



Dave Yost • Auditor of State



CITY OF NORTH CANTON  
STARK COUNTY

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# Dave Yost • Auditor of State

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

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

To the Honorable Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of North Canton, Stark County, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

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

### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 30, 2011.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

June 30, 2011



# Dave Yost • Auditor of State

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

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

To the Honorable Mayor and City Council:

### Compliance

We have audited the compliance of City of North Canton (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of City of North Canton's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of North Canton complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010.

### **Internal Control Over Compliance**

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

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

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

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 30, 2011.

### **Federal Awards Expenditures Schedule**

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of the City of North Canton, Stark County, (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



City of North Canton  
Stark County  
Independent Accountants' Report on Compliance with Requirements  
Applicable to Each Major Federal Program and on Internal Control Over  
Compliance Required by OMB Circular A-133  
Page 3

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, pass-through entities, and others within the entity. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

June 30, 2011

CITY OF NORTH CANTON  
 STARK COUNTY  
 AUDIT PERIOD 1/1/10 TO 12/31/10

**FEDERAL AWARDS EXPENDITURE SCHEDULE**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	PASS THROUGH NUMBER	FEDERAL CFDA NUMBER	EXPENDITURES
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>(Passed through the Board of Stark County Commissioners)</i>			
Community Development Blocks Grants Cluster:			
ARRA - Community Development Block Grants Entitlement Grants	NA	14.253	375,000
<b>Total U.S. Department of Housing and Urban Development</b>			375,000
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
<b>OFFICE OF WATER</b>			
<i>(Passed through the Ohio Water Development Authority)</i>			
Energy & Environment			
ARRA -Capitalization Grants for Clean Water State Revolving Funds	NA	66.458	224,520
<b>Total U.S. Environmental Protection Agency</b>			224,520
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>(Direct)</i>			
Bulletproof Vest Partnership Program			
		16.607	7,106
<b>Total U.S. Department of Justice</b>			7,106
<b>Total</b>			<b>606,626</b>

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

**CITY OF NORTH CANTON  
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**CITY OF NORTH CANTON  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2010**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	ARRA – Community Development Block Grant CFDA #14.253
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	No

**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**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2010

KAREN S. ALGER  
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT



## INTRODUCTORY SECTION

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**CITY OF NORTH CANTON, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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# City of NORTH CANTON, OHIO

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

June 30, 2011

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

## Transmittal Letter

The Comprehensive Annual Financial Report (CAFR) of the City of North Canton, Ohio (the "City") is hereby presented. This CAFR represents the official report of the City of North Canton's operations and financial position for the year ended December 31, 2010, and has been developed to accurately detail the status of City finances to North Canton residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

State statutes require the City to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2010 and the Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

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

## **Reporting Entity**

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

## **Profile of the Government**

The City acquired its first existence as a recognized political entity when the Village plat was recorded on February 19, 1831 as New Berlin. As a result of sentiment against Germany during World War I, the name of the Village was changed to North Canton on January 31, 1918. The City gained formal status as a City effective January 1, 1962. The City is located in the northern half of Stark County and is approximately 7.15 square miles in size. The City's population, according to the 2010 census, was 17,488.

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

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

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

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

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

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

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

## **Local Economy**

The City is in close proximity to Interstate 77 which provides access to other metropolitan areas, including Canton, Akron and Cleveland. The Akron-Canton Regional Airport, which is within 10 miles of the City, provides commercial passenger and air freight service to destinations nationwide.

For over 100 years, the City has been home to the Hoover Company. During 2006, the Maytag Corporation, the parent company of the Hoover Company, was acquired by the Whirlpool Corporation. Soon thereafter, Whirlpool announced its plans to sell the Hoover Company. On January 31, 2007, Techtronic Industries (TTI), a Hong Kong based floor care company, acquired the Hoover Company from Whirlpool. On April 2, 2007, TTI announced that it would close the North Canton facilities by the end of the third quarter of 2007. The plant was officially closed on September 27, 2007. However, TTI agreed to honor the current labor agreement which guaranteed 800 jobs until June of 2008. Displaced workers were offered many opportunities of help with reemployment including assistance from the Ohio Department of Development, Ohio Department of Job and Family Services and the non-profit Employment Source organization.

Prior to the plant closing, TTI hired a real estate company to locate a potential buyer for the Hoover property. In the fourth quarter of 2007, TTI was approached by the California-based Industrial Realty Group (IRG), a nationally known real estate development company specializing in redevelopment of older industrial buildings, about the possible purchase of the facility. After months of negotiations, the Hoover property was sold to IRG on January 28, 2008. IRG intends to redevelop the site for warehousing, manufacturing, office space, limited retail and some residential housing. Currently, there are several businesses that have already moved into the facility or are in the process of negotiating leases with the property owner. Although the soon-to-be redeveloped Hoover property will most likely not provide the same level of employment that the Hoover Company once did, there is the potential to replace at least 50 to 75 percent of the lost employment.

Over the last several years, other types of industries within the City continued to grow and expand. Walsh University, a private four-year school and the City's largest employer, continues to expand, both in physical size and enrollment. Over the past several years, five buildings have been added to the campus at a value of \$21 million. Also in the past several years, enrollment has increased over 50 percent and is currently at an all-time high.

In addition, the medical office business cluster grew as well. This growth is reflected in the construction of satellite facilities of Aultman Hospital and Mercy Medical Center plus increased employment at Windsor Medical Center and North Canton Medical Foundation. Together, these medical facilities employ over 800 workers. The remaining business community is made up of approximately 330 businesses involved in banking, insurance, investment, software development, dental and other personal services.

## **Long-Term Financial Planning**

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

## **Relevant Financial Policies**

During 2010, the City continued its commitment to fund the compensated absences fund in order to accumulate resources for the payout of earned vacation and eligible sick leave to employees who terminate employment with the City. In 2010, the City contributed \$204,000 to the fund and anticipates continuing funding that level on an annual basis.

Pursuant to the legislation established in 2006, which authorized the transfer of any estate tax collections in excess of \$300,000 to the capital improvement fund, over \$1.4 million was transferred during 2007. In part, these funds were used for the Sixth Street curb and gutter project and the Lipton Avenue rehabilitation project. By comparison, in 2009, \$185,000 was transferred and in 2010, \$359,035 was transferred.

## **Major Initiatives**

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

The City has committed \$1.5 million to the North Canton Community Improvement Corporation (CIC) to assist the Corporation's efforts in pursuing economic development opportunities for the City. This funding came from the City's general fund and will be transferred to the CIC on an annual basis over a 14 year period. To date, \$743,000 has been transferred to the CIC. During 2007, the CIC was able to bring the Stark County Board of Developmental Disabilities (SCBDD) to North Canton. The CIC agreed to fund the purchase of a piece of property as well as the construction of a parking lot. As a result of the CIC's involvement, the SCBDD moved into the vacant office space at the end of 2007. Currently, they have over fifty employees at this location.

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

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

In November of 2008, the City received notice from the Ohio Department of Development that the City would receive a \$5 million Jobs Ready Site Grant to help pay for street improvements and to redesign the buildings located at the Hoover facility. The total project is \$6.67 million. The developer is to contribute \$1.67 million as the local match. In 2009, work began on rehabilitating the Hoover Facility and is expected to be completed by 2011. Tenants have relocated to the finished portions of the facility and employment levels currently total approximately five hundred employees.

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

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

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

In 2008, Municipal road funds were used to fund the Walsh University East Gate improvements and signalization alignment on East Maple Street from Crestland to Market Avenue. New sidewalks, curbs and gutters were installed. In addition, traffic signals were realigned to improve the flow of traffic between Walsh University and the Marketplace. The project was completed in 2009.

The City was awarded a \$63,655 grant from the Tri-County Solid Waste District to help fund the recycling program. The City continues with the leaf recycling program and implemented a biennial Yard Waste Recycling Program through its refuse hauler. The City used grant funds to purchase leaf recycling bags for its residents. The City continued both of these important recycling initiatives in 2010.

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

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

Wherever possible, the City is pursuing grants to assist in projects. The City was awarded \$243,000 from the Federal Emergency Management Agency for the purchase of the 800 mgh. radios for the Fire and E.M.S. Departments. The City was awarded \$210,600 from the Stark County Municipal Road Funds for North Main Street Phase V street project. In 2010, the City was awarded \$2,750,000 from the Ohio Department of Transportation (ODOT), \$90,000 from Ohio Public Works Commission (OPWC) for Right-of-Way purchases and \$1,537,420 from OPWC for the construction of North Main Street Phase VI street reconstruction. The construction of this project is scheduled to commence in 2012. East Maple reconstruction received a grant of \$127,177 from Ohio State Issue II Funds. This project started in 2010 and is expected to be completed in 2011. Ohio Public Works Commission (OPWC) awarded the City \$1,227,000 grant for East Maple Street reconstruction.



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

### **Awards and Acknowledgements**

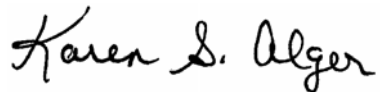
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Comprehensive Annual Financial Report for the year ended December 31, 2009. This was the twenty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,

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

Karen S. Alger  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Canton  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

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

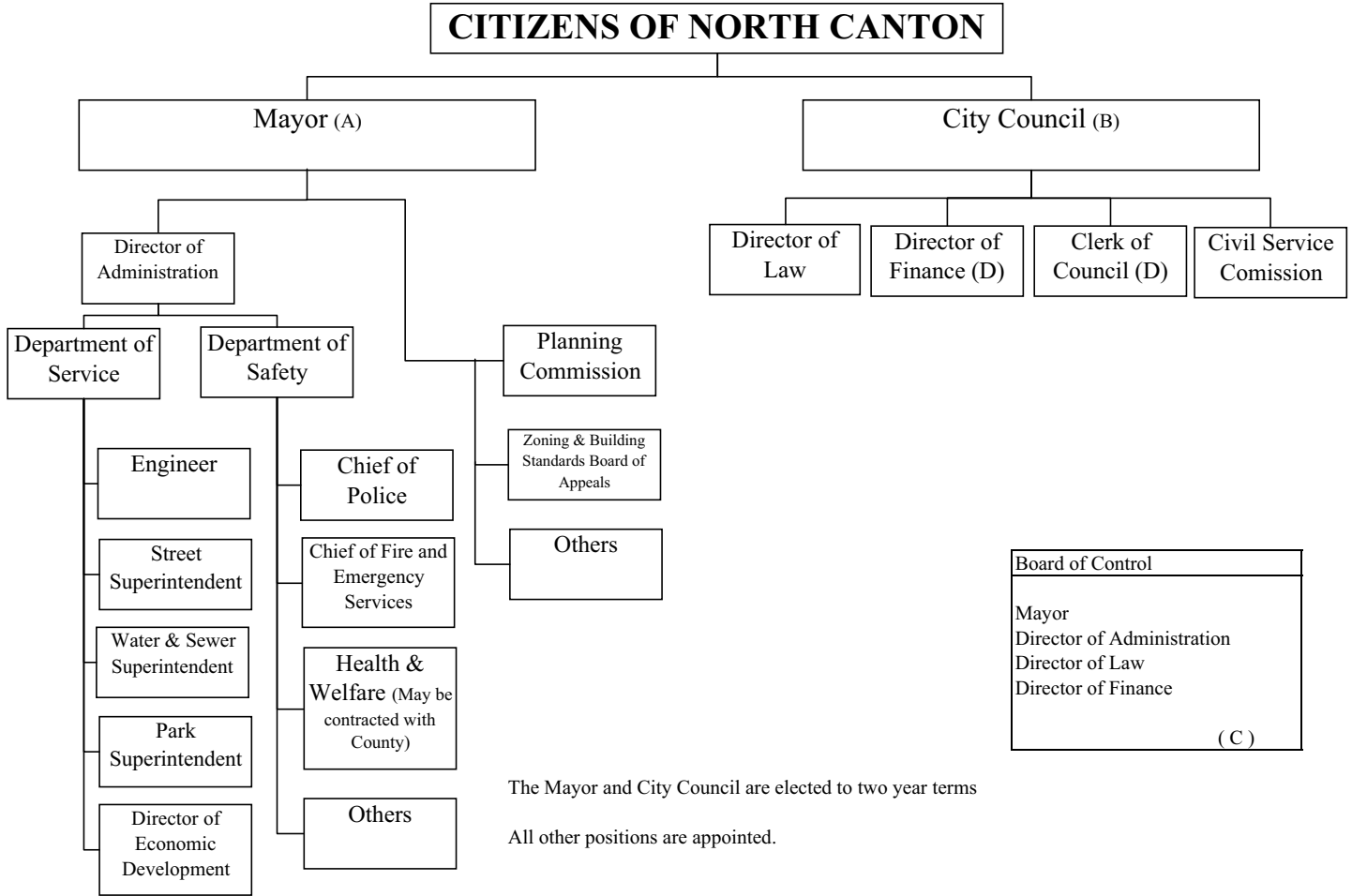


President

Executive Director

**CITY OF NORTH CANTON, OHIO**

CHARTER GOVERNMENT  
ORGANIZATIONAL CHART



The Mayor and City Council are elected to two year terms

All other positions are appointed.

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

(B) Elects Council President and Vice President

(C) Awards contracts over Ohio Revised Code bidding limit

(D) May be combined

**CITY OF NORTH CANTON, OHIO**

LIST OF PRINCIPAL OFFICIALS  
AS OF DECEMBER 31, 2010

**ELECTED CITY OFFICIALS**

**MAYOR**

HONORABLE DAVID J. HELD

**CITY COUNCIL**

DARYL REVOLDT, PRESIDENT, AT-LARGE

PATRICK A. DE ORIO, AT LARGE

MARCIA KIESLING, AT-LARGE

DOUGLAS V. FOLTZ, WARD 1

DANIEL PETERS, WARD 2

JEFF DAVIES, WARD 3

JON F. SNYDER, VICE PRESIDENT, WARD 4

**APPOINTED CITY OFFICIALS**

**DIRECTOR OF ADMINISTRATION**

JIM BENEKOS

**DIRECTOR OF FINANCE (ACTING)**

V. MARGARET LORETTO <sup>(1)</sup>

**DIRECTOR OF LAW**

HANS NILGES

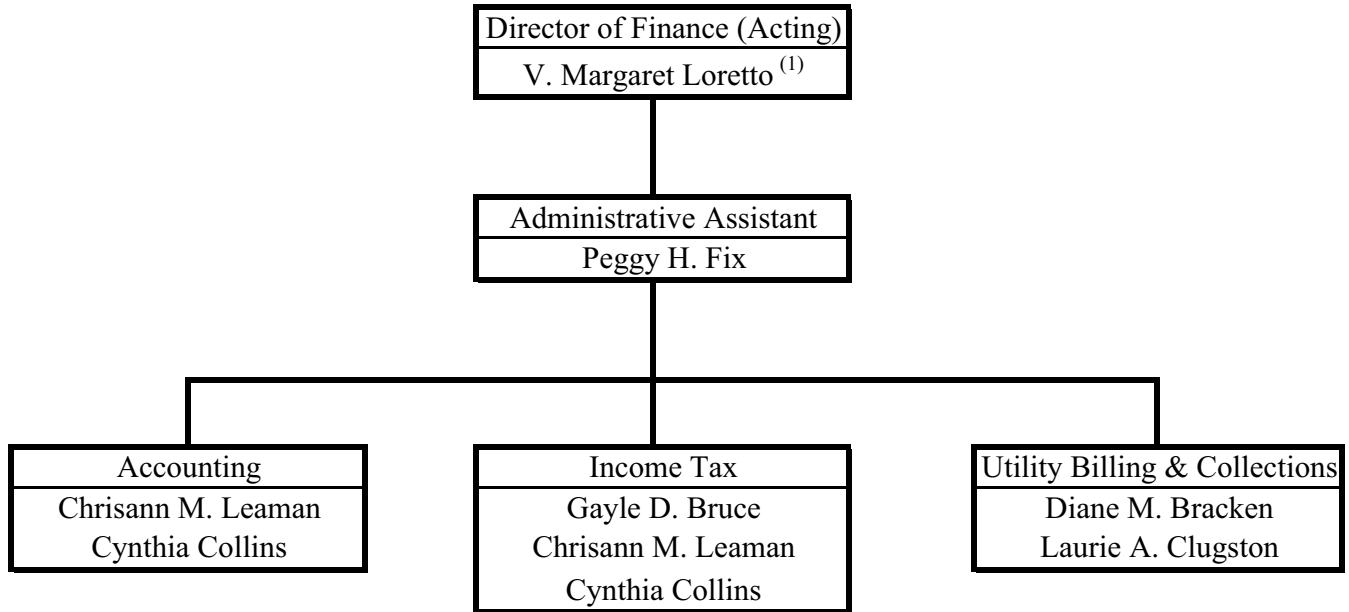
**CLERK OF COUNCIL**

GAIL M. KALPAC

<sup>(1)</sup> Karen S. Alger became the Director of Finance effective April 5, 2011.

**CITY OF NORTH CANTON, OHIO**

DEPARTMENT OF FINANCE  
ORGANIZATIONAL CHART  
AS OF DECEMBER 31, 2010



<sup>(1)</sup> Karen S. Alger became the Director of Finance effective April 5, 2011.

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## FINANCIAL SECTION

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate 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, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and the Emergency Medical Services Levy Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



**Dave Yost**  
Auditor of State

June 30, 2011

## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (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, 2010. 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 2010 are as follows:

- The total net assets of the City increased \$1,817,768. Net assets of governmental activities increased \$293,573 or 0.87% over 2009 and net assets of business-type activities increased \$1,524,195 or 5.10% over 2009.
- General revenues accounted for \$8,993,192 or 74.43% of total governmental activities revenue. Program specific revenues accounted for \$3,090,097 or 25.57% of total governmental activities revenue.
- The City had \$11,804,794 in expenses related to governmental activities; \$3,090,097 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$8,714,697 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$8,993,192.
- The general fund had revenues and other financing sources of \$7,344,933 in 2010. This represents a decrease of \$242,280 from 2009 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$8,201,454 in 2010, decreased \$214,845 from 2009. The net decrease in fund balance for the general fund was \$856,521 or 37.11%, from \$2,307,970 in 2009 to \$1,451,449 in 2010.
- The emergency medical services levy fund had revenues and other financing sources of \$1,345,122 in 2010. The emergency medical services levy fund had expenditures and other financing uses of \$1,380,133. The fund balance of the emergency medical services levy fund decreased \$35,011 from 2009 to 2010.
- The capital improvements major fund had \$2,029,350 in revenues and other financing sources and \$1,196,189 in expenditures in 2010. The fund balance for the capital improvements fund increased \$833,161 or 115.04%, from \$724,224 in 2009 to \$1,557,385 in 2010.
- Net assets for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$1,524,195 from a net asset balance of \$29,878,047 in 2009 to a net asset balance of \$31,402,242 in 2010.
- The water fund had \$5,948,192 in operating revenues and \$4,742,091 in operating expenses in 2010. The water fund also had nonoperating expenses of \$533,179, capital contributions of \$240,000 and transfers out of \$50,000. The net assets of the water fund increased \$862,922 or 3.91%.
- The sewer fund had \$2,440,683 in operating revenues and \$2,265,259 in operating expenses in 2010. The sewer fund also had non-operating expenses of \$7,381, capital contributions of \$409,442 and transfers out of \$15,000. The net assets of the sewer fund increased \$562,485 or 7.39%.
- The garbage fund had \$811,940 in operating revenues and \$886,457 in operating expenses in 2010. The garbage fund also had non-operating revenues of \$51,768. The net assets of the garbage fund decreased \$22,749 or 11.56%.

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

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

## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

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

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

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

##### *Statement of Net Assets and Statement of Activities*

The analysis of the City as a whole begins on page 19. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2010?" The Statement of Net Assets and the Statement of Activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets and liabilities using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

The City-wide financial statements can be found on pages 31 through 33 of this report.

#### **Fund Financial Statements**

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

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

## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

#### *Governmental Funds*

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

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 34 through 39 of this report.

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

#### *Proprietary Funds*

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water system, sewer and garbage. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-insurance programs for medical-related employee benefits. The basic proprietary fund statements can be found on pages 40 through 43 of this report.

#### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The basic fiduciary fund financial statement can be found on page 44 of this report.

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

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 45 through 82 of this report.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

**Government-Wide Financial Analysis**

The Statement of Net Assets provides the perspective of the City as a whole. The table below provides a summary of the City's net assets at December 31, 2010 compared to December 31, 2009.

	<b>Net Assets</b>					
	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>	Business-Type Activities <u>2010</u>	Business-Type Activities <u>2009</u>	2010 <u>Total</u>	2009 <u>Total</u>
<b>Assets</b>						
Current and other assets	\$ 11,342,011	\$ 10,738,729	\$ 6,376,188	\$ 5,254,315	\$ 17,718,199	\$ 15,993,044
Capital assets, net	<u>29,054,529</u>	<u>28,996,480</u>	<u>41,136,708</u>	<u>40,349,226</u>	<u>70,191,237</u>	<u>69,345,706</u>
Total assets	<u>40,396,540</u>	<u>39,735,209</u>	<u>47,512,896</u>	<u>45,603,541</u>	<u>87,909,436</u>	<u>85,338,750</u>
<b>Liabilities</b>						
Current and other liabilities	4,225,706	3,841,905	628,765	682,003	4,854,471	4,523,908
Long term liabilities:						
Due within one year	349,423	361,396	1,690,321	883,818	2,039,744	1,245,214
Due in more than one year	<u>1,922,152</u>	<u>1,926,222</u>	<u>13,791,568</u>	<u>14,159,673</u>	<u>15,713,720</u>	<u>16,085,895</u>
Total liabilities	<u>6,497,281</u>	<u>6,129,523</u>	<u>16,110,654</u>	<u>15,725,494</u>	<u>22,607,935</u>	<u>21,855,017</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	28,683,552	28,598,354	25,702,605	25,353,521	54,386,157	53,951,875
Restricted	3,904,091	2,954,088	-	-	3,904,091	2,954,088
Unrestricted	<u>1,311,616</u>	<u>2,053,244</u>	<u>5,699,637</u>	<u>4,524,526</u>	<u>7,011,253</u>	<u>6,577,770</u>
Total net assets	<u>\$ 33,899,259</u>	<u>\$ 33,605,686</u>	<u>\$ 31,402,242</u>	<u>\$ 29,878,047</u>	<u>\$ 65,301,501</u>	<u>\$ 63,483,733</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by \$65,301,501. At year-end, net assets were \$33,899,259 and \$31,402,242 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2010, capital assets represented 79.84% of total assets. Capital assets include land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2010, were \$28,683,552 and \$25,702,605 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 \$661,331 or 1.66%. This increase can mainly be attributed to an increase in cash and an increase in property taxes receivable. The increase in property taxes receivable is the result of a new emergency medical services levy being passed by the voters. Liabilities of the governmental activities increased \$367,758 or 6.00%. This increase is mainly the result of an increase in unearned revenue related to the new property tax levy.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

Assets of business-type activities increased \$1,909,355 or 4.19%. This increase is primarily due to an increase in capital assets related to multiple construction projects undertaken by the City. Liabilities of the business-type activities increased \$385,160 or 2.45% due to bond anticipation notes issued by the City for water improvements.

As of December 31, 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net assets, \$3,904,091, represents resources that are subject to external restriction on how they may be used. This is an increase of \$950,003 from 2009 and is the result of an increase of \$786,391 in amounts restricted for capital projects. In the governmental activities, the remaining balance of unrestricted net assets of \$1,311,616 may be used to meet the government's ongoing obligations to citizens and creditors.

**Statement of Activities**

The table below shows the changes in net assets for years 2010 and 2009.

	<b>Change in Net Assets</b>					
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	2010 Total	2009 Total
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>Total</u>	<u>Total</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,342,464	\$ 1,322,983	\$ 9,141,444	\$ 8,984,259	\$ 10,483,908	\$ 10,307,242
Operating grants and contributions	985,241	5,334,837	51,768	49,802	1,037,009	5,384,639
Capital grants and contributions	<u>762,392</u>	<u>491,915</u>	<u>599,520</u>	<u>65,702</u>	<u>1,361,912</u>	<u>557,617</u>
Total program revenues	<u>3,090,097</u>	<u>7,149,735</u>	<u>9,792,732</u>	<u>9,099,763</u>	<u>12,882,829</u>	<u>16,249,498</u>
General revenues:						
Taxes	7,337,743	7,173,332	-	-	7,337,743	7,173,332
Grants and entitlements	1,606,528	1,418,091	-	-	1,606,528	1,418,091
Investment earnings	11,782	23,936	-	-	11,782	23,936
Miscellaneous	<u>37,139</u>	<u>35,012</u>	<u>59,371</u>	<u>-</u>	<u>96,510</u>	<u>35,012</u>
Total general revenues	<u>8,993,192</u>	<u>8,650,371</u>	<u>59,371</u>	<u>-</u>	<u>9,052,563</u>	<u>8,650,371</u>
Total revenues	<u>12,083,289</u>	<u>15,800,106</u>	<u>9,852,103</u>	<u>9,099,763</u>	<u>21,935,392</u>	<u>24,899,869</u>

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

**Change in Net Assets - (Continued)**

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>	Business-type Activities <u>2010</u>	Business-type Activities <u>2009</u>	2010 <u>Total</u>	2009 <u>Total</u>
Expenses:						
General government	1,958,753	2,154,096	-	-	1,958,753	2,154,096
Security of persons and property:						
Police	3,269,935	3,271,884	-	-	3,269,935	3,271,884
Fire	623,594	750,783	-	-	623,594	750,783
Public health and welfare	1,537,536	1,567,495	-	-	1,537,536	1,567,495
Transportation	2,420,679	2,629,812	-	-	2,420,679	2,629,812
Community environment	456,226	503,388	-	-	456,226	503,388
Leisure time activities	903,568	909,636	-	-	903,568	909,636
Basic utility services	406,544	401,269	-	-	406,544	401,269
Economic development	207,434	4,100,754	-	-	207,434	4,100,754
Interest and fiscal charges	20,525	22,707	-	-	20,525	22,707
Water	-	-	5,176,387	5,660,450	5,176,387	5,660,450
Sewer	-	-	2,256,669	2,017,112	2,256,669	2,017,112
Garbage	-	-	879,774	974,743	879,774	974,743
Total expenses	<u>11,804,794</u>	<u>16,311,824</u>	<u>8,312,830</u>	<u>8,652,305</u>	<u>20,117,624</u>	<u>24,964,129</u>
Excess (deficiency) before transfers	278,495	(511,718)	1,539,273	447,458	1,817,768	(64,260)
Transfers	<u>15,078</u>	<u>(147,331)</u>	<u>(15,078)</u>	<u>147,331</u>	<u>-</u>	<u>-</u>
Change in net assets	293,573	(659,049)	1,524,195	594,789	1,817,768	(64,260)
Net assets at beginning of year	<u>33,605,686</u>	<u>34,264,735</u>	<u>29,878,047</u>	<u>29,283,258</u>	<u>63,483,733</u>	<u>63,547,993</u>
Net assets at end of year	<u>\$ 33,899,259</u>	<u>\$ 33,605,686</u>	<u>\$ 31,402,242</u>	<u>\$ 29,878,047</u>	<u>\$ 65,301,501</u>	<u>\$ 63,483,733</u>

*Governmental Activities*

Governmental activities net assets increased \$293,573 in 2010.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$3,893,529 of the total expenses of the City. These expenses were partially funded by \$15,316 in direct charges to users of the services. General government expenses totaled \$1,958,753. General government expenses were partially funded by \$306,383 in direct charges to users of the services. The largest decrease was in the area of economic development which decreased \$3,893,320. This decrease is the result of the expenses relating to the Hoover district improvements that occurred in 2009.

The State and federal government contributed to the City a total of \$985,241 in operating grants and contributions and \$762,392 in capital grants and contributions. Operating grants and contributions decreased \$4,349,596 due to a grant received in 2009 from the State for the Hoover district improvements. All of the \$762,392 in capital grants and contributions subsidized transportation programs.

General revenues totaled \$8,993,192, and amounted to 74.43% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$7,337,743, an increase of \$164,411 from 2009 amounts. This increase can be attributed to a slight increase in income taxes collected by the City. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government, local government revenue assistance, homestead and rollback, making up \$1,606,528. Investment earnings decreased \$12,154 due to lower interest rates earned on investments.

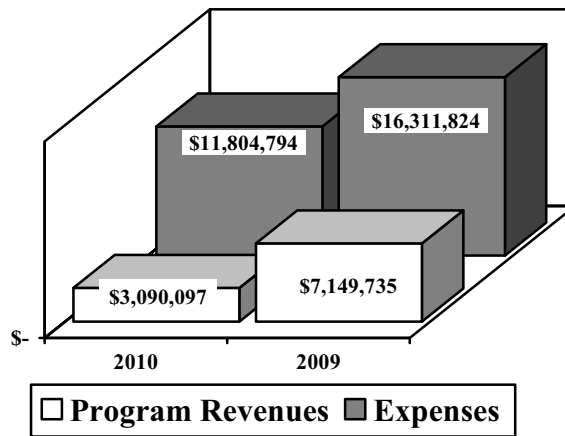


**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(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**



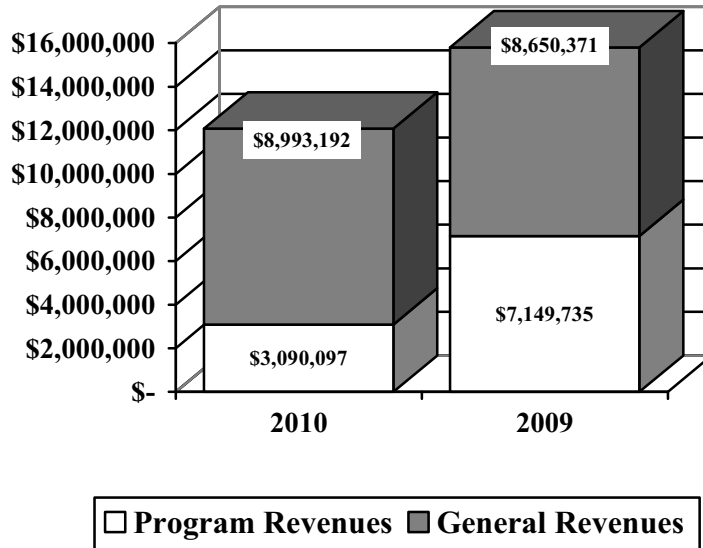
	Governmental Activities			
	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
Program Expenses:				
General government	\$ 1,958,753	\$ 1,652,364	\$ 2,154,096	\$ 1,792,330
Security of persons and property:				
Police	3,269,935	3,254,959	3,271,884	3,246,464
Fire	623,594	623,248	750,783	750,494
Public health and welfare	1,537,536	1,028,823	1,567,495	1,147,586
Transportation	2,420,679	753,264	2,629,812	1,456,008
Community environment	456,226	278,081	503,388	310,364
Leisure time activities	903,568	519,450	909,636	579,946
Economic development	207,434	207,434	4,100,754	(96,655)
Basic utility services	406,544	376,549	401,269	(47,155)
Interest and fiscal charges	20,525	20,525	22,707	22,707
<b>Total Expenses</b>	<b>\$ 11,804,794</b>	<b>\$ 8,714,697</b>	<b>\$ 16,311,824</b>	<b>\$ 9,162,089</b>

The dependence upon general revenues for governmental activities is apparent, with 73.82% of expenses supported through taxes and other general revenues in 2010 and 56.17% in 2009.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

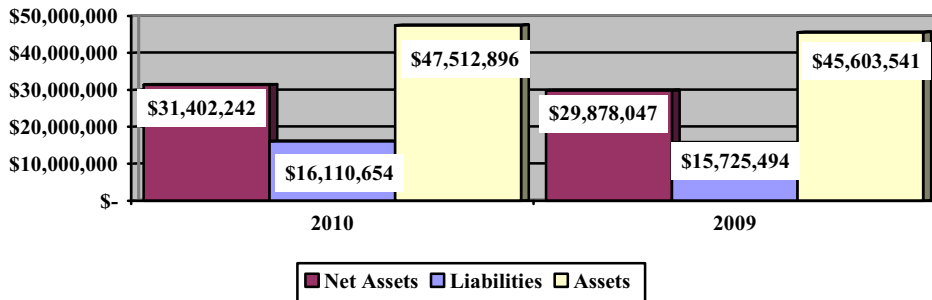
**Governmental Activities – General and Program Revenues**



**Business-Type Activities**

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$9,792,732 and expenses of \$8,312,830 for 2010. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

**Net Assets in Business - Type Activities**



**Governmental Funds**

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

The City's governmental funds (as presented on the Balance Sheet on page 34) reported a combined fund balance of \$5,053,898 which is \$921,530 higher than last year's total of \$4,132,368. The schedule on the next page indicates the fund balances and the total change in fund balances as of December 31, 2010 for all major and nonmajor governmental funds.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

	Fund Balances 12/31/10	Fund Balances 12/31/09	Increase/ (Decrease)
Major Funds:			
General	\$ 1,451,449	\$ 2,307,970	\$ (856,521)
Emergency Medical Services Levy	98,205	133,216	(35,011)
Capital Improvements	1,557,385	724,224	833,161
Other Nonmajor Governmental Funds	<u>1,946,859</u>	<u>966,958</u>	<u>979,901</u>
Total	<u>\$ 5,053,898</u>	<u>\$ 4,132,368</u>	<u>\$ 921,530</u>

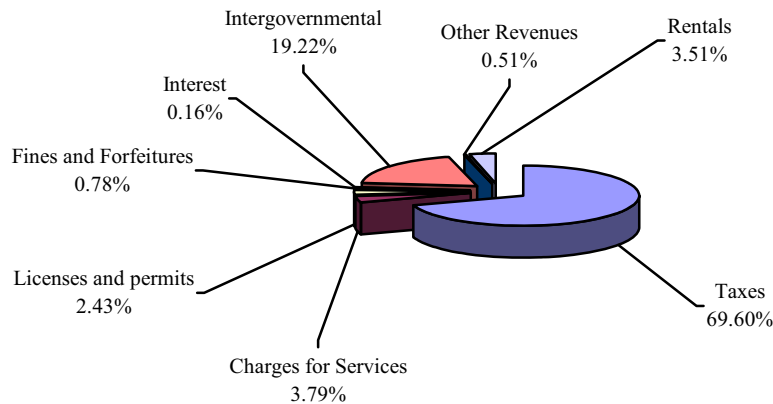
**General Fund**

The City's general fund balance decreased \$856,521. The table that follows assists in illustrating the revenues of the general fund.

	2010 Amount	2009 Amount	Increase/ (Decrease)	Percentage Change
Revenues				
Taxes	\$ 5,100,461	\$ 5,134,260	\$ (33,799)	(0.66) %
Charges for services	277,969	237,330	40,639	17.12 %
Licenses and permits	178,145	193,024	(14,879)	(7.71) %
Fines and forfeitures	57,157	82,079	(24,922)	(30.36) %
Intergovernmental	1,408,241	1,599,277	(191,036)	(11.95) %
Interest	11,782	28,898	(17,116)	(59.23) %
Rentals	257,595	277,537	(19,942)	(7.19) %
Other	<u>37,139</u>	<u>34,808</u>	<u>2,331</u>	6.70 %
Total	<u>\$ 7,328,489</u>	<u>\$ 7,587,213</u>	<u>\$ (258,724)</u>	(3.41) %

Revenues of the general fund decreased \$258,724 or 3.41%. Tax revenues decreased \$33,799 or 0.66%. The most significant decrease was in the area of intergovernmental revenues. Intergovernmental revenues decreased \$191,036 due mainly to a decrease in estate tax receipts. Interest decreased \$17,116 from 2009. This is due mainly to decreased interest rates earned on investments during 2010. All other major revenue remained comparable to 2009.

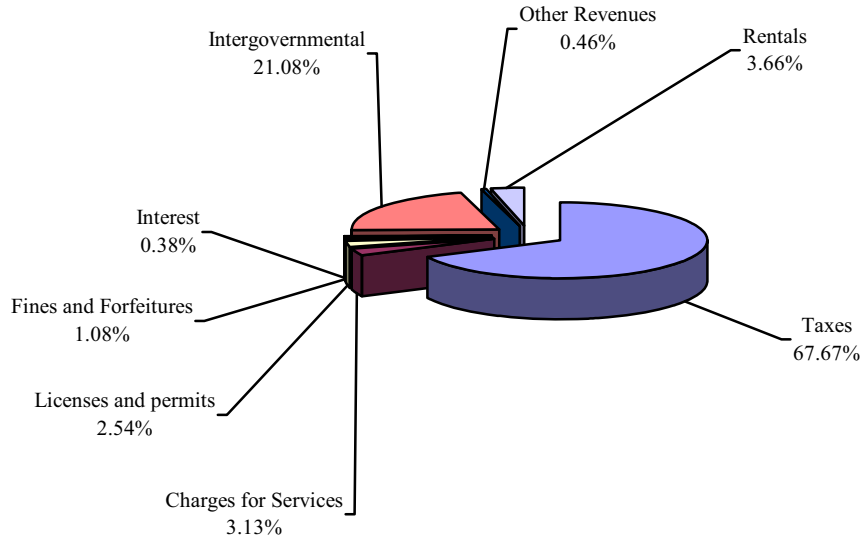
**Revenues – 2010**



**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

**Revenues – 2009**



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

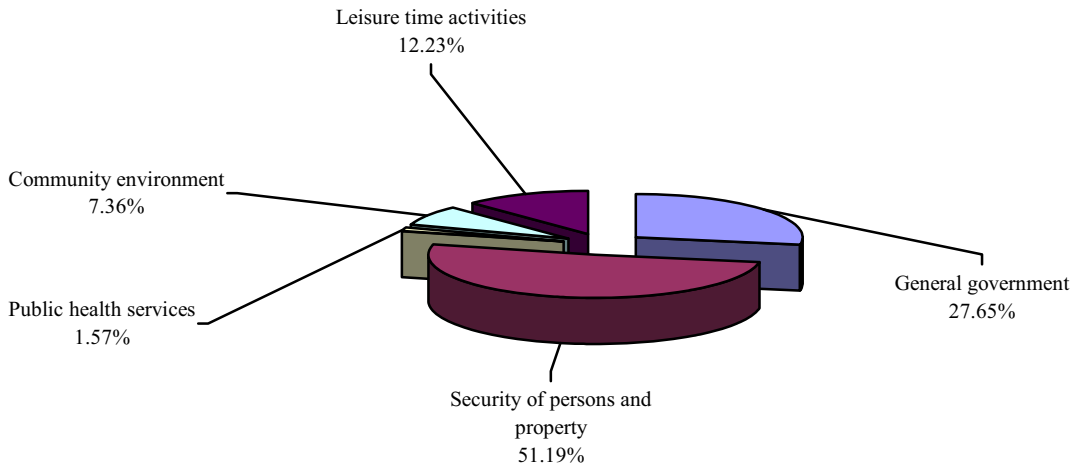
	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
General government	\$ 1,740,772	\$ 1,887,908	\$ (147,136)	(7.79) %
Security of persons and property:				
Police	3,222,532	3,092,918	129,614	4.19 %
Public health and welfare	99,079	96,050	3,029	3.15 %
Community environment	463,094	455,515	7,579	1.66 %
Leisure time activities	<u>769,942</u>	<u>816,908</u>	<u>(46,966)</u>	(5.75) %
<b>Total</b>	<u>\$ 6,295,419</u>	<u>\$ 6,349,299</u>	<u>\$ (53,880)</u>	(0.85) %

Expenditures of the general fund decreased \$53,880 or 0.85%. The most significant decreases were in the areas of general government and leisure time activities. The decrease of \$147,136 in general government is the result of decreased spending in the following departments: administration, law and income tax. The decrease in leisure time activities is mainly due to a decrease in spending at the civic center.

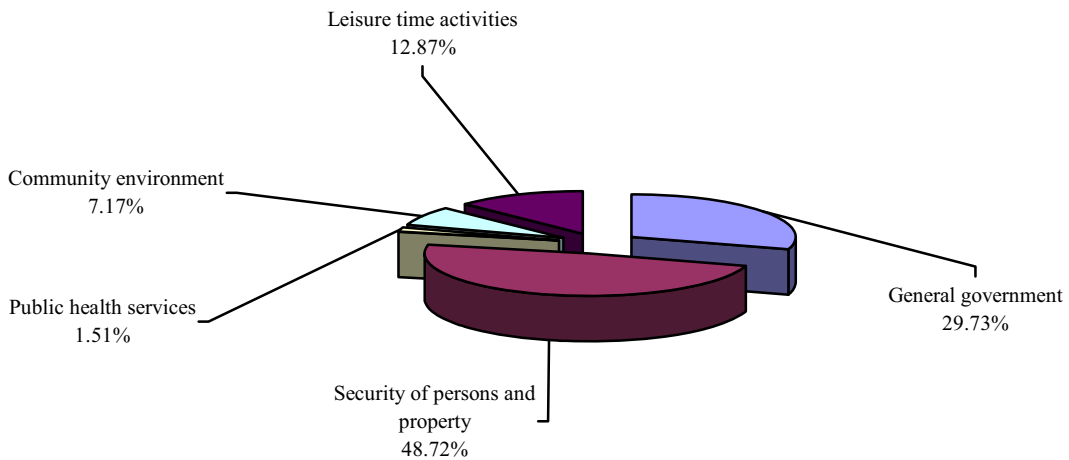
**CITY OF NORTH CANTON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)**

**Expenditures – 2010**



**Expenditures – 2009**



***Emergency Medical Services Levy***

The emergency medical services levy fund had \$1,345,122 in revenues and other financing sources. The emergency medical services levy fund had expenditures and other financing uses of \$1,380,133. The fund balance of the emergency medical services levy fund decreased \$35,011 during 2010. The primary reasons for the decrease are due to higher personal service costs and a decrease of \$175,000 in transfers received from the general fund.

***Capital Improvements Fund***

The capital improvements major fund had \$2,029,350 in revenues and other financing sources and \$1,196,189 in expenditures in 2010. The fund balance for the capital improvements fund increased \$833,161 or 115.04%, from \$724,224 in 2009 to \$1,557,385 in 2010. The primary reason for the increase in fund balance is due to lower capital expenditures in 2010 compared to 2009.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

**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 \$7,887,882 were lower than the final budget amount by \$883,425. This decrease is due to lower anticipated note proceeds as well as a decrease in advances in. Actual expenditures and other financing uses of \$9,235,078 were lower than the final budget amount of \$10,474,928. Budgeted revenues and other financing sources were increased \$1,120,000 from the original to the final budget. This variance resulted from bond anticipation notes being budgeted to be issued but did not actually occur during 2010. Budgeted expenditures and other financing uses were increased \$913,707 from the original to the final budget. The most significant increases were in the areas of security of persons and property, transfers out and advances out. The increase in security of persons and property resulted from higher than expected personal service costs and the increase in transfers out and advances out were due to items that were not anticipated in the original budget.

**Proprietary Funds**

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

The City's business-type funds (as presented on the Statement of Net Assets on page 40) reported a combined net assets of \$31,282,009, which is \$1,402,658 above last year's total of \$29,879,351.

The schedule below indicates the net assets and the total change in net assets as of December 31, 2010 and December 31, 2009 for all major business-type funds.

	<u>Net Assets</u> <u>12/31/10</u>	<u>Net Assets</u> <u>12/31/09</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
Water	\$ 22,935,954	\$ 22,073,032	\$ 862,922
Sewer	8,172,070	7,609,585	562,485
Garbage	<u>173,985</u>	<u>196,734</u>	<u>(22,749)</u>
Total	<u>\$ 31,282,009</u>	<u>\$ 29,879,351</u>	<u>\$ 1,402,658</u>

**Water Fund**

The water fund had \$5,948,192 in operating revenues and \$4,742,091 in operating expenses during 2010. The water fund also had \$533,179 in nonoperating expenses \$240,000 in capital contributions and \$50,000 in transfers out. The net assets of the water fund increased \$862,922 or 3.91% from \$22,073,032 to \$22,935,954. This increase is primarily the result of slightly increased operating revenues from customers, capital contributions and a decrease in operating expenses.

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

***Sewer Fund***

The sewer fund had \$2,440,683 in operating revenues and \$2,265,259 in operating expenses during 2010. The sewer fund also had \$7,381 in nonoperating expenses, \$409,442 in capital contributions and \$15,000 in transfers out. The net assets of the sewer fund increased \$562,485 or 7.39% from \$7,609,585 to \$8,172,070. This increase is the result of an increase in capital contributions from the Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC).

***Garbage Fund***

The garbage fund had \$811,940 in operating revenues and \$886,457 in operating expenses in 2010. The garbage fund also had non-operating revenues of \$51,768. The net assets of the garbage fund decreased \$22,749 or 11.56% from \$196,734 to \$173,985. This decrease is due to operating expenses exceeding charges for services and nonoperating revenues.

**Capital Assets and Debt Administration**

***Capital Assets***

At December 31, 2010, the City had \$70,191,237 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software and infrastructure. Of this total, \$29,054,529 was reported in governmental activities and \$41,136,708 was reported in business-type activities. See Note 10 in the basic financial statements for additional capital asset disclosure. The following table shows December 31, 2010 balances compared to December 31, 2009:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 5,117,189	\$ 5,117,189	\$ 1,023,702	\$ 1,023,702	\$ 6,140,891	\$ 6,140,891
Easements and right of ways	89,346	77,946	-	-	89,346	77,946
Construction in progress	1,642,237	2,172,397	344,684	729,498	1,986,921	2,901,895
Land improvements	537,484	583,229	455,328	469,890	992,812	1,053,119
Buildings	2,810,374	2,884,551	10,936,824	11,443,975	13,747,198	14,328,526
Equipment	2,173,841	2,164,108	2,779,256	3,140,828	4,953,097	5,304,936
Software	-	-	-	-	-	-
Infrastructure	<u>16,684,058</u>	<u>15,997,060</u>	<u>25,596,914</u>	<u>23,541,333</u>	<u>42,280,972</u>	<u>39,538,393</u>
<b>Totals</b>	<b><u>\$29,054,529</u></b>	<b><u>\$28,996,480</u></b>	<b><u>\$41,136,708</u></b>	<b><u>\$40,349,226</u></b>	<b><u>\$70,191,237</u></b>	<b><u>\$69,345,706</u></b>

**CITY OF NORTH CANTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)

***Debt***

The City had the following long-term obligations outstanding at December 31, 2010 and 2009:

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
Capital leases	\$ 370,977	\$ 398,126
	Business-type Activities <u>2010</u>	Business-type Activities <u>2009</u>
OWDA loans	\$ 9,255,783	\$ 9,686,773
OPWC loans	1,448,320	1,323,932
General obligation bonds	<u>3,815,000</u>	<u>3,985,000</u>
Total business-type activities long-term obligations	<u>\$ 14,519,103</u>	<u>\$ 14,995,705</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**

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

Techtronic Industries Company Limited (TTI), the company that purchased the Hoover Company in 2007, did agree to abide by the labor union's contract which guaranteed jobs through June of 2008. The Hoover company facility was sold to a real estate development company in January of 2008. During 2009, the site was redeveloped for warehousing, manufacturing, office space, limited retail and some residential housing units. It is anticipated in 2011 that the road and street infrastructure which surround the site will be upgraded and widened.

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



## CITY OF NORTH CANTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

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

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

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

The City of North Canton has committed itself to financial excellence. The City is preparing its twenty-third Comprehensive Annual Financial Report. We will be submitting our 2010 CAFR for the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting.

#### **Requests for Information**

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

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**CITY OF NORTH CANTON, OHIO**

STATEMENT OF NET ASSETS  
DECEMBER 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 5,231,486	\$ 4,676,086	\$ 9,907,572	\$ -
Cash and cash equivalents:				
In segregated accounts . . . . .	33,701	-	33,701	-
With fiscal agents . . . . .	-	-	-	190,337
With escrow agent . . . . .	757,000	-	757,000	-
Receivables:				
Property taxes . . . . .	2,545,772	-	2,545,772	-
Municipal income taxes . . . . .	1,275,525	-	1,275,525	-
Accounts . . . . .	72,210	1,080,212	1,152,422	-
Intergovernmental . . . . .	1,435,843	21,479	1,457,322	757,000
Special assessments . . . . .	6,778	107,728	114,506	-
Internal balances . . . . .	(120,233)	120,233	-	-
Materials and supplies inventory . . . . .	71,186	171,986	243,172	-
Prepayments . . . . .	32,743	10,809	43,552	-
Deferred charges . . . . .	-	187,655	187,655	-
Capital assets:				
Nondepreciable capital assets . . . . .	6,848,772	1,368,386	8,217,158	71,439
Depreciable capital assets, net . . . . .	22,205,757	39,768,322	61,974,079	452,740
Total capital assets, net . . . . .	29,054,529	41,136,708	70,191,237	524,179
<b>Total assets . . . . .</b>	<b>40,396,540</b>	<b>47,512,896</b>	<b>87,909,436</b>	<b>1,471,516</b>
<b>Liabilities:</b>				
Accounts payable . . . . .	116,096	89,673	205,769	-
Contracts payable . . . . .	1,081,951	155,047	1,236,998	-
Accrued wages and benefits . . . . .	173,582	53,191	226,773	-
Intergovernmental payable . . . . .	329,113	149,409	478,522	-
Unearned revenue . . . . .	2,446,262	-	2,446,262	757,000
Accrued interest payable . . . . .	6,103	181,445	187,548	-
Claims payable . . . . .	72,599	-	72,599	-
Long-term liabilities:				
Due within one year . . . . .	349,423	1,690,321	2,039,744	-
Due in more than one year . . . . .	1,922,152	13,791,568	15,713,720	-
<b>Total liabilities . . . . .</b>	<b>6,497,281</b>	<b>16,110,654</b>	<b>22,607,935</b>	<b>757,000</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt . . . . .	28,683,552	25,702,605	54,386,157	524,179
Restricted for:				
Capital projects . . . . .	1,843,983	-	1,843,983	-
Street construction, maintenance and repair . . . . .	1,134,308	-	1,134,308	-
Emergency medical services . . . . .	190,534	-	190,534	-
Fire operating levy . . . . .	133,317	-	133,317	-
Computer systems . . . . .	22,113	-	22,113	-
Storm sewer . . . . .	535,073	-	535,073	-
Donations for supplies . . . . .	16,830	-	16,830	-
Other purposes . . . . .	27,933	-	27,933	-
Unrestricted . . . . .	1,311,616	5,699,637	7,011,253	190,337
<b>Total net assets . . . . .</b>	<b>\$ 33,899,259</b>	<b>\$ 31,402,242</b>	<b>\$ 65,301,501</b>	<b>\$ 714,516</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Program Revenues</b>			
<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental activities:</b>				
General government. . . . .	\$ 1,958,753	\$ 306,383	\$ 6	\$ -
Security of persons and property:				
Police . . . . .	3,269,935	14,976	-	-
Fire . . . . .	623,594	340	6	-
Public health and welfare . . . . .	1,537,536	458,502	50,211	-
Transportation. . . . .	2,420,679	-	905,023	762,392
Community environment . . . . .	456,226	178,145	-	-
Leisure time activities. . . . .	903,568	384,118	-	-
Economic development . . . . .	207,434	-	-	-
Basic utility services . . . . .	406,544	-	29,995	-
Interest and fiscal charges. . . . .	20,525	-	-	-
Total governmental activities . . . . .	11,804,794	1,342,464	985,241	762,392
<b>Business-type activities:</b>				
Water . . . . .	5,176,387	5,898,393	-	240,000
Sewer . . . . .	2,256,669	2,431,111	-	359,520
Garbage . . . . .	879,774	811,940	51,768	-
Total business-type activities . . . . .	8,312,830	9,141,444	51,768	599,520
Total primary government . . . . .	\$ 20,117,624	\$ 10,483,908	\$ 1,037,009	\$ 1,361,912
<b>Component Unit:</b>				
North Canton Community Improvement Corporation	\$ 15,520	\$ -	\$ 100,000	\$ -

**General revenues:**

Property taxes levied for:

- General purposes . . . . .
  - Fire operating levy . . . . .
  - Emergency medical services levy. . . . .
  - Storm sewer levy . . . . .
  - Street levy. . . . .
- Income taxes levied for:
- General purposes . . . . .
  - Capital improvement . . . . .
- Grants and entitlements not restricted  
to specific programs. . . . .
- Investment earnings . . . . .
  - Other . . . . .

Total general revenues . . . . .

Transfers . . . . .

Total general revenues and transfers . . . . .

Change in net assets . . . . .

**Net assets at beginning of year. . . . .**

**Net assets at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Net (Expense) Revenue and Changes in Net Assets</b>			<b>Component Unit North Canton Community Improvement Corporation</b>
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
\$ (1,652,364)	\$ -	\$ (1,652,364)	\$ -
(3,254,959)	-	(3,254,959)	-
(623,248)	-	(623,248)	-
(1,028,823)	-	(1,028,823)	-
(753,264)	-	(753,264)	-
(278,081)	-	(278,081)	-
(519,450)	-	(519,450)	-
(207,434)	-	(207,434)	-
(376,549)	-	(376,549)	-
(20,525)	-	(20,525)	-
<u>(8,714,697)</u>	<u>-</u>	<u>(8,714,697)</u>	<u>-</u>
-	962,006	962,006	-
-	533,962	533,962	-
-	(16,066)	(16,066)	-
<u>-</u>	<u>1,479,902</u>	<u>1,479,902</u>	<u>-</u>
<u>(8,714,697)</u>	<u>1,479,902</u>	<u>(7,234,795)</u>	<u>-</u>
-	-	-	84,480
782,658	-	782,658	-
84,225	-	84,225	-
159,739	-	159,739	-
327,430	-	327,430	-
366,943	-	366,943	-
4,342,052	-	4,342,052	-
1,274,696	-	1,274,696	-
1,606,528	-	1,606,528	-
11,782	-	11,782	180
37,139	59,371	96,510	-
<u>8,993,192</u>	<u>59,371</u>	<u>9,052,563</u>	<u>180</u>
<u>15,078</u>	<u>(15,078)</u>	<u>-</u>	<u>-</u>
<u>9,008,270</u>	<u>44,293</u>	<u>9,052,563</u>	<u>180</u>
293,573	1,524,195	1,817,768	84,660
<u>33,605,686</u>	<u>29,878,047</u>	<u>63,483,733</u>	<u>629,856</u>
<u>\$ 33,899,259</u>	<u>\$ 31,402,242</u>	<u>\$ 65,301,501</u>	<u>\$ 714,516</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments . . . . .	\$ 229,181	\$ 155,134	\$ 1,636,377	\$ 2,605,305	\$ 4,625,997
Cash and cash equivalents:					
In segregated accounts . . . . .	-	-	-	33,701	33,701
With escrow agent . . . . .	757,000	-	-	-	757,000
Receivables:					
Property taxes . . . . .	921,635	750,473	-	873,664	2,545,772
Municipal income taxes . . . . .	1,020,420	-	255,105	-	1,275,525
Accounts . . . . .	-	72,210	-	-	72,210
Intergovernmental . . . . .	450,470	46,888	-	938,485	1,435,843
Special assessments . . . . .	6,778	-	-	-	6,778
Interfund loans . . . . .	163,000	-	-	-	163,000
Materials and supplies inventory . . . . .	4,659	6,782	-	59,745	71,186
Prepayments . . . . .	12,238	5,387	-	15,118	32,743
Total assets . . . . .	<u>\$ 3,565,381</u>	<u>\$ 1,036,874</u>	<u>\$ 1,891,482</u>	<u>\$ 4,526,018</u>	<u>\$ 11,019,755</u>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 24,107	\$ 7,094	\$ -	\$ 84,895	\$ 116,096
Contracts payable . . . . .	-	-	223,369	858,582	1,081,951
Accrued wages and benefits . . . . .	110,808	28,438	-	34,336	173,582
Compensated absences payable . . . . .	-	-	-	36,323	36,323
Intergovernmental payable . . . . .	211,048	79,363	-	38,702	329,113
Interfund loans payable . . . . .	-	-	-	163,000	163,000
Deferred revenue . . . . .	892,197	92,329	110,728	524,276	1,619,530
Unearned revenue . . . . .	875,772	731,445	-	839,045	2,446,262
Total liabilities . . . . .	<u>2,113,932</u>	<u>938,669</u>	<u>334,097</u>	<u>2,579,159</u>	<u>5,965,857</u>
<b>Fund balances:</b>					
Reserved for encumbrances . . . . .	89,594	1,083	595,240	1,509,366	2,195,283
Reserved for materials and supplies inventory . . . . .	4,659	6,782	-	59,745	71,186
Reserved for prepayments . . . . .	12,238	5,387	-	15,118	32,743
Unreserved, designated for:					
CIC . . . . .	757,000	-	-	-	757,000
Unreserved, undesignated (deficit), reported in:					
General fund . . . . .	587,958	-	-	-	587,958
Special revenue funds . . . . .	-	84,953	-	1,581,000	1,665,953
Capital projects funds . . . . .	-	-	962,145	(1,218,370)	(256,225)
Total fund balances . . . . .	<u>1,451,449</u>	<u>98,205</u>	<u>1,557,385</u>	<u>1,946,859</u>	<u>5,053,898</u>
Total liabilities and fund balances . . . . .	<u>\$ 3,565,381</u>	<u>\$ 1,036,874</u>	<u>\$ 1,891,482</u>	<u>\$ 4,526,018</u>	<u>\$ 11,019,755</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2010

<b>Total governmental fund balances</b>		\$ 5,053,898
<i>Amounts reported for governmental activities on the Statement of Net Assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		29,054,529
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable	\$ 99,510	
Municipal income taxes receivable	553,640	
Accounts receivable	26,413	
Intergovernmental receivable	933,189	
Special assessments receivable	6,778	
Total	1,619,530	1,619,530
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,800,561)	
Pollution remediation obligation	(63,714)	
Capital lease obligations	(370,977)	
Total	(2,235,252)	(2,235,252)
On the Statement of Net Assets interest is accrued on capital leases whereas in governmental funds, interest is accrued when due.		(6,103)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Assets.		532,890
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(120,233)
<b>Net assets of governmental activities</b>		<b>\$ 33,899,259</b>

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, 2010

	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Property taxes . . . . .	\$ 767,386	\$ 146,970	\$ -	\$ 772,121	\$ 1,686,477
Municipal income taxes . . . . .	4,333,075	-	1,272,452	-	5,605,527
Charges for services . . . . .	277,969	469,941	-	340	748,250
Licenses and permits . . . . .	178,145	-	-	-	178,145
Fines and forfeitures . . . . .	57,157	-	-	110,945	168,102
Intergovernmental . . . . .	1,408,241	52,811	90,896	2,637,286	4,189,234
Interest . . . . .	11,782	-	-	6	11,788
Rentals . . . . .	257,595	-	-	-	257,595
Contributions and donations . . . . .	50	400	51,842	-	52,292
Other . . . . .	37,089	-	-	7,096	44,185
<b>Total revenues . . . . .</b>	<u>7,328,489</u>	<u>670,122</u>	<u>1,415,190</u>	<u>3,527,794</u>	<u>12,941,595</u>
<b>Expenditures:</b>					
Current:					
General government . . . . .	1,740,772	-	-	100,413	1,841,185
Security of persons and property:					
Police . . . . .	3,222,532	-	-	60,502	3,283,034
Fire . . . . .	-	-	-	577,900	577,900
Public health and welfare . . . . .	99,079	1,375,133	-	-	1,474,212
Community environment . . . . .	463,094	-	-	-	463,094
Transportation . . . . .	-	-	-	1,494,494	1,494,494
Leisure time activities . . . . .	769,942	-	-	11,754	781,696
Basic utility services . . . . .	-	-	-	432,980	432,980
Economic development . . . . .	-	-	-	207,434	207,434
Capital outlay . . . . .	-	-	893,512	629,566	1,523,078
Debt service:					
Principal retirement . . . . .	-	-	282,274	-	282,274
Interest and fiscal charges . . . . .	-	-	20,403	-	20,403
<b>Total expenditures . . . . .</b>	<u>6,295,419</u>	<u>1,375,133</u>	<u>1,196,189</u>	<u>3,515,043</u>	<u>12,381,784</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>1,033,070</u>	<u>(705,011)</u>	<u>219,001</u>	<u>12,751</u>	<u>559,811</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets . . . . .	16,444	-	-	25,150	41,594
Capital lease transaction . . . . .	-	-	255,125	-	255,125
Transfers in . . . . .	-	675,000	359,035	959,000	1,993,035
Transfers (out) . . . . .	(1,906,035)	(5,000)	-	(17,000)	(1,928,035)
<b>Total other financing sources (uses) . . . . .</b>	<u>(1,889,591)</u>	<u>670,000</u>	<u>614,160</u>	<u>967,150</u>	<u>361,719</u>
Net change in fund balances . . . . .	(856,521)	(35,011)	833,161	979,901	921,530
<b>Fund balances at beginning of year . . . . .</b>	<u>2,307,970</u>	<u>133,216</u>	<u>724,224</u>	<u>966,958</u>	<u>4,132,368</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,451,449</u>	<u>\$ 98,205</u>	<u>\$ 1,557,385</u>	<u>\$ 1,946,859</u>	<u>\$ 5,053,898</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, 2010

<b>Net change in fund balances - total governmental funds</b>	\$	921,530
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Capital asset additions	\$ 1,923,064	
Current year depreciation	(1,859,864)	
Total	63,200	63,200
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		
		(5,151)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	34,518	
Municipal income taxes	11,221	
Charges for services	(11,439)	
Intergovernmental	(894,417)	
Special assessments	1,811	
Total	(858,306)	(858,306)
Proceeds of capital leases are reported as other financing sources in the governmental funds, however, in the Statement of Activities, they are not reported as revenues as they increase the liabilities on the Statement of Net Assets.		
		(255,125)
Repayment of capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Assets.		
		282,274
In the Statement of Activities, interest is accrued on capital leases, whereas in governmental funds, an interest expenditure is reported when due.		
		(122)
Some expenses reported in the Statement of Activities, such as compensated absences and pollution remediation obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(23,665)
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.		
		168,938
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b>293,573</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 851,528	\$ 800,000	\$ 767,386	\$ (32,614)
Municipal income taxes . . . . .	4,497,133	4,225,000	4,143,269	(81,731)
Charges for services. . . . .	259,184	243,500	277,969	34,469
Licenses and permits . . . . .	127,729	120,000	178,145	58,145
Fines and forfeitures . . . . .	59,607	56,000	57,157	1,157
Intergovernmental. . . . .	1,529,884	1,437,307	1,404,959	(32,348)
Interest . . . . .	63,865	60,000	47,819	(12,181)
Rentals . . . . .	256,523	241,000	257,595	16,595
Contributions and donations. . . . .	-	-	50	50
Other . . . . .	5,854	5,500	37,089	31,589
<b>Total revenues . . . . .</b>	<u>7,651,307</u>	<u>7,188,307</u>	<u>7,171,438</u>	<u>(16,869)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	2,034,621	1,967,994	1,735,053	232,941
Security of persons and property:				
Police . . . . .	3,258,386	3,625,416	3,196,299	429,117
Public health and welfare. . . . .	100,500	112,381	99,079	13,302
Community environment . . . . .	590,908	577,038	508,738	68,300
Leisure time activities . . . . .	820,771	893,250	787,524	105,726
Debt service:				
Principal retirement. . . . .	800,000	907,404	800,000	107,404
Interest and fiscal charges . . . . .	50,000	44,633	39,350	5,283
<b>Total expenditures . . . . .</b>	<u>7,655,186</u>	<u>8,128,116</u>	<u>7,166,043</u>	<u>962,073</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(3,879)</u>	<u>(939,809)</u>	<u>5,395</u>	<u>945,204</u>
<b>Other financing sources (uses):</b>				
Note issuance . . . . .	-	1,420,000	700,000	(720,000)
Sale of capital assets. . . . .	-	-	16,444	16,444
Advances in . . . . .	-	163,000	-	(163,000)
Advances out . . . . .	-	(184,883)	(163,000)	21,883
Transfers out. . . . .	(1,906,035)	(2,161,929)	(1,906,035)	255,894
<b>Total other financing sources (uses) . . . . .</b>	<u>(1,906,035)</u>	<u>(763,812)</u>	<u>(1,352,591)</u>	<u>(588,779)</u>
Net change in fund balances . . . . .	(1,909,914)	(1,703,621)	(1,347,196)	356,425
<b>Fund balances at beginning of year . . . . .</b>	2,826,244	2,826,244	2,826,244	-
<b>Prior year encumbrances appropriated . . . . .</b>	87,912	87,912	87,912	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,004,242</u>	<u>\$ 1,210,535</u>	<u>\$ 1,566,960</u>	<u>\$ 356,425</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, 2010

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 151,500	\$ 151,500	\$ 146,970	\$ (4,530)
Charges for services. . . . .	323,000	353,000	461,015	108,015
Intergovernmental. . . . .	34,000	34,000	52,811	18,811
Contributions and donations. . . . .	-	-	400	400
Total revenues . . . . .	<u>508,500</u>	<u>538,500</u>	<u>661,196</u>	<u>122,696</u>
<b>Expenditures:</b>				
Current:				
Public health and welfare. . . . .	1,367,450	1,378,450	1,380,597	(2,147)
Total expenditures . . . . .	<u>1,367,450</u>	<u>1,378,450</u>	<u>1,380,597</u>	<u>(2,147)</u>
Excess of expenditures over revenues . . . . .	<u>(858,950)</u>	<u>(839,950)</u>	<u>(719,401)</u>	<u>120,549</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	675,000	675,000	675,000	-
Transfers out. . . . .	(16,000)	(5,000)	(5,000)	-
Total other financing sources (uses) . . . . .	<u>659,000</u>	<u>670,000</u>	<u>670,000</u>	<u>-</u>
Net change in fund balances . . . . .	(199,950)	(169,950)	(49,401)	120,549
<b>Fund balances at beginning of year . . . . .</b>	198,842	198,842	198,842	-
<b>Prior year encumbrances appropriated . . . . .</b>	4,450	4,450	4,450	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,342</u>	<u>\$ 33,342</u>	<u>\$ 153,891</u>	<u>\$ 120,549</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2010

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Garbage</b>	<b>Total</b>	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and investments . . . . .	\$ 2,896,720	\$ 1,544,628	\$ 234,738	\$ 4,676,086	\$ 605,489
Receivables:					
Accounts . . . . .	851,639	222,983	5,590	1,080,212	-
Intergovernmental . . . . .	-	-	21,479	21,479	-
Special assessments . . . . .	7,971	99,757	-	107,728	-
Materials and supplies inventory . . . . .	104,173	67,813	-	171,986	-
Prepayments . . . . .	5,412	5,397	-	10,809	-
Total current assets . . . . .	<u>3,865,915</u>	<u>1,940,578</u>	<u>261,807</u>	<u>6,068,300</u>	<u>605,489</u>
Noncurrent assets:					
Deferred charges . . . . .	187,655	-	-	187,655	-
Capital assets:					
Nondepreciable capital assets . . . . .	1,154,426	213,960	-	1,368,386	-
Depreciable capital assets, net . . . . .	33,431,554	6,336,768	-	39,768,322	-
Total noncurrent assets . . . . .	<u>34,773,635</u>	<u>6,550,728</u>	<u>-</u>	<u>41,324,363</u>	<u>-</u>
Total assets . . . . .	<u>38,639,550</u>	<u>8,491,306</u>	<u>261,807</u>	<u>47,392,663</u>	<u>605,489</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	64,470	20,172	5,031	89,673	-
Contracts payable . . . . .	91,872	-	63,175	155,047	-
Accrued wages and benefits payable . . . . .	43,358	7,401	2,432	53,191	-
Intergovernmental payable . . . . .	46,104	102,050	1,255	149,409	-
Accrued interest payable . . . . .	177,787	3,658	-	181,445	-
Pollution remediation obligation . . . . .	15,929	15,928	15,929	47,786	-
Claims payable . . . . .	-	-	-	-	72,599
Current portion of general obligation bonds payable . . . . .	175,000	-	-	175,000	-
Current portion of OWDA loans payable . . . . .	487,520	-	-	487,520	-
Current portion of OPWC loans payable . . . . .	65,015	-	-	65,015	-
Current portion of bond anticipation notes payable . . . . .	915,000	-	-	915,000	-
Total current liabilities . . . . .	<u>2,082,055</u>	<u>149,209</u>	<u>87,822</u>	<u>2,319,086</u>	<u>72,599</u>
Long-term liabilities:					
General obligation bonds payable . . . . .	3,640,000	-	-	3,640,000	-
OWDA loans payable . . . . .	8,598,236	170,027	-	8,768,263	-
OPWC loans payable . . . . .	1,383,305	-	-	1,383,305	-
Total long-term liabilities . . . . .	<u>13,621,541</u>	<u>170,027</u>	<u>-</u>	<u>13,791,568</u>	<u>-</u>
Total liabilities . . . . .	<u>15,703,596</u>	<u>319,236</u>	<u>87,822</u>	<u>16,110,654</u>	<u>72,599</u>
<b>Net assets:</b>					
Invested in capital assets, net of related debt . . . . .	19,321,904	6,380,701	-	25,702,605	-
Unrestricted . . . . .	3,614,050	1,791,369	173,985	5,579,404	532,890
Total net assets . . . . .	<u>\$ 22,935,954</u>	<u>\$ 8,172,070</u>	<u>\$ 173,985</u>	<u>31,282,009</u>	<u>\$ 532,890</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>120,233</u>	
Net assets of business-type activities				<u>\$ 31,402,242</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	<u>Activities - Internal Service Fund</u>
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 5,863,127	\$ 2,388,789	\$ 811,940	\$ 9,063,856	\$ 1,286,692
Tap-in fees. . . . .	35,266	42,322	-	77,588	-
Other operating revenues . . . . .	49,799	9,572	-	59,371	-
Total operating revenues. . . . .	<u>5,948,192</u>	<u>2,440,683</u>	<u>811,940</u>	<u>9,200,815</u>	<u>1,286,692</u>
<b>Operating expenses:</b>					
Personal services . . . . .	1,556,487	324,618	94,029	1,975,134	-
Contract services. . . . .	940,713	1,626,372	758,927	3,326,012	207,895
Materials and supplies. . . . .	553,071	866	33,501	587,438	-
Claims expense . . . . .	-	-	-	-	788,322
Depreciation. . . . .	1,689,349	313,403	-	2,002,752	-
Other . . . . .	2,471	-	-	2,471	-
Total operating expenses. . . . .	<u>4,742,091</u>	<u>2,265,259</u>	<u>886,457</u>	<u>7,893,807</u>	<u>996,217</u>
Operating income (loss) . . . . .	<u>1,206,101</u>	<u>175,424</u>	<u>(74,517)</u>	<u>1,307,008</u>	<u>290,475</u>
<b>Nonoperating revenues (expenses):</b>					
Interest and fiscal charges . . . . .	(533,179)	(7,381)	-	(540,560)	-
Intergovernmental . . . . .	-	-	51,768	51,768	-
Total nonoperating revenues (expenses). . . . .	<u>(533,179)</u>	<u>(7,381)</u>	<u>51,768</u>	<u>(488,792)</u>	<u>-</u>
Income (loss) before contributions and transfers . . . . .	672,922	168,043	(22,749)	818,216	290,475
Transfer out . . . . .	(50,000)	(15,000)	-	(65,000)	-
Capital contributions. . . . .	240,000	409,442	-	649,442	-
Change in net assets . . . . .	862,922	562,485	(22,749)	1,402,658	290,475
<b>Net assets at beginning of year. . . . .</b>	<u>22,073,032</u>	<u>7,609,585</u>	<u>196,734</u>		<u>242,415</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 22,935,954</u>	<u>\$ 8,172,070</u>	<u>\$ 173,985</u>		<u>\$ 532,890</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				121,537	
Change in net assets of business-type activities				<u>\$ 1,524,195</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, 2010**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Garbage</b>	<b>Total</b>	<b>Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>					
Cash received from customers . . . . .	\$ 5,832,610	\$ 2,371,785	\$ 813,192	\$ 9,017,587	\$ -
Cash received from interfund services . . . . .	-	-	-	-	1,286,692
Cash received from tap-in fees . . . . .	35,266	42,322	-	77,588	-
Cash received from other operations . . . . .	49,799	9,572	-	59,371	-
Cash payments for personal services . . . . .	(1,544,152)	(325,707)	(94,192)	(1,964,051)	-
Cash payments for contractual services . . . . .	(891,769)	(1,521,709)	(759,639)	(3,173,117)	(207,895)
Cash payments for materials and supplies . . . . .	(549,733)	(13,355)	(33,501)	(596,589)	-
Cash payments for claims . . . . .	-	-	-	-	(780,818)
Cash payments for other expenses . . . . .	(2,471)	-	-	(2,471)	-
Net cash provided by (used in) operating activities . . . . .	2,929,550	562,908	(74,140)	3,418,318	297,979
<b>Cash flows from noncapital financing activities:</b>					
Transfer out to other funds . . . . .	(50,000)	(15,000)	-	(65,000)	-
Noncapital grants received . . . . .	-	-	45,914	45,914	-
Net cash provided by (used in) noncapital financing activities . . . . .	(50,000)	(15,000)	45,914	(19,086)	-
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets . . . . .	(2,367,981)	(566,491)	-	(2,934,472)	-
Capital grants received . . . . .	240,000	359,520	-	599,520	-
Bond anticipation note proceeds . . . . .	1,815,000	-	-	1,815,000	-
OWDA loan proceeds . . . . .	-	173,849	-	173,849	-
OPWC loan proceeds . . . . .	156,896	-	-	156,896	-
Principal payments - bonds . . . . .	(170,000)	-	-	(170,000)	-
Principal payments - bond anticipation notes . . . . .	(900,000)	-	-	(900,000)	-
Principal payments - OWDA loans . . . . .	(601,017)	(3,822)	-	(604,839)	-
Principal payments - OPWC loans . . . . .	(32,508)	-	-	(32,508)	-
Note issuance costs . . . . .	(20,136)	-	-	(20,136)	-
Premiums on notes issued . . . . .	10,197	-	-	10,197	-
Interest and fiscal charges - bonds . . . . .	(160,378)	-	-	(160,378)	-
Interest and fiscal charges - bond anticipation notes . . . . .	(15,201)	-	-	(15,201)	-
Interest and fiscal charges - OWDA loans . . . . .	(347,933)	(3,723)	-	(351,656)	-
Net cash used in capital and related financing activities . . . . .	(2,393,061)	(40,667)	-	(2,433,728)	-
Net increase (decrease) in cash and investments . . . . .	486,489	507,241	(28,226)	965,504	297,979
<b>Cash and investments at beginning of year . . . . .</b>	<b>2,410,231</b>	<b>1,037,387</b>	<b>262,964</b>	<b>3,710,582</b>	<b>307,510</b>
<b>Cash and investments at end of year . . . . .</b>	<b>\$ 2,896,720</b>	<b>\$ 1,544,628</b>	<b>\$ 234,738</b>	<b>\$ 4,676,086</b>	<b>\$ 605,489</b>

-- Continued

**CITY OF NORTH CANTON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ 1,206,101	\$ 175,424	\$ (74,517)	\$ 1,307,008	\$ 290,475
Adjustments:					
Depreciation. . . . .	1,689,349	313,403	-	2,002,752	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable . . . . .	(22,852)	(20,193)	1,252	(41,793)	-
(Increase) decrease in special assessments receivable . . . . .	(7,665)	3,189	-	(4,476)	-
(Increase) decrease in materials and supplies inventory. . . . .	15,431	(13,759)	-	1,672	-
(Increase) decrease in prepayments . . . . .	6,625	(3,542)	123	3,206	-
Increase (decrease) in accounts payable . . . . .	3,116	14,165	(64,010)	(46,729)	-
Increase in contracts payable . . . . .	27,110	-	63,175	90,285	-
Increase (decrease) in accrued wages and benefits . . . . .	4,780	(713)	20	4,087	-
Increase (decrease) in intergovernmental payable . . . . .	7,555	94,934	(183)	102,306	-
Increase in claims payable . . . . .	-	-	-	-	7,504
Net cash provided by (used in) operating activities . . . . .	<u>\$ 2,929,550</u>	<u>\$ 562,908</u>	<u>\$ (74,140)</u>	<u>\$ 3,418,318</u>	<u>\$ 297,979</u>

**Non-cash transactions:**

During 2010, the sewer fund received capital contributions of \$49,922 from governmental funds.

During 2010, the water fund purchased \$58,557 of capital assets on account.

During 2009, the water fund and sewer fund purchased \$250,408 and \$2,309, respectively of capital assets on account.

During 2010, the sewer fund received \$224,520 in OWDA loan proceeds and loan forgiveness payments through American Recovery and Reinvestment Act (ARRA) funds.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
DECEMBER 31, 2010

	<u>Agency</u>
<b>Assets:</b>	
Cash and cash equivalents in segregated accounts . . .	<u>\$ 82,042</u>
Total assets . . . . .	<u>\$ 82,042</u>
<b>Liabilities:</b>	
Deposits held and due to others . . . . .	<u>\$ 82,042</u>
Total liabilities. . . . .	<u>\$ 82,042</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, 2010

#### NOTE 1 - DESCRIPTION OF THE CITY

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

#### **Reporting Entity**

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

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

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

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

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

## CITY OF NORTH CANTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided it does not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB guidance issued after November 30, 1989 to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

##### **A. Basis of Presentation**

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

**B. Fund Accounting**

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

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

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

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

**Capital improvements capital projects fund** - The capital improvements capital projects fund accounts for various capital projects financed by the City income tax revenue.

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

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

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

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

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

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

**C. Measurement Focus**

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

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

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

**D. Basis of Accounting**

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, emergency medical service billings, interest and delinquent property taxes due at December 31, 2010, are recorded as deferred revenue on the governmental fund financial statements.

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

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

**E. Budgetary Process**

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

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

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

**F. Cash and Investments**

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

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

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

During 2010, investments were limited to Federal National Mortgage Association bonds, the State Treasury Asset Reserve of Ohio (STAR Ohio) and repurchase agreements.

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

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2010.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2010 amounted to \$11,782, which includes \$10,996 assigned from other City funds.

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

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

**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.

**I. Capital Assets**

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

**J. Interfund Balances**

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

**K. Compensated Absences**

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

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

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

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



**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

**M. Fund Balance Reserve and Designation**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditures. As a result, a fund balance reserve has been established for encumbrances, materials and supplies inventory and prepayments. Designations represent tentative plans for future use of financial resources. The general fund has funds designated for future payments to the Community Improvement Corporation totaling \$757,000.

**N. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Assets reports \$3,904,091 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include monies for law enforcement, education and mayor's court.

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

**O. Operating Revenues and Expenses**

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

**P. Contributions of Capital**

Contributions of capital in governmental activities and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, from grants or outside contributions of resources restricted to capital acquisition and construction, or from other funds within the City. The City's sewer fund received \$49,922 in capital contributions from governmental activities. The water fund and sewer fund also received \$240,000 and \$359,520, respectively, in grants restricted to construction projects.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

**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. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2010.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2010, the City has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. In accordance with the implementation of GASB Statement No. 51, the City has reported intangible assets on a separate line in Note 10 and has reflected intangible assets as indicated in the financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the City.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the City.

**B. Deficit Fund Balance**

Two fund balances at December 31, 2010, had fund deficits. The municipal road fund and the Hoover district improvements fund had deficits of \$143,384 and \$152,526, respectively, due to the recognition of expenditures on a modified accrual basis of accounting which were substantially greater than the expenditures recognized on a cash basis (municipal road fund) and the reporting of short-term interfund loans as a fund liability rather than as an other financing source (Hoover district improvements fund). The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

**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.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

**A. Cash in Segregated Accounts**

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

**B. Deposits with Financial Institutions**

At December 31, 2010, the carrying amount of all City deposits was \$690,789, exclusive of the \$1,080,000 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2010, \$509,553 of the City’s bank balance of \$848,813 was exposed to custodial risk as discussed below, while \$339,260 was covered by the FDIC.

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

**C. Investments**

As of December 31, 2010, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
FNMA	\$ 17,438	\$ -	\$ -	\$ -	\$ -	\$ 17,438
Repurchase agreement	1,080,000	1,080,000	-	-	-	-
STAR Ohio	8,992,088	8,992,088	-	-	-	-
<b>Total</b>	<b>\$ 10,089,526</b>	<b>\$ 10,072,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,438</b>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

The weighted average of maturity of investments is .02 years.

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

*Credit Risk:* The City's investments, except for STAR Ohio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. The City limits its investments to those authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. Of the City's investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Director of Finance or qualified trustee.

*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, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FNMA	\$ 17,438	0.17
Repurchase agreements	1,080,000	10.70
STAR Ohio	<u>8,992,088</u>	<u>89.13</u>
 Total	 <u>\$ 10,089,526</u>	 <u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Assets as of December 31, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 690,789
Investments	<u>10,089,526</u>
Total	<u>\$ 10,780,315</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 6,022,187
Business-type activities	4,676,086
Agency fund	<u>82,042</u>
Total	<u>\$ 10,780,315</u>

## CITY OF NORTH CANTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

#### NOTE 5 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2009-2010, the City was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

The full tax rate for all City operations for the year ended December 31, 2010 was \$5.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property

Residential/Agricultural	\$ 295,352,930
Commercial/Industrial/Mineral	76,190,710
Tangible Personal Property	7,086,110
Total Assessed Value	\$ 378,629,750

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2010, 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 \$35,566 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 \$114,506. At December 31, 2010, the amount of delinquent special assessments was \$7,521.

**A. Intergovernmental Receivable**

A summary of intergovernmental receivables follows:

**Governmental activities:**

Estate tax	\$ 86,547
Local government	306,624
Homestead and rollback	57,299
Street construction, maintenance and repair	345,398
Fire operating levy	5,548
Emergency medical services	46,888
Storm sewer levy	24,605
Street levy	24,187
Municipal road	150,636
Issue II	388,111
Total governmental activities	\$ 1,435,843

**Business-type activities:**

Garbage	\$ 21,479
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**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

**B. Municipal Income Taxes**

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

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

**NOTE 7 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2010, the City contracted with Houston Casualty Company for general liability, buildings and contents, automobile, crime, contractor's equipment, public officials' liability and police and professional liability insurance. Houston Casualty Company provides coverage for boiler and machinery, while Hartford Life and Accident covers emergency medical service and fire, accidental disability and death insurance. The City also purchases umbrella coverage from Houston Casualty Company with a general aggregate of \$5,000,000. Ohio Farmers provides performance bonds for all officials.

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

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

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

The claims liability of \$72,599 reported in the internal service fund at December 31, 2010 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 2009 and 2010 are:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2010	\$ 65,095	\$ 788,322	\$ (780,818)	\$ 72,599
2009	75,670	1,085,949	(1,096,524)	65,095

**NOTE 8 - OPERATING LEASE**

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

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

	Governmental Activities
Asset:	
Land	\$ 1,780,214
Buildings	1,648,340
Land improvements	592,759
Equipment	176,749
Subtotal	4,198,062
Less: accumulated depreciation	(693,259)
Total	\$ 3,504,803

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 8 - OPERATING LEASE - (Continued)**

The future minimum lease payments under this non-cancelable lease as of December 31, 2010, are the following:

	<u>Minimum Commitment</u>
2011	<u>\$ 100,000</u>

**NOTE 9 - CONTRACTUAL COMMITMENTS**

The City had the following contractual commitments outstanding at December 31, 2010:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Arcadis G&M of Ohio	\$ 172,777	\$ (134,382)	\$ 38,395
Bontrager Excavating	299,808	(168,888)	130,920
Cargill	150,000	(96,406)	53,594
Central Allied Ent.	1,561,956	(4,177)	1,557,779
Floyd Browne Group	158,350	(71,701)	86,649
Greer Industries	50,000	(30,506)	19,494
Hammontree & Associates	135,562	(53,670)	81,892
Insituform Technologies	642,658	(637,391)	5,267
JD Striping & Services	111,945	(70,083)	41,862
ME Companies	285,000	(127,684)	157,316
Northstar Asphalt	240,000	(227,741)	12,259
Ohio Treasurer	65,015	(32,508)	32,507
Scheetz Building Corp.	1,200,000	(991,783)	208,217
Stark County	392,000	(309,842)	82,158
Superior Paving Materials	<u>932,445</u>	<u>(323,768)</u>	<u>608,677</u>
<b>Total Contractual Commitments</b>	<u>\$ 6,397,516</u>	<u>\$ (3,280,530)</u>	<u>\$ 3,116,986</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental activities**

Governmental capital asset activity for the year ended December 31, 2010, was as follows:

<b><u>Governmental activities:</u></b>	Balance <u>12/31/09</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,117,189	\$ -	\$ -	\$ 5,117,189
Easements and right-of-ways	77,946	11,400	-	89,346
Construction in progress	<u>2,172,397</u>	<u>1,447,298</u>	<u>(1,977,458)</u>	<u>1,642,237</u>
Total capital assets, not being depreciated	<u>7,367,532</u>	<u>1,458,698</u>	<u>(1,977,458)</u>	<u>6,848,772</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	918,989	-	-	918,989
Buildings	7,099,131	98,811	-	7,197,942
Equipment	6,200,876	365,555	(543,312)	6,023,119
Software	57,000	-	-	57,000
Infrastructure - streets subsystem	22,410,659	1,177,451	-	23,588,110
Infrastructure - storm sewers subsystem	9,182,243	800,007	-	9,982,250
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated	<u>46,071,898</u>	<u>2,441,824</u>	<u>(543,312)</u>	<u>47,970,410</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(335,760)	(45,745)	-	(381,505)
Buildings	(4,214,580)	(172,988)	-	(4,387,568)
Equipment	(4,036,768)	(350,671)	538,161	(3,849,278)
Software	(57,000)	-	-	(57,000)
Infrastructure - streets subsystem	(12,011,992)	(1,051,523)	-	(13,063,515)
Infrastructure - storm sewers subsystem	(3,645,350)	(235,862)	-	(3,881,212)
Infrastructure - bridge subsystem	<u>(141,500)</u>	<u>(3,075)</u>	<u>-</u>	<u>(144,575)</u>
Total accumulated depreciation	<u>(24,442,950)</u>	<u>(1,859,864)</u>	<u>538,161</u>	<u>(25,764,653)</u>
Total capital assets, being depreciated, net	<u>21,628,948</u>	<u>581,960</u>	<u>(5,151)</u>	<u>22,205,757</u>
Governmental activities capital assets, net	<u>\$ 28,996,480</u>	<u>\$ 2,040,658</u>	<u>\$ (1,982,609)</u>	<u>\$ 29,054,529</u>

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE 10 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental activities as follows:

General government	\$	120,589
Police		76,127
Fire		74,701
Public health and welfare		53,007
Transportation		1,175,848
Leisure time activities		123,336
Basic utility services		<u>236,256</u>
Total depreciation expense - governmental activities	\$	<u>1,859,864</u>

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**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 10 - CAPITAL ASSETS - (Continued)**

**B. Business-type activities**

Business-type activities capital asset activity for 2010 is as follows:

<b><u>Business-type activities:</u></b>	<u>Balance</u> 12/31/09	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 12/31/10
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>729,498</u>	<u>2,644,718</u>	<u>(3,029,532)</u>	<u>344,684</u>
Total capital assets, not being depreciated	<u>1,753,200</u>	<u>2,644,718</u>	<u>(3,029,532)</u>	<u>1,368,386</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	582,252	6,415	-	588,667
Buildings	17,367,395	-	-	17,367,395
Equipment	5,760,125	139,101	(21,649)	5,877,577
Software	5,124	-	-	5,124
Infrastructure - water lines	26,510,364	2,400,100	-	28,910,464
Infrastructure - sewer lines	<u>12,260,542</u>	<u>629,432</u>	<u>-</u>	<u>12,889,974</u>
Total capital assets, being depreciated	<u>62,485,802</u>	<u>3,175,048</u>	<u>(21,649)</u>	<u>65,639,201</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(112,362)	(20,977)	-	(133,339)
Buildings	(5,923,420)	(507,151)	-	(6,430,571)
Equipment	(2,619,297)	(500,673)	21,649	(3,098,321)
Software	(5,124)	-	-	(5,124)
Infrastructure - water lines	(8,835,766)	(699,626)	-	(9,535,392)
Infrastructure - sewer lines	<u>(6,393,807)</u>	<u>(274,325)</u>	<u>-</u>	<u>(6,668,132)</u>
Total accumulated depreciation	<u>(23,889,776)</u>	<u>(2,002,752)</u>	<u>21,649</u>	<u>(25,870,879)</u>
Total capital assets, being depreciated, net	<u>38,596,026</u>	<u>1,172,296</u>	<u>-</u>	<u>39,768,322</u>
Business-type activities capital assets, net	<u>\$ 40,349,226</u>	<u>\$ 3,817,014</u>	<u>\$ (3,029,532)</u>	<u>\$ 41,136,708</u>

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

Water	\$ 1,689,349
Sewer	<u>313,403</u>
Total depreciation expense - business-type activities:	<u>\$ 2,002,752</u>

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 11 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2010 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1%, respectively. The City's contribution rate for 2010 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2010 was 8.50% from January 1 through February 28, 2010 and 9.00% from March 1 through December 31, 2010. The City's contribution rate for pension benefits for members in the Combined Plan for 2010 was 9.27% from January 1 through February 28, 2010 and 9.77% from March 1 through December 31, 2010. For those plan members in law enforcement and public safety pension contributions were 12.37% from January 1 through February 28, 2010 and 12.87% from March 1 through December 31, 2010. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$401,861, \$380,066, and \$342,009, respectively; 90.20% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. The remaining 2010 pension liability has been reported as an intergovernmental payable on the basic financial statements. Contributions to the member-directed plan for 2010 were \$7,513 made by the City and \$5,367 made by the plan members.

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE 11 - PENSION PLANS - (Continued)**

**B. Ohio Police and Fire Pension Fund**

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2010, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$203,042 and \$25,424 for the year ended December 31, 2010, \$199,794 and \$25,457 for the year ended December 31, 2009, and \$194,159, \$27,662, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 75.02% has been contributed for police and 73.45% has been contributed for firefighters for 2010. The remaining 2010 pension liability has been reported as an intergovernmental payable on the basic financial statements.

**NOTE 12 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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



**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00% of covered payroll (17.87% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2010 was 5.50% from January 1 through February 28, 2010 and 5.00% from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2010 was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$227,210, \$274,817, and \$342,009, respectively; 90.20% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. The remaining 2010 post-employment health care benefits liability has been reported as an intergovernmental payable on the basic financial statements.

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

**B. Ohio Police and Fire Pension Fund**

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

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

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

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

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE 12 - POSTRETIREMENT BENEFIT 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 employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$107,493 and \$9,948 for the year ended December 31, 2010, \$105,774 and \$9,962 for the year ended December 31, 2009, and \$102,790, \$10,824, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 75.02% has been contributed for police and 73.45% has been contributed for firefighters for 2010. The remaining 2010 post-employment health care benefits liability has been reported as an intergovernmental payable on the basic financial statements.

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS**

**A. Compensated Absences**

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 13 - OTHER POSTEMPLOYMENT 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, at the time of retirement, are paid for 50 percent of their accumulated sick leave.

**B. Insurance**

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

**NOTE 14 - CAPITAL LEASE**

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

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 1,005,047
Less: accumulated depreciation	(151,388)
Total	\$ 853,659

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

	Governmental Activities
2011	\$ 250,490
2012	79,423
2013	47,406
2014	15,390
Total minimum lease payments	392,709
Less: amount representing interest	(21,732)
Present value of minimum lease payments	\$ 370,977

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 15 - LONG-TERM OBLIGATIONS**

<u>Debt Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>Business-type activities:</b>			
<b>OWDA loans</b>			
Water storage system 2000	6.41%	\$ 1,000,000	July 1, 2010
Water treatment plant improvement 2003	3.65	6,789,904	July 1, 2024
Water treatment plant improvement 2004	3.76	3,022,687	July 1, 2025
Water treatment backwash tank 2005	3.25	1,670,933	January 1, 2026
Portage St./W. Park sanitary sewer 2010	3.43	Open	Open
<b>OPWC loans</b>			
Booster pump station 2007	0	1,020,904	January 1, 2028
Applegrove waterline 2008	0	419,088	January 1, 2039
North Main St. waterline 2010	0	Open	Open
<b>Other long-term liabilities</b>			
Bonds payable - water system 2007	4.0 - 4.125	4,415,000	December 1, 2026

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**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

	<u>Balance</u> <u>12/31/2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2010</u>	<u>Amounts Due</u> <u>in One Year</u>
<b>Business-type activities:</b>					
<b>OWDA loans</b>					
Water storage system	\$ 130,682	\$ -	\$ (130,682)	\$ -	\$ -
Water treatment plant improvement	5,521,815	-	(282,318)	5,239,497	292,717
Water treatment plant improvement	2,583,748	-	(120,340)	2,463,408	124,908
Water treatment backwash tank	1,450,528	-	(67,677)	1,382,851	69,895
Portage St./W. Park sanitary	-	398,369	(228,342)	170,027	-
Total OWDA loans	<u>9,686,773</u>	<u>398,369</u>	<u>(829,359)</u>	<u>9,255,783</u>	<u>487,520</u>
<b>OPWC loans</b>					
Booster pump station	918,814	-	(25,523)	893,291	51,045
Applegrove waterline	405,118	-	(6,985)	398,133	13,970
North Main St. waterline	-	156,896	-	156,896	-
Total OPWC loans	<u>1,323,932</u>	<u>156,896</u>	<u>(32,508)</u>	<u>1,448,320</u>	<u>65,015</u>
<b>Other long-term liabilities</b>					
General obligation bonds - 4.0-4.125%	3,985,000	-	(170,000)	3,815,000	175,000
Pollution remediation	47,786	-	-	47,786	47,786
Total business-type activities	<u>\$ 15,043,491</u>	<u>\$ 555,265</u>	<u>\$ (1,031,867)</u>	<u>\$ 14,566,889</u>	<u>\$ 775,321</u>
<b>Governmental activities:</b>					
<b>Long-term liabilities</b>					
Compensated absences	\$ 1,825,778	\$ 86,040	\$ (74,934)	\$ 1,836,884	\$ 49,394
Capital lease	398,126	255,125	(282,274)	370,977	236,315
Pollution remediation	63,714	-	-	63,714	63,714
Total governmental activities	<u>\$ 2,287,618</u>	<u>\$ 341,165</u>	<u>\$ (357,208)</u>	<u>\$ 2,271,575</u>	<u>\$ 349,423</u>

In February 2000, the City entered into a \$1,000,000 loan agreement with the Ohio Water Development Authority (OWDA) for the purpose of financing the construction of an underground water storage system. The 6.41 percent loan was repaid over a ten-year period from the water fund with the final payment being made on July 1, 2010.

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.

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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 28.26 percent of net revenues and 11.40 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$11,925,196. Principal and interest paid for the current year were \$956,495, total net revenues were \$3,384,277 and total revenues were \$8,388,875.

During 2010, the City's sewer fund received \$224,520 in OWDA loan proceeds for the Portage St. / West Park St. Sanitary Sewer that were subsequently forgiven as part of the American Recovery and Reinvestment Act (ARRA).

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

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

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

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

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**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

Principal and interest requirements to retire the outstanding debt at December 31, 2010, are as follows. The OWDA loan for the Portage St./W. Park sanitary sewer and the OPWC loan for the North Main St. waterline are currently “open” meaning the final disbursements have not been made by OWDA and OWPC; therefore, future debt service requirements have not been finalized and are not presented in the schedules of future debt service below.

Year Ending December 31,	Ohio Public Works Commission			OWDA Water Loans		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 65,015	\$ -	\$ 65,015	\$ 487,520	\$ 324,435	\$ 811,955
2012	65,015	-	65,015	505,332	306,623	811,955
2013	65,015	-	65,015	523,796	288,158	811,954
2014	65,015	-	65,015	542,938	269,019	811,957
2015	65,015	-	65,015	562,778	249,177	811,955
2016 - 2020	325,075	-	325,075	3,137,889	921,890	4,059,779
2021 - 2025	325,077	-	325,077	3,269,281	309,177	3,578,458
2026 - 2030	197,464	-	197,464	56,222	914	57,136
2031 - 2035	69,850	-	69,850	-	-	-
2036 - 2039	48,883	-	48,883	-	-	-
Total	<u>\$ 1,291,424</u>	<u>\$ -</u>	<u>\$ 1,291,424</u>	<u>\$ 9,085,756</u>	<u>\$ 2,669,393</u>	<u>\$ 11,755,149</u>

Year Ending December 31,	Water System General Obligation Bonds		
	Principal	Interest	Total
2011	\$ 175,000	\$ 153,577	\$ 328,577
2012	180,000	146,577	326,577
2013	200,000	139,377	339,377
2014	190,000	131,377	321,377
2015	200,000	123,777	323,777
2016 - 2020	1,160,000	490,485	1,650,485
2021 - 2025	1,400,000	238,598	1,638,598
2026	310,000	12,787	322,787
Total	<u>\$ 3,815,000</u>	<u>\$ 1,436,555</u>	<u>\$ 5,251,555</u>

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, 2010, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$12,595,000.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

**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, 2010, the City's total debt margin was \$39,756,124 and the unvoted debt margin was \$20,824,636.

**NOTE 16 - NOTES PAYABLE**

A summary of the note transactions for the year ended December 31, 2010 follows:

	Maturity <u>Date</u>	Outstanding <u>12/31/2009</u>	<u>Issued</u>	<u>Retired</u>	Outstanding <u>12/31/2010</u>
Water Construction Notes	12/29/2010	\$ -	\$ 900,000	\$ (900,000)	\$ -
Water Construction Notes	3/25/2011	<u>-</u>	<u>915,000</u>	<u>-</u>	<u>915,000</u>
Total on statement of net assets		<u>\$ -</u>	<u>\$ 1,815,000</u>	<u>\$ (900,000)</u>	<u>\$ 915,000</u>

On February 25, 2010, the City issued \$900,000 in Water Construction Bond Anticipation Notes for the purpose of water line improvements. The notes bore an interest rate of 2.00% and matured on December 29, 2010.

On December 28, 2010, the City issued \$915,000 in Water Construction Bond Anticipation Notes to retire the notes maturing on December 29, 2010. The notes bear an interest rate of 2.00% and mature on March 25, 2011.

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



**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 17 - INTERFUND ACTIVITY**

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

<u>Transfer to</u>	Transfer from					<u>Total</u>
	<u>General</u>	Emergency Medical Services <u>Levy</u>	Nonmajor <u>funds</u>	<u>Water</u>	<u>Sewer</u>	
<b>Major funds</b>						
Emergency medical services levy fund	\$ 675,000	\$ -	\$ -	\$ -	\$ -	\$ 675,000
Capital improvements fund	359,035	-	-	-	-	359,035
<b>Nonmajor funds</b>						
Street construction, maintenance and repair fund	250,000	-	-	-	-	250,000
Fire operating levy fund	505,000	-	-	-	-	505,000
Compensated absences fund	<u>117,000</u>	<u>5,000</u>	<u>17,000</u>	<u>50,000</u>	<u>15,000</u>	<u>204,000</u>
Total	<u>\$ 1,906,035</u>	<u>\$ 5,000</u>	<u>\$ 17,000</u>	<u>\$ 50,000</u>	<u>\$ 15,000</u>	<u>\$ 1,993,035</u>

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental funds and business-type activities are presented as transfers on the Statement of Activities and include capital contribution activity between governmental funds and business-type activities as described in Note 2.P.

- B. Interfund loans receivable/payable consisted of the following at December 31, 2010, as reported on the fund statement:

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

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

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

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (non-GAAP basis) and Actual presented for the general fund is 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:

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis);
4. Manuscript debt/internal borrowing transactions within the same fund are recorded when internal debt is issued or retired (budget basis) as opposed to being eliminated and having no effect (GAAP basis);
5. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
6. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

	<b>Net Change in Fund Balance</b>	
	<u>General</u>	<u>Emergency Medical Services</u>
Budget basis	\$ (1,347,196)	\$ (49,401)
Adjustment for revenue accruals	157,051	8,926
Adjustment for expenditure accruals	770,396	4,221
Adjustment for other sources/uses	(537,000)	-
Adjustment for encumbrances	<u>100,228</u>	<u>1,243</u>
GAAP basis	<u>\$ (856,521)</u>	<u>\$ (35,011)</u>

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**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 2010. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

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

The City participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, and the City of North Canton. Of the 7 Board Members, the City has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$99,079 to the Health District in 2010. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

**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 - 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, 2010**

**NOTE 21 - 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”, the City’s financial statements include all organizations, activities and functions which comprise the primary government and those legally separate entities for which the City is financially accountable. The CIC is a legally separate entity and is discretely presented as a component unit of the City of North Canton. Financial accountability is defined as the appointment of a voting majority of the unit’s Board and either 1) the City’s ability to impose its will over the unit, or 2) the possibility that the unit will provide a financial benefit or impose a financial burden to the City. The CIC does not include any other units in its presentation.

**Summary of Significant Accounting Policies**

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

The CIC’s significant accounting policies are described below.

**A. Basis of Accounting**

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

**B. Cash**

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

**C. Capital Assets and Depreciation**

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

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

**CITY OF NORTH CANTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE 21 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION - (Continued)**

**D. Net Assets**

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

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

**E. Estimates**

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

**Deposits**

At December 31, 2010, the carrying amount of the CIC's deposits was \$190,337. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2010, the entire bank balance of \$190,337 was covered by the FDIC.

**Intergovernmental Receivable**

In 2005, the North Canton City Council approved the funding of the CIC in the amount of \$1.5 million out of the City's general fund. This funding is to assist the City's economic development efforts by creating or retaining businesses and jobs. As of December 31, 2010, the CIC has received \$743,000 under this funding mechanism.

**CITY OF NORTH CANTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 21 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION - (Continued)**

**Capital Assets**

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance <u>12/31/09</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 71,439	\$ -	\$ -	\$ 71,439
<i>Total capital assets, not being depreciated</i>	<u>71,439</u>	<u>-</u>	<u>-</u>	<u>71,439</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	44,200	-	-	44,200
Equipment	444,000	-	-	444,000
<i>Total capital assets, being depreciated</i>	<u>488,200</u>	<u>-</u>	<u>-</u>	<u>488,200</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(8,840)	(4,420)	-	(13,260)
Equipment	(11,100)	(11,100)	-	(22,200)
<i>Total accumulated depreciation</i>	<u>(19,940)</u>	<u>(15,520)</u>	<u>-</u>	<u>(35,460)</u>
Total capital assets, net	<u>\$ 539,699</u>	<u>\$ (15,520)</u>	<u>\$ -</u>	<u>\$ 524,179</u>

**NOTE 22 - SUBSEQUENT EVENTS**

On March 23, 2011, the City issued \$3,315,000 in Series 2011A Various Purpose General Obligation Bonds (tax-exempt). The bonds carry interest rates ranging from 2.00 - 5.00% and have a final maturity of December 1, 2030. The bonds were issued for the following purposes: (i) \$500,000 to improve City streets, (ii) \$1,300,000 to renovate the City Hall and Civic Center, (iii) \$600,000 to improve water lines, and (iv) \$915,000 to retire bond anticipation notes maturing on March 25, 2011.

On March 23, 2011, the City issued \$700,000 in Series 2011B General Obligation Real Estate Acquisition Bonds (taxable). The bonds carry interest rates of 3.50% and 5.50% and have a final maturity of December 1, 2020. The bonds were issued to refund \$700,000 in manuscript debt that was originally issued to purchase the Arrowhead County Club.

On April 5, 2011, Karen Alger became Finance Director of the City replacing V. Margaret Loretto who became Interim Finance Director in November 2010.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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**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, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 851,528	\$ 800,000	\$ 767,386	\$ (32,614)
Municipal income taxes . . . . .	4,497,133	4,225,000	4,143,269	(81,731)
Charges for services . . . . .	259,184	243,500	277,969	34,469
Licenses and permits . . . . .	127,729	120,000	178,145	58,145
Fines and forfeitures . . . . .	59,607	56,000	57,157	1,157
Intergovernmental . . . . .	1,529,884	1,437,307	1,404,959	(32,348)
Interest. . . . .	63,865	60,000	47,819	(12,181)
Rentals. . . . .	256,523	241,000	257,595	16,595
Contributions and donations. . . . .	-	-	50	50
Other . . . . .	5,854	5,500	37,089	31,589
Total revenues. . . . .	<u>7,651,307</u>	<u>7,188,307</u>	<u>7,171,438</u>	<u>(16,869)</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Personal services . . . . .	104,200	111,986	98,727	13,259
Contract services . . . . .	6,000	6,735	5,938	797
Materials and supplies. . . . .	1,000	855	754	101
Total mayor . . . . .	<u>111,200</u>	<u>119,576</u>	<u>105,419</u>	<u>14,157</u>
Director of Administration:				
Personal services . . . . .	59,850	98,028	86,425	11,603
Contract services . . . . .	20,900	19,998	17,631	2,367
Materials and supplies. . . . .	2,100	1,190	1,049	141
Capital outlay . . . . .	1,900	851	750	101
Total director of administration . . . . .	<u>84,750</u>	<u>120,067</u>	<u>105,855</u>	<u>14,212</u>
Director of Finance:				
Personal services . . . . .	145,850	169,661	149,579	20,082
Contract services . . . . .	31,567	36,704	32,360	4,344
Materials and supplies. . . . .	3,500	4,132	3,643	489
Capital outlay . . . . .	3,000	1,889	1,665	224
Total director of finance. . . . .	<u>183,917</u>	<u>212,386</u>	<u>187,247</u>	<u>25,139</u>
Electronic Data Processing:				
Contract services . . . . .	10,650	11,203	9,877	1,326
Materials and supplies. . . . .	200	312	275	37
Capital outlay . . . . .	3,000	771	680	91
Total electronic data processing. . . . .	<u>13,850</u>	<u>12,286</u>	<u>10,832</u>	<u>1,454</u>
Director of Law:				
Personal services . . . . .	77,400	81,028	71,437	9,591
Contract services . . . . .	38,850	36,365	32,061	4,304
Materials and supplies. . . . .	3,100	3,347	2,951	396
Capital outlay . . . . .	1,500	1,177	1,038	139
Total director of law . . . . .	<u>120,850</u>	<u>121,917</u>	<u>107,487</u>	<u>14,430</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, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
City Council:				
Personal services . . . . .	\$ 220,350	\$ 222,416	\$ 196,090	\$ 26,326
Contract services . . . . .	44,090	41,754	36,812	4,942
Materials and supplies. . . . .	2,200	2,451	2,161	290
Capital outlay . . . . .	3,000	2,636	2,324	312
Total city council . . . . .	<u>269,640</u>	<u>269,257</u>	<u>237,387</u>	<u>31,870</u>
Civil Service Commission:				
Personal services . . . . .	7,875	8,395	7,401	994
Contract services . . . . .	6,450	7,820	6,894	926
Materials and supplies. . . . .	300	155	137	18
Total civil service commission . . . . .	<u>14,625</u>	<u>16,370</u>	<u>14,432</u>	<u>1,938</u>
City Hall Maintenance:				
Personal services . . . . .	8,900	147	130	17
Contract services . . . . .	98,912	103,131	90,924	12,207
Materials and supplies. . . . .	3,600	4,156	3,664	492
Capital outlay . . . . .	120	-	-	-
Total city hall maintenance. . . . .	<u>111,532</u>	<u>107,434</u>	<u>94,718</u>	<u>12,716</u>
Department of Engineering:				
Personal services . . . . .	239,975	246,353	217,194	29,159
Contract services . . . . .	114,313	119,897	105,706	14,191
Materials and supplies. . . . .	6,750	5,891	5,194	697
Capital outlay . . . . .	8,000	2,491	2,196	295
Total department of engineering . . . . .	<u>369,038</u>	<u>374,632</u>	<u>330,290</u>	<u>44,342</u>
Income Tax Administration:				
Personal services . . . . .	207,600	154,265	136,006	18,259
Contract services . . . . .	35,567	31,132	27,447	3,685
Materials and supplies. . . . .	-	5,434	4,791	643
Capital outlay . . . . .	7,500	2,561	2,258	303
Other. . . . .	177,000	131,021	115,513	15,508
Total income tax administration . . . . .	<u>427,667</u>	<u>324,413</u>	<u>286,015</u>	<u>38,398</u>
Other General Government:				
Personal services . . . . .	65,000	62,106	54,755	7,351
Contract services . . . . .	156,552	123,418	108,810	14,608
Capital outlay . . . . .	1,000	706	622	84
Other. . . . .	105,000	103,426	91,184	12,242
Total other general government . . . . .	<u>327,552</u>	<u>289,656</u>	<u>255,371</u>	<u>34,285</u>
Total General Government . . . . .	<u>2,034,621</u>	<u>1,967,994</u>	<u>1,735,053</u>	<u>232,941</u>
Security of Persons and Property:				
Police:				
Personal services . . . . .	2,867,820	3,223,233	2,841,720	381,513
Contract services . . . . .	297,029	306,015	269,794	36,221
Materials and supplies. . . . .	93,037	95,942	84,586	11,356
Capital outlay . . . . .	500	226	199	27
Total police . . . . .	<u>3,258,386</u>	<u>3,625,416</u>	<u>3,196,299</u>	<u>429,117</u>
Total Security of Persons and Property. . . . .	<u>3,258,386</u>	<u>3,625,416</u>	<u>3,196,299</u>	<u>429,117</u>

**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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health and Welfare:				
County Health Department:				
Contract services . . . . .	\$ 100,500	\$ 112,381	\$ 99,079	\$ 13,302
Total county health department . . . . .	<u>100,500</u>	<u>112,381</u>	<u>99,079</u>	<u>13,302</u>
Total Public Health and Welfare . . . . .	<u>100,500</u>	<u>112,381</u>	<u>99,079</u>	<u>13,302</u>
Community Environment:				
Permits and Inspections:				
Personal services . . . . .	254,500	260,940	230,054	30,886
Contract services . . . . .	53,533	25,286	22,293	2,993
Materials and supplies. . . . .	7,200	4,240	3,738	502
Capital outlay . . . . .	6,200	2,659	2,344	315
Total permits and inspections. . . . .	<u>321,433</u>	<u>293,125</u>	<u>258,429</u>	<u>34,696</u>
Planning Commission:				
Contract services . . . . .	1,435	1,249	1,101	148
Materials and supplies. . . . .	200	551	486	65
Total planning commission . . . . .	<u>1,635</u>	<u>1,800</u>	<u>1,587</u>	<u>213</u>
Zoning and Building:				
Contract services . . . . .	150	119	105	14
Materials and supplies. . . . .	50	52	46	6
Total zoning and building . . . . .	<u>200</u>	<u>171</u>	<u>151</u>	<u>20</u>
Economic Development:				
Personal services . . . . .	192,789	203,722	179,609	24,113
Contract services . . . . .	72,001	76,218	67,197	9,021
Materials and supplies. . . . .	1,850	2,002	1,765	237
Capital outlay . . . . .	1,000	-	-	-
Total economic development. . . . .	<u>267,640</u>	<u>281,942</u>	<u>248,571</u>	<u>33,371</u>
Total Community Environment. . . . .	<u>590,908</u>	<u>577,038</u>	<u>508,738</u>	<u>68,300</u>
Leisure Time Activities:				
Dogwood Shelter:				
Contract services . . . . .	14,500	15,674	13,819	1,855
Total dogwood shelter . . . . .	<u>14,500</u>	<u>15,674</u>	<u>13,819</u>	<u>1,855</u>
Swimming Pool:				
Personal services . . . . .	134,000	151,069	133,188	17,881
Contract services . . . . .	41,267	55,996	49,368	6,628
Materials and supplies. . . . .	39,180	51,796	45,665	6,131
Total swimming pool . . . . .	<u>214,447</u>	<u>258,861</u>	<u>228,221</u>	<u>30,640</u>
Parks Department:				
Personal services . . . . .	217,750	222,165	195,869	26,296
Contract services . . . . .	107,619	106,369	93,779	12,590
Materials and supplies. . . . .	17,000	21,218	18,707	2,511
Total parks department. . . . .	<u>342,369</u>	<u>349,752</u>	<u>308,355</u>	<u>41,397</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, 2010

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Civic Center:</b>				
Personal services . . . . .	\$ 65,000	\$ 73,751	\$ 65,022	\$ 8,729
Contract services . . . . .	47,815	45,885	40,454	5,431
Materials and supplies. . . . .	3,000	3,243	2,859	384
Capital outlay . . . . .	6,500	2,098	1,850	248
Total civic center . . . . .	<u>122,315</u>	<u>124,977</u>	<u>110,185</u>	<u>14,792</u>
<b>Recreation Department:</b>				
Personal services . . . . .	105,450	116,944	103,102	13,842
Contract services . . . . .	8,390	8,195	7,225	970
Materials and supplies. . . . .	6,500	10,410	9,178	1,232
Total recreation department. . . . .	<u>120,340</u>	<u>135,549</u>	<u>119,505</u>	<u>16,044</u>
<b>Recreation Program:</b>				
Contract services . . . . .	5,000	6,558	5,782	776
Materials and supplies. . . . .	1,800	1,879	1,657	222
Total recreation program . . . . .	<u>6,800</u>	<u>8,437</u>	<u>7,439</u>	<u>998</u>
Total Leisure Time Activities. . . . .	<u>820,771</u>	<u>893,250</u>	<u>787,524</u>	<u>105,726</u>
<b>Debt Service:</b>				
Principal retirement . . . . .	800,000	907,404	800,000	107,404
Interest and fiscal charges . . . . .	50,000	44,633	39,350	5,283
Total debt service. . . . .	<u>850,000</u>	<u>952,037</u>	<u>839,350</u>	<u>112,687</u>
Total expenditures . . . . .	<u>7,655,186</u>	<u>8,128,116</u>	<u>7,166,043</u>	<u>962,073</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(3,879)</u>	<u>(939,809)</u>	<u>5,395</u>	<u>945,204</u>
<b>Other financing source (uses):</b>				
Note issuance . . . . .	-	1,420,000	700,000	(720,000)
Sale of capital assets. . . . .	-	-	16,444	16,444
Advances in . . . . .	-	163,000	-	(163,000)
Advances out . . . . .	-	(184,883)	(163,000)	21,883
Transfers out . . . . .	(1,906,035)	(2,161,929)	(1,906,035)	255,894
Total other financing sources (uses). . . . .	<u>(1,906,035)</u>	<u>(763,812)</u>	<u>(1,352,591)</u>	<u>(588,779)</u>
Net change in fund balance . . . . .	(1,909,914)	(1,703,621)	(1,347,196)	356,425
<b>Fund balance at beginning of year . . . . .</b>	2,826,244	2,826,244	2,826,244	-
<b>Prior year encumbrances appropriated . . . . .</b>	87,912	87,912	87,912	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,004,242</u>	<u>\$ 1,210,535</u>	<u>\$ 1,566,960</u>	<u>\$ 356,425</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 151,500	\$ 151,500	\$ 146,970	\$ (4,530)
Charges for services . . . . .	323,000	353,000	461,015	108,015
Intergovernmental . . . . .	34,000	34,000	52,811	18,811
Contributions and donations. . . . .	-	-	400	400
Total revenues . . . . .	<u>508,500</u>	<u>538,500</u>	<u>661,196</u>	<u>122,696</u>
<b>Expenditures:</b>				
Current:				
Public Health and Welfare:				
Personal services . . . . .	1,197,404	1,223,774	1,233,613	(9,839)
Contract services . . . . .	127,771	119,832	113,315	6,517
Materials and supplies. . . . .	37,275	34,602	33,669	933
Capital outlay . . . . .	5,000	242	-	242
Total expenditures. . . . .	<u>1,367,450</u>	<u>1,378,450</u>	<u>1,380,597</u>	<u>(2,147)</u>
Excess expenditures over revenues . . . . .	<u>(858,950)</u>	<u>(839,950)</u>	<u>(719,401)</u>	<u>120,549</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	675,000	675,000	675,000	-
Transfers out . . . . .	<u>(16,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	-
Total other financing sources (uses). . . . .	<u>659,000</u>	<u>670,000</u>	<u>670,000</u>	-
Net change in fund balance . . . . .	(199,950)	(169,950)	(49,401)	120,549
<b>Fund balance at beginning of year . . . . .</b>	198,842	198,842	198,842	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>4,450</u>	<u>4,450</u>	<u>4,450</u>	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,342</u>	<u>\$ 33,342</u>	<u>\$ 153,891</u>	<u>\$ 120,549</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CAPITAL IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 1,225,000	\$ 1,225,000	\$ 1,225,000	\$ -
Intergovernmental . . . . .	1,003,380	1,357,635	90,896	(1,266,739)
Contributions and donations . . . . .	24,742	33,477	51,842	18,365
Total revenues . . . . .	<u>2,253,122</u>	<u>2,616,112</u>	<u>1,367,738</u>	<u>(1,248,374)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Contract services . . . . .	2,775,302	2,914,670	1,119,948	1,794,722
Capital outlay . . . . .	694,496	614,580	556,634	57,946
Total capital outlay . . . . .	<u>3,469,798</u>	<u>3,529,250</u>	<u>1,676,582</u>	<u>1,852,668</u>
Debt service:				
Principal retirement . . . . .	348,150	355,646	252,484	103,162
Interest and fiscal charges . . . . .	56,800	57,977	39,640	18,337
Total debt service . . . . .	<u>404,950</u>	<u>413,623</u>	<u>292,124</u>	<u>121,499</u>
Total expenditures . . . . .	<u>3,874,748</u>	<u>3,942,873</u>	<u>1,968,706</u>	<u>1,974,167</u>
Excess of expenditures over revenues . . . . .	<u>(1,621,626)</u>	<u>(1,326,761)</u>	<u>(600,968)</u>	<u>725,793</u>
<b>Other financing sources:</b>				
Capital lease transaction . . . . .	186,337	252,125	255,125	3,000
Note issuance . . . . .	1,354,338	1,832,501	-	(1,832,501)
Transfers in . . . . .	265,350	359,035	359,035	-
Total other financing sources . . . . .	<u>1,806,025</u>	<u>2,443,661</u>	<u>614,160</u>	<u>(1,829,501)</u>
Net change in fund balance . . . . .	184,399	1,116,900	13,192	(1,103,708)
<b>Fund balance at beginning of year . . . . .</b>	328,952	328,952	328,952	-
<b>Prior year encumbrances appropriated . . . . .</b>	475,624	475,624	475,624	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 988,975</u>	<u>\$ 1,921,476</u>	<u>\$ 817,768</u>	<u>\$ (1,103,708)</u>

**CITY OF NORTH CANTON, OHIO**

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

**SPECIAL REVENUE FUNDS**

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

**Nonmajor Special Revenue Funds**

***Fire Operating Levy Fund***

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

***Computer Fund***

This fund accounts for fees charged to any case processed through Mayor's Court for computer services needed 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 then spent on education of officers and members of the community.

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

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

***Storm Sewer Levy Fund***

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

***Street Levy Fund***

This fund accounts for property taxes levied 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 to be used for street repair.

***General Trust Fund***

This fund accounts for donations to the City.

***Law Enforcement Trust Fund***

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

***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.

***Continuing Professional Education Fund***

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

***Mayor's Court Fund***

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

**CITY OF NORTH CANTON, OHIO**

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

**CAPITAL PROJECTS FUND**

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of the City's capital projects fund:

**Nonmajor Capital Projects Fund**

***Issue II Fund***

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

***Hoover District Improvements Fund***

This fund accounts for revenues and expenditures associated with the redevelopment of the Hoover District Site.



**CITY OF NORTH CANTON, OHIO**

BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2010

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and investments. . . . .	\$ 2,410,350	\$ 194,955	\$ 2,605,305
Cash and cash equivalents:			
In segregated accounts . . . . .	33,701	-	33,701
Receivables:			
Property taxes. . . . .	873,664	-	873,664
Intergovernmental. . . . .	550,374	388,111	938,485
Materials and supplies inventory . . . . .	59,745	-	59,745
Prepayments . . . . .	15,118	-	15,118
	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 3,942,952</u>	<u>\$ 583,066</u>	<u>\$ 4,526,018</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 84,895	\$ -	\$ 84,895
Contracts payable . . . . .	467,963	390,619	858,582
Accrued wages and benefits . . . . .	34,336	-	34,336
Compensated absences payable . . . . .	36,323	-	36,323
Intergovernmental payable. . . . .	38,702	-	38,702
Interfund loan payable . . . . .	-	163,000	163,000
Deferred revenue . . . . .	524,276	-	524,276
Unearned revenue . . . . .	839,045	-	839,045
	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>2,025,540</u>	<u>553,619</u>	<u>2,579,159</u>
<b>Fund Balances:</b>			
Reserved for encumbrances. . . . .	261,549	1,247,817	1,509,366
Reserved for materials and supplies inventory . .	59,745	-	59,745
Reserved for prepayments . . . . .	15,118	-	15,118
Unreserved, undesignated (deficit), reported in:			
Special revenue funds . . . . .	1,581,000	-	1,581,000
Capital projects fund . . . . .	-	(1,218,370)	(1,218,370)
	<hr/>	<hr/>	<hr/>
Total fund balances . . . . .	<u>1,917,412</u>	<u>29,447</u>	<u>1,946,859</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance . . . . .	<u>\$ 3,942,952</u>	<u>\$ 583,066</u>	<u>\$ 4,526,018</u>

**CITY OF NORTH CANTON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Other Governmental Funds</b>
<b>Revenues:</b>			
Property taxes . . . . .	\$ 772,121	\$ -	\$ 772,121
Charges for services . . . . .	340	-	340
Fines and forfeitures . . . . .	110,945	-	110,945
Intergovernmental . . . . .	911,657	1,725,629	2,637,286
Interest . . . . .	6	-	6
Other . . . . .	7,096	-	7,096
Total revenues . . . . .	<u>1,802,165</u>	<u>1,725,629</u>	<u>3,527,794</u>
<b>Expenditures:</b>			
Current:			
General government . . . . .	100,413	-	100,413
Security of persons and property:			
Police . . . . .	60,502	-	60,502
Fire . . . . .	577,900	-	577,900
Transportation . . . . .	1,494,494	-	1,494,494
Leisure time activities . . . . .	11,754	-	11,754
Basic utility services . . . . .	432,980	-	432,980
Economic development . . . . .	-	207,434	207,434
Capital outlay . . . . .	-	629,566	629,566
Total expenditures . . . . .	<u>2,678,043</u>	<u>837,000</u>	<u>3,515,043</u>
Excess (deficiency) of expenditures over (under) revenues . . . . .	<u>(875,878)</u>	<u>888,629</u>	<u>12,751</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets . . . . .	25,150	-	25,150
Transfers in . . . . .	959,000	-	959,000
Transfers out . . . . .	<u>(17,000)</u>	<u>-</u>	<u>(17,000)</u>
Total other financing sources (uses) . . . . .	<u>967,150</u>	<u>-</u>	<u>967,150</u>
Net change in fund balances . . . . .	91,272	888,629	979,901
<b>Fund balances (deficit) at beginning of year . .</b>	<u>1,826,140</u>	<u>(859,182)</u>	<u>966,958</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,917,412</u>	<u>\$ 29,447</u>	<u>\$ 1,946,859</u>

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**CITY OF NORTH CANTON, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2010

	<u>Fire Operating Levy</u>	<u>Computer</u>	<u>Enforcement and Education</u>	<u>Street Construction, Maintenance and Repair</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 165,238	\$ 22,113	\$ 10,795	\$ 346,921
Cash and cash equivalents:				
In segregated accounts . . . . .	-	-	-	-
Receivables:				
Property taxes . . . . .	99,033	-	-	-
Intergovernmental . . . . .	5,548	-	-	345,398
Materials and supplies inventory . . . . .	-	-	-	59,745
Prepayments . . . . .	<u>5,178</u>	<u>-</u>	<u>-</u>	<u>4,970</u>
Total assets . . . . .	<u>\$ 274,997</u>	<u>\$ 22,113</u>	<u>\$ 10,795</u>	<u>\$ 757,034</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 3,586	\$ -	\$ -	\$ 78,894
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits . . . . .	21,793	-	-	12,543
Compensated absences payable . . . . .	-	-	-	-
Intergovernmental payable . . . . .	22,878	-	-	15,824
Deferred revenue . . . . .	11,158	-	-	284,681
Unearned revenue . . . . .	<u>93,423</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities . . . . .	<u>152,838</u>	<u>-</u>	<u>-</u>	<u>391,942</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	1,967	-	-	125,967
Reserved for materials and supplies inventory . . . . .	-	-	-	59,745
Reserved for prepayments . . . . .	5,178	-	-	4,970
Unreserved, undesignated (deficit), reported in:				
Special revenue funds . . . . .	<u>115,014</u>	<u>22,113</u>	<u>10,795</u>	<u>174,410</u>
Total fund balances (deficit) . . . . .	<u>122,159</u>	<u>22,113</u>	<u>10,795</u>	<u>365,092</u>
Total liabilities and fund balance . . . . .	<u>\$ 274,997</u>	<u>\$ 22,113</u>	<u>\$ 10,795</u>	<u>\$ 757,034</u>

<b>Storm Sewer Levy</b>	<b>Street Levy</b>	<b>Municipal Road</b>	<b>General Trust</b>	<b>Law Enforcement Trust</b>
\$ 623,231	\$ 626,036	\$ 7,252	\$ -	\$ -
-	-	-	16,890	12,771
395,243	379,388	-	-	-
24,605	24,187	150,636	-	-
-	-	-	-	-
4,970	-	-	-	-
<u>\$ 1,048,049</u>	<u>\$ 1,029,611</u>	<u>\$ 157,888</u>	<u>\$ 16,890</u>	<u>\$ 12,771</u>
\$ -	\$ 2,415	\$ -	\$ -	\$ -
136,761	180,506	150,636	60	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
43,633	34,168	150,636	-	-
376,215	369,407	-	-	-
<u>556,609</u>	<u>586,496</u>	<u>301,272</u>	<u>60</u>	<u>-</u>
36,998	96,290	-	-	-
-	-	-	-	-
4,970	-	-	-	-
449,472	346,825	(143,384)	16,830	12,771
491,440	443,115	(143,384)	16,830	12,771
<u>\$ 1,048,049</u>	<u>\$ 1,029,611</u>	<u>\$ 157,888</u>	<u>\$ 16,890</u>	<u>\$ 12,771</u>

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**CITY OF NORTH CANTON, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2010

	<b>Compensated Absences</b>	<b>Continuing Professional Education</b>	<b>Mayor's Court</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 608,437	\$ 327	\$ -	\$ 2,410,350
Cash and cash equivalents:				
In segregated accounts . . . . .	-	-	4,040	33,701
Receivables:				
Property taxes . . . . .	-	-	-	873,664
Intergovernmental . . . . .	-	-	-	550,374
Materials and supplies inventory . . . . .	-	-	-	59,745
Prepayments . . . . .	-	-	-	15,118
	<u>\$ 608,437</u>	<u>\$ 327</u>	<u>\$ 4,040</u>	<u>\$ 3,942,952</u>
<b>Total assets . . . . .</b>	<b>\$ 608,437</b>	<b>\$ 327</b>	<b>\$ 4,040</b>	<b>\$ 3,942,952</b>
 <b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ 84,895
Contracts payable . . . . .	-	-	-	467,963
Accrued wages and benefits . . . . .	-	-	-	34,336
Compensated absences payable . . . . .	36,323	-	-	36,323
Intergovernmental payable . . . . .	-	-	-	38,702
Deferred revenue . . . . .	-	-	-	524,276
Unearned revenue . . . . .	-	-	-	839,045
	<u>36,323</u>	<u>-</u>	<u>-</u>	<u>2,025,540</u>
<b>Total liabilities . . . . .</b>	<b>36,323</b>	<b>-</b>	<b>-</b>	<b>2,025,540</b>
 <b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	-	327	-	261,549
Reserved for materials and supplies inventory . . . . .	-	-	-	59,745
Reserved for prepayments . . . . .	-	-	-	15,118
Unreserved, undesignated (deficit), reported in:				
Special revenue funds . . . . .	572,114	-	4,040	1,581,000
<b>Total fund balances (deficit) . . . . .</b>	<b>572,114</b>	<b>327</b>	<b>4,040</b>	<b>1,917,412</b>
<b>Total liabilities and fund balance . . . . .</b>	<b>\$ 608,437</b>	<b>\$ 327</b>	<b>\$ 4,040</b>	<b>\$ 3,942,952</b>

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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, 2010

	<b>Fire Operating Levy</b>	<b>Computer</b>	<b>Enforcement and Education</b>	<b>Street Construction, Maintenance and Repair</b>
<b>Revenues:</b>				
Property taxes . . . . .	\$ 82,161	\$ -	\$ -	\$ -
Charges for services . . . . .	340	-	-	-
Fines and forfeitures . . . . .	-	9,677	1,438	-
Intergovernmental . . . . .	27,527	-	-	739,931
Interest . . . . .	-	-	-	-
Other . . . . .	6	-	-	7,090
Total revenues . . . . .	<u>110,034</u>	<u>9,677</u>	<u>1,438</u>	<u>747,021</u>
 <b>Expenditures:</b>				
Current:				
General government . . . . .	-	3,036	-	-
Security of persons and property:				
Police . . . . .	-	-	-	-
Fire . . . . .	572,053	-	-	-
Transportation . . . . .	-	-	-	1,045,086
Leisure time activities . . . . .	-	-	-	-
Basic utility services . . . . .	-	-	-	-
Total expenditures . . . . .	<u>572,053</u>	<u>3,036</u>	<u>-</u>	<u>1,045,086</u>
 Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(462,019)</u>	<u>6,641</u>	<u>1,438</u>	<u>(298,065)</u>
 <b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	-	-	-	25,150
Transfers in . . . . .	505,000	-	-	250,000
Transfers out . . . . .	(7,000)	-	-	(10,000)
Total other financing sources (uses) . . . . .	<u>498,000</u>	<u>-</u>	<u>-</u>	<u>265,150</u>
 Net change in fund balances . . . . .	35,981	6,641	1,438	(32,915)
 <b>Fund balances at beginning of year . . . . .</b>	<u>86,178</u>	<u>15,472</u>	<u>9,357</u>	<u>398,007</u>
 <b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 122,159</u>	<u>\$ 22,113</u>	<u>\$ 10,795</u>	<u>\$ 365,092</u>



<b>Storm Sewer Levy</b>	<b>Street Levy</b>	<b>Municipal Road</b>	<b>General Trust</b>	<b>Law Enforcement Trust</b>
\$ 320,700	\$ 369,260	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	9,051
111,378	32,821	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>432,078</u>	<u>402,081</u>	<u>-</u>	<u>-</u>	<u>9,051</u>
-	-	-	-	-
-	-	-	8,686	11,191
-	-	-	5,847	-
-	298,772	150,636	-	-
-	-	-	1,000	-
403,451	-	-	-	-
<u>403,451</u>	<u>298,772</u>	<u>150,636</u>	<u>15,533</u>	<u>11,191</u>
<u>28,627</u>	<u>103,309</u>	<u>(150,636)</u>	<u>(15,533)</u>	<u>(2,140)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
28,627	103,309	(150,636)	(15,533)	(2,140)
462,813	339,806	7,252	32,363	14,911
<u>\$ 491,440</u>	<u>\$ 443,115</u>	<u>\$ (143,384)</u>	<u>\$ 16,830</u>	<u>\$ 12,771</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, 2010

	<u>Compensated Absences</u>	<u>Continuing Professional Education</u>	<u>Mayor's Court</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues:</b>				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ 772,121
Charges for services . . . . .	-	-	-	340
Fines and forfeitures . . . . .	-	-	90,779	110,945
Intergovernmental . . . . .	-	-	-	911,657
Interest . . . . .	-	-	6	6
Other . . . . .	-	-	-	7,096
Total revenues . . . . .	<u>-</u>	<u>-</u>	<u>90,785</u>	<u>1,802,165</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	2,721	-	94,656	100,413
Security of persons and property:				
Police . . . . .	36,323	4,302	-	60,502
Fire . . . . .	-	-	-	577,900
Transportation . . . . .	-	-	-	1,494,494
Leisure time activities . . . . .	10,754	-	-	11,754
Basic utility services . . . . .	29,529	-	-	432,980
Total expenditures . . . . .	<u>79,327</u>	<u>4,302</u>	<u>94,656</u>	<u>2,678,043</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(79,327)</u>	<u>(4,302)</u>	<u>(3,871)</u>	<u>(875,878)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	-	-	-	25,150
Transfers in . . . . .	204,000	-	-	959,000
Transfers out . . . . .	-	-	-	(17,000)
Total other financing sources (uses) . . . . .	<u>204,000</u>	<u>-</u>	<u>-</u>	<u>967,150</u>
Net change in fund balances . . . . .	124,673	(4,302)	(3,871)	91,272
<b>Fund balances at beginning of year . . . . .</b>	<u>447,441</u>	<u>4,629</u>	<u>7,911</u>	<u>1,826,140</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 572,114</u>	<u>\$ 327</u>	<u>\$ 4,040</u>	<u>\$ 1,917,412</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 85,000	\$ 85,000	\$ 82,161	\$ (2,839)
Charges for services . . . . .	-	-	340	340
Intergovernmental . . . . .	15,000	15,000	27,527	12,527
Other . . . . .	-	-	6	6
Total revenues . . . . .	<u>100,000</u>	<u>100,000</u>	<u>110,034</u>	<u>10,034</u>
<b>Expenditures:</b>				
Current:				
Security of Person and Property:				
Fire:				
Personal services . . . . .	566,376	568,073	467,757	100,316
Contract services . . . . .	109,682	106,304	86,026	20,278
Materials and supplies. . . . .	23,674	23,880	19,222	4,658
Capital outlay . . . . .	4,000	4,000	-	4,000
Total expenditures. . . . .	<u>703,732</u>	<u>702,257</u>	<u>573,005</u>	<u>129,252</u>
Excess of expenditures over revenues . . .	<u>(603,732)</u>	<u>(602,257)</u>	<u>(462,971)</u>	<u>139,286</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	505,000	505,000	505,000	-
Transfers out . . . . .	(7,000)	(7,000)	(7,000)	-
Total other financing sources (uses). . .	<u>498,000</u>	<u>498,000</u>	<u>498,000</u>	<u>-</u>
Net change in fund balance . . . . .	(105,732)	(104,257)	35,029	139,286
<b>Fund balance at beginning of year . . . .</b>	122,886	122,886	122,886	-
<b>Prior year encumbrances appropriated .</b>	<u>3,502</u>	<u>3,502</u>	<u>3,502</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 20,656</u>	<u>\$ 22,131</u>	<u>\$ 161,417</u>	<u>\$ 139,286</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 4,000	\$ 4,000	\$ 9,677	\$ 5,677
Total revenues . . . . .	<u>4,000</u>	<u>4,000</u>	<u>9,677</u>	<u>5,677</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Computer:				
Contract services . . . . .	3,600	3,600	2,572	1,028
Materials and supplies. . . . .	700	664	664	-
Capital outlay . . . . .	<u>1,500</u>	<u>1,409</u>	<u>-</u>	<u>1,409</u>
Total expenditures. . . . .	<u>5,800</u>	<u>5,673</u>	<u>3,236</u>	<u>2,437</u>
Net change in fund balance . . . . .	(1,800)	(1,673)	6,441	8,114
<b>Fund balance at beginning of year . . . .</b>	15,472	15,472	15,472	-
<b>Prior year encumbrances appropriated .</b>	<u>200</u>	<u>200</u>	<u>200</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 13,872</u>	<u>\$ 13,999</u>	<u>\$ 22,113</u>	<u>\$ 8,114</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 2,000	\$ 2,000	\$ 1,438	\$ (562)
Total revenues . . . . .	<u>2,000</u>	<u>2,000</u>	<u>1,438</u>	<u>(562)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police:				
Contract services . . . . .	1,000	1,000	-	1,000
Materials and supplies. . . . .	250	250	-	250
Capital outlay . . . . .	100	100	-	100
Total expenditures. . . . .	<u>1,350</u>	<u>1,350</u>	<u>-</u>	<u>1,350</u>
Net change in fund balance . . . . .	650	650	1,438	788
<b>Fund balance at beginning of year . . . .</b>	<u>9,357</u>	<u>9,357</u>	<u>9,357</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 10,007</u>	<u>\$ 10,007</u>	<u>\$ 10,795</u>	<u>\$ 788</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 680,000	\$ 680,000	\$ 743,222	\$ 63,222
Other . . . . .	-	-	7,090	7,090
Total revenues . . . . .	<u>680,000</u>	<u>680,000</u>	<u>750,312</u>	<u>70,312</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
Personal services . . . . .	577,604	492,863	445,946	46,917
Contract services . . . . .	345,113	349,537	338,483	11,054
Materials and supplies . . . . .	303,824	432,396	417,331	15,065
Capital outlay . . . . .	49,076	49,076	46,989	2,087
Total expenditures . . . . .	<u>1,275,617</u>	<u>1,323,872</u>	<u>1,248,749</u>	<u>75,123</u>
Excess expenditures over revenues . . . . .	<u>(595,617)</u>	<u>(643,872)</u>	<u>(498,437)</u>	<u>145,435</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	-	-	25,150	25,150
Transfers in . . . . .	350,000	350,000	250,000	(100,000)
Transfers out . . . . .	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses) . . . . .	<u>340,000</u>	<u>340,000</u>	<u>265,150</u>	<u>(74,850)</u>
Net change in fund balance . . . . .	(255,617)	(303,872)	(233,287)	70,585
<b>Fund balance at beginning of year . . . . .</b>	219,669	219,669	219,669	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>169,417</u>	<u>169,417</u>	<u>169,417</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 133,469</u>	<u>\$ 85,214</u>	<u>\$ 155,799</u>	<u>\$ 70,585</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 330,000	\$ 330,000	\$ 320,700	\$ (9,300)
Intergovernmental . . . . .	30,000	30,000	111,378	81,378
Total revenues . . . . .	<u>360,000</u>	<u>360,000</u>	<u>432,078</u>	<u>72,078</u>
<b>Expenditures:</b>				
Current:				
Basic Utility Services:				
Storm Sewers:				
Personal services . . . . .	55,000	55,000	55,000	-
Contract services . . . . .	569,642	540,334	407,936	132,398
Materials and supplies . . . . .	25,000	23,949	11,571	12,378
Capital outlay . . . . .	87,500	70,641	-	70,641
Total expenditures . . . . .	<u>737,142</u>	<u>689,924</u>	<u>474,507</u>	<u>215,417</u>
Net change in fund balance . . . . .	(377,142)	(329,924)	(42,429)	287,495
<b>Fund balance at beginning of year . . . .</b>	331,286	331,286	331,286	-
<b>Prior year encumbrances appropriated .</b>	<u>160,642</u>	<u>160,642</u>	<u>160,642</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 114,786</u>	<u>\$ 162,004</u>	<u>\$ 449,499</u>	<u>\$ 287,495</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 330,000	\$ 330,000	\$ 369,260	\$ 39,260
Intergovernmental . . . . .	30,000	30,000	32,821	2,821
Total revenues . . . . .	<u>360,000</u>	<u>360,000</u>	<u>402,081</u>	<u>42,081</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Personal services . . . . .	55,000	55,000	55,000	-
Contract services . . . . .	357,743	339,451	335,545	3,906
Materials and supplies. . . . .	42,852	39,690	29,742	9,948
Capital outlay . . . . .	87,500	77,155	-	77,155
Total expenditures. . . . .	<u>543,095</u>	<u>511,296</u>	<u>420,287</u>	<u>91,009</u>
Net change in fund balance . . . . .	(183,095)	(151,296)	(18,206)	133,090
Fund balance at beginning of year . . . .	205,736	205,736	205,736	-
Prior year encumbrances appropriated .	<u>159,595</u>	<u>159,595</u>	<u>159,595</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 182,236</u>	<u>\$ 214,035</u>	<u>\$ 347,125</u>	<u>\$ 133,090</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 110,636	\$ 150,636	\$ -	\$ (150,636)
Total revenues . . . . .	<u>110,636</u>	<u>150,636</u>	<u>-</u>	<u>(150,636)</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services . . . . .	117,888	157,888	150,636	7,252
Total expenditures. . . . .	<u>117,888</u>	<u>157,888</u>	<u>150,636</u>	<u>7,252</u>
Net change in fund balance . . . . .	(7,252)	(7,252)	(150,636)	(143,384)
<b>Fund balance at beginning of year . . . . .</b>	<u>7,252</u>	<u>7,252</u>	<u>7,252</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (143,384)</u>	<u>\$ (143,384)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Contributions and donations . . . . .	\$ 1,400	\$ 1,400	\$ -	\$ (1,400)
Total revenues . . . . .	<u>1,400</u>	<u>1,400</u>	<u>-</u>	<u>(1,400)</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive:				
Contract services . . . . .	3,500	3,500	-	3,500
Total General Government . . . . .	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Security of Persons and Property:				
Police:				
Contract services . . . . .	15,182	15,132	13,229	1,903
Total police . . . . .	<u>15,182</u>	<u>15,132</u>	<u>13,229</u>	<u>1,903</u>
Fire:				
Contract services . . . . .	15,054	15,053	5,787	9,266
Total fire . . . . .	<u>15,054</u>	<u>15,053</u>	<u>5,787</u>	<u>9,266</u>
Total Security of Persons and Property . . . . .	<u>30,236</u>	<u>30,185</u>	<u>19,016</u>	<u>11,169</u>
Public Health and Welfare:				
E.M.S.:				
Contract services . . . . .	616	616	-	616
Total E.M.S. . . . .	<u>616</u>	<u>616</u>	<u>-</u>	<u>616</u>
Total Public Health and Welfare . . . . .	<u>616</u>	<u>616</u>	<u>-</u>	<u>616</u>
Leisure Time Activities:				
Park Department:				
Contract services . . . . .	2,555	2,555	1,000	1,555
Total park department . . . . .	<u>2,555</u>	<u>2,555</u>	<u>1,000</u>	<u>1,555</u>
Total Leisure Time Activities . . . . .	<u>2,555</u>	<u>2,555</u>	<u>1,000</u>	<u>1,555</u>
Total expenditures . . . . .	<u>36,907</u>	<u>36,856</u>	<u>20,016</u>	<u>16,840</u>
Net change in fund balance . . . . .	(35,507)	(35,456)	(20,016)	15,440
<b>Fund balance at beginning of year . . . . .</b>	25,423	25,423	25,423	-
<b>Prior year encumbrances appropriated . . . . .</b>	11,483	11,483	11,483	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,399</u>	<u>\$ 1,450</u>	<u>\$ 16,890</u>	<u>\$ 15,440</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ -	\$ -	\$ 9,051	\$ 9,051
Total revenues . . . . .	<u>-</u>	<u>-</u>	<u>9,051</u>	<u>9,051</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police:				
Materials and supplies. . . . .	14,910	14,911	11,191	3,720
Total expenditures . . . . .	<u>14,910</u>	<u>14,911</u>	<u>11,191</u>	<u>3,720</u>
Net change in fund balance . . . . .	(14,910)	(14,911)	(2,140)	12,771
<b>Fund balance at beginning of year . . . . .</b>	<u>14,911</u>	<u>14,911</u>	<u>14,911</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 12,771</u>	<u>\$ 12,771</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMPENSATED ABSENCES FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
General Government:				
Personal services . . . . .	\$ 25,250	\$ 27,703	\$ 27,493	\$ 210
Total General Government. . . . .	<u>25,250</u>	<u>27,703</u>	<u>27,493</u>	<u>210</u>
Security of Persons and Property:				
Police:				
Personal services . . . . .	180,000	180,000	-	180,000
Total Police . . . . .	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Basic Utilities Services:				
Personal services . . . . .	50,000	50,000	47,994	2,006
Total Basic Utility Services. . . . .	<u>50,000</u>	<u>50,000</u>	<u>47,994</u>	<u>2,006</u>
Leisure Time Activities:				
Personal services . . . . .	25,000	25,000	10,754	14,246
Total Leisure Time Activities. . . . .	<u>25,000</u>	<u>25,000</u>	<u>10,754</u>	<u>14,246</u>
Transportation:				
Personal services . . . . .	71,025	68,572	5,645	62,927
Total Transportation . . . . .	<u>71,025</u>	<u>68,572</u>	<u>5,645</u>	<u>62,927</u>
Total expenditures . . . . .	<u>351,275</u>	<u>351,275</u>	<u>91,886</u>	<u>259,389</u>
Excess expenditures over revenues . . . . .	<u>(351,275)</u>	<u>(351,275)</u>	<u>(91,886)</u>	<u>259,389</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	225,000	225,000	204,000	(21,000)
Total other financing sources. . . . .	<u>225,000</u>	<u>225,000</u>	<u>204,000</u>	<u>(21,000)</u>
Net change in fund balance . . . . .	(126,275)	(126,275)	112,114	238,389
<b>Fund balance at beginning of year . . . .</b>	<u>496,323</u>	<u>496,323</u>	<u>496,323</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 370,048</u>	<u>\$ 370,048</u>	<u>\$ 608,437</u>	<u>\$ 238,389</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Total revenues . . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police:				
Contract services . . . . .	5,348	5,348	4,629	719
Total expenditures . . . . .	<u>5,348</u>	<u>5,348</u>	<u>4,629</u>	<u>719</u>
Net change in fund balance . . . . .	(1,348)	(1,348)	(4,629)	(3,281)
<b>Fund balance at beginning of year . . . .</b>	3,281	3,281	3,281	-
<b>Prior year encumbrances appropriated .</b>	<u>1,348</u>	<u>1,348</u>	<u>1,348</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,281</u>	<u>\$ 3,281</u>	<u>\$ -</u>	<u>\$ (3,281)</u>

**CITY OF NORTH CANTON, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Issue II</u>	<u>Hoover District Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets:</b>			
Equity in pooled cash and investments. . . . .	\$ 181,973	\$ 12,982	\$ 194,955
Receivables:			
Intergovernmental . . . . .	<u>388,111</u>	<u>-</u>	<u>388,111</u>
Total assets. . . . .	<u>\$ 570,084</u>	<u>\$ 12,982</u>	<u>\$ 583,066</u>
<b>Liabilities:</b>			
Contracts payable . . . . .	\$ 388,111	\$ 2,508	\$ 390,619
Interfund loans payable. . . . .	<u>-</u>	<u>163,000</u>	<u>163,000</u>
Total liabilities . . . . .	<u>388,111</u>	<u>165,508</u>	<u>553,619</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	875,643	372,174	1,247,817
Unreserved, undesignated (deficit), reported in:			
Capital projects funds . . . . .	<u>(693,670)</u>	<u>(524,700)</u>	<u>(1,218,370)</u>
Total fund balances (deficit) . . . . .	<u>181,973</u>	<u>(152,526)</u>	<u>29,447</u>
Total liabilities and fund balance. . . . .	<u>\$ 570,084</u>	<u>\$ 12,982</u>	<u>\$ 583,066</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, 2010

	<u>Issue II</u>	<u>Hoover District Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 626,410	\$ 1,099,219	\$ 1,725,629
Total revenues . . . . .	<u>626,410</u>	<u>1,099,219</u>	<u>1,725,629</u>
<b>Expenditures:</b>			
Current:			
Economic development . . . . .	-	207,434	207,434
Capital outlay . . . . .	<u>627,058</u>	<u>2,508</u>	<u>629,566</u>
Total expenditures . . . . .	<u>627,058</u>	<u>209,942</u>	<u>837,000</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(648)</u>	<u>889,277</u>	<u>888,629</u>
Net change in fund balances . . . . .	(648)	889,277	888,629
<b>Fund balances (deficit) at beginning of year . .</b>	<u>182,621</u>	<u>(1,041,803)</u>	<u>(859,182)</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 181,973</u>	<u>\$ (152,526)</u>	<u>\$ 29,447</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

**ISSUE II FUND**

FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 1,638,522	\$ 1,638,522	\$ 21,820	\$ (1,616,702)
Total revenues . . . . .	<u>1,638,522</u>	<u>1,638,522</u>	<u>21,820</u>	<u>(1,616,702)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Contract services . . . . .	1,632,522	1,632,522	898,111	734,411
Total expenditures . . . . .	<u>1,632,522</u>	<u>1,632,522</u>	<u>898,111</u>	<u>734,411</u>
Net change in fund balance . . . . .	6,000	6,000	(876,291)	(882,291)
<b>Fund balance at beginning of year . . . .</b>	<u>182,621</u>	<u>182,621</u>	<u>182,621</u>	<u>-</u>
<b>Fund balance (deficit) at end of year. . .</b>	<u>\$ 188,621</u>	<u>\$ 188,621</u>	<u>\$ (693,670)</u>	<u>\$ (882,291)</u>



**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**HOOVER DISTRICT IMPROVEMENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 3,500,000	\$ 3,500,000	\$ 1,099,219	\$ (2,400,781)
Contributions and donations. . . . .	1,500,000	1,500,000	-	(1,500,000)
Total revenues . . . . .	<u>5,000,000</u>	<u>5,000,000</u>	<u>1,099,219</u>	<u>(3,900,781)</u>
<b>Expenditures:</b>				
Economic Development:				
Contract services . . . . .	4,526,738	4,630,151	1,652,725	2,977,426
Total expenditures . . . . .	<u>4,526,738</u>	<u>4,630,151</u>	<u>1,652,725</u>	<u>2,977,426</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>473,262</u>	<u>369,849</u>	<u>(553,506)</u>	<u>(923,355)</u>
<b>Other financing sources:</b>				
Advances in . . . . .	-	-	163,000	163,000
Total other financing sources. . . . .	<u>-</u>	<u>-</u>	<u>163,000</u>	<u>163,000</u>
Net change in fund balance . . . . .	473,262	369,849	(390,506)	(760,355)
<b>Fund balance at beginning of year . . . .</b>	(30,781)	(30,781)	(30,781)	-
<b>Prior year encumbrances appropriated .</b>	<u>59,587</u>	<u>59,587</u>	<u>59,587</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . .</b>	<u>\$ 502,068</u>	<u>\$ 398,655</u>	<u>\$ (361,700)</u>	<u>\$ (760,355)</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.

**Major Enterprise Funds**

***Water Fund***

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

***Sewer Fund***

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

***Garbage Fund***

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

**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)  
**WATER FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 5,161,362	\$ 5,800,000	\$ 5,832,610	\$ 32,610
Tap-in fees . . . . .	28,476	32,000	35,266	3,266
Other. . . . .	4,449	5,000	47,499	42,499
Total operating revenues. . . . .	<u>5,194,287</u>	<u>5,837,000</u>	<u>5,915,375</u>	<u>78,375</u>
<b>Operating expenses:</b>				
Personal services. . . . .	1,645,900	1,707,995	1,544,152	163,843
Contract services . . . . .	1,430,996	1,405,990	967,241	438,749
Materials and supplies . . . . .	1,977,969	665,067	597,596	67,471
Capital outlay . . . . .	1,511,419	3,016,979	2,620,545	396,434
Other. . . . .	5,000	5,074	2,471	2,603
Total operating expenses. . . . .	<u>6,571,284</u>	<u>6,801,105</u>	<u>5,732,005</u>	<u>1,069,100</u>
Operating income (loss) . . . . .	<u>(1,376,997)</u>	<u>(964,105)</u>	<u>183,370</u>	<u>1,147,475</u>
<b>Nonoperating revenues (expenses):</b>				
Sale of capital assets . . . . .	-	-	2,300	2,300
Notes issued . . . . .	1,370,430	1,540,000	1,815,000	275,000
Premium on notes issued. . . . .	-	-	10,197	10,197
OPWC loan proceeds . . . . .	-	-	156,896	156,896
Debt service:				
Principal retirement . . . . .	(847,150)	(1,782,329)	(1,736,032)	46,297
Interest and fiscal charges. . . . .	(556,000)	(571,200)	(523,512)	47,688
Note issuance costs. . . . .	-	-	(20,136)	(20,136)
Total nonoperating revenues (expenses). . . . .	<u>(32,720)</u>	<u>(813,529)</u>	<u>(295,287)</u>	<u>518,242</u>
Loss before capital contributions and transfers . . . . .	(1,409,717)	(1,777,634)	(111,917)	1,665,717
Capital contributions . . . . .	547,282	615,000	240,000	(375,000)
Transfers out. . . . .	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund equity . . . . .	(912,435)	(1,212,634)	78,083	1,290,717
<b>Fund equity at beginning of year. . . . .</b>	977,697	977,697	977,697	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,432,534</u>	<u>1,432,534</u>	<u>1,432,534</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,497,796</u>	<u>\$ 1,197,597</u>	<u>\$ 2,488,314</u>	<u>\$ 1,290,717</u>

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**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 2,200,000	\$ 2,200,000	\$ 2,371,785	\$ 171,785
Tap-in fees . . . . .	35,000	35,000	42,322	7,322
Other. . . . .	-	6,000	9,572	3,572
Total operating revenues . . . . .	<u>2,235,000</u>	<u>2,241,000</u>	<u>2,423,679</u>	<u>182,679</u>
<b>Operating expenses:</b>				
Personal services. . . . .	514,450	578,784	325,707	253,077
Contract services . . . . .	2,071,610	2,390,736	1,821,763	568,973
Materials and supplies . . . . .	21,679	26,425	13,355	13,070
Capital outlay . . . . .	<u>1,685,383</u>	<u>1,881,217</u>	<u>378,204</u>	<u>1,503,013</u>
Total operating expenses . . . . .	<u>4,293,122</u>	<u>4,877,162</u>	<u>2,539,029</u>	<u>2,338,133</u>
Operating loss . . . . .	<u>(2,058,122)</u>	<u>(2,636,162)</u>	<u>(115,350)</u>	<u>2,520,812</u>
<b>Nonoperating revenues:</b>				
OWDA loan proceeds . . . . .	-	-	173,849	173,849
Notes issued . . . . .	-	900,000	-	(900,000)
Debt service:				
Principal retirement . . . . .	(8,500)	(8,500)	(3,822)	4,678
Interest and fiscal charges. . . . .	<u>(14,050)</u>	<u>(14,050)</u>	<u>(3,723)</u>	<u>10,327</u>
Total nonoperating revenues . . . . .	<u>(22,550)</u>	<u>877,450</u>	<u>166,304</u>	<u>(711,146)</u>
Income (loss) before capital contributions and transfers . . . . .	(2,080,672)	(1,758,712)	50,954	1,809,666
Capital contributions . . . . .	1,095,000	773,040	359,520	(413,520)
Transfers out . . . . .	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Change in net assets . . . . .	(1,000,672)	(1,000,672)	395,474	1,396,146
<b>Fund equity at beginning of year. . . . .</b>	346,140	346,140	346,140	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>691,247</u>	<u>691,247</u>	<u>691,247</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 36,715</u>	<u>\$ 36,715</u>	<u>\$ 1,432,861</u>	<u>\$ 1,396,146</u>

**CITY OF NORTH CANTON, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GARBAGE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 805,000	\$ 805,000	\$ 813,192	\$ 8,192
Total operating revenues . . . . .	<u>805,000</u>	<u>805,000</u>	<u>813,192</u>	<u>8,192</u>
<b>Operating expenses:</b>				
Personal services . . . . .	99,975	100,064	94,192	5,872
Contract services . . . . .	778,642	778,026	765,967	12,059
Materials and supplies . . . . .	52,450	52,977	33,501	19,476
Total operating expenses . . . . .	<u>931,067</u>	<u>931,067</u>	<u>893,660</u>	<u>37,407</u>
Operating loss . . . . .	<u>(126,067)</u>	<u>(126,067)</u>	<u>(80,468)</u>	<u>45,599</u>
<b>Nonoperating revenues:</b>				
Intergovernmental . . . . .	57,120	57,120	45,914	(11,206)
Total nonoperating revenues . . . . .	<u>57,120</u>	<u>57,120</u>	<u>45,914</u>	<u>(11,206)</u>
Net change in fund equity . . . . .	(68,947)	(68,947)	(34,554)	34,393
<b>Fund equity at beginning of year. . . . .</b>	262,597	262,597	262,597	-
<b>Prior year encumbrances appropriated . . .</b>	<u>367</u>	<u>367</u>	<u>367</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 194,017</u>	<u>\$ 194,017</u>	<u>\$ 228,410</u>	<u>\$ 34,393</u>

**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating Revenues:</b>				
Charges for services . . . . .	\$ 1,396,000	\$ 1,396,000	\$ 1,286,692	\$ (109,308)
Total operating revenues . . . . .	<u>1,396,000</u>	<u>1,396,000</u>	<u>1,286,692</u>	<u>(109,308)</u>
<b>Operating Expenses:</b>				
Contract services . . . . .	255,600	255,500	211,551	43,949
Claims . . . . .	<u>1,128,000</u>	<u>1,128,000</u>	<u>781,474</u>	<u>346,526</u>
Total operating expenses . . . . .	<u>1,383,600</u>	<u>1,383,500</u>	<u>993,025</u>	<u>390,475</u>
Operating loss/change in net assets. . . .	12,400	12,500	293,667	281,167
<b>Fund equity at beginning of year . . . .</b>	<u>307,510</u>	<u>307,510</u>	<u>307,510</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 319,910</u>	<u>\$ 320,010</u>	<u>\$ 601,177</u>	<u>\$ 281,167</u>

**CITY OF NORTH CANTON, OHIO**

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

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

**Agency Fund**

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

***Deposits and Fees Fund***

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

**CITY OF NORTH CANTON, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
**AGENCY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<b>Beginning Balance 12/31/2009</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2010</b>
<b>Deposits and Fees</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts. . . . .	\$ 127,572	\$ -	\$ 45,530	\$ 82,042
Total assets. . . . .	<u>\$ 127,572</u>	<u>\$ -</u>	<u>\$ 45,530</u>	<u>\$ 82,042</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 127,572	\$ -	\$ 45,530	\$ 82,042
Total liabilities . . . . .	<u>\$ 127,572</u>	<u>\$ -</u>	<u>\$ 45,530</u>	<u>\$ 82,042</u>



# STATISTICAL SECTION

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**CITY OF NORTH CANTON, OHIO**

**STATISTICAL SECTION  
TABLE OF CONTENTS**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>122-133</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the income tax.	<b>134-141</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>142-147</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>148-151</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>152-156</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**CITY OF NORTH CANTON, OHIO**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007 (1)</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 28,683,552	\$ 28,598,354	\$ 28,494,366	\$ 27,680,040
Restricted for:				
Capital projects	1,843,983	1,057,592	976,112	2,364,897
Street construction, maintenance and repair	1,134,308	1,042,924	774,996	651,009
Emergency medical services	190,534	190,303	128,653	235,207
Fire operations	133,317	95,270	44,003	-
Computer systems	22,113	15,472	34,987	14,502
Storm sewer	535,073	483,356	524,203	526,185
Donations and supplies	16,830	32,363	17,062	35,054
Other purposes	27,933	36,808	17,822	6,858
Unrestricted	<u>1,311,616</u>	<u>2,053,244</u>	<u>3,252,531</u>	<u>3,245,584</u>
Total governmental activities net assets	<u>\$ 33,899,259</u>	<u>\$ 33,605,686</u>	<u>\$ 34,264,735</u>	<u>\$ 34,759,336</u>
<b>Business-type Activities</b>				
Invested in capital assets, net of related debt	\$ 25,702,605	\$ 25,353,521	\$ 24,501,565	\$ 24,165,821
Unrestricted	<u>5,699,637</u>	<u>4,524,526</u>	<u>4,781,693</u>	<u>3,842,872</u>
Total business-type activities net assets	<u>\$ 31,402,242</u>	<u>\$ 29,878,047</u>	<u>\$ 29,283,258</u>	<u>\$ 28,008,693</u>
<b>Total Primary Government</b>				
Invested in capital assets, net of related debt	\$ 54,386,157	\$ 53,951,875	\$ 52,995,931	\$ 51,845,861
Restricted	3,904,091	2,954,088	2,517,838	3,833,712
Unrestricted	<u>7,011,253</u>	<u>6,577,770</u>	<u>8,034,224</u>	<u>7,088,456</u>
Total primary government net assets	<u>\$ 65,301,501</u>	<u>\$ 63,483,733</u>	<u>\$ 63,547,993</u>	<u>\$ 62,768,029</u>

**Source:** City financial records.

**Note:** 2002 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

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

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

**CITY OF NORTH CANTON, OHIO**  
**CHANGES IN NET ASSETS**  
**LAST NINE YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Program Revenues:</b>				
Governmental activities				
Charges for services:				
General government	\$ 306,383	\$ 361,766	\$ 236,634	\$ 206,652
Security of persons and property:				
Police	14,976	22,274	8,006	7,213
Fire	340	-	-	-
Public health and welfare	458,502	416,579	231,002	352,106
Community environment	178,145	193,024	154,156	119,756
Leisure time activities	384,118	329,340	389,748	375,713
Subtotal - charges for services	<u>1,342,464</u>	<u>1,322,983</u>	<u>1,019,546</u>	<u>1,061,440</u>
Operating grants and contributions				
General government	6	-	42,885	-
Security of persons and property:				
Police	-	3,146	8,948	722
Fire	6	289	2,459	17,468
Public health and welfare	50,211	3,330	266	33,246
Transportation	905,023	681,889	841,285	712,773
Leisure time activities	-	350	501	-
Economic development	-	4,197,409	-	-
Basic utility services	29,995	448,424	-	54,906
Subtotal - operating grants and contributions	<u>985,241</u>	<u>5,334,837</u>	<u>896,344</u>	<u>819,115</u>
Capital grants and contributions				
Security of persons and property:				
Fire	-	-	-	-
Transportation	762,392	491,915	36,818	1,220,785
Leisure time activities	-	-	32,245	-
Subtotal - capital grants and contributions	<u>762,392</u>	<u>491,915</u>	<u>69,063</u>	<u>1,220,785</u>
Total governmental activities program revenues	<u>3,090,097</u>	<u>7,149,735</u>	<u>1,984,953</u>	<u>3,101,340</u>
Business-type activities:				
Charges for services:				
Water	5,898,393	5,885,354	5,949,012	5,740,648
Sewer	2,431,111	2,286,131	2,167,750	2,063,478
Garbage	811,940	812,774	759,547	708,666
Subtotal - charges for services	<u>9,141,444</u>	<u>8,984,259</u>	<u>8,876,309</u>	<u>8,512,792</u>
Operating grants and contributions:				
Garbage	51,768	49,802	63,655	61,800
Subtotal - operating grants and contributions	<u>51,768</u>	<u>49,802</u>	<u>63,655</u>	<u>61,800</u>
Capital grants and contributions:				
Water	240,000	65,702	188,670	588,162
Sewer	359,520	-	-	42,215
Subtotal - capital grants and contributions	<u>599,520</u>	<u>65,702</u>	<u>188,670</u>	<u>630,377</u>
Total business-type activities program revenues	<u>9,792,732</u>	<u>9,099,763</u>	<u>9,128,634</u>	<u>9,204,969</u>
Total primary government	<u>\$ 12,882,829</u>	<u>\$ 16,249,498</u>	<u>\$ 11,113,587</u>	<u>\$ 12,306,309</u>

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

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**CITY OF NORTH CANTON, OHIO**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Expenses:</b>				
Governmental Activities:				
General government	\$ 1,958,753	\$ 2,154,096	\$ 2,235,205	\$ 2,253,710
Security of persons and property:				
Police	3,269,935	3,271,884	3,049,396	3,587,425
Fire	623,594	750,783	705,273	819,062
Other	-	-	-	-
Public health and welfare	1,537,536	1,567,495	1,476,085	1,703,059
Transportation	2,420,679	2,629,812	2,575,379	3,213,072
Community environment	456,226	503,388	619,805	547,013
Leisure time activities	903,568	909,636	965,725	1,356,650
Economic development	207,434	4,100,754	-	-
Basic utility services	406,544	401,269	566,496	558,990
Intergovernmental	-	-	-	-
Interest and fiscal charges	20,525	22,707	55,072	184,341
Total governmental activities expenses	<u>11,804,794</u>	<u>16,311,824</u>	<u>12,248,436</u>	<u>14,223,322</u>
Business-type Activities:				
Water	\$ 5,176,387	\$ 5,660,450	\$ 5,106,672	\$ 5,349,070
Sewer	2,256,669	2,017,112	1,946,158	2,031,424
Garbage	879,774	974,743	742,158	789,005
Total business-type activities expenses	<u>8,312,830</u>	<u>8,652,305</u>	<u>7,794,988</u>	<u>8,169,499</u>
Total primary government program expenses	<u>\$ 20,117,624</u>	<u>\$ 24,964,129</u>	<u>\$ 20,043,424</u>	<u>\$ 22,392,821</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	(8,714,697)	(9,162,089)	(10,263,483)	(11,121,982)
Business-type activities	1,479,902	447,458	1,333,646	1,035,470
Total primary government net expense	<u>\$ (7,234,795)</u>	<u>\$ (8,714,631)</u>	<u>\$ (8,929,837)</u>	<u>\$ (10,086,512)</u>



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

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**CITY OF NORTH CANTON, OHIO**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 782,658	\$ 797,287	\$ 836,437	\$ 846,147
Fire operating levy	84,225	82,972	83,655	93,144
Emergency medical services levy	159,739	148,236	149,878	169,256
Storm sewer levy	327,430	323,509	323,116	341,288
Street levy	366,943	323,509	323,116	341,288
Municipal income taxes levied for:				
General purposes	4,342,052	4,331,485	4,465,795	4,591,652
Capital improvement	1,274,696	1,166,334	1,106,163	1,254,058
Grants and entitlements not restricted to				
Specific programs	1,606,528	1,418,091	2,041,947	2,199,383
Interest	11,782	23,936	269,837	606,217
Gain on sale of capital assets	-	-	-	82,873
Other	37,139	35,012	109,857	33,134
Transfers	15,078	(147,331)	59,081	38,634
Total governmental activities	<u>9,008,270</u>	<u>8,503,040</u>	<u>9,768,882</u>	<u>10,597,074</u>
Business-type activities				
Interest	\$ -	\$ -	\$ -	\$ -
Gain on sale of capital assets	-	-	-	16,339
Other	59,371	-	-	133,433
Transfers	(15,078)	147,331	(59,081)	(38,634)
Total business-type activities	<u>44,293</u>	<u>147,331</u>	<u>(59,081)</u>	<u>111,138</u>
Total primary government	<u>\$ 9,052,563</u>	<u>\$ 8,650,371</u>	<u>\$ 9,709,801</u>	<u>\$ 10,708,212</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 293,573	\$ (659,049)	\$ (494,601)	\$ (524,908)
Business-type activities	1,524,195	594,789	1,274,565	1,146,608
Total primary government	<u>\$ 1,817,768</u>	<u>\$ (64,260)</u>	<u>\$ 779,964</u>	<u>\$ 621,700</u>

Source: City financial records.

Note: 2002 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

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

**CITY OF NORTH CANTON, OHIO**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>Restated 2007</u>
General Fund				
Reserved	\$ 106,491	\$ 108,772	\$ 81,670	\$ 59,073
Unreserved	<u>1,344,958</u>	<u>2,199,198</u>	<u>3,055,386</u>	<u>3,620,768</u>
Total general fund	<u>\$ 1,451,449</u>	<u>\$ 2,307,970</u>	<u>\$ 3,137,056</u>	<u>\$ 3,679,841</u>
All Other Governmental Funds				
Reserved	\$ 2,192,721	\$ 737,856	\$ 899,423	\$ 952,745
Unreserved, reported in:				
Special revenue funds	1,665,953	1,522,698	1,133,862	1,059,744
Capital projects funds	<u>(256,225)</u>	<u>(436,156)</u>	<u>192,097</u>	<u>666,448</u>
Total all other governmental funds	<u>\$ 3,602,449</u>	<u>\$ 1,824,398</u>	<u>\$ 2,225,382</u>	<u>\$ 2,678,937</u>
Total governmental funds	<u>\$ 5,053,898</u>	<u>\$ 4,132,368</u>	<u>\$ 5,362,438</u>	<u>\$ 6,358,778</u>

**Source:** City financial records.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 27,388	\$ 13,292	\$ 58,705	\$ 38,997	\$ 20,655	\$ 63,203
<u>4,811,853</u>	<u>5,254,767</u>	<u>8,247,016</u>	<u>7,400,788</u>	<u>13,872,575</u>	<u>7,716,798</u>
<u>\$ 4,839,241</u>	<u>\$ 5,268,059</u>	<u>\$ 8,305,721</u>	<u>\$ 7,439,785</u>	<u>\$ 13,893,230</u>	<u>\$ 7,780,001</u>
\$ 2,154,751	\$ 2,997,278	\$ 365,087	\$ 697,752	\$ 320,953	\$ 453,943
1,032,842	379,908	654,623	387,022	545,406	1,697,313
<u>(1,125,401)</u>	<u>(1,694,856)</u>	<u>1,212,427</u>	<u>1,655,263</u>	<u>2,391,491</u>	<u>6,814,783</u>
<u>\$ 2,062,192</u>	<u>\$ 1,682,330</u>	<u>\$ 2,232,137</u>	<u>\$ 2,740,037</u>	<u>\$ 3,257,850</u>	<u>\$ 8,966,039</u>
<u>\$ 6,901,433</u>	<u>\$ 6,950,389</u>	<u>\$ 10,537,858</u>	<u>\$ 10,179,822</u>	<u>\$ 17,151,080</u>	<u>\$ 16,746,040</u>

**CITY OF NORTH CANTON, OHIO**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>Restated 2007</u>
<b>Revenues</b>				
Taxes	\$ 7,292,004	\$ 7,176,340	\$ 7,298,228	\$ 7,629,826
Charges for services	748,250	720,470	418,432	291,477
Licenses and permits	178,145	193,024	154,156	117,981
Fines and forfeitures	168,102	215,144	108,903	103,838
Intergovernmental	4,189,234	5,184,081	2,777,801	4,395,082
Interest	11,788	28,898	289,131	576,917
Rentals	257,595	277,537	202,932	208,767
Contributions and donations	52,292	1,415,992	82,644	-
Ambulance fees	-	-	-	337,602
Other	44,185	42,410	123,852	33,134
Total revenues	<u>12,941,595</u>	<u>15,253,896</u>	<u>11,456,079</u>	<u>13,694,624</u>
<b>Expenditures</b>				
Current:				
General government	1,841,185	2,028,118	2,149,856	1,731,013
Security of persons and property:				
Police	3,283,034	3,094,169	3,038,698	2,950,401
Fire	577,900	580,697	578,707	582,303
Public health and welfare	1,474,212	1,487,863	1,416,316	1,337,240
Community environment	463,094	455,515	589,150	499,427
Transportation	1,494,494	1,206,706	1,515,298	1,700,177
Leisure time activities	781,696	817,514	941,185	1,079,086
Basic utility services	432,980	904,835	460,158	213,207
Economic development	207,434	4,100,754	-	-
Settlement agreement	-	-	-	-
Capital outlay	1,523,078	1,570,678	1,460,150	3,736,296
Debt service:				
Principal retirement	282,274	249,111	287,196	552,414
Interest and fiscal charges	20,403	28,006	61,445	189,890
Total expenditures	<u>12,381,784</u>	<u>16,523,966</u>	<u>12,498,159</u>	<u>14,571,454</u>
Excess (deficiency) of revenues over (under) expenditures	559,811	(1,270,070)	(1,042,080)	(876,830)
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	41,594	-	-	84,000
Notes issued	-	-	-	-
Current refunding	-	-	-	-
Inception of capital lease	255,125	-	-	1,087,721
Transfers in	1,993,035	2,140,000	1,936,060	3,039,119
Transfers out	(1,928,035)	(2,100,000)	(1,890,320)	(2,984,799)
Total other financing sources (uses)	<u>361,719</u>	<u>40,000</u>	<u>45,740</u>	<u>1,226,041</u>
Net change in fund balances	<u>\$ 921,530</u>	<u>\$ (1,230,070)</u>	<u>\$ (996,340)</u>	<u>\$ 349,211</u>
Capital expenditures	\$ 1,923,064	\$ 1,908,358	\$ 1,709,755	\$ 1,896,914
Debt service as a percentage of noncapital expenditures	2.89%	1.90%	3.23%	5.86%

Source: City financial records.

	2006	2005	2004	2003	2002	2001
\$	8,105,152	\$ 7,362,787	\$ 7,306,072	\$ 6,885,984	\$ 7,044,991	\$ 6,502,582
	277,741	481,565	310,922	310,183	327,248	312,693
	132,200	-	108,151	123,536	101,617	118,623
	96,561	164,104	179,365	193,723	24,458	91,355
	5,397,544	1,806,389	2,171,045	1,750,283	2,486,668	2,364,205
	549,893	304,147	162,281	181,586	510,963	835,486
	212,202	96,054	-	-	-	-
	-	6,250	-	-	15,000	22,430
	311,999	314,046	233,047	98,081	113,046	121,875
	110,979	38,953	137,593	65,036	76,875	68,953
	<u>15,194,271</u>	<u>10,574,295</u>	<u>10,608,476</u>	<u>9,608,412</u>	<u>10,700,866</u>	<u>10,438,202</u>
	1,775,064	2,112,916	1,985,704	5,775,155	1,861,834	1,758,108
						2,884,587
	2,898,587	2,914,728	2,773,795	2,571,194	2,521,968	N/A
	590,204	532,590	527,577	494,508	494,655	N/A
	1,225,749	1,255,865	1,191,434	1,159,512	1,071,837	921,120
	500,264	493,027	323,573	286,643	277,441	302,995
	1,158,714	1,330,351	1,285,060	1,339,514	1,094,539	917,127
	1,070,913	1,043,587	947,010	949,013	871,033	858,485
	176,012	116,710	130,038	114,688	150,837	25,009
	-	-	-	-	-	-
	558,315	1,500,000	-	359,336	359,336	-
	4,566,756	2,978,281	2,873,416	3,429,899	1,592,346	3,171,010
	644,661	2,213	-	-	-	-
	121,128	78,017	12,833	13,344	-	-
	<u>15,286,367</u>	<u>14,358,285</u>	<u>12,050,440</u>	<u>16,607,099</u>	<u>10,295,826</u>	<u>10,838,441</u>
	(92,096)	(3,783,990)	(1,441,964)	(6,998,687)	405,040	(400,239)
	-	50,521	-	27,429	-	17,211
	1,200,000	1,800,000	1,800,000	-	-	-
	(1,200,000)	(1,800,000)	-	-	-	-
	-	146,000	-	-	-	-
	2,572,880	1,515,000	3,895,000	4,380,000	4,100,000	6,530,000
	<u>(2,529,740)</u>	<u>(1,515,000)</u>	<u>(3,895,000)</u>	<u>(4,380,000)</u>	<u>(4,100,000)</u>	<u>(6,530,000)</u>
	<u>43,140</u>	<u>196,521</u>	<u>1,800,000</u>	<u>27,429</u>	<u>-</u>	<u>17,211</u>
\$	<u>(48,956)</u>	<u>(3,587,469)</u>	<u>358,036</u>	<u>(6,971,258)</u>	<u>405,040</u>	<u>(383,028)</u>
\$	5,149,276	\$ 3,226,978	\$ 2,322,247	\$ 5,872,469	\$ 1,662,802	\$ 932,248
	7.55%	0.72%	0.13%	0.12%	0.00%	0.00%

**CITY OF NORTH CANTON, OHIO**

**ASSESSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY  
LAST TEN YEARS**

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated actual value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed value	Esimated actual value
2010	\$ 295,352,930	\$ 76,190,710	\$ 1,061,553,257	\$ 7,086,110	\$ 8,052,398
2009	306,412,350	76,848,090	1,095,029,829	6,213,470	7,060,761
2008	304,274,660	83,600,100	1,108,213,600	5,829,460	6,624,386
2007	300,242,990	82,856,980	1,094,571,343	9,468,540	10,759,705
2006	282,557,950	70,647,520	1,009,158,486	9,822,620	11,162,068
2005	277,423,330	73,768,930	1,003,406,457	10,739,360	12,203,818
2004	271,203,360	72,036,110	980,684,200	10,721,710	12,183,761
2003	238,943,530	69,795,160	882,110,543	10,576,570	12,018,830
2002	231,878,880	63,981,410	845,315,114	10,191,570	11,581,330
2001	224,901,890	61,912,310	819,469,143	12,074,480	13,721,000

**Source:** County Auditor.

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

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

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



Tangible Personal Property

<u>General Business</u>		<u>Total</u>			
<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Ratio</u>	<u>Total Direct Tax Rate</u>
\$0	\$0	\$ 378,629,750	\$ 1,069,605,655	35.40%	\$ 5.90
1,083,510	8,668,080	390,557,420	1,110,758,670	35.16%	5.90
8,547,249	68,377,992	402,251,469	1,183,215,978	34.00%	5.90
16,973,399	135,787,192	409,541,909	1,241,118,240	33.00%	5.90
23,869,790	127,305,547	386,897,880	1,147,626,101	33.71%	5.90
25,771,993	103,087,972	387,703,613	1,118,698,247	34.66%	5.90
31,315,868	125,263,472	385,277,048	1,118,131,433	34.46%	5.90
33,454,806	133,819,224	352,770,066	1,027,948,597	34.32%	5.90
32,028,573	128,114,292	338,080,433	985,010,736	34.32%	5.90
30,381,869	121,527,476	329,270,549	954,717,619	34.49%	5.90

**CITY OF NORTH CANTON, OHIO**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Unvoted Millage</b>				
Operating	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
<b>Voted Millage</b>				
2005 Storm Sewer	1.0000	1.0000	1.0000	1.0000
2005 Street Improvement	1.0000	1.0000	1.0000	1.0000
1982 Ambulance & E.M.S.	1.0000	1.0000	1.0000	1.0000
1983 Fire	0.5000	0.5000	0.5000	0.5000
Total Voted Millage	<u>3.5000</u>	<u>3.5000</u>	<u>3.5000</u>	<u>3.5000</u>
Total Millage	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>
<b>Overlapping Rates By Taxing District</b>				
North Canton City School District				
Residential/Agricultural Real	\$ 38.8841	\$ 34.0290	\$ 34.5888	\$ 34.7169
Commercial/Industrial and Public Utility Real	46.5217	42.0846	39.7213	39.3218
General Business and Public Utility	76.0000	72.3000	72.8000	72.8000
Stark County				
Residential/Agricultural Real	8.9134	6.9852	3.9848	6.9848
Commercial/Industrial and Public Utility Real	9.4212	7.8365	7.6556	7.4909
General Business and Public Utility	11.5000	10.1000	10.1000	10.1000
Plain Township				
Residential/Agricultural Real	0.1000	0.1000	0.1000	0.1000
Commercial/Industrial and Public Utility Real	0.1000	0.1000	0.1000	0.1000
General Business and Public Utility	0.1000	0.1000	0.1000	0.1000
Special Taxing Districts (1)				
Residential/Agricultural Real	2.0555	0.7673	0.7677	0.6712
Commercial/Industrial and Public Utility Real	1.8344	0.8249	0.7974	0.7090
General Business and Public Utility	1.3818	1.0000	1.0000	1.0000

**Source:** County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

The City has no charter millage.

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

(1) North Canton Library, Stark County Park District

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</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
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
<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>3.5000</u>	<u>3.5000</u>	<u>3.5000</u>	<u>3.5000</u>	<u>3.5000</u>	<u>3.5000</u>
<u><u>\$ 5.9000</u></u>	<u><u>\$ 5.9000</u></u>	<u><u>\$ 5.9000</u></u>	<u><u>\$ 5.9000</u></u>	<u><u>\$ 5.9000</u></u>	<u><u>\$ 5.9000</u></u>

\$ 29.6110	\$ 29.6110	\$ 29.8692	\$ 29.8252	\$ 32.5882	\$ 32.5882
37.7864	37.7864	37.7094	37.3465	38.3893	38.3893
65.8000	65.8000	65.8000	65.5000	65.5000	65.5000

7.3694	7.3694	7.7612	7.8060	6.6084	6.6084
8.3378	8.3378	9.2125	9.2372	7.4910	7.4910
10.1000	10.1000	11.5000	11.5000	9.6000	9.6000

0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	1.0000	1.0000	0.1000	0.1000

0.7232	0.7232	0.7315	0.7355	0.6883	0.6883
0.8281	0.8281	0.8276	0.8286	0.7751	0.7751
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**CITY OF NORTH CANTON, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2010	\$ 1,887,486	\$ 1,837,223	97.34%	\$ 39,215	\$ 1,876,438
2009	1,908,956	1,865,586	97.73%	72,493	1,938,079
2008	1,963,272	1,895,920	96.57%	42,201	1,938,121
2007	2,004,956	1,958,900	97.70%	33,875	1,992,775
2006	1,984,367	1,932,148	97.37%	45,467	1,977,615
2005	1,440,031	1,404,479	97.53%	28,300	1,432,779
2004	1,456,096	1,414,519	97.14%	21,076	1,435,595
2003	1,389,753	1,343,805	96.69%	27,305	1,371,110
2002	1,337,631	1,277,950	95.54%	21,724	1,299,674
2001	1,308,241	1,258,302	96.18%	26,061	1,284,363

**Source:** County Auditor

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

Note: The County does not identify delinquent collections by the year for which the tax was levied.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
99.41%	\$ 99,510	5.27%
101.53%	64,992	3.40%
98.72%	69,768	3.55%
99.39%	40,556	2.02%
99.66%	6,752	0.34%
99.50%	7,252	0.50%
98.59%	20,501	1.41%
98.66%	18,643	1.34%
97.16%	37,957	2.84%
98.17%	23,878	1.83%

**CITY OF NORTH CANTON, OHIO**

PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
CURRENT YEAR AND NINE YEARS AGO

<b>2010</b>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
Versailles Gardens, Ltd.	\$ 4,899,730	1	1.32%
McKinley Development Leasing Co. Ltd.	3,885,610	2	1.05%
Albrecht Incorporated	2,548,410	3	0.69%
Potsdamer Platz, LLC	2,299,360	4	0.62%
Waterford at St. Luke	2,056,580	5	0.55%
Berlin Commons, Ltd.	1,801,710	6	0.48%
Williamsburg Apartments, Ltd.	1,617,140	7	0.44%
CETA Group Limited Partnership	1,552,870	8	0.42%
Winsor Medical Center Inc.	1,047,210	9	0.28%
Euro Development, Ltd.	1,011,790	10	0.27%
Total	<u>\$ 22,720,410</u>		<u>6.12%</u>
Total Assessed Valuation	<u>\$ 371,543,640</u>		

<b>2001</b>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
Maytag Corporation	\$ 8,751,220	1	3.05%
Versailles Gardens	4,251,040	2	1.48%
Albrecht Incorporated	2,315,010	3	0.81%
Waterford at Saint Luke	1,864,950	4	0.65%
Berlin Commons Ltd.	1,661,540	5	0.58%
First Friends Church of Canton	1,498,540	6	0.52%
Williamsburg Apartments Ltd.	1,462,240	7	0.51%
CETA Group Limited Partnership	1,328,150	8	0.46%
Canton Plaza Associates	1,140,860	9	0.40%
Beckford Place Apartments	1,097,680	10	0.38%
Total	<u>\$ 25,371,230</u>		<u>8.84%</u>
Total Assessed Valuation	<u>\$ 286,814,200</u>		

**Source:** Stark County, Ohio, Auditor's Office

**CITY OF NORTH CANTON, OHIO**

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

<b>Tax Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholdings</b>	<b>Taxes from Net Profits</b>	<b>Percentage of Taxes from Net Profits</b>	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
2010	1.50%	\$ 5,367,101	\$ 3,719,256	69.30%	\$ 309,501	5.77%	\$ 1,338,344	24.94%
2009	1.50%	5,460,640	3,531,379	64.67%	290,707	5.32%	1,638,554	30.01%
2008	1.50%	5,656,592	3,850,815	68.08%	326,172	5.77%	1,352,921	23.92%
2007	1.50%	6,400,520	4,404,728	68.82%	359,862	5.62%	1,635,930	25.56%
2006	1.50%	6,377,273	4,274,631	67.03%	502,516	7.88%	1,600,126	25.09%
2005	1.50%	6,553,223	4,793,884	73.15%	370,626	5.66%	1,388,713	21.19%
2004	1.50%	6,223,014	4,522,215	72.67%	401,058	6.44%	1,299,741	20.89%
2003	1.50%	6,261,167	4,616,733	73.74%	343,013	5.48%	1,301,421	20.79%
2002	1.50%	6,020,440	4,416,695	73.36%	271,153	4.50%	1,332,592	22.13%
2001	1.50%	6,028,800	4,390,066	72.82%	305,080	5.06%	1,333,654	22.12%

**Source:** The City of North Canton Income Tax Department.

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

**CITY OF NORTH CANTON, OHIO**

**LEGAL DEBT MARGIN  
LAST TEN YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>Restated 2007</u>
Total Assessed Property Value	<u>\$ 378,629,750</u>	<u>\$ 389,904,030</u>	<u>\$ 394,082,950</u>	<u>\$ 409,541,909</u>
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>39,756,124</u>	<u>40,939,923</u>	<u>41,378,710</u>	<u>43,001,900</u>
Debt Outstanding				
Various Improvement Note	-	-	-	750,000
Water System Bonds	3,815,000	3,985,000	4,145,000	4,300,000
Water Notes	915,000	-	-	-
Sewer Notes	-	-	-	175,000
OPWC Loans	1,448,320	1,323,932	1,388,947	1,020,904
OWDA Loans	9,255,783	9,686,773	10,263,181	10,813,200
Total gross indebtedness	<u>15,434,103</u>	<u>14,995,705</u>	<u>15,797,128</u>	<u>17,059,104</u>
Less:				
Water System Bonds	3,815,000	3,985,000	4,145,000	4,300,000
Water Notes	915,000	-	-	-
Sewer Notes	-	-	-	175,000
OPWC Loans	1,448,320	1,323,932	1,388,947	1,020,904
OWDA Loans	9,255,783	9,686,773	10,263,181	10,813,200
Total net debt applicable to debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 39,756,124</u>	<u>\$ 40,939,923</u>	<u>\$ 41,378,710</u>	<u>\$ 42,251,900</u>
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	98.26%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>20,824,636</u>	<u>21,444,722</u>	<u>21,674,562</u>	<u>22,524,805</u>
Total gross indebtedness	15,434,103	14,995,705	15,797,128	17,059,104
Less:				
Special Assessment Bonds	-	-	-	-
Water System Bonds	3,815,000	3,985,000	4,145,000	4,300,000
Water Notes	915,000	-	-	-
Sewer Notes	-	-	-	175,000
OPWC Loans	1,448,320	1,323,932	1,388,947	1,020,904
OWDA Loans	9,255,783	9,686,773	10,263,181	10,813,200
Net debt within 5 1/2 % limitations	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 20,824,636</u>	<u>\$ 21,444,722</u>	<u>\$ 21,674,562</u>	<u>\$ 21,774,805</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	100.00%	100.00%	100.00%	96.67%

**Source:** City financial records.

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



<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>\$ 386,897,880</u>	<u>\$ 387,703,613</u>	<u>\$ 385,277,048</u>	<u>\$ 352,770,066</u>	<u>\$ 338,080,433</u>	<u>\$ 329,270,549</u>
<u>40,624,277</u>	<u>40,708,879</u>	<u>40,454,090</u>	<u>37,040,857</u>	<u>35,498,445</u>	<u>34,573,408</u>
1,000,000	1,500,000	-	-	-	-
-	-	-	-	-	-
4,300,000	3,000,000	2,850,000	1,875,000	1,250,000	1,300,000
350,000	548,000	-	-	-	-
-	-	-	-	-	-
<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>	<u>847,048</u>	<u>925,935</u>
<u>16,959,281</u>	<u>15,681,475</u>	<u>12,054,935</u>	<u>6,373,059</u>	<u>2,097,048</u>	<u>2,225,935</u>
-	-	-	-	-	-
4,300,000	3,000,000	2,850,000	1,875,000	1,250,000	1,300,000
350,000	548,000	-	-	-	-
-	-	-	-	-	-
<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>	<u>847,048</u>	<u>925,935</u>
<u>1,000,000</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 39,624,277</u>	<u>\$ 39,208,879</u>	<u>\$ 40,454,090</u>	<u>\$ 37,040,857</u>	<u>\$ 35,498,445</u>	<u>\$ 34,573,408</u>
97.54%	96.32%	100.00%	100.00%	100.00%	100.00%
<u>21,279,383</u>	<u>21,323,699</u>	<u>21,190,238</u>	<u>19,402,354</u>	<u>18,594,424</u>	<u>18,109,880</u>
16,959,281	15,681,475	12,054,935	6,373,059	2,097,048	2,225,935
-	-	-	-	-	-
-	-	-	-	-	-
4,300,000	3,000,000	2,850,000	1,875,000	1,250,000	1,300,000
350,000	548,000	-	-	-	-
-	-	-	-	-	-
<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>	<u>847,048</u>	<u>925,935</u>
<u>1,000,000</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 20,279,383</u>	<u>\$ 19,823,699</u>	<u>\$ 21,190,238</u>	<u>\$ 19,402,354</u>	<u>\$ 18,594,424</u>	<u>\$ 18,109,880</u>
95.30%	92.97%	100.00%	100.00%	100.00%	100.00%

**CITY OF NORTH CANTON, OHIO**

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases	Notes/Bonds Payable	OWDA Loans	OPWC Loans			
2010	\$ -	\$ 370,977	\$ 4,730,000	\$ 9,255,783	\$ 1,448,320	\$ 15,805,080	3.19%	\$ 904
2009	-	398,126	3,985,000	9,686,773	1,323,932	15,393,831	3.91%	940
2008	-	647,237	4,145,000	10,263,181	1,388,947	16,444,365	4.18%	1,005
2007	750,000	934,433	4,475,000	10,813,200	1,020,904	17,993,537	4.57%	1,099
2006	2,500,000	99,126	4,650,000	11,309,281	-	18,558,407	4.72%	1,134
2005	3,300,000	143,787	3,548,000	10,633,475	-	17,625,262	4.48%	1,077
2004	1,800,000	-	2,850,000	9,204,935	-	13,854,935	3.52%	846
2003	2,100,000	-	1,875,000	4,498,059	-	8,473,059	2.15%	518
2002	-	-	1,250,000	847,048	-	2,097,048	0.53%	128
2001	-	-	1,300,000	924,935	-	2,224,935	0.57%	136

**Source:** City financial records.

**Note:** Population and personal income data are presented on page 148.

**CITY OF NORTH CANTON, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2010

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
<b>Direct - City of North Canton</b>			
Capital Lease	\$ 370,977	100.00%	\$ 370,977
	<u>370,977</u>		<u>370,977</u>
<b>Overlapping debt:</b>			
North Canton City School District	27,675,000	46.60%	12,896,550
Jackson Local School District	60,074,889	0.33%	198,247
Plain Local School District	52,269,913	6.58%	3,439,360
Plain Township	200,000	1.79%	3,580
Stark County	6,825,179	5.33%	363,782
	<u>147,044,981</u>		<u>16,901,519</u>
Total direct and overlapping debt	<u>\$ 147,415,958</u>		<u>\$ 17,272,496</u>

**Source:** County Auditor

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

**CITY OF NORTH CANTON, OHIO**

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

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

(1) Operating expenses do not include depreciation.

**Source:** Office of the City Finance Director.

**Note:** Information prior to 2007 is unavailable.

**CITY OF NORTH CANTON, OHIO**

SEWER DEBT LOAN PLEDGED REVENUE COVERAGE SEWER FUND  
CURRENT YEAR

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2010	\$ 2,440,683	\$ 1,951,856	\$ 488,827	\$ 3,822	\$ 3,723	64.79

(1) Operating expenses do not include depreciation.

**Source:** Office of the City Finance Director.

**Note:** Information prior to 2010 is unavailable.

**CITY OF NORTH CANTON, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

<b>Year</b>	<b>Population (1)</b>	<b>Total Personal Income (5)</b>	<b>Personal Income Per Capita (1)</b>	<b>Median Household Income (1)</b>	<b>Median Age (1)</b>	<b>Educational Attainment: Bachelor's Degree or Higher (1)</b>
2010	17,488	\$ 495,819,776	\$ 28,352	\$ 47,300	43.4	35.8%
2009	16,369	393,592,605	24,045	42,013	42.3	33.6%
2008	16,369	393,592,605	24,045	42,013	42.3	33.6%
2007	16,369	393,592,605	24,045	42,013	42.3	33.6%
2006	16,369	393,592,605	24,045	42,013	42.3	33.6%
2005	16,369	393,592,605	24,045	42,013	42.3	33.6%
2004	16,369	393,592,605	24,045	42,013	42.3	33.6%
2003	16,369	393,592,605	24,045	42,013	42.3	33.6%
2002	16,369	393,592,605	24,045	42,013	42.3	33.6%
2001	16,369	393,592,605	24,045	42,013	42.3	33.6%

(1) Source: U.S. Census

(a) Years 2001 through 2009 - 2000 Federal Census and Year 2010 - 2010 Federal Census

(2) North Canton City Schools

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

(4) Source: County Auditor

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

N/A - Information not available

<b>School Enrollment (2)</b>	<b>Stark County Unemployment Rate (3)</b>	<b>Average Sales Price of Residential Property (4)</b>	<b>Total Assessed Property Value</b>
4,735	11.1%	\$ 136,436	\$ 378,629,750
4,853	13.5%	132,314	390,557,420
4,937	8.0%	147,498	402,251,469
4,932	5.9%	153,833	409,541,909
5,008	5.8%	148,683	386,897,880
4,963	6.4%	151,889	387,703,613
4,980	6.6%	152,500	385,277,048
4,933	6.5%	140,266	352,770,066
4,872	5.5%	145,865	338,080,433
4,654	4.0%	138,336	329,270,549

**CITY OF NORTH CANTON, OHIO**

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

		<b>2010</b>
<b>Employer</b>	<b>Description</b>	<b>Rank</b>
North Canton Board of Education	North Canton City Schools	1
Walsh University	University	2
North Canton Medical Foundation	Medical Center	3
St. Lukes Home for the Aged	Nursing Care Home	4
City of North Canton	Local Government	5
Aultman Hospital Association	Medical Center	6
Stark County	County Government	7
Myers Control Power LLC	Design Building Mfg.	8
Altercare	Home Care Service	9
Northeast Professional Home Care	Home Care Service	10

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

**Source:** Income Tax Department

**Note:** Information prior to 2006 was unavailable.



**CITY OF NORTH CANTON, OHIO**

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

<b>Employer</b>	<b>2010</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Walsh University	1,521	1	9.44%
North Canton Board of Education	962	2	5.97%
Northeast Professional Home Care	494	3	3.07%
St. Lukes Home for the Aged	475	4	2.95%
YMCA of Central Stark County	346	5	2.15%
Absolute Rehabilitation	280	6	1.74%
North Canton Medical Foundation	273	7	1.69%
City of North Canton	238	8	1.48%
Northeast Professional Home Care	230	9	1.43%
Fred W. Albrecht Grocery	192	10	1.19%
<b>Total</b>	<b>5,011</b>		<b>31.11%</b>
<b>Total City Employment</b>	<b>16,117</b>		

<b>Employer</b>	<b>2006</b>		
	<b>Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total</b>
Whirlpool Corporation	1,266	1	10.24%
Walsh University	1,110	2	8.98%
North Canton Board of Education	986	3	7.97%
St. Lukes Home for the Aged	469	4	3.79%
North Canton Medical Foundation	321	5	2.60%
City of North Canton	254	6	2.05%
Fred W. Albrecht Grocery	200	7	1.62%
Aultman Hospital Association	184	8	1.49%
Tamarkin Company	181	9	1.46%
Southern Ohio College LLC	176	10	1.42%
<b>Total</b>	<b>5,147</b>		<b>41.63%</b>
<b>Total City Employment</b>	<b>12,364</b>		

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

**Note:** Information prior to 2006 was unavailable.

**CITY OF NORTH CANTON, OHIO**

**FULL-TIME-EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM  
LAST NINE YEARS (1)**

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

**Source:** City Payroll Department W2 Audit Listing

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

(1) Information prior to 2002 is not available

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**CITY OF NORTH CANTON, OHIO**

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

<b>Function/Program</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>General Government</b>				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	10	10	10	10
<b>Police</b>				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	13	13	13	14
<b>Fire</b>				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	11	11	11	11
<b>Emergency Medical Service</b>				
Stations	1	1	1	1
Square footage of building	8,970	8,970	8,970	8,970
Vehicles	6	6	6	5
<b>Recreation</b>				
Number of parks	11	11	11	11
Number of pools	1	1	1	1
Number of tennis courts	11	11	11	11
Number of basketball courts	7	7	7	7
Number of park shelters	8	8	8	7
Vehicles	11	11	11	11
<b>Public Service Department</b>				
Streets (miles)	95.46	95.46	95.46	95.46
Vehicles	18	18	18	18
<b>Water Department</b>				
Water lines (miles)	129.80	129.80	129.80	129.80
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	17	17	17	17
<b>Wastewater</b>				
Sanitary sewers (miles)	64.39	64.39	64.39	64.39
Storm sewers (miles)	49.42	49.42	49.42	49.42
Vehicles	9	9	9	9

**Source:** City of North Canton departments

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
31,517 8	31,517 9	31,517 9	31,517 8	31,517 8	31,517 8
1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 12
1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 10	1 8,989 10	1 8,989 10
1 8,970 6	1 8,970 6	1 8,970 5	1 8,970 5	1 8,970 5	1 8,970 5
13 1 11 8 7 11	12 1 11 8 6 11	12 1 11 8 6 11	12 1 11 8 6 11	12 1 11 8 6 11	11 1 11 8 6 11
95.46 18	95.46 18	93.70 18	93.70 18	93.30 18	93.00 18
127.93 32,125 17	127.34 26,925 17	126.27 20,640 16	124.90 20,640 16	123.00 20,640 16	122.00 20,640 16
64.06 48.3 9	63.70 47.41 9	62.48 47.41 9	62.30 47.30 9	61.60 46.50 8	61.28 46.00 8

**CITY OF NORTH CANTON, OHIO**

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST NINE YEARS

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Government</b>				
Number of ordinances passed	110	123	122	147
Number of planning commission agenda items	12	2	15	15
Number of zoning board of appeals agenda items	10	3	11	12
Number of checks/vouchers issued	3,419	4,113	3,390	3,711
Interest earnings for fiscal year (cash basis)	\$47,819	\$81,158	\$360,120	\$543,994
General fund receipts (cash basis in thousands)	\$7,888	\$8,425	\$9,031	\$9,321
General fund expenditures (cash basis in thousands)	\$9,235	\$9,406	\$9,961	\$7,744
General fund cash balances (in thousands)	\$1,567	\$2,826	\$3,713	\$4,578
<b>Income Tax Department</b>				
Number of individual returns	7,471	7,742	7,852	8,312
Number of business returns	1,184	1,109	1,187	1,319
Annual number of reconciliation of withholding processed	1,397	1,503	1,529	1,523
<b>Building Department Indicators</b>				
Construction permits issued	776	786	703	305
Estimated value of construction	\$ 7,534,618	\$ 11,462,310	\$ 17,559,237	\$ 19,254,219
Inspections conducted	1,054	1,124	1,114	1,895
<b>Security of Persons &amp; Property</b>				
<b>Police</b>				
Total calls for services	28,107	29,225	29,459	31,274
Traffic violations	1,175	1,495	1,418	1,297
Motor vehicle accidents	516	513	525	604
Total arrests	399	504	392	398
<b>Fire/Emergency Medical Services</b>				
EMS calls	2,075	1,948	2,080	1,635
EMS transports	1,416	1,251	1,284	1,503
Ambulance billing collections	\$458,753	\$461,009	\$269,287	\$337,602
Fire calls	406	424	537	434
Fire safety inspections	1,655	1,543	1,410	1,223
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Swimming pool memberships	2,247	2,387	2,729	3,107
Civic center rentals	255	303	337	318
Dogwood shelter rentals	248	261	252	228
<b>Transportation</b>				
Asphalt resurfacing (miles)	3.12	2.58	2.7	1.80
Asphalt usage for pothole repairs (tons)	672.13	358.37	530.75	410
Salt usage (tons)	6,400	6,250	6,752	4,250
Cost of salt purchased	\$325,248	\$237,641	\$282,216	\$188,992
<b>Water Department</b>				
Average daily gallons sold per consumer	277	132	321	340.81
Number of customers	8,900	8,876	8,947	8,794
Annual water collections	\$5,832,610	\$5,819,610	\$5,759,068	\$5,583,161
Water main breaks	14	19	31	59
Number of wells	9	8	8	8
Gallons of water treated (millions of gallons)	1,163	1,210	1,321	1,307
<b>Wastewater Department</b>				
Residential sewer rate (flat monthly rate)	\$25.41	\$21.00	\$21.00	\$19.00
Number of customers	6,305	6,204	6,284	6,283

**Source:** City of North Canton departments

**Note:** Information prior to 2002 is unavailable.

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

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# Dave Yost • Auditor of State

CITY OF NORTH CANTON

STARK COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
July 28, 2011