,084</u>	<u>5,836,667</u>
6,907,153	7,112,496	7,009,035	7,065,818	6,818,684	6,404,161
3,527,129	3,004,204	3,024,104	3,048,897	2,910,360	2,830,415
1,030,729	978,744	975,832	927,769	895,826	897,523
<u>11,465,011</u>	<u>11,095,444</u>	<u>11,008,971</u>	<u>11,042,484</u>	<u>10,624,870</u>	<u>10,132,099</u>
43,449	59,964	62,960	76,277	66,227	56,867
<u>43,449</u>	<u>59,964</u>	<u>62,960</u>	<u>76,277</u>	<u>66,227</u>	<u>56,867</u>
-	-	-	-	-	-
-	-	-	-	-	-
11,508,460	11,155,408	11,071,931	11,118,761	10,691,097	10,188,966
<u>\$ 14,588,641</u>	<u>\$ 14,210,169</u>	<u>\$ 13,584,572</u>	<u>\$ 13,580,854</u>	<u>\$ 14,176,181</u>	<u>\$ 16,025,633</u>

(Continued)

CITY OF NORTH CANTON, OHIO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses:				
Governmental Activities				
General government	\$ 1,729,759	\$ 2,486,895	\$ 1,852,191	\$ 2,375,057
Security of persons and property:				
Police	5,861,829	4,612,550	4,187,909	4,566,197
Fire	1,600,308	959,325	883,297	716,472
Public health and welfare	3,146,064	2,447,310	2,056,123	2,373,811
Transportation	4,820,390	4,536,609	3,752,186	3,108,705
Community environment	1,390,435	1,140,853	1,391,347	583,626
Leisure time activities	2,104,038	1,460,583	863,713	860,473
Economic development	-	27,300	9,270	12,933
Basic utility services	688,268	770,956	363,001	506,068
Interest and fiscal charges	337,625	204,726	144,560	207,598
Total governmental activities expenses	<u>21,678,716</u>	<u>18,647,107</u>	<u>15,503,597</u>	<u>15,310,940</u>
Business-type activities:				
Water	\$ 6,251,504	\$ 5,012,750	\$ 5,021,009	\$ 5,054,397
Sewer	3,724,453	3,167,134	2,630,900	3,161,180
Garbage	1,335,890	1,190,997	1,121,213	1,105,483
Total business-type activities expenses	<u>11,311,847</u>	<u>9,370,881</u>	<u>8,773,122</u>	<u>9,321,060</u>
Total primary government program expenses	<u>\$ 32,990,563</u>	<u>\$ 28,017,988</u>	<u>\$ 24,276,719</u>	<u>\$ 24,632,000</u>
Net (Expense) Revenue				
Governmental activities	(15,650,462)	(13,659,734)	(11,156,457)	(8,188,522)
Business-type activities	<u>1,359,514</u>	<u>2,796,863</u>	<u>2,838,204</u>	<u>2,161,042</u>
Total primary government net expense	<u>\$ (14,290,948)</u>	<u>\$ (10,862,871)</u>	<u>\$ (8,318,253)</u>	<u>\$ (6,027,480)</u>

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,618,201	\$ 1,841,378	\$ 2,139,358	\$ 1,858,413	\$ 1,820,019	\$ 1,797,198
1,451,731	4,069,125	3,623,736	3,639,343	3,346,255	3,026,167
634,018	980,977	610,936	750,133	637,260	561,489
685,161	1,959,758	1,812,729	1,600,200	1,584,397	1,660,454
4,338,738	2,654,652	2,808,748	2,182,339	3,180,380	1,936,292
620,455	579,143	559,672	520,582	541,360	442,474
1,080,159	912,839	702,842	674,203	754,631	867,399
-	-	-	-	313,143	1,110,772
619,636	567,192	553,272	1,006,385	516,290	615,934
43,539	46,714	50,163	77,397	80,997	85,052
<u>11,091,638</u>	<u>13,611,778</u>	<u>12,861,456</u>	<u>12,308,995</u>	<u>12,774,732</u>	<u>12,103,231</u>
\$ 5,686,769	\$ 5,730,748	\$ 5,472,143	\$ 5,577,703	\$ 5,321,422	\$ 5,261,976
3,454,932	3,316,532	3,584,577	3,169,297	3,017,885	2,626,109
1,043,913	1,011,766	1,006,131	947,836	922,038	991,279
<u>10,185,614</u>	<u>10,059,046</u>	<u>10,062,851</u>	<u>9,694,836</u>	<u>9,261,345</u>	<u>8,879,364</u>
<u>\$ 21,277,252</u>	<u>\$ 23,670,824</u>	<u>\$ 22,924,307</u>	<u>\$ 22,003,831</u>	<u>\$ 22,036,077</u>	<u>\$ 20,982,595</u>
(8,011,457)	(10,557,017)	(10,348,815)	(9,846,902)	(9,289,648)	(6,266,564)
<u>1,322,846</u>	<u>1,096,362</u>	<u>1,009,080</u>	<u>1,423,925</u>	<u>1,429,752</u>	<u>1,309,602</u>
<u>\$ (6,688,611)</u>	<u>\$ (9,460,655)</u>	<u>\$ (9,339,735)</u>	<u>\$ (8,422,977)</u>	<u>\$ (7,859,896)</u>	<u>\$ (4,956,962)</u>

(Continued)

CITY OF NORTH CANTON, OHIO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 1,117,136	\$ 1,052,124	\$ 926,835	\$ 927,485
Fire operating levy	886,562	170,494	169,852	169,535
Emergency medical services levy	1,785,858	852,473	849,260	847,673
Storm sewer levy	343,901	340,989	339,704	339,070
Street levy	343,901	340,989	339,704	339,399
Municipal income taxes levied for:				
General purposes	9,152,735	8,369,760	6,779,234	6,753,195
Capital improvement	1,788,538	1,611,302	1,206,905	2,724,129
Hotel / motel	13,312	-	-	-
Grants and entitlements not restricted to				
Specific programs	769,248	848,464	802,466	709,899
Contributions not restricted to specific programs	5,600,000	-	-	-
Interest	1,111,005	(381,420)	(393,036)	586,196
Miscellaneous	28,279	8,746	49,436	262,245
Special item - sale of easement	-	467,087	-	-
Transfers	-	(3,696,101)	-	-
Total governmental activities	<u>22,940,475</u>	<u>9,984,907</u>	<u>11,070,360</u>	<u>13,658,826</u>
Business-type activities				
Miscellaneous	\$ 159,529	\$ 10,811	\$ 29,493	\$ 174,088
Special item - loss on disposal of sewer rights		(1,064,792)	-	-
Transfers		-	-	-
Total business-type activities	<u>159,529</u>	<u>(1,053,981)</u>	<u>29,493</u>	<u>174,088</u>
Total primary government	<u>\$ 23,100,004</u>	<u>\$ 8,930,926</u>	<u>\$ 11,099,853</u>	<u>\$ 13,832,914</u>
Change in Net Position				
Governmental activities	\$ 7,290,013	\$ (3,674,827)	\$ (86,097)	\$ 5,470,304
Business-type activities	1,519,043	1,742,882	2,867,697	2,335,130
Total primary government	<u>\$ 8,809,056</u>	<u>\$ (1,931,945)</u>	<u>\$ 2,781,600</u>	<u>\$ 7,805,434</u>

Source: City financial records.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 888,465	\$ 872,168	\$ 811,683	\$ 787,147	\$ 735,637	\$ 710,411
161,693	171,411	158,730	155,937	156,092	151,838
808,486	857,106	793,789	779,929	781,171	760,211
323,537	342,874	317,592	312,171	317,120	313,045
323,534	342,873	317,589	312,162	317,098	313,008
5,652,354	5,734,156	5,885,948	5,956,308	6,064,347	5,822,946
2,212,770	2,118,837	2,539,225	1,459,218	1,213,821	1,096,040
-	-	-	-	-	-
744,167	476,600	641,490	659,166	695,530	1,766,623
-	-	-	-	-	-
676,448	293,553	143,590	102,615	70,740	61,894
55,131	108,911	59,843	71,487	43,195	91,727
-	-	-	-	-	-
-	-	-	189,005	120,000	65,000
<u>11,846,585</u>	<u>11,318,489</u>	<u>11,669,479</u>	<u>10,785,145</u>	<u>10,514,751</u>	<u>11,152,743</u>
\$ 55,882	\$ 62,596	\$ 77,047	\$ 78,833	\$ 64,511	\$ 87,661
-	-	-	-	-	-
-	-	-	(189,005)	(120,000)	(65,000)
<u>55,882</u>	<u>62,596</u>	<u>77,047</u>	<u>(110,172)</u>	<u>(55,489)</u>	<u>22,661</u>
<u>\$ 11,902,467</u>	<u>\$ 11,381,085</u>	<u>\$ 11,746,526</u>	<u>\$ 10,674,973</u>	<u>\$ 10,459,262</u>	<u>\$ 11,175,404</u>
\$ 3,835,128	\$ 761,472	\$ 1,320,664	\$ 938,243	\$ 1,225,103	\$ 4,886,179
1,378,728	1,158,958	1,086,127	1,313,753	1,374,263	1,332,263
<u>\$ 5,213,856</u>	<u>\$ 1,920,430</u>	<u>\$ 2,406,791</u>	<u>\$ 2,251,996</u>	<u>\$ 2,599,366</u>	<u>\$ 6,218,442</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund				
Nonspendable	\$ 155,272	\$ 112,150	\$ 88,456	\$ 121,044
Committed	980,084	1,148,510	5,925,809	6,045,140
Assigned	1,884,345	3,345,459	1,897,787	2,166,377
Unassigned	<u>4,561,988</u>	<u>673,261</u>	<u>1,409,118</u>	<u>3,736,042</u>
Total general fund	<u>\$ 7,581,689</u>	<u>\$ 5,279,380</u>	<u>\$ 9,321,170</u>	<u>\$ 12,068,603</u>
All Other Governmental Funds				
Nonspendable	\$ 218,725	\$ 169,604	\$ 301,144	\$ 295,025
Restricted	4,845,285	4,646,165	4,081,973	3,064,448
Committed	8,650,339	4,977,934	5,671,619	6,871,187
Unassigned (deficit)	<u>(6,981)</u>	<u>-</u>	<u>-</u>	<u>(45,989)</u>
Total all other governmental funds	<u>\$ 13,707,368</u>	<u>\$ 9,793,703</u>	<u>\$ 10,054,736</u>	<u>\$ 10,184,671</u>
Total governmental funds	<u>\$ 21,289,057</u>	<u>\$ 15,073,083</u>	<u>\$ 19,375,906</u>	<u>\$ 22,253,274</u>

Source: City financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 84

<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 124,210	\$ 118,328	\$ 70,950	\$ 61,766	\$ 36,379	\$ 24,071
5,312,810	5,108,426	4,703,664	4,358,353	4,791,066	3,949,413
272,798	298,783	427,008	222,789	771,645	1,793,923
<u>5,454,822</u>	<u>4,449,575</u>	<u>3,721,998</u>	<u>3,000,044</u>	<u>1,674,309</u>	<u>828,334</u>
<u>\$ 11,164,640</u>	<u>\$ 9,975,112</u>	<u>\$ 8,923,620</u>	<u>\$ 7,642,952</u>	<u>\$ 7,273,399</u>	<u>\$ 6,595,741</u>
\$ 347,410	\$ 306,559	\$ 271,938	\$ 364,284	\$ 286,638	\$ 24,383
2,396,037	2,602,722	2,945,276	2,819,372	2,660,012	3,421,318
2,183,484	2,154,679	3,159,736	4,044,728	5,605,860	4,637,231
<u>(13,374)</u>	<u>(530,495)</u>	<u>(9,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 4,913,557</u>	<u>\$ 4,533,465</u>	<u>\$ 6,367,450</u>	<u>\$ 7,228,384</u>	<u>\$ 8,552,510</u>	<u>\$ 8,082,932</u>
<u>\$ 16,078,197</u>	<u>\$ 14,508,577</u>	<u>\$ 15,291,070</u>	<u>\$ 14,871,336</u>	<u>\$ 15,825,909</u>	<u>\$ 14,678,673</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues				
Taxes	\$ 15,385,190	\$ 12,513,155	\$ 10,932,651	\$ 11,381,510
Charges for services	943,664	789,812	724,397	652,495
Licenses and permits	648,161	555,290	359,718	316,466
Fines and forfeitures	337,876	188,202	186,993	199,489
Intergovernmental	4,584,553	3,842,347	3,585,022	6,409,041
Interest	1,076,863	(371,835)	(396,331)	596,009
Rentals	241,956	227,818	208,195	48,626
Contributions and donations	5,653,682	165,441	79,405	208,281
Other	29,610	23,017	36,685	339,512
Total revenues	<u>28,901,555</u>	<u>17,933,247</u>	<u>15,716,735</u>	<u>20,151,429</u>
Expenditures				
Current:				
General government	2,819,744	2,359,238	2,189,200	2,550,514
Security of persons and property:				
Police	4,795,751	4,411,197	4,234,414	3,815,159
Fire	1,366,483	805,299	832,931	879,516
Public health and welfare	2,644,285	2,448,994	2,240,607	2,091,818
Transportation	3,235,363	1,885,442	1,399,845	1,620,188
Community environment	1,367,678	1,155,337	1,447,866	584,534
Leisure time activities	1,560,668	1,289,498	1,043,917	974,026
Economic development	-	27,300	9,270	12,933
Basic utility services	420,530	374,423	220,353	304,332
Capital outlay	3,807,997	4,301,154	4,628,409	7,989,340
Debt service:				
Principal retirement	4,751,860	4,908,410	4,665,820	362,168
Interest and fiscal charges	327,831	138,422	185,996	73,990
Bond issuance costs	66,012	31,500	25,625	73,613
Total expenditures	<u>27,164,202</u>	<u>24,136,214</u>	<u>23,124,253</u>	<u>21,332,131</u>
Excess (deficiency) of revenues over (under) expenditures	1,737,353	(6,202,967)	(7,407,518)	(1,180,702)
Other Financing Sources (Uses)				
Sale of capital assets	72,815	-	-	55,779
Notes issuance	-	4,314,000	4,500,000	4,400,000
Notes payable - financed purchase	-	815,158	-	-
Bonds issued	4,314,000	-	-	2,900,000
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issuance	-	-	30,150	-
Lease transaction	33,571	-	-	-
SBITA transaction	58,235	-	-	-
Transfers in	1,100,000	2,721,750	2,078,921	1,050,000
Transfers out	(1,100,000)	(6,417,851)	(2,078,921)	(1,050,000)
Total other financing sources (uses)	<u>4,478,621</u>	<u>1,433,057</u>	<u>4,530,150</u>	<u>7,355,779</u>
Special item				
Sale of easement	-	467,087	-	-
Net change in fund balances	<u>\$ 6,215,974</u>	<u>\$ (4,302,823)</u>	<u>\$ (2,877,368)</u>	<u>\$ 6,175,077</u>
Capital expenditures	\$ 5,643,422	\$ 3,723,256	\$ 4,245,085	\$ 9,326,243
Debt service as a percentage of noncapital expenditures	23.60%	24.72%	25.70%	3.63%

Source: City financial records.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	10,587,143	\$ 10,538,135	\$ 10,481,211	\$ 8,996,634	\$ 9,509,514	\$ 9,042,284
	669,883	722,089	667,432	582,091	598,194	756,126
	369,095	346,327	325,414	352,345	467,586	397,787
	240,824	68,077	319,908	352,768	279,305	283,297
	2,333,695	1,647,571	1,584,149	1,639,257	2,635,791	5,886,372
	677,989	269,411	144,194	105,255	61,649	63,556
	135,731	163,844	204,375	186,421	203,316	181,267
	386,120	44,065	6,499	10,787	54,421	11,417
	60,481	117,611	87,808	76,339	87,825	137,983
	<u>15,460,961</u>	<u>13,917,130</u>	<u>13,820,990</u>	<u>12,301,897</u>	<u>13,897,601</u>	<u>16,760,089</u>
	1,714,820	1,748,457	1,904,224	1,771,834	1,677,122	1,706,095
	3,523,667	3,309,333	3,242,360	3,219,499	3,234,260	3,269,463
	484,900	528,205	466,266	464,986	529,909	504,635
	1,907,818	1,816,815	1,644,628	1,678,460	1,566,294	1,658,889
	1,386,728	1,224,303	1,186,241	1,317,497	1,572,808	937,326
	615,389	561,002	514,138	539,291	557,799	447,225
	850,062	704,490	505,092	560,245	616,280	754,214
	-	-	-	-	313,143	1,706,120
	479,015	587,327	502,788	823,967	307,912	467,576
	2,709,947	3,997,984	3,210,397	2,728,298	2,341,247	2,458,593
	172,483	165,558	165,721	181,673	145,831	159,427
	46,512	52,623	59,401	58,120	86,423	91,075
	-	-	-	28,732	-	-
	<u>13,891,341</u>	<u>14,696,097</u>	<u>13,401,256</u>	<u>13,372,602</u>	<u>12,949,028</u>	<u>14,160,638</u>
	1,569,620	(778,967)	419,734	(1,070,705)	948,573	2,599,451
	-	-	-	-	56,601	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	1,233,180	-	-
	-	-	-	(1,337,277)	-	-
	-	-	-	132,829	-	-
	-	-	-	-	22,062	-
	-	-	-	-	-	-
	650,000	600,000	877,578	1,207,600	2,138,757	1,679,400
	(650,000)	(600,000)	(877,578)	(1,120,200)	(2,018,757)	(1,564,400)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,132</u>	<u>198,663</u>	<u>115,000</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>1,569,620</u>	<u>(778,967)</u>	<u>419,734</u>	<u>(954,573)</u>	<u>1,147,236</u>	<u>2,714,451</u>
\$	2,332,653	\$ 4,674,920	\$ 3,394,861	\$ 3,466,510	\$ 2,108,678	\$ 3,497,103
	1.89%	2.18%	2.25%	2.42%	2.14%	2.35%

CITY OF NORTH CANTON, OHIO

**ASSESSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS**

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated actual value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed value	Estimated actual value
2023	\$ 390,965,860	\$ 107,589,420	\$ 1,424,443,657	\$ 14,728,550	\$ 16,736,989
2022	386,664,130	108,470,990	1,414,671,771	14,095,330	16,017,420
2021	334,576,970	100,907,930	1,244,242,571	10,486,980	11,917,023
2020	331,258,360	100,805,430	1,234,467,971	10,486,430	11,916,398
2019	328,591,470	98,185,670	1,219,363,257	8,478,330	9,634,466
2018	304,844,140	88,783,290	1,124,649,800	8,113,160	9,219,500
2017	301,311,680	85,356,080	1,104,765,029	7,717,590	8,769,989
2016	298,057,720	82,961,920	1,088,627,543	8,295,930	9,427,193
2015	274,041,110	76,738,380	1,002,227,114	8,417,570	9,565,420
2014	272,828,380	73,169,260	988,564,686	8,412,870	9,560,080

Source: County Auditor.

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

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

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

Total

Assessed value	Estimated actual value	Ratio	Total Direct Tax Rate
\$ 513,283,830	\$ 1,441,180,646	35.62%	\$ 7.40
509,230,450	1,430,689,192	35.59%	7.40
445,971,880	1,256,159,594	35.50%	7.40
442,550,220	1,246,384,369	35.51%	7.40
435,255,470	1,228,997,723	35.42%	7.40
401,740,590	1,133,869,300	35.43%	7.40
394,385,350	1,113,535,017	35.42%	7.40
389,315,570	1,098,054,736	35.46%	7.40
359,197,060	1,011,792,535	35.50%	7.40
354,410,510	998,124,765	35.51%	7.40

CITY OF NORTH CANTON, OHIO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Unvoted Millage				
Operating	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
Voted Millage				
2005 Storm Sewer	1.0000	1.0000	1.0000	1.0000
2005 Street Improvement	1.0000	1.0000	1.0000	1.0000
1982 & 2011 Ambulance & E.M.S.	2.5000	2.5000	2.5000	2.5000
1983 Fire	0.5000	0.5000	0.5000	0.5000
Total Voted Millage	5.0000	5.0000	5.0000	5.0000
Total Millage	\$ 7.4000	\$ 7.4000	\$ 7.4000	\$ 7.4000

Overlapping Rates By Taxing District

North Canton City School District				
Residential/Agricultural Real	\$ 38.5581	\$ 39.9878	\$ 44.5508	\$ 41.2439
Commercial/Industrial and Public Utility Real	49.2079	50.2808	52.5056	48.8563
General Business and Public Utility	85.6000	86.9000	86.6000	85.1000
Stark County				
Residential/Agricultural Real	7.3450	7.3714	8.2811	8.0589
Commercial/Industrial and Public Utility Real	8.6069	8.5505	9.0091	8.8684
General Business and Public Utility	11.5000	11.5000	11.5000	11.5000
Plain Township				
Residential/Agricultural Real	0.9492	0.9552	0.1000	0.1000
Commercial/Industrial and Public Utility Real	1.0208	1.0380	0.1000	0.1000
General Business and Public Utility	1.1000	1.1000	0.1000	0.1000
Special Taxing Districts (1)				
Residential/Agricultural Real	1.6186	1.6260	1.8949	1.9040
Commercial/Industrial and Public Utility Real	1.8780	1.8651	1.9879	1.9931
General Business and Public Utility	2.5000	2.5000	2.5000	2.5000

Source: County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

The City has no charter millage.

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

(1) North Canton Library, Stark County Park District

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>
<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>
<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>
\$ 43.3701	\$ 40.2684	\$ 40.4147	\$ 40.5638	\$ 43.6119	\$ 46.6432
49.7442	47.7678	48.0005	48.4004	50.7375	52.0007
85.1000	78.7000	78.7000	78.7000	78.8000	78.8000
8.0803	8.6772	8.7202	8.7441	9.2924	9.3007
8.7898	9.6375	9.6085	9.6342	10.0762	10.0757
11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
1.9108	2.0939	2.1053	2.1141	2.2986	2.3009
1.9538	2.1779	2.1814	2.1970	2.3222	2.3612
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000

CITY OF NORTH CANTON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2023	\$ 4,776,970	\$ 4,738,266	99.19%	\$ 38,704	\$ 4,776,970
2022	3,107,317	3,035,960	97.70%	44,078	3,080,038
2021	2,957,006	2,919,202	98.72%	45,917	2,965,119
2020	2,917,747	2,874,146	98.51%	53,918	2,928,064
2019	2,868,103	2,832,383	98.75%	55,318	2,887,701
2018	2,772,585	2,721,797	98.17%	43,590	2,765,387
2017	2,721,835	2,671,910	98.17%	56,332	2,728,242
2016	2,670,331	2,652,176	99.32%	40,889	2,693,065
2015	2,619,406	2,583,174	98.62%	55,306	2,638,480
2014	2,621,720	2,546,037	97.11%	53,961	2,599,998

Source: County Auditor

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

Note: The County does not identify delinquent collections by the year for which the tax was levied.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
100.00%	\$ 38,704	0.81%
99.12%	44,078	1.42%
100.27%	45,917	1.55%
100.35%	53,918	1.85%
100.68%	36,615	1.28%
99.74%	79,448	2.87%
100.24%	90,935	3.34%
100.85%	73,862	2.77%
100.73%	73,862	2.82%
99.17%	67,039	2.56%

CITY OF NORTH CANTON, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO

2023			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
McKinley Development Leasing Co LTD	\$ 7,109,940	1	1.43%
Maple Street IO LLC	6,455,480	2	1.29%
Versailles Gardens LTD	5,974,610	3	1.20%
West Tuscarawas Property Management, LLC	3,569,780	4	0.72%
Albrecht Incorporated	2,753,770	5	0.55%
Sanctuary Grande Senior Living LLC	2,712,500	6	0.54%
Mullinax Ford of North Canton	2,480,840	7	0.50%
Waterford at St. Luke	2,392,220	8	0.48%
Berlin Commons LTD	2,350,790	9	0.47%
Maple Street Commerce LLC	2,229,280	10	0.45%
Total	<u>\$ 38,029,210</u>		<u>7.63%</u>
Total Assessed Valuation	<u>\$ 498,555,280</u>		

2014			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
McKinley Development Leasing Co. Ltd.	\$ 6,006,050	1	1.74%
Versailles Gardens, Ltd.	4,983,860	2	1.44%
Waterford at St. Luke	2,174,930	3	0.63%
Albrecht Incorporated	2,169,780	4	0.63%
Maple Street Commerce LLC	1,888,480	5	0.55%
Berlin Commons, Ltd.	1,867,810	6	0.54%
Williamsburg Apartments, Ltd.	1,853,000	7	0.54%
Euro Development, Ltd.	1,491,590	8	0.43%
Mullinax Ford	1,347,510	9	0.39%
Creekside Residential Partners LLC.	1,340,510	10	0.39%
Total	<u>\$ 25,123,520</u>		<u>7.28%</u>
Total Assessed Valuation	<u>\$ 345,997,640</u>		

Source: Stark County, Ohio, Auditor's Office

CITY OF NORTH CANTON, OHIO

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholdings	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2023	1.50%	\$ 10,903,185	\$ 6,955,904	63.80%	\$ 1,613,184	14.80%	\$ 2,334,097	21.41%
2022	1.50%	9,660,365	6,237,170	64.56%	1,085,472	11.24%	2,337,723	24.20%
2021	1.50%	8,120,614	5,605,189	69.02%	438,021	5.39%	2,077,404	25.58%
2020	1.50%	8,854,196	5,453,833	61.60%	1,509,558	17.05%	1,890,805	21.35%
2019	1.50%	7,880,299	5,533,723	70.22%	688,131	8.73%	1,776,032	22.54%
2018	1.50%	8,018,750	5,299,170	66.08%	956,307	11.93%	1,763,273	21.99%
2017	1.50%	7,915,117	5,033,628	63.60%	931,535	11.77%	1,949,954	24.64%
2016	1.50%	6,750,861	4,654,728	68.95%	612,423	9.07%	1,483,710	21.98%
2015	1.50%	7,108,368	4,727,504	66.51%	625,329	8.80%	1,755,535	24.70%
2014	1.50%	6,851,412	4,586,042	66.94%	614,229	8.96%	1,651,141	24.10%

Source: The City of North Canton through the Regional Income Tax Agency (RITA).

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

CITY OF NORTH CANTON, OHIO

LEGAL DEBT MARGIN
LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Assessed Property Value	\$ 513,283,830	\$ 509,230,450	\$ 445,971,880	\$ 442,550,220
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	53,894,802	53,469,197	46,827,047	46,467,773
Debt Outstanding				
Various Improvement Note	-	4,314,000	4,500,000	4,400,000
Governmental General Obligation Bonds	7,154,044	3,114,516	3,385,988	3,651,808
Water System Bonds	1,404,956	1,754,484	2,094,012	2,426,192
OPWC Loans	906,006	963,551	1,195,351	1,311,251
OWDA Loans	1,223,727	1,983,199	2,715,897	3,422,768
Intergovernmental Loans	2,405,718	2,637,119	1,406,649	1,481,422
Total gross indebtedness	<u>13,094,451</u>	<u>14,766,869</u>	<u>15,297,897</u>	<u>16,693,441</u>
Less:				
Various Improvement Note	-	4,314,000	4,500,000	4,400,000
Water System Bonds	1,404,956	1,754,484	2,094,012	2,426,192
OPWC Loans	906,006	963,551	1,195,351	1,311,251
OWDA Loans	1,223,727	1,983,199	2,715,897	3,422,768
Intergovernmental Loans	<u>2,405,718</u>	<u>2,637,119</u>	<u>1,406,649</u>	<u>1,481,422</u>
Total net debt applicable to debt limit	<u>7,154,044</u>	<u>3,114,516</u>	<u>3,385,988</u>	<u>3,651,808</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 46,740,758</u>	<u>\$ 50,354,681</u>	<u>\$ 43,441,059</u>	<u>\$ 42,815,965</u>
Legal debt margin as a percentage of the debt limit	86.73%	94.18%	92.77%	92.14%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>28,230,611</u>	<u>28,007,675</u>	<u>24,528,453</u>	<u>24,340,262</u>
Total gross indebtedness	13,094,451	14,766,869	15,297,897	16,693,441
Less:				
Various Improvement Note	-	4,314,000	4,500,000	4,400,000
Water System Bonds	1,404,956	1,754,484	2,094,012	2,426,192
OPWC Loans	906,006	963,551	1,195,351	1,311,251
OWDA Loans	1,223,727	1,983,199	2,715,897	3,422,768
Intergovernmental Loans	<u>2,405,718</u>	<u>2,637,119</u>	<u>1,406,649</u>	<u>1,481,422</u>
Net debt within 5 1/2 % limitations	<u>7,154,044</u>	<u>3,114,516</u>	<u>3,385,988</u>	<u>3,651,808</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 21,076,567</u>	<u>\$ 24,893,159</u>	<u>\$ 21,142,465</u>	<u>\$ 20,688,454</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	74.66%	88.88%	86.20%	85.00%

Source: City financial records.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>\$ 435,255,470</u>	<u>\$ 401,740,590</u>	<u>\$ 394,385,350</u>	<u>\$ 389,315,570</u>	<u>\$ 359,197,060</u>	<u>\$ 354,410,510</u>
45,701,824	42,182,762	41,410,462	40,878,135	37,715,691	37,213,104
-	-	-	-	-	-
1,113,976	1,281,492	1,441,356	1,601,660	1,765,000	1,910,000
2,751,024	3,078,508	3,388,644	3,683,340	4,075,000	4,335,000
1,311,251	1,427,151	1,543,051	1,658,951	1,774,851	1,890,751
4,104,725	4,762,646	5,397,382	6,009,749	6,600,537	7,170,509
1,549,668	1,637,538	1,627,081	1,330,599	1,108,156	528,923
<u>10,830,644</u>	<u>12,187,335</u>	<u>13,397,514</u>	<u>14,284,299</u>	<u>15,323,544</u>	<u>15,835,183</u>
-	-	-	-	-	-
2,751,024	3,078,508	3,388,644	3,683,340	4,075,000	4,335,000
1,311,251	1,427,151	1,543,051	1,658,951	1,774,851	1,890,751
4,104,725	4,762,646	5,397,382	6,009,749	6,600,537	7,170,509
1,549,668	1,637,538	1,627,081	1,330,599	1,108,156	528,923
<u>1,113,976</u>	<u>1,281,492</u>	<u>1,441,356</u>	<u>1,601,660</u>	<u>1,765,000</u>	<u>1,910,000</u>
<u>\$ 44,587,848</u>	<u>\$ 40,901,270</u>	<u>\$ 39,969,106</u>	<u>\$ 39,276,475</u>	<u>\$ 35,950,691</u>	<u>\$ 35,303,104</u>
97.56%	96.96%	96.52%	96.08%	95.32%	94.87%
<u>23,939,051</u>	<u>22,095,732</u>	<u>21,691,194</u>	<u>21,412,356</u>	<u>19,755,838</u>	<u>19,492,578</u>
10,830,644	12,187,335	13,397,514	14,284,299	15,323,544	15,835,183
-	-	-	-	-	-
2,751,024	3,078,508	3,388,644	3,683,340	4,075,000	4,335,000
1,311,251	1,427,151	1,543,051	1,658,951	1,774,851	1,890,751
4,104,725	4,762,646	5,397,382	6,009,749	6,600,537	7,170,509
1,549,668	1,637,538	1,627,081	1,330,599	1,108,156	528,923
<u>1,113,976</u>	<u>1,281,492</u>	<u>1,441,356</u>	<u>1,601,660</u>	<u>1,765,000</u>	<u>1,910,000</u>
<u>\$ 22,825,075</u>	<u>\$ 20,814,240</u>	<u>\$ 20,249,838</u>	<u>\$ 19,810,696</u>	<u>\$ 17,990,838</u>	<u>\$ 17,582,578</u>
95.35%	94.20%	93.36%	92.52%	91.07%	90.20%

CITY OF NORTH CANTON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities			Business-Type Activities	
	Notes Payable	Leases/SBITA Payable	Notes/Bonds Payable	Notes Payable	Leases/SBITA Payable
2023	\$ 577,416	\$ 76,999	\$ 7,217,226	\$ 152,245	\$ 12,250
2022	5,005,932	34,065	3,186,832	309,305	16,921
2021	4,500,000	47,777	3,467,438	-	-
2020	4,400,000	-	3,742,392	-	-
2019	-	-	1,215,076	-	-
2018	-	4,967	1,393,230	-	-
2017	-	10,661	1,563,732	-	-
2016	-	16,078	1,737,945	-	-
2015	-	21,231	1,820,684	-	-
2014	-	-	1,970,753	-	-

Source: City financial records.

Note: Population and personal income data are presented on the demographic and economic statistics table later in the Annual Report.

Business-Type Activities - (continued)

Notes/ Bonds Payable	OWDA Loans	Intergovern- mental Loans	OPWC Loans	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 1,566,687	\$ 1,223,727	\$ 2,405,718	\$ 906,006	\$ 14,138,274	0.0175087	\$ 310
1,939,603	1,983,199	2,637,119	963,551	16,076,527	2.20%	393
2,302,519	2,715,897	1,406,649	1,079,451	15,519,731	2.28%	407
2,658,087	3,422,768	1,481,422	1,311,251	17,015,920	3.07%	527
3,006,307	4,104,725	1,549,668	1,311,251	11,187,027	2.00%	651
3,357,179	4,762,646	1,637,538	1,427,151	12,582,711	2.31%	723
3,690,703	5,397,382	1,627,081	1,543,051	13,832,610	2.53%	794
4,011,543	6,009,749	1,330,599	1,658,951	14,764,865	2.99%	847
4,119,859	6,600,537	1,108,156	1,774,851	15,445,318	3.01%	883
4,382,866	7,170,509	528,923	1,890,751	15,943,802	3.23%	915

CITY OF NORTH CANTON, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
Direct - City of North Canton			
General obligation bonds, notes payable - financed purchase, and leases payable	\$ 7,871,641	100.00%	\$ 7,871,641
	<u>7,871,641</u>		<u>7,871,641</u>
Overlapping debt:			
North Canton City School District	61,827,000	43.86%	27,117,322
Jackson Local School District	24,325,000	0.24%	58,380
Stark County	11,630,089	5.05%	587,319
	<u>97,782,089</u>		<u>27,763,021</u>
Total direct and overlapping debt	<u>\$ 105,653,730</u>		<u>\$ 35,634,662</u>

Source: Ohio Municipal Advisory Council (OMAC)

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

CITY OF NORTH CANTON, OHIO

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2023	\$ 7,390,644	\$ 4,243,227	\$ 3,147,417	\$ 750,028	\$ 64,567	3.86
2022	6,913,744	2,835,405	4,078,339	723,570	88,383	5.02
2021	6,824,784	3,133,136	3,691,648	698,049	124,014	4.49
2020	6,726,958	4,810,730	1,916,228	673,429	138,525	2.36
2019	6,955,813	3,749,586	3,206,227	649,679	162,277	3.95
2018	7,164,119	3,815,355	3,348,764	626,769	185,186	4.12
2017	7,060,554	3,603,353	3,457,201	604,667	171,906	4.45
2016	7,139,007	3,737,053	3,401,954	583,345	228,614	4.19
2015	6,876,229	3,323,178	3,553,051	562,778	249,175	4.38
2014	6,470,000	3,110,809	3,359,191	542,938	269,016	4.14

(1) Operating expenses do not include depreciation/amortization.

Source: Office of the City Director of Finance.

CITY OF NORTH CANTON, OHIO

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2023	\$ 4,052,332	\$ 2,855,741	\$ 1,196,591	\$ 9,444	\$ 2,308	101.82
2022	3,738,531	2,461,177	1,277,354	9,128	2,956	105.71
2021	3,548,569	2,120,878	1,427,691	8,822	3,261	118.16
2020	3,559,866	3,097,044	462,822	8,528	3,556	38.30
2019	3,534,144	3,020,134	514,010	8,242	3,841	42.54
2018	3,015,177	2,843,791	171,386	7,967	4,117	14.18
2017	3,049,564	3,101,903	(52,339)	7,700	3,834	(4.54)
2016	3,054,541	2,781,567	272,974	7,443	4,641	22.59
2015	2,917,326	2,599,327	317,999	7,194	4,890	26.32
2014	2,849,831	2,213,954	635,877	6,953	5,130	52.63

(1) Operating expenses do not include depreciation.

Source: Office of the City Director of Finance.

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CITY OF NORTH CANTON, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>
2023	17,687	\$ 807,499,985	\$ 45,655	\$ 69,132	44.4	38.8%
2022	17,842	729,345,276	40,878	62,303	43.0	36.0%
2021	17,842	680,404,670	38,135	60,473	41.9	36.3%
2020	17,176	554,561,512	32,287	62,128	40.7	36.7%
2019	17,176	559,662,784	32,584	59,389	42.1	36.6%
2018	17,400	545,020,200	31,323	57,003	42.1	34.7%
2017	17,422	547,451,506	31,423	55,874	44.0	35.3%
2016	17,441	494,487,232	28,352	52,210	42.0	36.1%
2015	17,490	513,209,070	29,343	52,530	42.5	33.3%
2014	17,433	494,260,416	28,352	50,728	41.0	35.4%

(1) Source: U.S. Census

(2) Ohio Department of Education

(3) Source: Ohio Department of Job and Family Services. The unemployment rate for the City is unavailable; therefore, the unemployment rate of the County provides the most accurate reflection of the City.

(4) Source: County Auditor

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

School Enrollment (2)	Stark County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value
4,439	3.3%	\$ 257,500	\$ 513,283,830
4,100	3.8%	320,420	509,230,450
4,331	3.5%	190,518	445,971,880
4,253	4.9%	203,399	442,550,220
4,282	4.4%	179,300	435,255,470
4,272	5.2%	157,100	401,740,590
4,332	5.0%	158,696	394,385,350
4,427	5.2%	158,693	389,315,570
4,496	5.2%	124,869	359,197,060
4,515	5.7%	136,700	354,410,510

CITY OF NORTH CANTON, OHIO

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

2023		
Employer	Description	Rank
North Canton City Schools	Education	1
Diebold Nixdorf Inv.	Manufacturing	2
Walsh University	Education	3
Trubridge Inc	Insurance	4
Aultman Medical Group	Medical	5
Myers Controlled Power LLC	Manufacturing	6
City Of North Canton	Government	7
Childrens Hospital Medical Center	Medical	8
State Of Ohio ODOT Payroll Deductions	Government	9
Vitran Express Inc.	Transportation	10

2014		
Employer	Description	Rank
North Canton Board of Education	North Canton City Schools	1
Walsh University	University	2
St. Lukes Home for the Aged	Nursing Care Home	3
Trubridge Inc.	Insurance Agents	4
City of North Canton	Local Government	5
Myers Control Power LLC	Design Building Mfg	6
Mullinax Ford	Car Dealership	7
Auditor of Stark County	County Government	8
Aultman Hospital Association	Medical Center	9
Aultman Health Services Association	Health Services	10

Source: Income Tax Department and the Regional Income Tax Agency (RITA)

CITY OF NORTH CANTON, OHIO

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

2023			
Employer	Employees	Rank	Percentage of Total City Employment
Walsh University	1,200	1	11.66%
North Canton City Schools	869	2	8.44%
Diebold Nixdorf Inc	504	3	4.90%
The Tamarkin Company	405	4	3.93%
Trubridge Inc	351	5	3.41%
Childrens Hospital Medical Cen	345	6	3.35%
Myers Controlled Power Llc	254	7	2.47%
Windsor Medical Center Inc	241	8	2.34%
St Luke Lutheran Home For The	224	9	2.18%
City Of North Canton	170	10	1.65%
Total	2,924		44.33%
Total City Employment	10,294		
2014			
Employer	Employees	Rank	Percentage of Total City Employment
Walsh University	1,637	1	7.88%
North Canton Board of Education	1,026	2	4.94%
Employ-Temp Staffing Services	571	3	2.75%
St. Lukes Home for the Aged	394	4	1.90%
Trubridge Inc.	330	5	1.59%
People 2.0 Global Inc.	330	6	1.59%
YMCA of Central Stark County	320	7	1.54%
Tamarkin Company	306	8	1.47%
City of North Canton	247	9	1.19%
Northeast Professional Home Care Inc.	231	10	1.11%
Total	5,392		25.94%
Total City Employment	20,787		

Source: 2022 - Data from Regional Income Tax Agency; 2013 - W2's from the City Tax Department.

CITY OF NORTH CANTON, OHIO

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Council	4.00	4.00	4.50	4.50	4.00	4.50	4.50	4.50	4.50	4.50
Mayor's office	0.50	0.50	0.50	0.50	0.50	0.50	1.50	1.00	1.00	1.50
Law	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	5.00	5.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00
Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Administration	8.50	6.50	5.00	5.00	4.50	3.00	3.00	2.00	2.00	2.00
City hall maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Engineer	4.00	4.00	3.00	5.00	6.00	6.50	5.50	5.50	5.50	5.50
Security of Persons and Property										
Police - administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Police - officers	27.00	28.00	26.00	26.00	25.50	25.00	24.00	24.50	24.00	24.50
Police - crossing guards	2.50	3.00	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.00
Dispatchers/Chief Dispatcher	9.50	9.00	8.50	10.00	9.00	9.00	8.50	8.50	8.50	8.50
Fire Inspectors	3.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Health Services										
Fire Fighters/Emergency										
Medical Services	28.50	25.00	25.50	24.50	26.50	26.50	26.00	26.00	25.00	37.00
Leisure Time Activities										
Municipal Pool	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.50
Civic Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50
Recreation	3.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Park Maintenance	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	4.00
Community Development										
Permits & Inspections	0.00	0.50	0.00	0.00	0.00	0.50	4.00	4.00	6.00	6.00
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.50	0.50	0.50
Transportation										
Street M&R	6.00	6.00	5.00	3.50	4.00	4.00	5.00	5.00	6.00	8.50
Basic Utility Services										
Water Administration	2.00	2.00	2.00	2.00	2.00	2.50	3.00	3.00	3.00	3.00
Water Distribution	8.00	9.00	9.00	8.00	9.00	8.00	8.00	8.00	8.00	11.00
Water Treatment Plant	10.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.50
Sewer Collection	7.00	5.00	5.00	6.00	6.00	6.00	4.00	4.00	3.00	3.00
Total	131.50	123.50	117.00	117.50	119.50	119.50	121.50	120.00	125.00	169.00

Source: City Payroll Department Payroll Register

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

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CITY OF NORTH CANTON, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2023	2022	2021	2020
General Government				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	-	-	-	-
Police				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	15	15	15	15
Fire				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	13	11	11	10
Emergency Medical Service				
Stations	1	1	1	1
Square footage of building	9,399	9,399	9,399	9,399
Vehicles	5	5	5	4
Recreation				
Number of parks	11	11	11	11
Number of pools	2	2	2	2
Number of tennis courts	9	9	9	9
Number of pickleball courts	10	10	4	4
Number of basketball courts	7	7	7	7
Number of park shelters	10	10	10	9
Vehicles	15	15	12	12
Public Service Department				
Streets (miles)	94.48	94.48	94.48	94.48
Vehicles	20	21	19	20
Water Department				
Water lines (miles)	160.00	160.00	160.00	160.00
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	18	24	25	25
Wastewater				
Sanitary sewers (miles)	80.81	80.81	80.81	80.81
Storm sewers (miles)	73.08	73.08	73.08	73.08
Vehicles	4	4	4	4

Source: City of North Canton departments

2019	2018	2017	2016	2015	2014
31,517 5	31,517 7	31,517 15	31,517 15	31,517 10	31,517 10
1 11,960 15	1 11,960 15	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13
1 8,989 11	1 8,989 10	1 8,989 11	1 8,989 11	1 8,989 9	1 8,989 10
1 9,399 4	1 9,399 5	1 9,399 5	1 8,970 5	1 8,970 5	1 8,970 5
11 2 9 4 7 9 12	11 1 11 - 7 9 13	11 1 11 - 7 9 8	11 1 11 - 7 9 8	11 1 11 - 7 9 10	11 1 11 - 7 9 11
94.48 21	94.28 20	94.28 21	94.28 21	94.28 18	97.52 18
160.00 32,125 22	146.43 32,125 13	146.43 32,125 14	146.43 32,125 14	146.43 32,125 14	155.86 32,125 16
80.81 73.08 5	80.58 72.58 9	80.58 72.58 5	80.58 72.58 5	80.58 72.58 5	74.64 75.91 6

CITY OF NORTH CANTON, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2023	2022	2021	2020
General Government				
Number of ordinances passed	80	81	72	79
Number of planning commission agenda items	8	22	27	12
Number of zoning board of appeals agenda items	4	8	8	5
Number of checks/vouchers issued	2,756	2,586	2,603	2,558
Interest earnings for fiscal year (cash basis)	\$563,144	\$331,071	\$273,950	\$361,177
General fund receipts (cash basis in thousands)	\$20,111	\$18,318	\$13,835	\$9,328
General fund expenditures (cash basis in thousands)	\$20,820	\$16,540	\$16,183	\$8,118
General fund cash balances (in thousands)	\$6,949	\$7,613	\$2,986	\$5,334
Income Tax Department				
Number of individual returns	N/A	N/A	N/A	N/A
Number of business returns	N/A	N/A	N/A	N/A
Annual number of reconciliation of withholding processed	N/A	N/A	N/A	N/A
Building Department Indicators				
Construction permits issued	1,845	1,075	1,506	1,391
Estimated value of construction	\$ 109,071,503	\$ 81,893,651	\$ 27,769,358	\$ 49,340,387
Inspections conducted	1,640	1,993	2,024	2,432
Security of Persons & Property				
Police				
Total calls for services	15,861	16,483	16,617	15,854
Traffic violations	826	1,142	873	800
Motor vehicle accidents	464	445	419	317
Written warnings	2,735	3,349	2,829	2,756
Total criminal arrests	321	384	377	321
Fire/Emergency Medical Services				
EMS calls	3,121	2,910	2,738	2,311
EMS transports	2,134	1,879	1,864	1,586
Ambulance billing collections	\$812,203	\$689,899	\$674,689	\$564,304
Fire calls	748	667	565	499
Fire safety inspections	2,368	2,030	2,440	2,089
Leisure Time Activities				
Recreation				
Swimming pool memberships	4,550	4,555	3,488	2,563
Civic center rentals	10	73	103	95
Dogwood shelter rentals	236	263	219	153
Transportation				
Asphalt resurfacing (miles)	6.94	7.75	10.6	15.98
Asphalt usage for pothole repairs (tons)	1801	993	381	240
Salt usage (tons)	1,211	3,985	2,477	2,798
Liquid de-icer used (gallons)	7,160	28,704	16,315	18,791
Cost of salt purchased	\$153,437	\$191,150	\$200,601	\$12,250
Water Department				
Number of customers	9,161	9,424	9,429	9,490
Annual water collections	\$6,846,179	\$5,904,461	\$6,321,254	\$6,452,086
Water main breaks	7	23	7	12
Number of wells	9	9	9	9
Gallons of water treated (millions of gallons)	1,058	976	980	1,022
Wastewater Department				
Residential sewer rate (flat monthly rate)	\$36.70	\$33.50	\$33.50	\$32.32
Number of customers	6,051	6,098	6,423	6,569

Source: City of North Canton departments

2019	2018	2017	2016	2015	2014
85	74	108	83	85	95
20	11	11	9	7	20
5	28	17	4	6	-
2,434	2,561	2,434	2,813	3,079	3,016
\$450,834	\$421,757	\$173,283	\$95,905	\$60,586	\$58,067
\$7,984	\$7,460	\$7,224	\$7,613	\$7,370	\$8,078
\$8,439	\$6,800	\$6,219	\$6,774	\$8,033	\$7,592
\$4,124	\$4,580	\$3,920	\$2,915	\$1,839	\$2,285
N/A	N/A	N/A	N/A	7,723	7,930
N/A	N/A	N/A	N/A	1,366	1,327
N/A	N/A	N/A	N/A	1,249	1,397
1,518	1,094	813	782	252	627
\$ 35,566,956	\$ 23,553,956	\$ 24,568,448	\$ 23,219,555	\$ 71,120,103	\$ 26,491,592
2,242	1,889	1,516	1,252	1,121	917
19,487	18,967	19,896	18,929	17,922	16,746
1,480	1,538	2,165	4,386	1,546	1,571
443	519	523	533	529	546
3,703	3,482	4,537	2,032	3,847	3,912
277	340	378	345	348	406
2,683	2,683	2,664	2,426	2,152	2,416
1,849	1,924	1,854	1,718	1,631	1,510
\$614,738	\$652,389	\$586,089	\$557,457	\$552,430	\$496,107
509	556	494	437	573	430
1,926	2,300	413	555	995	980
2,722	2,824	2,617	2,386	2,304	1,033
156	96	119	55	55	46
359	369	379	265	267	265
11.48	20.03	13.68	0	0	2.92
40	35	30	368	292	0
3,113	2,567	2,372	1,700	2,500	4,600
12,432	10,609	7,864	N/A	N/A	N/A
\$231,108	\$99,372	\$118,474	\$230,575	\$330,421	\$258,290
9,230	8,981	9,337	9,043	8,993	8,970
\$6,845,135	\$7,026,667	\$7,113,175	\$6,972,033	\$6,806,063	\$6,229,831
16	11	7	12	19	14
9	9	9	9	9	9
1,128,500	991	972	955	998	1,029
\$32.32	\$26.83	\$26.83	\$26.83	\$25.41	\$25.41
6,454	6,283	6,422	6,379	6,356	6,342

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF NORTH CANTON

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/24/2024

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

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www.ohioauditor.gov