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St. Clairsville, OH 43950
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**CITY OF NORTH CANTON
STARK COUNTY
Single Audit
For the Year Ended December 31, 2014**

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Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support
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Dave Yost • Auditor of State

City Council
City of North Canton
145 N. Main Street
North Canton, OH 44720

We have reviewed the *Independent Auditor's Report* of the City of North Canton, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

September 14, 2015

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CITY OF NORTH CANTON
STARK COUNTY

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

June 25, 2015

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of North Canton**, Stark County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



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• Association of Certified Anti - Money Laundering Specialists •



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

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

June 25, 2015

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

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the **City of North Canton's** (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of North Canton's major federal program for the year ended December 31, 2014. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the City's major federal program.

Management's Responsibility

The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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City of North Canton
Stark County
Independent Auditor's Report On Compliance With Requirements
Applicable To The Major Federal Program And On Internal Control
Over Compliance Required By OMB Circular A-133

Auditor's Responsibility (Continued)

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of North Canton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine 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's applicable 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

City of North Canton
Stark County
Independent Auditor's Report On Compliance With Requirements
Applicable To The Major Federal Program And On Internal Control
Over Compliance Required By OMB Circular A-133

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of North Canton (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 25, 2015. We conducted our audit to opine on the City's basic financial statements. The accompanying schedule of expenditures of federal awards presents additional analysis 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



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

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/ Pass through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Ohio Department of Transportation			
Highway Planning and Construction	PID - 90463	20.205	\$ 607,419
	PID - 86536	20.205	<u>252,960</u>
Total Highway Planning and Construction			<u>860,379</u>
Total U.S. DEPARTMENT OF TRANSPORTATION			<u>860,379</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 860,379</u>

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

**CITY OF NORTH CANTON
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2014**

1. SUMMARY OF AUDIT RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CITY OF NORTH CANTON
STARK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Not preparing financial statements in accordance with GAAP	Yes	N/A

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City of North Canton, Ohio



Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2014

CITY OF NORTH CANTON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014



KAREN S. ALGER, CPA
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT



City of North Canton, Ohio



Introductory Section

CITY OF NORTH CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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City of NORTH CANTON, OHIO

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

June 25, 2015

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, 2014, 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 financials statements are free of any material misstatements.

State statutes require the City to be subjected to an annual audit by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The firm of Perry & Associates, CPA’s A.C. has performed the City audit as of December 31, 2014 and they have issued an unmodified (“clean”) opinion. The Independent Auditor’s Report on the basic financial statements and the combining and individual fund statements and schedules are included financial section of this report.

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

As part of the City’s independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City’s independent audit for the year ended December 31, 2014 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with GASB Statement No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus*". In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of North Canton (the primary government) and its potential component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of North Canton, this includes the departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, 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 of North Canton is located in Northeast Ohio along the Interstate 77 corridor with convenient access to markets in Cleveland, Akron and Canton. The Akron Canton regional Airport is located within a five-minute drive from the City and provides nationwide passenger and commercial airfreight services to the region. Major Airlines, such as Southwest Airlines Co., provide passenger service at the facility and the passenger traffic at the airport represents approximately twenty percent of all air travel growth in Ohio. The airport had almost two million customers in 2014.

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

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

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

Since the purchase by Maple Street Commerce, LLC. the partnership with the City and Developer continues to bring new companies into the Community. Since 2008 the City and Developer have attracted seventeen businesses to the Hoover District that, at the end of calendar year 2014, have added over 1,300 new jobs to the community and about \$340,065 in new city income tax revenue for the calendar year.

The partnership between the City of North Canton and Maple Street Commerce, LLC. also saw the City's successful \$5 million Jobs Ready Sites (JRS) Program Grant from the State of Ohio help renovate a former industrial space that now houses the corporate headquarters of the Schroer Group (TSG). The Schroer group is the third largest employer in Hoover District 2014 with over 131 employees. Further, infrastructure funding in the grant provided monies to rebuild, reconstruct and redesign the portion of East Maple Street that fronts the Hoover District from Main Street to Taft Avenue.

New businesses to the community and the Hoover District in 2014 included the Offices of the Ohio Bureau of Workers' Compensation (OBWC) and the Sanctuary Media Group. The OBWC was required to vacate their offices in Canton, Ohio and conducted a regional search before deciding on the Hoover District. The investment in the new offices totaled \$965,000. The offices are located on the second floor of 339 East Maple Street and house 87 new employees. Development and build out of the lease space was a result of the JRS Grant with the State of Ohio to add an additional \$1 million in building improvements to the second floor of the former Hoover Company building Sixteen (16). These improvements included elevators, stairs, and HVAC systems that were critical to adding OBWC to the tenant list of the Hoover District.

In addition to OBWC, the City offered an incentive to the Sanctuary Media Group to bring the fourteen person media company to the City and the Hoover District.

Also housed in 2014 was Stark State's Corporate and Community Services Offices. The City and the North Canton Community Improvement Corporation partnered on a funding request to the State of Ohio to support the relocation of Stark State College's Corporate and Community Services Offices. The City application for State funds was accepted by the State of Ohio and resulted in \$500,000 in funding for the build-out of approximately 17,000 sq. ft. of offices, training labs, and classroom space was successful. The new facility opened in early 2011 with eight full time employees and at the end of the third quarter of 2014, the employment totaled 42 employees. Due to changes in Stark State's corporate mission the Corporate and Community Services Offices closed in the third quarter of 2014 but a new tenant (The Timken Company) is now building out the space with the intention of relocating their IT Department in the first quarter of 2015.

The City and Maple Street Commerce, LLC. continue to work together to redevelop the Hoover District site for warehousing, manufacturing, offices, limited retail, and residential housing units that offers a true "live work" community.

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

At the end of 2014, the City had approximately 440 businesses. Vacancy rates for businesses declined to about five percent in 2014 (excluding the Hoover District). The City has several significant business clusters that include health care, business services (including financial), and higher education. Most of the community's businesses are the "neighborhood variety" providing local shopping opportunities such as supermarkets, small specialty shops, and personal care businesses.

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 2014, 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 2014 the City contributed \$417,000 to the fund and anticipates continuing funding that level on an annual basis.

In 2011, the Ohio General Assembly eliminated the estate tax for all deaths occurring on and after January 1, 2013. It is important to note that 2014 results include a significant distribution from the now phased out estate tax. Pursuant to the legislation in 2006 which authorized the transfer of any estate tax collections in excess of \$300,000 to the capital improvement fund the City will transfer \$770,000 in 2015.

Major Initiatives

The City of North Canton, like most communities in the United States and the world, suffered from the effects of the "Great Recession" that officially occurred in the period of 2008 through 2010. Prior to this period the city was also affected by the closure of the City's largest and primary taxpayer the Hoover Company. This event resulted in the loss of 2,400 jobs to the community and almost eighteen to twenty-two percent of the city's tax revenues.

Just prior to and after the shutdown of the Hoover Corporate headquarters and the "Great Recession", the community moved ahead with several important initiatives. One of these was the funding of the City's long dormant Community Improvement Corporation. The North Canton Community Improvement Corporation (NCCIC) was created in 1980 but, with the exception of Tax Exempt Bonds, had no funding mechanism to help assist with economic development activities. In 2005, the City Council authorized the transfer of \$1,500,000 from the City's General Fund to the NCCIC annually for fifteen years in increments of \$100,000.

This funding source has resulted in the NCCIC's attracting several new businesses to the City that have created over 285 new jobs. The projects included the purchase and lease-back to Myers Controlled Power LLC. of three industrial cranes, purchase of land and construction of a fifty car parking lot for the Stark Development Disabilities, and the purchase of equipment for the Stark State College branch now located in the City's "Hoover District".

Following the funding of the City's successful \$5,000,000 Jobs Ready Site Grant in 2009, the City has worked closely with Maple Street Commerce LLC, the Developer of the former 85 acre Hoover Manufacturing Facility, to attract business to and redevelop the site. The total project investment with the Grant is \$6.67 million with the developer contributing \$1.67 million as local match. Uses of the grant funds include \$4 million for building rehabilitation by the developer and \$1.0 million for infrastructure work done by the City. As of December 2014, the City's partnership with the developer has resulted in significant job growth and \$1,910,947 in new withholding and corporate taxes.

In as much as the Hoover District is being developed as a "live work" project, the developer secured historic tax credits and funding through the EB-5 visa program for Immigrant Investors. The EB-5 program is a United States visa program created by the Immigration Act of 1990. This type of visa provides a method of obtaining a green card for foreign nationals who invest money in the United States.

To obtain the visa, individuals must invest \$1,000,000 (or at least \$500,000 in a "Targeted Employment Area" - high unemployment or rural area), creating or preserving at least 10 jobs for U.S. workers excluding the investor and their immediate family. These combined funding sources along with the developer's equity are facilitating the construction of approximately 140 apartments and help build out the retail portion of the project. At the end of 2014, demolition and construction of the new residential and retail spaces have started with residential occupancy scheduled to be ready in the fourth quarter of 2015.

The City/Developer partnership is focused on attraction of high technology businesses such as semiconductor manufacturers, software publishers, architectural or engineering services firms, scientific research and development services as well as health care offices. In 2014, the Hoover District added to its tenants list the Offices of the Ohio Bureau of Workers' Compensation and the Sanctuary Media Group and 101 new jobs.

Another initiative the City is leading is the development of any available developable land to encourage job growth. Since the City is almost built-out, one area of vacant land the City has focused on is an area that contains about 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's Department of Development. The grant request was approved for \$350,000. The total project cost to construct the street was \$616,367 and construction was completed on the roadway in the fourth quarter of 2009. Although the Great Recession stopped any development activity at the site, in 2013 the City is marketing the site with the developer.

A performance audit was conducted by the State Auditor's office in 2009 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 outlined in the audit has implemented many of the suggestions identified by the audit to help cut costs throughout the City's operations.

In 2014, a 1 mil storm sewer improvement renewal levy and a 1 mil street improvement renewal levy was passed at the November general election and is anticipated to generate \$354,227 each year annually for five years for each levy. Collections years are 2016-2020.

Wherever possible, the City is pursuing grants to assist in projects. The City was awarded \$110,000 from the Stark County Municipal Road Funds for Pittsburgh Road street reconstruction project. The City was awarded \$2,750,000 from the Ohio Department of Transportation (ODOT) and, \$1,537,420 from Ohio Public Works Commission (OPWC) for the construction of North Main Street Phase VI street reconstruction. The construction of this project started in 2012 and was completed 2013. Also, the City was awarded \$310,153 by the Ohio Public works Commission (OPWC) and \$1,152,000 from Ohio Department of Transportation (ODOT) for Main Street resurfacing. Ohio Public Works Commission (OPWC) awarded the City \$1,227,000 grant for East Maple Street reconstruction. The City was awarded \$605,800 from the Ohio Department of Transportation (ODOT) and \$201,450 from Ohio Public Works Commission (OPWC) for the Main Street signalization, a \$150,000 grant from ODOT for infrastructure work associated with the revitalization of the Hoover District, and a CDBG Grant for \$150,000 to reconstruct 7th Street N.W. in 2016.

In recent years despite declining income tax collections as a result of the closing of the City's largest taxpayer, the Maytag TTI/Hoover Company, 2007 and the Great Recession of 2008 – 2010, City revenues for income tax collections have stabilized and increased slightly. Despite this, the City will continue to have difficult budget situations in the near future. This is due in part to declines in other revenues such as shared support from the State (reduction in local government funds), interest earnings continuing to remain stagnant due to historically low interest rates, and the elimination of the estate tax for local government by the State Legislature. All this while operating costs continue to increase due to inflationary pressures on materials and supplies to maintain city infrastructure and facilities, training costs, and rising costs of health care. As a result, it is anticipated that the City will continue its cost containment and revenue enhancement actions through 2015 and beyond.

Awards and Acknowledgements

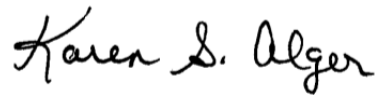
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Comprehensive Annual Financial Report for the year ended December 31, 2013. This was the twenty-sixth consecutive year that the government has achieved this prestigious national award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of North Canton
Ohio**

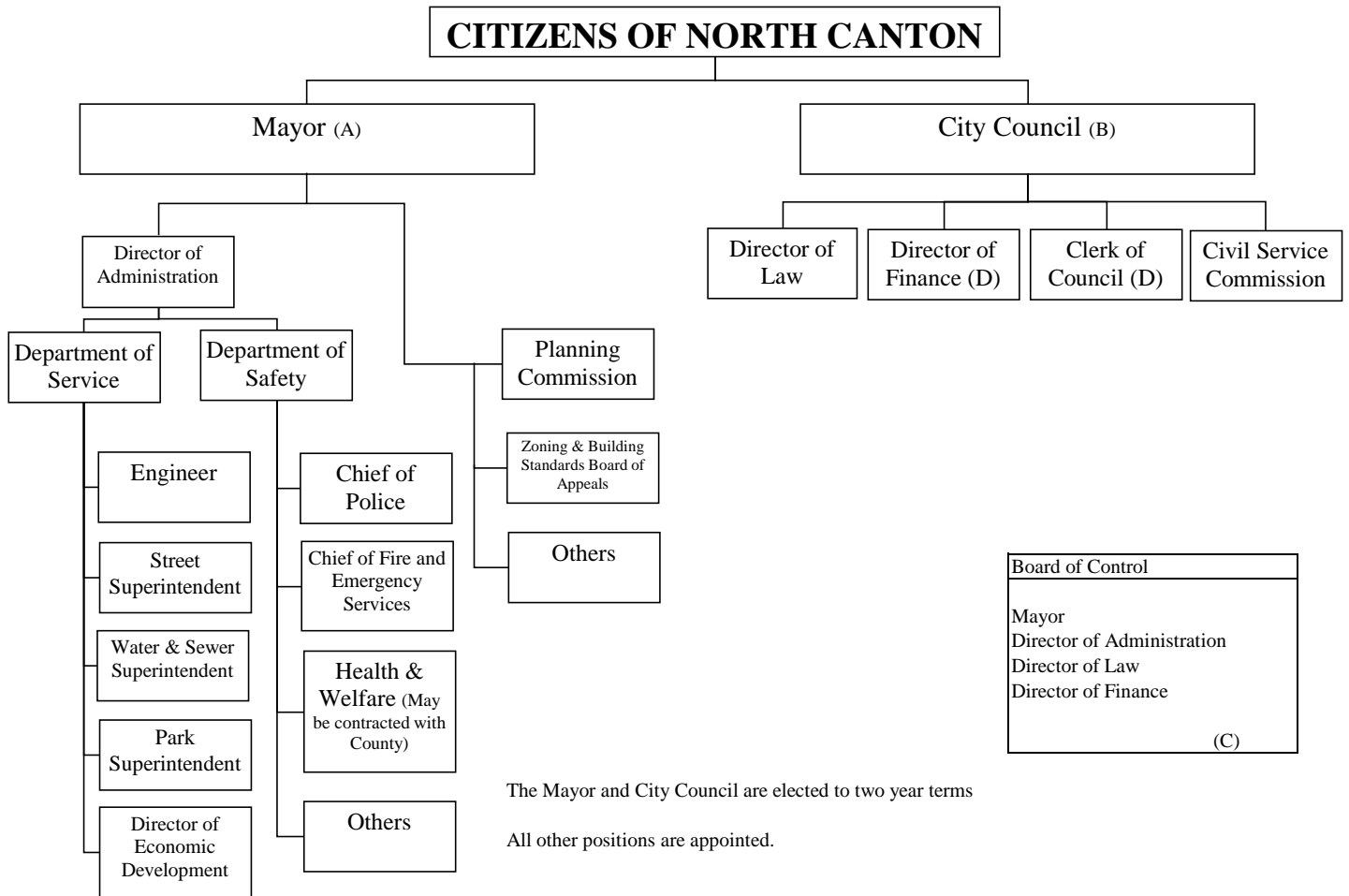
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

CITY OF NORTH CANTON, OHIO

CHARTER GOVERNMENT
ORGANIZATIONAL CHART



The Mayor and City Council are elected to two year terms

All other positions are appointed.

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

(B) Elects Council President and Vice President

(C) Awards contracts over Ohio Revised Code bidding limit

(D) May be combined

CITY OF NORTH CANTON, OHIO

LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2014

ELECTED CITY OFFICIALS

MAYOR

HONORABLE DAVID J. HELD

CITY COUNCIL

DANIEL J. PETERS, PRESIDENT, WARD 2
DOUGLAS V. FOLTZ, VICE PRESIDENT, WARD 1
MARSHA KIESLING, AT-LARGE
MARK CERRETA, AT-LARGE
DAN GRIFFITH, AT-LARGE
STEPHANIE S. WERREN, WARD 3
DOMINIC FONTE, WARD 4

APPOINTED CITY OFFICIALS

DIRECTOR OF ADMINISTRATION

MICHAEL J. GRIMES

DIRECTOR OF FINANCE

KAREN S. ALGER

DIRECTOR OF LAW

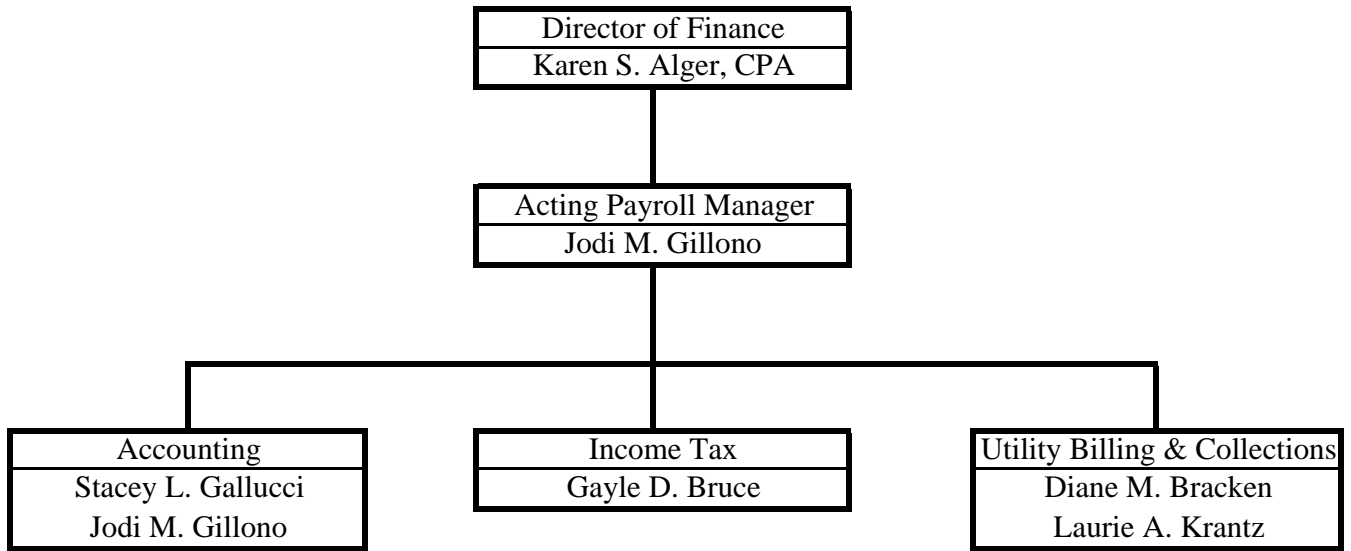
TIM FOX

CLERK OF COUNCIL

MARY BETH BAILEY

CITY OF NORTH CANTON, OHIO

DEPARTMENT OF FINANCE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2014





City of North Canton, Ohio



Financial Section



428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave
Parkersburg, WV 26101
304.422.2203

121 E Main St
St. Clairsville, OH 43950
740.695.1569

INDEPENDENT AUDITOR'S REPORT

June 25, 2015

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of North Canton**, Stark County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

... "bringing more to the table"

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll

Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •

Auditor's Responsibility (Continued)

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Emergency Medical Services Levy funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Information

Our audit was conducted to opine on 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 present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

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CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014. 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 2014 are as follows:

- The total net position of the City increased \$6,218,442. Net position of governmental activities increased \$4,886,179 or 11.56% over 2013 and net position of business-type activities increased \$1,332,263 or 3.85% over 2013's restated net position.
- General revenues accounted for \$5,836,667 or 34.49% of total governmental activities revenue. Program specific revenues accounted for \$11,087,743 or 65.51% of total governmental activities revenue.
- The City had \$12,103,231 in expenses related to governmental activities; \$5,836,667 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$6,266,564 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$11,087,743.
- The general fund had revenues and other financing sources of \$9,199,377 in 2014. This represents an increase of \$942,025 from 2013 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$7,752,188 in 2014, decreased \$14,365 from 2013. The net increase in the fund balance for the general fund was \$1,447,189 or 28.11%, from \$5,148,552 to \$6,595,741.
- The emergency medical services levy fund had revenues and other financing sources of \$1,486,926 in 2014. The emergency medical services levy fund had expenditures and other financing uses of \$1,551,861. The fund balance of the emergency medical services levy fund decreased \$64,935 from \$361,644 to \$296,709.
- The capital improvement major fund had \$2,974,689 in revenues and other financing sources and \$2,618,645 in expenditures in 2014. The fund balance for the capital improvement fund increased \$356,044 or 7.72%, from \$4,613,562 to \$4,969,606.
- The Hoover District improvement major fund had \$2,331,548 in revenues and \$1,706,120 in expenditures in 2014. The fund balance for the Hoover District improvement fund increased \$625,428 from a deficit of \$114,848 to a balance of \$510,580.
- Net position for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$1,332,263 from a restated net position of \$34,579,035 to \$35,911,298 in 2014.
- The water fund had \$6,470,000 in operating revenues and \$4,647,495 in operating expenses in 2014. The water fund also had nonoperating expenses of \$618,121 and transfers out of \$175,500. The net position of the water fund increased \$1,028,884 or 4.26%.
- The sewer fund had \$2,849,831 in operating revenues and \$2,605,835 in operating expenses in 2014. The sewer fund also had non-operating expenses of \$21,715, transfers in of \$100,000, transfers out of \$39,500 and capital contributions of \$50,000. The net position of the sewer fund increased \$332,781 or 3.34%.
- The garbage fund had \$899,929 in operating revenues and \$991,618 in operating expenses in 2014. The garbage fund also had non-operating revenues of \$56,867. The net position of the garbage fund decreased \$34,822 or 14.97%.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

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.

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

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

Reporting the City as a Whole

Statement of Net Position and Statement of Activities

The analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2014?" The Statement of Net Position and the Statement of Activities provide information concerning the City as a whole and its financial activities that will assist the reader in answering this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual method of accounting similar to the accounting used by most private-sector businesses. This method of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

The City-wide financial statements can be found on pages 21 through 23 of this report.

Fund Financial Statements

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

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, the capital improvement fund and the Hoover District improvement fund. The City's major proprietary funds are the water fund, the sewer fund and the garbage fund.

Governmental Funds

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

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 24 through 32 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 33 through 36 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 37 of this report.

Notes to the Basic Financial Statements

The financial statement notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on pages 39 through 74 of this report.

Government-Wide Financial Analysis

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

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The table below provides a summary of the City's net position at December 31, 2014 compared to December 31, 2013. The net position of business-type activities has been restated as described in Note 3.B.

	Net Position					
			Restated			
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	2014 Total	Restated 2013 Total
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>Total</u>	<u>Total</u>
Assets						
Current and other assets	\$ 20,444,019	\$ 18,254,303	\$ 9,300,700	\$ 9,078,133	\$ 29,744,719	\$ 27,332,436
Capital assets, net	<u>33,266,550</u>	<u>31,750,878</u>	<u>41,147,970</u>	<u>41,299,809</u>	<u>74,414,520</u>	<u>73,050,687</u>
Total assets	<u>53,710,569</u>	<u>50,005,181</u>	<u>50,448,670</u>	<u>50,377,942</u>	<u>104,159,239</u>	<u>100,383,123</u>
Liabilities						
Current and other liabilities	1,030,197	1,827,101	564,323	1,032,091	1,594,520	2,859,192
Long term liabilities:						
Due within one year	265,923	224,012	1,002,842	915,791	1,268,765	1,139,803
Due in more than one year	<u>3,002,212</u>	<u>3,452,194</u>	<u>12,970,207</u>	<u>13,851,025</u>	<u>15,972,419</u>	<u>17,303,219</u>
Total liabilities	<u>4,298,332</u>	<u>5,503,307</u>	<u>14,537,372</u>	<u>15,798,907</u>	<u>18,835,704</u>	<u>21,302,214</u>
Deferred inflows of resources						
Deferred inflows of resources	<u>2,273,671</u>	<u>2,249,487</u>	<u>-</u>	<u>-</u>	<u>2,273,671</u>	<u>2,249,487</u>
Total deferred inflows of resources	<u>2,273,671</u>	<u>2,249,487</u>	<u>-</u>	<u>-</u>	<u>2,273,671</u>	<u>2,249,487</u>
Net Position						
Net investment in capital assets	31,628,172	30,087,393	27,533,121	26,626,707	59,161,293	56,714,100
Restricted	3,719,814	2,897,690	-	-	3,719,814	2,897,690
Unrestricted	<u>11,790,580</u>	<u>9,267,304</u>	<u>8,378,177</u>	<u>7,952,328</u>	<u>20,168,757</u>	<u>17,219,632</u>
Total net position	<u>\$ 47,138,566</u>	<u>\$ 42,252,387</u>	<u>\$ 35,911,298</u>	<u>\$ 34,579,035</u>	<u>\$ 83,049,864</u>	<u>\$ 76,831,422</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2014, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$83,049,864. At year-end, net position was \$47,138,566 and \$35,911,298 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, 2014, capital assets represented 71.44% of total assets. Capital assets include land, easements and rights of way, construction in progress (CIP), land improvements, buildings, equipment, software, sewer rights and infrastructure. Net investment in capital assets at December 31, 2014, was \$31,628,172 and \$27,533,121 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Assets of governmental activities increased \$3,705,388 or 7.41%. This increase can mainly be attributed to an increase in equity in pooled cash and investments. The increase in equity and pooled cash is mainly the result of an increase in revenues that exceeded expenses. Liabilities of the governmental activities decreased by \$1,204,975 or 21.90% which is due primarily to a decrease in contracts payable related to construction projects.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Assets of business-type activities increased \$70,728 or 0.14%. All assets remained compared to last year with an increase in materials and supplies inventory. Liabilities of the business-type activities decreased by \$1,261,535. This was primarily due to a decrease in contracts payable and the paying down of long-term liabilities.

As of December 31, 2014, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net position, \$3,719,814, represents resources that are subject to external restriction on how they may be used. This is an increase of \$822,124 from 2013 and is the result of an increase in restricted for capital projects related to the Hoover District improvement fund. In the governmental activities, the remaining balance of unrestricted net position of \$11,790,580 may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

The table below shows the changes in net position for years 2014 and 2013. The net position of the business-type activities has been restated as described in Note 3.B.

	Change in Net Position					
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	2014 Total	2013 Total
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,654,481	\$ 1,672,634	\$ 10,132,099	\$ 9,888,744	\$ 11,786,580	\$ 11,561,378
Operating grants and contributions	856,565	1,071,336	56,867	28,371	913,432	1,099,707
Capital grants and contributions	<u>3,325,621</u>	<u>1,793,398</u>	<u>-</u>	<u>-</u>	<u>3,325,621</u>	<u>1,793,398</u>
Total program revenues	<u>5,836,667</u>	<u>4,537,368</u>	<u>10,188,966</u>	<u>9,917,115</u>	<u>16,025,633</u>	<u>14,454,483</u>
General revenues:						
Taxes	9,167,499	9,015,971	-	-	9,167,499	9,015,971
Grants and entitlements	1,766,623	1,036,416	-	-	1,766,623	1,036,416
Investment earnings	61,894	15,322	-	-	61,894	15,322
Miscellaneous	<u>91,727</u>	<u>129,570</u>	<u>87,661</u>	<u>104,237</u>	<u>179,388</u>	<u>233,807</u>
Total general revenues	<u>11,087,743</u>	<u>10,197,279</u>	<u>87,661</u>	<u>104,237</u>	<u>11,175,404</u>	<u>10,301,516</u>
Total revenues	<u>16,924,410</u>	<u>14,734,647</u>	<u>10,276,627</u>	<u>10,021,352</u>	<u>27,201,037</u>	<u>24,755,999</u>

--Continued

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Change in Net Position - (Continued)

	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>	Business-type Activities <u>2014</u>	Business-type Activities <u>2013</u>	<u>2014</u> Total	<u>2013</u> Total
Expenses:						
General government	1,797,198	1,916,122	-	-	1,797,198	1,916,122
Security of persons and property:						
Police	3,026,167	3,209,466	-	-	3,026,167	3,209,466
Fire	561,489	663,161	-	-	561,489	663,161
Public health and welfare	1,660,454	1,500,576	-	-	1,660,454	1,500,576
Transportation	1,936,292	3,574,374	-	-	1,936,292	3,574,374
Community environment	442,474	402,156	-	-	442,474	402,156
Leisure time activities	867,399	789,887	-	-	867,399	789,887
Basic utility services	615,934	607,310	-	-	615,934	607,310
Economic development	1,110,772	-	-	-	1,110,772	-
Interest and fiscal charges	85,052	89,725	-	-	85,052	89,725
Water	-	-	5,261,976	6,223,675	5,261,976	6,223,675
Sewer	-	-	2,626,109	2,594,504	2,626,109	2,594,504
Garbage	-	-	991,279	936,462	991,279	936,462
Total expenses	<u>12,103,231</u>	<u>12,752,777</u>	<u>8,879,364</u>	<u>9,754,641</u>	<u>20,982,595</u>	<u>22,507,418</u>
Excess before transfers	4,821,179	1,981,870	1,397,263	266,711	6,218,442	2,248,581
Transfers	<u>65,000</u>	<u>87,000</u>	<u>(65,000)</u>	<u>(87,000)</u>	-	-
Change in net position	4,886,179	2,068,870	1,332,263	179,711	6,218,442	2,248,581
Net position at beginning of year (restated)	<u>42,252,387</u>	<u>40,183,517</u>	<u>34,579,035</u>	<u>34,399,324</u>	<u>76,831,422</u>	<u>74,582,841</u>
Net position at end of year	<u>\$ 47,138,566</u>	<u>\$ 42,252,387</u>	<u>\$ 35,911,298</u>	<u>\$ 34,579,035</u>	<u>\$ 83,049,864</u>	<u>\$ 76,831,422</u>

Governmental Activities

Governmental activities net position increased \$4,886,179 in 2014.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$3,587,656 of the total expenses of the City. These expenses were partially funded by \$13,499 in direct charges to users of the services. General government expenses totaled \$1,797,198. General government expenses were partially funded by \$389,409 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$856,565 in operating grants and contributions and \$3,325,621 in capital grants and contributions. Capital grants and contributions increased \$1,532,223 due to a Job Ready Site grant received from the State.

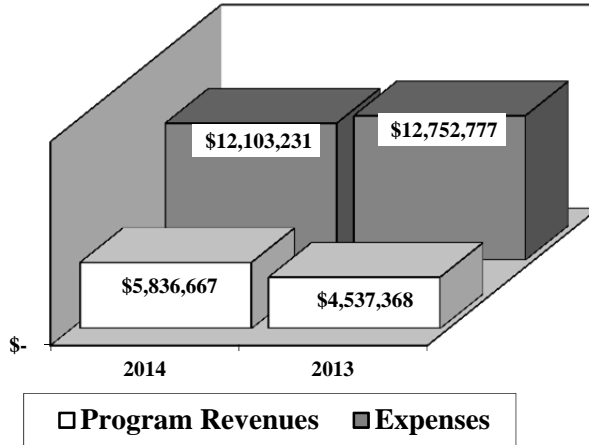
General revenues totaled \$11,097,743, and amounted to 65.51% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$9,167,499. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government, local government revenue assistance, homestead and rollback, making up \$1,766,623. This increased in comparison to 2014 mainly due to increase in estate tax revenues.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

Governmental Activities – Program Revenues vs. Total Expenses



Governmental Activities

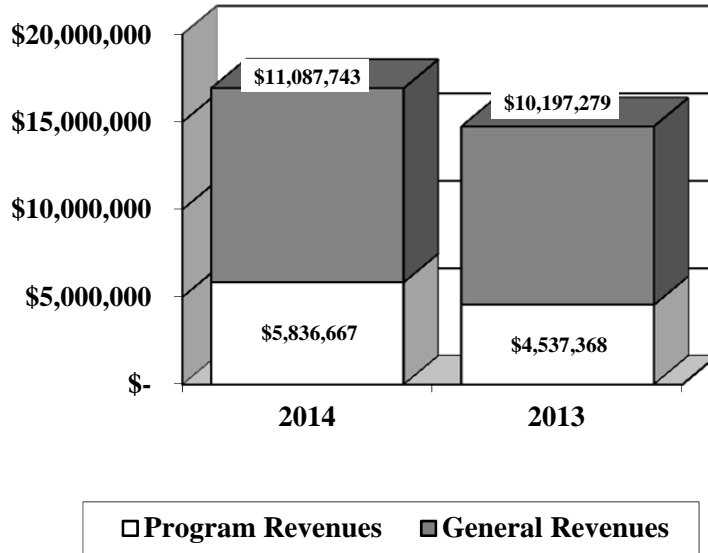
	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>
Program Expenses:				
General government	\$ 1,797,198	\$ 1,407,784	\$ 1,916,122	\$ 1,454,463
Security of persons and property:				
Police	3,026,167	3,010,490	3,209,466	3,056,282
Fire	561,489	544,205	663,161	650,475
Public health and welfare	1,660,454	1,054,522	1,500,576	888,735
Transportation	1,936,292	161,228	3,574,374	902,088
Community environment	442,474	44,687	402,156	97,382
Leisure time activities	867,399	564,140	789,887	469,619
Economic development	1,110,772	(1,220,776)	-	-
Basic utility services	615,934	615,232	607,310	606,640
Interest and fiscal charges	85,052	85,052	89,725	89,725
Total Expenses	\$ 12,103,231	\$ 6,266,564	\$ 12,752,777	\$ 8,215,409

The dependence upon general revenues for governmental activities is apparent, with 51.78% of expenses supported through taxes and other general revenues in 2014 and 64.42% in 2013.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

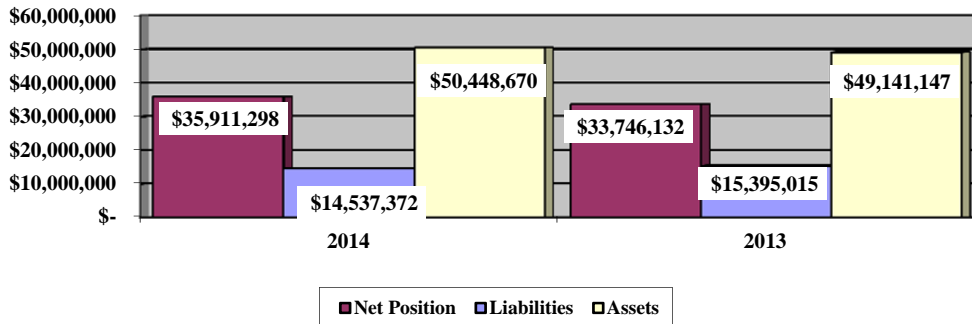
Governmental Activities – General and Program Revenues



Business-Type Activities

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$10,188,966, expenses of \$8,879,364 and general revenues of \$87,661 for 2014. The graph below shows the business-type activities assets, liabilities and net position at year-end.

Net Position in Business - Type Activities



Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on pages 24 and 25) reported a combined fund balance of \$14,678,673 which is \$2,714,451 higher than last year's total of \$11,964,222. The schedule on the next page indicates the fund balances and the total change in fund balances as of December 31, 2014 for all major and nonmajor governmental funds.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Fund Balances 12/31/14	Fund Balance (Deficit) 12/31/13	Change
Major Funds:			
General	\$ 6,595,741	\$ 5,148,552	\$ 1,447,189
Emergency Medical Services Levy	296,709	361,644	(64,935)
Capital Improvement	4,969,606	4,613,562	356,044
Hoover District Improvement	510,580	(114,848)	625,428
Other Nonmajor Governmental Funds	<u>2,306,037</u>	<u>1,955,312</u>	<u>350,725</u>
Total	<u>\$ 14,678,673</u>	<u>\$ 11,964,222</u>	<u>\$ 2,714,451</u>

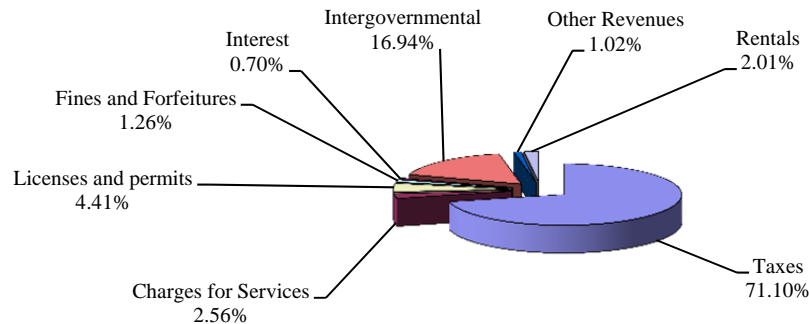
General Fund

The City's general fund balance increased \$1,447,189. The table that follows assists in illustrating the revenues of the general fund.

	2014 Amount	2013 Amount	Change	Percentage Change
Revenues				
Taxes	\$ 6,416,645	\$ 6,143,473	\$ 273,172	4.45 %
Charges for services	231,043	233,485	(2,442)	(1.05) %
Licenses and permits	397,787	304,774	93,013	30.52 %
Fines and forfeitures	113,793	132,220	(18,427)	(13.94) %
Intergovernmental	1,529,164	945,421	583,743	61.74 %
Interest	63,551	10,027	53,524	533.80 %
Rentals	181,267	195,880	(14,613)	(7.46) %
Other	<u>91,727</u>	<u>129,570</u>	<u>(37,843)</u>	<u>(29.21) %</u>
Total	<u>\$ 9,024,977</u>	<u>\$ 8,094,850</u>	<u>\$ 930,127</u>	11.49 %

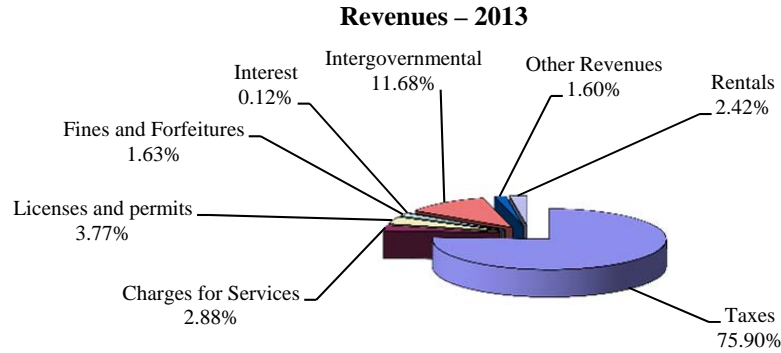
Revenues of the general fund increased \$930,127 or 11.49%. Tax revenues increased \$273,172 or 4.45%. This increase was the result of an increase in income taxes being reported in the general fund due to an increase in business within the City. The most significant increase was in the area of intergovernmental revenues. Intergovernmental revenues increased \$583,743 due mainly to an increase in estate taxes. All other major revenue remained comparable to 2013.

Revenues – 2014



CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**



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

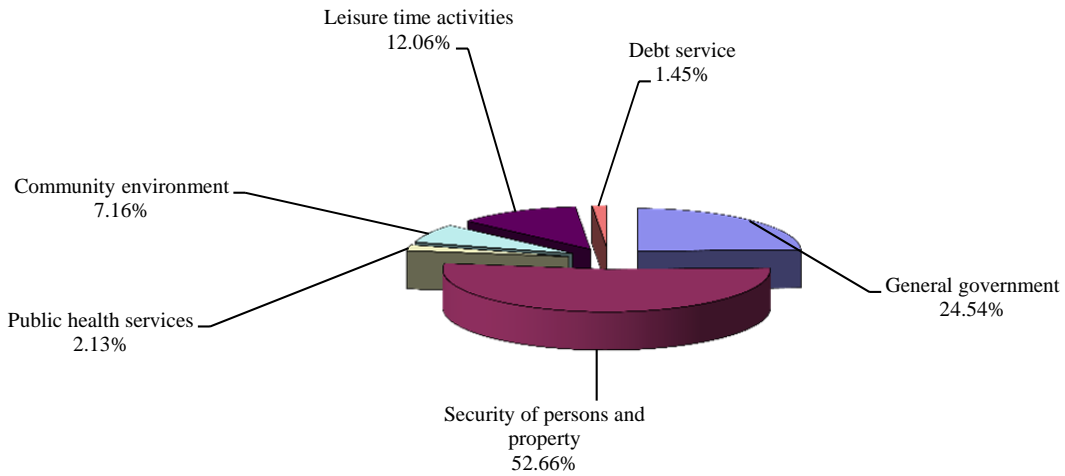
	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 1,532,984	\$ 1,615,429	\$ (82,445)	(5.10) %
Security of persons and property:				
Police	3,266,604	3,136,132	130,472	4.16 %
Fire	23,195	42,292	(19,097)	(45.16) %
Public health and welfare	133,375	104,980	28,395	27.05 %
Community environment	447,225	404,055	43,170	10.68 %
Leisure time activities	753,355	674,044	79,311	11.77 %
Basic utility services	-	19,071	(19,071)	(100.00) %
Debt service	<u>90,450</u>	<u>87,550</u>	<u>2,900</u>	3.31 %
Total	<u>\$ 6,247,188</u>	<u>\$ 6,083,553</u>	<u>\$ 163,635</u>	2.69 %

Expenditures of the general fund increased \$163,635 or 2.69%. The largest increases were in the areas of police and leisure time activities. These were the results of increased spending by the police department and parks department, respectively.

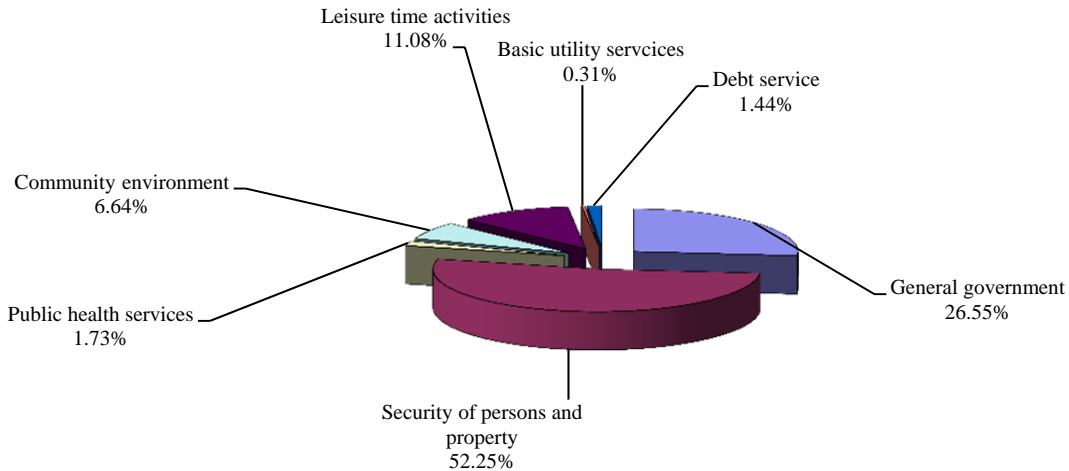
CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Expenditures – 2014



Expenditures – 2013



Emergency Medical Services Levy

The emergency medical services levy fund had \$1,486,926 in revenues and other financing sources. The emergency medical services levy fund had expenditures and other financing uses of \$1,551,861. The fund balance of the emergency medical services levy fund decreased \$64,935 during 2014 from \$361,644 to \$296,709. The primary reasons for the decrease is due to increases in personal service expenditures.

Capital Improvement Fund

The capital improvement major fund had \$2,974,689 in revenues and other financing sources and \$2,618,645 in expenditures in 2014. The fund balance for the capital improvement fund increased \$356,044, or 7.72%, from \$4,613,562 to \$4,969,606 in 2014.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Hoover District Improvement Fund

The Hoover District improvement major fund had \$2,331,548 in revenues and \$1,706,120 in expenditures in 2014. The fund balance for the Hoover District improvement fund increased \$625,428 due primarily to a Jobs Ready Site grant received from the State.

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 \$8,078,145 were higher than the final budget amount by \$1,205,845. This increase is due to estate taxes that were received during 2014 but was not budgeted for. Actual expenditures and other financing uses of \$7,591,997 were lower than the final budget amount by \$5,850,997. This decrease was primarily due to conservative spending in the police department, permits and inspections, parks department and other general government. Budgeted revenues and other financing sources were the same in the original and the final budget. Budgeted expenditures and other financing uses were decreased \$30,178 from the original to the final 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 Position on page 33) reported a combined net position of \$35,661,393, which is \$1,326,843 above last year's restated total of \$34,334,550.

The schedule below indicates the net position and the total change in net position as of December 31, 2014 and December 31, 2013 for all major business-type funds. The beginning net position at December 31, 2013 has been restated as described in Note 3.B.

	Net Position <u>12/31/14</u>	Restated Net Position <u>12/31/13</u>	<u>Change</u>
Major Funds:			
Water	\$ 25,171,401	\$ 24,142,517	\$ 1,028,884
Sewer	10,292,136	9,959,355	332,781
Garbage	<u>197,856</u>	<u>232,678</u>	<u>(34,822)</u>
Total	<u>\$ 35,661,393</u>	<u>\$ 34,334,550</u>	<u>\$ 1,326,843</u>

Water Fund

The water fund had \$6,470,000 in operating revenues and \$4,647,495 in operating expenses during 2014. The water fund also had \$618,121 in nonoperating expenses and \$175,500 in transfers out. The net position of the water fund increased \$1,028,884 from \$24,142,517 to \$25,171,401. Water rates were increased to cover the costs of this fund as well as a decreasing expenses from the prior year.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Sewer Fund

The sewer fund had \$2,849,831 in operating revenues and \$2,605,835 in operating expenses during 2014. The sewer fund also had \$21,715 in nonoperating expenses, \$100,000 in transfers in, \$39,500 in transfers out and \$50,000 in capital contributions. The net position of the sewer fund increased \$332,781 from a restated net position of \$9,959,355 to \$10,292,136. This increase is the result of sewer rates being at a sufficient level to cover the costs in the fund.

Garbage Fund

The garbage fund had \$899,929 in operating revenues and \$991,618 in operating expenses in 2014. The garbage fund also had non-operating revenues of \$56,867. The net position of the garbage fund decreased \$34,822 or 14.97%.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2014, the City had \$74,414,520 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software, sewer rights and infrastructure. Of this total, \$33,266,550 was reported in governmental activities and \$41,147,970 was reported in business-type activities. See Note 11 in the basic financial statements for additional capital asset disclosure. The following table shows December 31, 2014 balances compared to December 31, 2013. The business-type capital assets have been restated as described in Note 3.B.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>Restated 2013</u>	<u>2014</u>	<u>Restated 2013</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	612,061	612,061	-	-	612,061	612,061
Construction in progress	766,273	3,321,257	228,313	691,725	994,586	4,012,982
Land improvements	555,538	502,431	371,038	392,460	926,576	894,891
Buildings	2,929,093	3,087,399	9,306,980	9,703,937	12,236,073	12,791,336
Equipment	2,700,022	2,745,672	2,051,923	1,920,033	4,751,945	4,665,705
Software	78,257	78,637	-	-	78,257	78,637
Sewer rights	-	-	1,147,342	1,236,795	1,147,342	1,236,795
Infrastructure	<u>20,508,117</u>	<u>16,286,232</u>	<u>27,018,672</u>	<u>26,331,157</u>	<u>47,526,789</u>	<u>42,617,389</u>
Totals	<u>\$ 33,266,550</u>	<u>\$ 31,750,878</u>	<u>\$ 41,147,970</u>	<u>\$ 41,299,809</u>	<u>\$ 74,414,520</u>	<u>\$ 73,050,687</u>

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Debt

The City had the following long-term obligations outstanding at December 31, 2014 and 2013. The business-type activities long-term obligations have been restated as described in Note 3.B.

	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
General obligation bonds	\$ 1,910,000	\$ 2,055,000
Capital leases	<u>-</u>	<u>14,427</u>
Total business-type activities long-term obligations	<u>\$ 1,910,000</u>	<u>\$ 2,069,427</u>
	Business-type Activities <u>2014</u>	Restated Business-type Activities <u>2013</u>
OWDA loans	\$ 7,170,509	\$ 7,720,400
Intergovernmental loans	528,923	403,892
OPWC loans	1,890,751	2,006,651
General obligation bonds	<u>4,335,000</u>	<u>4,585,000</u>
Total business-type activities long-term obligations	<u>\$ 13,925,183</u>	<u>\$ 14,715,943</u>

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

Economic Factors and Next Year's Budget

The City of North Canton in 2014 saw almost record growth in the community as the local and regional economy continued to recover from the Great Recession in 2008 and 2010. In addition to the Great Recession North Canton faced a bigger hurdle in the loss of its biggest taxpayer in September 2007 (the Hoover Company). This loss accounted for eighteen to twenty percent of the community's tax revenues. However, due to the aggressiveness of the local government, continued redevelopment of the Hoover District, and a significant growth in employment at Walsh University all contributed to a large job growth totaling approximately 2,000 new jobs during the period of 2008 and 2014. Growth is expected to continue within the Hoover District as two new large employers are expected to relocate the office spaces within the complex in 2015 and the residential and retail spaces should come "on-line" in the fourth quarter of 2015. Continued improvement also occurred in the City's storefronts and small office buildings along Main Street, Maple, and Portage Streets as the availability of lease spaces has declined appreciably and occupancy rates of approximately ninety-five percent make it difficult to find available lease spaces in the community. However, despite the positive gains in job growth and revenue gains from City Income Tax these increases were offset by continued cuts in revenue streams from the State of Ohio. In addition, the City's costs to provide services to its residents continue to increase due to higher prices for materials/supplies to maintain the community's infrastructure and facilities as well as the increased costs of employee health care.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

The City's Engineering and Permits & Development Department have been aggressively pursuing grants to assist in projects to stretch its scarce infrastructure funding as much as possible. Several examples include the \$350,000 Community Development Block Grant (CDBG) for waterline replacement on North Main Street, the approximately \$4,000,000 in Ohio Public Works Commission (OPWC) Grant for Phases V and VI of the North Main Reconstruction and widening, and multiple CDBG Grants totaling over \$500,000 for four (4) waterline replacement projects and one (1) storm sewer replacement. In addition to the infrastructure grants, the City has also completed over \$745,000 in OPWC Zero Interest Loans for the repainting for the City's water towers and the Lynbrook Sewer Line replacement project. Additionally, in 2014 the City completed its East Maple Street/Main Street traffic signal coordination project as well as the successful \$150,000 CDBG Grant to replace the waterline on Hillcrest and Royer Avenues.

In addition to the above-mentioned redevelopment of the Hoover District and Walsh University, the City completed the construction of approximately 1,000 lineal foot of roadway now known as Waterside Drive (Waterside Center). The project was funded partially by a 2008 application to the State of Ohio for 629 Research and Development Roadway Assistance Grant Program for grant funding. The roadway opened up approximately seventeen acres of vacant land for development as a compact research/technology office park to house research and technology companies. The roadway was completed in 2009/2010 at the height of the Great Recession and occupancy of the park has been slow. However, with the expanding economy, interest in Waterside Center is increasing and the City is working with the developer to co-market the site for businesses and companies in high technology pursuits.

At the end of 2014, the City had approximately 440 businesses in the community. Vacancy rates for vacant lease spaces declined to approximately five percent (excluding the Hoover District). Investment in 2014 was at almost record levels with new investment in residential and commercial projects totaling \$26,491,592. Residential home construction was down slightly from 2013 levels with twelve new homes constructed. Commercial investment in 2014 included almost \$4,330,000 in new projects at Walsh University that included the construction of the new science building, baseball locker rooms, and the renovations at Betzler Hall. Investments within the Hoover District totaled \$2,610,000 and included the build out of the TruBridge lease space, the new offices of the Ohio Bureau of Workers' Compensation, demolition of the building interiors scheduled for retail and residential uses and development and construction of the parking lots on East Maple Street and North Main Street. Other significant investments in the community included the \$3,900,000 Giant Eagle expansion, St. Luke's \$7,500,000 expansion, the construction of a \$750,000 new strip center (Euro Development Building) on North Main Street, construction of the \$685,500 flex office space building on Applegrove Street, and the new \$500,000 Eye Clinic on Portage Street.

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, CPA, Director of Finance, City of North Canton, 145 North Main Street, North Canton, Ohio 44720.

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CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
Assets:				
Equity in pooled cash and investments	\$ 15,430,734	\$ 7,350,394	\$ 22,781,128	\$ -
Cash and cash equivalents				
In segregated accounts	235,053	-	235,053	-
With fiscal agents	-	-	-	516,767
With escrow agent	357,000	-	357,000	-
Receivables:				
Property taxes	2,346,826	-	2,346,826	-
Municipal income taxes	1,348,702	-	1,348,702	-
Accounts	234,419	1,185,209	1,419,628	-
Intergovernmental	682,428	-	682,428	357,000
Special assessments	3,612	77,870	81,482	-
Accrued interest	6,696	-	6,696	-
Materials and supplies inventory	16,071	420,966	437,037	-
Prepayments	32,383	16,356	48,739	-
Internal balance	(249,905)	249,905	-	-
Capital assets:				
Non-depreciable capital assets	6,495,523	1,252,015	7,747,538	71,439
Depreciable capital assets, net	26,771,027	39,895,955	66,666,982	390,660
Total capital assets, net	33,266,550	41,147,970	74,414,520	462,099
Total assets	53,710,569	50,448,670	104,159,239	1,335,866
Liabilities:				
Accounts payable	140,038	100,420	240,458	-
Contracts payable	303,936	62,523	366,459	-
Accrued wages and benefits payable	244,710	61,069	305,779	-
Intergovernmental payable	218,826	195,709	414,535	-
Accrued interest payable	7,187	144,602	151,789	-
Claims payable	115,500	-	115,500	-
Unearned revenue	-	-	-	357,000
Long-term liabilities:				
Due within one year	265,923	1,002,842	1,268,765	-
Due in more than one year	3,002,212	12,970,207	15,972,419	-
Total liabilities	4,298,332	14,537,372	18,835,704	357,000
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,273,671	-	2,273,671	-
Total deferred inflows of resources	2,273,671	-	2,273,671	-
Net position:				
Net investment in capital assets	31,628,172	27,533,121	59,161,293	462,099
Restricted for:				
Capital projects	713,158	-	713,158	-
Computer systems	2,243	-	2,243	-
Security of persons and property - police	46,564	-	46,564	-
Security of persons and property - fire	211,861	-	211,861	-
Public health and welfare	530,811	-	530,811	-
Transportation	1,580,377	-	1,580,377	-
Basic utilities	430,153	-	430,153	-
General trust	194,378	-	194,378	-
Mayors court	10,269	-	10,269	-
Unrestricted	11,790,580	8,378,177	20,168,757	516,767
Total net position	\$ 47,138,566	\$ 35,911,298	\$ 83,049,864	\$ 978,866

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Current:				
General government	\$ 1,797,198	\$ 389,409	\$ 5	\$ -
Security of persons and property:				
Police	3,026,167	13,069	2,608	-
Fire	561,489	430	16,854	-
Public health and welfare	1,660,454	551,809	54,123	-
Transportation	1,936,292	-	780,991	994,073
Community environment	442,474	397,787	-	-
Leisure time activities	867,399	301,977	1,282	-
Economic development	1,110,772	-	-	2,331,548
Basic utility services	615,934	-	702	-
Interest and fiscal charges	85,052	-	-	-
Total governmental activities	12,103,231	1,654,481	856,565	3,325,621
Business-type activities:				
Water	5,261,976	6,404,161	-	-
Sewer	2,626,109	2,830,415	-	-
Garbage	991,279	897,523	56,867	-
Total business-type activities	8,879,364	10,132,099	56,867	-
Total primary government	\$ 20,982,595	\$ 11,786,580	\$ 913,432	\$ 3,325,621
Component Unit:				
North Canton Community Improvement Corporation	\$ 19,809	\$ -	\$ 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

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year (restated)

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
\$ (1,407,784)	\$ -	\$ (1,407,784)	\$ -
(3,010,490)	-	(3,010,490)	-
(544,205)	-	(544,205)	-
(1,054,522)	-	(1,054,522)	-
(161,228)	-	(161,228)	-
(44,687)	-	(44,687)	-
(564,140)	-	(564,140)	-
1,220,776	-	1,220,776	-
(615,232)	-	(615,232)	-
(85,052)	-	(85,052)	-
<u>(6,266,564)</u>	<u>-</u>	<u>(6,266,564)</u>	<u>-</u>
-	1,142,185	1,142,185	-
-	204,306	204,306	-
-	(36,889)	(36,889)	-
-	<u>1,309,602</u>	<u>1,309,602</u>	<u>-</u>
<u>(6,266,564)</u>	<u>1,309,602</u>	<u>(4,956,962)</u>	<u>-</u>
-	-	-	80,191
710,411	-	710,411	-
151,838	-	151,838	-
760,211	-	760,211	-
313,045	-	313,045	-
313,008	-	313,008	-
5,822,946	-	5,822,946	-
1,096,040	-	1,096,040	-
1,766,623	-	1,766,623	-
61,894	-	61,894	226
91,727	87,661	179,388	-
<u>11,087,743</u>	<u>87,661</u>	<u>11,175,404</u>	<u>226</u>
<u>65,000</u>	<u>(65,000)</u>	<u>-</u>	<u>-</u>
<u>11,152,743</u>	<u>22,661</u>	<u>11,175,404</u>	<u>226</u>
4,886,179	1,332,263	6,218,442	80,417
<u>42,252,387</u>	<u>34,579,035</u>	<u>76,831,422</u>	<u>898,449</u>
<u>\$ 47,138,566</u>	<u>\$ 35,911,298</u>	<u>\$ 83,049,864</u>	<u>\$ 978,866</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Emergency Medical Services Levy	Capital Improvement	Hoover District Improvement
Assets:				
Equity in pooled cash and investments	\$ 6,202,651	\$ 357,022	\$ 5,083,039	\$ 599,062
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
With escrow agent	357,000	-	-	-
Receivables:				
Property taxes	749,811	798,508	-	-
Municipal income taxes	1,088,972	-	259,730	-
Accounts	41,833	191,961	-	-
Intergovernmental	211,620	58,888	-	-
Special assessments	3,612	-	-	-
Accrued interest	6,696	-	-	-
Materials and supplies inventory	3,519	5,491	-	-
Prepayments	20,552	1,890	-	-
Total assets	<u>\$ 8,686,266</u>	<u>\$ 1,413,760</u>	<u>\$ 5,342,769</u>	<u>\$ 599,062</u>
Liabilities:				
Accounts payable	\$ 57,508	\$ 14,735	\$ -	\$ -
Contracts payable	-	-	215,454	88,482
Accrued wages and benefits payable	169,686	49,610	-	-
Compensated absences payable	87,816	-	-	-
Intergovernmental payable	145,813	46,345	-	-
Total liabilities	<u>460,823</u>	<u>110,690</u>	<u>215,454</u>	<u>88,482</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	726,415	773,629	-	-
Delinquent property tax revenue not available	23,396	24,879	-	-
Accrued interest not available	6,696	-	-	-
Special assessments revenue not available	3,612	-	-	-
Miscellaneous revenue not available	24,657	-	-	-
Income tax revenue not available	661,226	-	157,709	-
Other nonexchange transactions not available	183,700	58,888	-	-
Charges for services revenue not available	-	148,965	-	-
Total deferred inflows of resources	<u>1,629,702</u>	<u>1,006,361</u>	<u>157,709</u>	<u>-</u>
Fund balances:				
Nonspendable	24,071	7,381	-	-
Restricted	-	289,328	332,375	510,580
Committed	3,949,413	-	4,637,231	-
Assigned	1,793,923	-	-	-
Unassigned	828,334	-	-	-
Total fund balances	<u>6,595,741</u>	<u>296,709</u>	<u>4,969,606</u>	<u>510,580</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,686,266</u>	<u>\$ 1,413,760</u>	<u>\$ 5,342,769</u>	<u>\$ 599,062</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 2,110,190	\$ 14,351,964
235,053	235,053
-	357,000
798,507	2,346,826
-	1,348,702
625	234,419
411,920	682,428
-	3,612
-	6,696
7,061	16,071
9,941	32,383
<u>\$ 3,573,297</u>	<u>\$ 19,615,154</u>
\$ 67,795	\$ 140,038
-	303,936
25,414	244,710
-	87,816
26,668	218,826
<u>119,877</u>	<u>995,326</u>
773,627	2,273,671
24,880	73,155
-	6,696
-	3,612
-	24,657
-	818,935
348,876	591,464
-	148,965
<u>1,147,383</u>	<u>3,941,155</u>
17,002	48,454
2,289,035	3,421,318
-	8,586,644
-	1,793,923
-	828,334
<u>2,306,037</u>	<u>14,678,673</u>
<u>\$ 3,573,297</u>	<u>\$ 19,615,154</u>

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CITY OF NORTH CANTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total governmental fund balances	\$	14,678,673
<i>Amounts reported for governmental activities on the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		33,266,550
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 73,155	
Municipal income taxes receivable	818,935	
Accounts receivable	173,622	
Special assessments receivable	3,612	
Intergovernmental receivable	591,464	
Accrued interest receivable	6,696	
Total	1,667,484	1,667,484
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Position.		963,270
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(249,905)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(7,187)
Unamortized premiums on bond issuances are not recognized in the funds.		(60,753)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,209,566)	
General obligation bonds payable	(1,910,000)	
Total	(3,119,566)	(3,119,566)
Net position of governmental activities	\$	47,138,566

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, 2014

	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Capital Improvement</u>	<u>Hoover District Improvement</u>
Revenues:				
Property taxes	\$ 712,928	\$ 763,672	\$ -	\$ -
Municipal income taxes	5,703,717	-	1,080,616	-
Charges for services.	231,043	524,653	-	-
Licenses and permits	397,787	-	-	-
Fines and forfeitures	113,793	-	-	-
Intergovernmental.	1,529,164	162,066	994,073	2,331,548
Interest	63,551	-	-	-
Rentals	181,267	-	-	-
Contributions and donations.	-	-	-	-
Other	91,727	11,535	-	-
Total revenues	<u>9,024,977</u>	<u>1,461,926</u>	<u>2,074,689</u>	<u>2,331,548</u>
Expenditures:				
Current:				
General government	1,532,984	-	-	-
Security of persons and property:				
Police	3,266,604	-	-	-
Fire	23,195	-	-	-
Public health and welfare.	133,375	1,525,461	-	-
Transportation	-	-	-	-
Community environment	447,225	-	-	-
Leisure time activities	753,355	-	-	-
Economic development.	-	-	-	1,706,120
Basic utility services.	-	-	-	-
Capital outlay	-	-	2,458,593	-
Debt service:				
Principal retirement.	65,000	-	94,427	-
Interest and fiscal charges	25,450	-	65,625	-
Total expenditures	<u>6,247,188</u>	<u>1,525,461</u>	<u>2,618,645</u>	<u>1,706,120</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>2,777,789</u>	<u>(63,535)</u>	<u>(543,956)</u>	<u>625,428</u>
Other financing sources (uses):				
Transfers in	174,400	25,000	900,000	-
Transfers out.	<u>(1,505,000)</u>	<u>(26,400)</u>	-	-
Total other financing sources (uses).	<u>(1,330,600)</u>	<u>(1,400)</u>	<u>900,000</u>	<u>-</u>
Net change in fund balances	1,447,189	(64,935)	356,044	625,428
Fund balances (deficit) at beginning of year .	<u>5,148,552</u>	<u>361,644</u>	<u>4,613,562</u>	<u>(114,848)</u>
Fund balances at end of year	<u>\$ 6,595,741</u>	<u>\$ 296,709</u>	<u>\$ 4,969,606</u>	<u>\$ 510,580</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 781,351	\$ 2,257,951
-	6,784,333
430	756,126
-	397,787
169,504	283,297
869,521	5,886,372
5	63,556
-	181,267
11,417	11,417
34,721	137,983
<u>1,866,949</u>	<u>16,760,089</u>
173,111	1,706,095
2,859	3,269,463
481,440	504,635
53	1,658,889
937,326	937,326
-	447,225
859	754,214
-	1,706,120
467,576	467,576
-	2,458,593
-	159,427
-	91,075
<u>2,063,224</u>	<u>14,160,638</u>
<u>(196,275)</u>	<u>2,599,451</u>
580,000	1,679,400
<u>(33,000)</u>	<u>(1,564,400)</u>
<u>547,000</u>	<u>115,000</u>
350,725	2,714,451
1,955,312	11,964,222
<u>\$ 2,306,037</u>	<u>\$ 14,678,673</u>

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, 2014

Net change in fund balances - total governmental funds	\$	2,714,451
 <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.		
Capital asset additions	\$	3,497,103
Current year depreciation		<u>(1,981,431)</u>
Total		1,515,672
 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes		(9,438)
Municipal income taxes		134,653
Charges for services		27,156
Special assessments		(4,854)
Intergovernmental		(1,657)
Interest		18,657
Rentals		<u>(196)</u>
Total		164,321
 Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.		
		159,427
 In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued interest payable		954
Amortization of bond premiums		<u>5,069</u>
Total		6,023
 Some expenses reported in the Statement of Activities, such as compensated absences and pollution remediation, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		312,181
 The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>14,104</u>
Change in net position of governmental activities	\$	<u><u>4,886,179</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 713,000	\$ 713,000	\$ 712,928	\$ (72)
Municipal income taxes	4,623,300	4,623,300	4,623,300	-
Charges for services.	258,700	258,700	231,043	(27,657)
Licenses and permits	321,800	321,800	405,838	84,038
Fines and forfeitures	66,000	66,000	115,380	49,380
Intergovernmental.	593,600	593,600	1,527,790	934,190
Interest	18,000	18,000	58,067	40,067
Rentals	117,900	117,900	183,267	65,367
Other	30,000	30,000	90,532	60,532
Total revenues	6,742,300	6,742,300	7,948,145	1,205,845
Expenditures:				
Current:				
General government	1,491,187	1,457,543	1,246,383	211,160
Security of persons and property:				
Police	3,409,585	3,400,207	3,234,451	165,756
Public health and welfare.	106,600	106,600	103,913	2,687
Community environment	748,837	746,800	393,404	353,396
Leisure time activities	851,370	866,251	782,396	83,855
Debt service:				
Principal retirement.	65,000	65,000	65,000	-
Interest and fiscal charges	25,450	25,450	25,450	-
Total expenditures	6,698,029	6,667,851	5,850,997	816,854
Excess of revenues over expenditures	44,271	74,449	2,097,148	2,022,699
Other financing sources (uses):				
Transfers in	130,000	130,000	130,000	-
Transfers out.	(1,741,000)	(1,741,000)	(1,741,000)	-
Total other financing sources (uses)	(1,611,000)	(1,611,000)	(1,611,000)	-
Net change in fund balances	(1,566,729)	(1,536,551)	486,148	2,022,699
Fund balances at beginning of year	1,666,989	1,666,989	1,666,989	-
Prior year encumbrances appropriated	131,698	131,698	131,698	-
Fund balance at end of year	\$ 231,958	\$ 262,136	\$ 2,284,835	\$ 2,022,699

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 766,000	\$ 766,000	\$ 763,672	\$ (2,328)
Charges for services.	483,700	483,700	505,535	21,835
Intergovernmental.	159,000	159,000	162,066	3,066
Other	-	-	11,535	11,535
Total revenues	<u>1,408,700</u>	<u>1,408,700</u>	<u>1,442,808</u>	<u>34,108</u>
Expenditures:				
Current:				
Public health and welfare.	<u>1,617,328</u>	<u>1,617,136</u>	<u>1,523,948</u>	<u>93,188</u>
Total expenditures	<u>1,617,328</u>	<u>1,617,136</u>	<u>1,523,948</u>	<u>93,188</u>
Excess of expenditures over revenues.	<u>(208,628)</u>	<u>(208,436)</u>	<u>(81,140)</u>	<u>127,296</u>
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	-
Transfers out.	<u>(26,400)</u>	<u>(26,400)</u>	<u>(26,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,400)</u>	<u>(1,400)</u>	<u>(1,400)</u>	<u>-</u>
Net change in fund balances	(210,028)	(209,836)	(82,540)	127,296
Fund balance at beginning of year	376,026	376,026	376,026	-
Prior year encumbrances appropriated	41,878	41,878	41,878	-
Fund balance at end of year	<u>\$ 207,876</u>	<u>\$ 208,068</u>	<u>\$ 335,364</u>	<u>\$ 127,296</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2014

	<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>	
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 4,186,886	\$ 2,896,376	\$ 267,132	\$ 7,350,394	\$ 1,078,770
Receivables:					
Accounts	938,698	241,027	5,484	1,185,209	-
Special assessments	9,835	68,035	-	77,870	-
Materials and supplies inventory	229,840	191,126	-	420,966	-
Prepayments	13,740	2,416	200	16,356	-
Total current assets	<u>5,378,999</u>	<u>3,398,980</u>	<u>272,816</u>	<u>9,050,795</u>	<u>1,078,770</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable capital assets	858,227	393,788	-	1,252,015	-
Depreciable capital assets, net	32,253,678	7,642,277	-	39,895,955	-
Total capital assets, net	<u>33,111,905</u>	<u>8,036,065</u>	<u>-</u>	<u>41,147,970</u>	<u>-</u>
Total assets	<u>38,490,904</u>	<u>11,435,045</u>	<u>272,816</u>	<u>50,198,765</u>	<u>1,078,770</u>
Liabilities:					
Current liabilities:					
Accounts payable	26,284	1,316	72,820	100,420	-
Contracts payable	15,000	47,523	-	62,523	-
Accrued wages and benefits payable	55,987	5,082	-	61,069	-
Intergovernmental payable	49,736	143,833	2,140	195,709	-
Accrued interest payable	142,127	2,475	-	144,602	-
General obligation bonds payable	260,000	-	-	260,000	-
OWDA loans payable	562,778	7,194	-	569,972	-
OPWC loans payable	100,932	14,968	-	115,900	-
Intergovernmental loans payable	-	56,970	-	56,970	-
Claims and judgements payable	-	-	-	-	115,500
Total current liabilities	<u>1,212,844</u>	<u>279,361</u>	<u>74,960</u>	<u>1,567,165</u>	<u>115,500</u>
Long-term liabilities:					
General obligation bonds payable	4,122,866	-	-	4,122,866	-
OWDA loans payable	6,463,392	137,145	-	6,600,537	-
OPWC loans payable	1,520,401	254,450	-	1,774,851	-
Intergovernmental loans payable	-	471,953	-	471,953	-
Total long-term liabilities	<u>12,106,659</u>	<u>863,548</u>	<u>-</u>	<u>12,970,207</u>	<u>-</u>
Total liabilities	<u>13,319,503</u>	<u>1,142,909</u>	<u>74,960</u>	<u>14,537,372</u>	<u>115,500</u>
Net position:					
Net investment in capital assets	20,439,736	7,093,385	-	27,533,121	-
Unrestricted	<u>4,731,665</u>	<u>3,198,751</u>	<u>197,856</u>	<u>8,128,272</u>	<u>963,270</u>
Total net position	<u>\$ 25,171,401</u>	<u>\$ 10,292,136</u>	<u>\$ 197,856</u>	<u>35,661,393</u>	<u>\$ 963,270</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				<u>249,905</u>	
Net position of business-type activities				<u>\$ 35,911,298</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Garbage	Total	
Operating revenues:					
Charges for services	\$ 6,317,674	\$ 2,757,044	\$ 897,523	\$ 9,972,241	\$ 1,211,585
Tap-in fees	86,487	73,371	-	159,858	-
Other operating revenues	65,839	19,416	2,406	87,661	-
Total operating revenues.	<u>6,470,000</u>	<u>2,849,831</u>	<u>899,929</u>	<u>10,219,760</u>	<u>1,211,585</u>
Operating expenses:					
Personal services	1,658,204	456,560	85,903	2,200,667	-
Contract services.	893,368	1,584,448	884,995	3,362,811	206,588
Materials and supplies.	556,446	172,946	20,720	750,112	-
Claims expense	-	-	-	-	985,473
Depreciation.	1,536,686	391,881	-	1,928,567	-
Other	2,791	-	-	2,791	-
Total operating expenses.	<u>4,647,495</u>	<u>2,605,835</u>	<u>991,618</u>	<u>8,244,948</u>	<u>1,192,061</u>
Operating income (loss)	<u>1,822,505</u>	<u>243,996</u>	<u>(91,689)</u>	<u>1,974,812</u>	<u>19,524</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(444,397)	(21,715)	-	(466,112)	-
Loss on disposal of capital assets	(173,724)	-	-	(173,724)	-
Intergovernmental	-	-	56,867	56,867	-
Total nonoperating revenues (expenses).	<u>(618,121)</u>	<u>(21,715)</u>	<u>56,867</u>	<u>(582,969)</u>	<u>-</u>
Income (loss) before transfers and capital contributions.	1,204,384	222,281	(34,822)	1,391,843	19,524
Transfer in	-	100,000	-	100,000	-
Transfer out	(175,500)	(39,500)	-	(215,000)	-
Capital contributions.	-	50,000	-	50,000	-
Change in net position	1,028,884	332,781	(34,822)	1,326,843	19,524
Net position at beginning of year (restated)	<u>24,142,517</u>	<u>9,959,355</u>	<u>232,678</u>		<u>943,746</u>
Net position at end of year	<u>\$ 25,171,401</u>	<u>\$ 10,292,136</u>	<u>\$ 197,856</u>		<u>\$ 963,270</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				5,420	
Change in net position of business-type activities.				<u>\$ 1,332,263</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, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 6,246,153	\$ 2,761,958	\$ 896,320	\$ 9,904,431	\$ -
Cash received from interfund services	-	-	-	-	1,211,585
Cash received from tap-in fees	86,487	73,371	-	159,858	-
Cash received from other operations	65,839	19,416	2,406	87,661	-
Cash payments for personal services.	(1,651,695)	(470,153)	(88,606)	(2,210,454)	-
Cash payments for contractual services	(997,175)	(1,843,483)	(817,093)	(3,657,751)	(206,471)
Cash payments for materials and supplies	(610,920)	(77,379)	(20,720)	(709,019)	-
Cash payments for claims	-	-	-	-	(931,225)
Cash payments for other expenses	(2,791)	-	-	(2,791)	-
Net cash provided by (used in) operating activities	<u>3,135,898</u>	<u>463,730</u>	<u>(27,693)</u>	<u>3,571,935</u>	<u>73,889</u>
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies.	-	100,000	56,867	156,867	-
Cash used in transfers out	(175,500)	(39,500)	-	(215,000)	-
Net cash provided by (used in) noncapital financing activities.	<u>(175,500)</u>	<u>60,500</u>	<u>56,867</u>	<u>(58,133)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,791,319)	(462,784)	-	(2,254,103)	-
Intergovernmental loan proceeds	-	228,313	-	228,313	-
Principal payments - bonds	(250,000)	-	-	(250,000)	-
Principal payments - OWDA loans	(542,938)	(6,953)	-	(549,891)	-
Principal payments - OPWC loans	(100,932)	(14,968)	-	(115,900)	-
Principal payments - intergovernmental loans	-	(103,282)	-	(103,282)	-
Interest and fiscal charges - bonds.	(188,952)	-	-	(188,952)	-
Interest and fiscal charges - OWDA loans.	(269,016)	(5,130)	-	(274,146)	-
Interest and fiscal charges - intergovernment loans	-	(16,705)	-	(16,705)	-
Net cash used in capital and related financing activities.	<u>(3,143,157)</u>	<u>(381,509)</u>	<u>-</u>	<u>(3,524,666)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(182,759)	142,721	29,174	(10,864)	73,889
Cash and cash equivalents at beginning of year	\$4,369,645	\$2,753,655	\$237,958	\$7,361,258	1,004,881
Cash and cash equivalents at end of year	<u>\$ 4,186,886</u>	<u>\$ 2,896,376</u>	<u>\$ 267,132</u>	<u>\$ 7,350,394</u>	<u>\$ 1,078,770</u>

- - Continued

CITY OF NORTH CANTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,822,505	\$ 243,996	\$ (91,689)	\$ 1,974,812	\$ 19,524
Adjustments:					
Depreciation	1,536,686	391,881	-	1,928,567	-
Changes in assets and liabilities:					
Accounts receivable	(64,543)	(1,857)	(1,203)	(67,603)	-
Special assessments receivable	(6,978)	6,771	-	(207)	-
Materials and supplies inventory	(51,716)	(94,896)	-	(146,612)	-
Prepayments	(12,051)	(1,877)	339	(13,589)	117
Accounts payable	(94,714)	(64,963)	67,563	(92,114)	-
Accrued wages and benefits	3,789	(10,582)	(2,557)	(9,350)	-
Intergovernmental payable	2,920	(4,743)	(146)	(1,969)	-
Claims payable	-	-	-	-	54,248
Net cash provided by (used in) operating activities	<u>\$ 3,135,898</u>	<u>\$ 463,730</u>	<u>\$ (27,693)</u>	<u>\$ 3,571,935</u>	<u>\$ 73,889</u>

Noncash transactions:

During 2014 and 2013, the water fund purchased \$15,000 and \$416,174 in capital assets on account, respectively.
 During 2014 the sewer fund purchased \$47,523 in capital assets on account.
 During 2014 the sewer fund received \$50,000 in capital contributions from governmental activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2014**

	<u>Agency</u>
Assets:	
Cash in segregated accounts	\$ 80,192
Total assets	<u>\$ 80,192</u>
Liabilities:	
Deposits held and due to others	\$ 80,192
Total liabilities	<u>\$ 80,192</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - DESCRIPTION OF THE CITY

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

Reporting Entity

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

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 20 of the Basic Financial Statements.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

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

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

Hoover District Improvement fund - The Hoover District Improvement fund accounts for revenues that are restricted for the redevelopment of the Hoover District site.

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

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

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and 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, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

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

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

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

D. Basis of Accounting

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2014, are recorded as deferred inflows of resources on the governmental fund financial statements.

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.

E. Budgetary Process

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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 2014, investments were limited to Federal National Mortgage Association (FNMA) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, a U.S. Government money market, repurchase agreements and negotiable certificates of deposit.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2014 amounted to \$63,551, which includes \$57,376 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, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

H. Inventory

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

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by 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.

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

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

J. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivables/payables". Receivables and payables resulting from negative cash balances are classified as "due to/due from other funds". These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. There were no interfund balances at December 31, 2014.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

K. Compensated Absences

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

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

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

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Position reports \$3,719,814 of restricted net position, none of which is restricted by enabling legislation.

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

O. Operating Revenues and Expenses

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

P. Contributions of Capital

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

Q. Internal Activity

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

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

R. Estimates

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

S. Unamortized Bond Premiums/Bond Issuance Costs

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

On the governmental fund financial statements, bond premiums are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the Statement of Net Position is presented in Note 16.

Bond issuance costs are expensed when they occur.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2014.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2014, the City has implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the City.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the City.

B. Restatement of Net Position

The net position at January 1, 2014 has been restated due to the City recording intergovernmental loans and the capitalization of the sewer rights associated with those loans in the sewer fund. These restatements had the following effect on net position:

	Business-type Activities	Enterprise Fund Sewer
Net position as previously reported	\$ 33,746,132	\$ 9,126,452
Depreciable capital assets (net)	1,236,795	1,236,795
Intergovernmental loans payable	(403,892)	(403,892)
Net position at January 1, 2014	\$ 34,579,035	\$ 9,959,355

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2014, the carrying amount of all City deposits was \$11,192,328, exclusive of the \$8,785,000 repurchase agreement included in investments on the next page. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2014, \$9,098,797 of the City’s bank balance of \$11,291,205 was exposed to custodial risk as discussed below, while \$2,192,408 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, 2014, 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	\$ 4,687	\$ -	\$ -	\$ -	\$ -	\$ 4,687
FFCB	999,930	-	-	-	-	999,930
Negotiable CD's	2,446,404	250,080	500,983	-	451,461	1,243,880
U.S. Government money market	25,024	25,024	-	-	-	-
Repurchase agreement	8,785,000	8,785,000	-	-	-	-
Total	<u>\$ 12,261,045</u>	<u>\$ 9,060,104</u>	<u>\$ 500,983</u>	<u>\$ -</u>	<u>\$ 451,461</u>	<u>\$ 2,248,497</u>

The weighted average of maturity of investments is 0.67 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 in federal agency securities, were rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. Standard’s & Poor’s has assigned the U.S. Government money market an AAAM rating. The City limits its investments to those authorized by State statute.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. 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, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FNMA	\$ 4,687	0.04
FFCB	999,930	8.16
Negotiable CD's	2,446,404	19.95
U.S. Government money market	25,024	0.20
Repurchase agreement	<u>8,785,000</u>	<u>71.65</u>
Total	<u>\$ 12,261,045</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position as of December 31, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,192,328
Investments	<u>12,261,045</u>
Total	<u>\$ 23,453,373</u>

<u>Cash and investments per Statement of Net Position</u>	
Governmental activities	\$ 16,022,787
Business-type activities	7,350,394
Agency fund	<u>80,192</u>
Total	<u>\$ 23,453,373</u>

NOTE 5 - PROPERTY TAXES

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 5 - PROPERTY TAXES - (Continued)

Public utility real taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of North Canton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2014 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2014 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2014 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 272,828,380
Commercial/industrial/mineral	73,169,260
Public utility	<u>8,412,870</u>
Total assessed value	<u><u>\$ 354,410,510</u></u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2014, 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 \$94,509 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 \$74,154. At December 31, 2014, the amount of delinquent special assessments was \$7,328.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 6 - RECEIVABLES - (Continued)

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental activities:

Local government	\$	156,772
Homestead and rollback		54,848
Street construction, maintenance and repair		353,031
Fire operating levy		11,777
Emergency medical services		58,888
Storm sewer levy		23,556
Street levy		<u>23,556</u>
Total governmental activities	\$	<u><u>682,428</u></u>

B. Municipal Income Taxes

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

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

NOTE 7 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2014, 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 official's 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 7 - RISK MANAGEMENT - (Continued)

The City has elected to provide employee medical/surgical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan 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 \$50,000 per employee per year and an aggregate of \$1,000,000. The City pays into the self-insurance internal service fund \$1,131 for family coverage or \$434 for individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

The claims liability of \$115,500 reported in the internal service fund at December 31, 2014 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 2014 and 2013 are:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2014	\$ 61,252	\$ 985,473	\$ (931,225)	\$ 115,500
2013	59,490	864,062	(862,300)	61,252

NOTE 8 - OPERATING LEASE

In July 2003, the City acquired the premises known as The Fairways (formerly Arrowhead Country Club) for \$4.2 million. This area, approximately 105 acres, includes a golf course, clubhouse and pool. 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. On December 12, 2011, the lease agreement was extended for another three years. In July 2014, the lease agreement was extended for another three years. The lessee is responsible for the complete operations of the golf course and clubhouse. The lessee is also required to make \$80,000 in capital improvements in each of the lease.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 8 - OPERATING LEASE - (Continued)

The assets involved in the lease are as follows:

	<u>Governmental Activities</u>
Asset:	
Land	\$ 1,780,214
Buildings	1,648,340
Land improvements	592,759
Equipment	<u>176,749</u>
Subtotal	4,198,062
Less: accumulated depreciation	<u>(1,036,485)</u>
Total	<u>\$ 3,161,577</u>

The future minimum lease payments under this non-cancelable lease as of December 31, 2014, are the following:

	<u>Minimum Commitment</u>
2015	\$ 100,000
2016	100,000
2017	100,000

NOTE 9 - CONTRACTUAL COMMITMENTS

The City had the following contractual commitments outstanding at December 31, 2014:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Morton Salt, Inc.	\$ 139,250	\$ (109,278)	\$ 29,972
CT Consultants	280,000	(178,012)	101,988
Northstar Asphalt	849,385	(246,400)	602,985
Wenger Excavating	892,544	(485,999)	406,545
CTI Engineering	53,000	(29,737)	23,263
Lockhart Concrete	645,734	(634,877)	10,857
Underground Services	139,450	-	139,450
Stark County Treasurer	1,613,800	(1,497,376)	116,424
Canton City Utilities	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Contractual Commitments	<u>\$ 4,663,163</u>	<u>\$ (3,181,679)</u>	<u>\$ 1,481,484</u>

NOTE 10 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year End Encumbrances</u>
General fund	\$ 171,450
Emergency medical service levy fund	6,923
Capital improvement fund	504,920
Hoover District Improvement fund	88,482
Other governmental	<u>688,002</u>
Total	<u>\$ 1,459,777</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 11 - CAPITAL ASSETS

A. Governmental activities

Governmental capital asset activity for the year ended December 31, 2014, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/14</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,117,189	\$ -	\$ -	\$ 5,117,189
Easements and rights-of-way	612,061	-	-	612,061
Construction in progress	<u>3,321,257</u>	<u>3,013,766</u>	<u>(5,568,750)</u>	<u>766,273</u>
Total capital assets, not being depreciated	<u>9,050,507</u>	<u>3,013,766</u>	<u>(5,568,750)</u>	<u>6,495,523</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,020,784	105,775	-	1,126,559
Buildings	7,976,353	29,557	-	8,005,910
Equipment	7,145,858	329,010	-	7,474,868
Software	116,675	18,995	-	135,670
Infrastructure - streets subsystem	26,852,736	5,568,750	-	32,421,486
Infrastructure - storm sewers subsystem	10,011,271	-	-	10,011,271
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated	<u>53,326,677</u>	<u>6,052,087</u>	<u>-</u>	<u>59,378,764</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(518,353)	(52,668)	-	(571,021)
Buildings	(4,888,954)	(187,863)	-	(5,076,817)
Equipment	(4,400,186)	(374,660)	-	(4,774,846)
Software	(38,038)	(19,375)	-	(57,413)
Infrastructure - streets subsystem	(16,099,160)	(1,126,602)	-	(17,225,762)
Infrastructure - storm sewers subsystem	(4,525,148)	(219,855)	-	(4,745,003)
Infrastructure - bridge subsystem	<u>(156,467)</u>	<u>(408)</u>	<u>-</u>	<u>(156,875)</u>
Total accumulated depreciation	<u>(30,626,306)</u>	<u>(1,981,431)</u>	<u>-</u>	<u>(32,607,737)</u>
Total capital assets, being depreciated, net	<u>22,700,371</u>	<u>4,070,656</u>	<u>-</u>	<u>26,771,027</u>
Governmental activities capital assets, net	<u>\$ 31,750,878</u>	<u>\$ 7,084,422</u>	<u>\$ (5,568,750)</u>	<u>\$ 33,266,550</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 129,322
Police	63,943
Fire	104,459
Public health and welfare	104,508
Transportation	1,232,521
Leisure time activities	126,429
Basic utility services	<u>220,249</u>
Total depreciation expense - governmental activities	<u>\$ 1,981,431</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 11 - CAPITAL ASSETS - (Continued)

B. Business-type activities

Business-type activities capital asset activity for 2014 is as follows. The beginning balance of capital assets for business-type activities has been restated as described in Note 3.B.

	Restated Balance <u>12/31/13</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/14</u>
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>691,725</u>	<u>334,793</u>	<u>(798,205)</u>	<u>228,313</u>
Total capital assets, not being depreciated	<u>1,715,427</u>	<u>334,793</u>	<u>(798,205)</u>	<u>1,252,015</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	590,077	-	-	590,077
Buildings	17,406,399	16,000	-	17,422,399
Equipment	5,923,476	459,806	-	6,383,282
Software	5,124	-	-	5,124
Infrastructure - water lines	31,643,929	1,938,058	(345,493)	33,236,494
Infrastructure - sewer lines	13,877,039	-	-	13,877,039
Sewer rights	<u>3,578,153</u>	<u>-</u>	<u>-</u>	<u>3,578,153</u>
Total capital assets, being depreciated	<u>73,024,197</u>	<u>2,413,864</u>	<u>(345,493)</u>	<u>75,092,568</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(197,617)	(21,422)	-	(219,039)
Buildings	(7,702,462)	(412,957)	-	(8,115,419)
Equipment	(4,003,443)	(327,916)	-	(4,331,359)
Software	(5,124)	-	-	(5,124)
Infrastructure - water lines	(11,734,040)	(801,034)	171,769	(12,363,305)
Infrastructure - sewer lines	(7,455,771)	(275,785)	-	(7,731,556)
Sewer rights	<u>(2,341,358)</u>	<u>(89,453)</u>	<u>-</u>	<u>(2,430,811)</u>
Total accumulated depreciation	<u>(33,439,815)</u>	<u>(1,928,567)</u>	<u>171,769</u>	<u>(35,196,613)</u>
Total capital assets, being depreciated, net	<u>39,584,382</u>	<u>485,297</u>	<u>(173,724)</u>	<u>39,895,955</u>
Business-type activities capital assets, net	<u>\$ 41,299,809</u>	<u>\$ 820,090</u>	<u>\$ (971,929)</u>	<u>\$ 41,147,970</u>

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

Water	\$ 1,536,686
Sewer	<u>391,881</u>
Total depreciation expense - business-type activities:	<u>\$ 1,928,567</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 12 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, 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 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10.00% for members. The City's contribution rate for 2014 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan and Combined Plan for 2014 was 12.00%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$496,379, \$539,911, and \$420,323, respectively; 90.41% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the Member-Directed Plan for 2014 were \$15,174 made by the City and \$10,839 made by the plan members.

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 or by visiting the website at www.op-f.org.

Funding Policy - From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.50% of their annual covered salary. Throughout 2014, the City was required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 12 - PENSION PLANS - (Continued)

For 2014, the portion of the City's contributions to fund pension obligations was 19.00% for police officers and 23.50% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$294,897 and \$66,414 for the year ended December 31, 2014, \$243,196 and \$32,344 for the year ended December 31, 2013, and \$193,970 and \$29,567, for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 90.33% has been contributed for police and 87.34% has been contributed for firefighters for 2014. The remaining 2014 pension liability has been reported as due to other governments on the basic financial statements.

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, 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 administered 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.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, local government employers contributed 14.00% of covered payroll. 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 and Combined Plan for 2014 was 2.00%.

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, 2014, 2013, and 2012 were \$82,759, \$41,532, and \$174,625, respectively; 90.41% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 post-employment health care benefits liability has been reported as due to other governments/pension obligation payable on the basic financial statements.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

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 or by visiting the website at www.op-f.org.

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 account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$7,760 and \$1,413 for the year ended December 31, 2014, \$51,825 and \$5,358 for the year ended December 31, 2013, and \$102,690 and \$11,570, for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 90.33% has been contributed for police and 87.34% has been contributed for firefighters for 2014. The remaining 2014 post-employment health care benefits liability has been reported as due to other governments/pension obligation payable on the basic financial statements.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

A. Compensated Absences

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

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

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

B. Insurance

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

NOTE 15 - CAPITAL LEASE

In prior years, the City entered into a lease for a Toro Groundsmaster 5900 mower. 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. There are no further obligations outstanding on this lease.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 68,125
Less: accumulated depreciation	(31,792)
Total	<u>\$ 36,333</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS

<u>Debt Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Governmental activities:			
General obligation bonds			
City Hall Roof/Civic Center Roof/			
Salt Storage - Series 2011A	2.00 - 5.50	1,300,000	December 1, 2030
N. Main Street & Various Street			
Reconstruction Projects - Series 2011A	2.00 - 5.00	500,000	December 1, 2025
Real Estate Acquisition - Series 2011B	3.50 - 5.50	700,000	December 1, 2020
Business-type activities:			
OWDA loans			
Water treatment plant improvement 2003	3.65	6,789,904	July 1, 2024
Water treatment plant improvement 2004	3.76	3,022,687	July 1, 2025
Water treatment backwash tank 2005	3.25	1,670,933	January 1, 2026
Portage St./W. Park sanitary sewer 2010	3.43	173,849	January 1, 2030
Intergovernmental loans			
Sewer rights - City of Canton #5736	3.20	250,806	July 1, 2014
Sewer rights - City of Canton #2717	2.64	755,666	July 1, 2020
Sewer rights - City of Canton #2190	2.81	123,858	July 1, 2020
Sewer rights - City of Canton #3290	3.16	19,436	July 1, 2020
Sewer rights - City of Canton #6699	3.38	n/a	n/a
Sewer rights - City of Canton #6556	3.39	n/a	n/a
OPWC loans			
Booster pump station 2007	0	1,020,904	January 1, 2028
Applegrove waterline 2008	0	419,088	January 1, 2039
North Main St. waterline 2010	0	320,335	January 1, 2032
Water Tower #1 exterior painting	0	398,000	January 1, 2033
Lynbrook sanitary sewer	0	299,354	January 1, 2033
Other long-term liabilities			
Bonds payable - water system Series 2007	4.00 - 4.125	4,415,000	December 1, 2026
Raw waterline - Series 2011A	2.00 - 5.50	915,000	December 1, 2030
Frank/Applegrove waterline - Series 2011A	2.00 - 5.50	600,000	December 1, 2030

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

The changes in long-term obligations during the year were as follows. The beginning balance of long-term obligations for business-type activities has been restated as described in Note 3.B.

	<u>Balance</u> <u>12/31/2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2014</u>	<u>Amounts Due</u> <u>in One Year</u>
Governmental activities:					
General obligation bonds					
City Hall/Civic Center/ Salt Storage - Series 2011A	\$ 1,135,000	\$ -	\$ (50,000)	\$ 1,085,000	\$ 50,000
N. Main Street & Various Street Reconstruction Projects - Series 2011A	410,000	-	(30,000)	380,000	30,000
Real Estate Acquisition - Series 2011B	<u>510,000</u>	<u>-</u>	<u>(65,000)</u>	<u>445,000</u>	<u>65,000</u>
Total GO bonds	<u>2,055,000</u>	<u>-</u>	<u>(145,000)</u>	<u>1,910,000</u>	<u>145,000</u>
Other long-term liabilities					
Compensated absences	1,540,957	79,502	(323,077)	1,297,382	120,923
Capital lease	<u>14,427</u>	<u>-</u>	<u>(14,427)</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 3,610,384</u>	<u>\$ 79,502</u>	<u>\$ (482,504)</u>	3,207,382	<u>\$ 265,923</u>
				Add: unamortized premiums	60,753
				Total on Statement of Net Position	<u>\$ 3,268,135</u>

On March 23, 2011, the City issued \$3,315,000 in Series 2011A Various Purpose General Obligation Bonds. In governmental activities, \$1,300,000 in bonds will be used for the City Hall Roof/Civic Center Roof and salt storage and \$500,000 in bonds will be used for North Main Street and various street reconstruction projects. At December 31, 2014, there were \$332,375 in unspent bond proceeds in the governmental activities.

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

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

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

	Restated Balance <u>12/31/2013</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>12/31/2014</u>	Amounts Due <u>in One Year</u>
Business-type activities:					
OWDA loans					
Water treatment plant improvement	\$ 4,328,605	\$ -	\$ (326,268)	\$ 4,002,337	\$ 338,285
Water treatment plant improvement	2,074,282	-	(139,677)	1,934,605	144,978
Water treatment backwash tank	1,166,221	-	(76,993)	1,089,228	79,515
Portage St./W. Park sanitary	<u>151,292</u>	<u>-</u>	<u>(6,953)</u>	<u>144,339</u>	<u>7,194</u>
Total OWDA loans	<u>7,720,400</u>	<u>-</u>	<u>(549,891)</u>	<u>7,170,509</u>	<u>569,972</u>
Intergovernmental loans					
Sewer rights - City of Canton #5736	20,615	-	(20,615)	-	-
Sewer rights - City of Canton #2717	321,791	-	(69,467)	252,324	47,853
Sewer rights - City of Canton #2190	53,178	-	(11,430)	41,748	7,890
Sewer rights - City of Canton #3290	8,308	-	(1,770)	6,538	1,227
Sewer rights - City of Canton #6699	-	196,606	-	196,606	-
Sewer rights - City of Canton #6556	<u>-</u>	<u>31,707</u>	<u>-</u>	<u>31,707</u>	<u>-</u>
Total intergovernmental loans	<u>403,892</u>	<u>228,313</u>	<u>(103,282)</u>	<u>528,923</u>	<u>56,970</u>
OPWC loans					
Booster pump station	714,634	-	(51,045)	663,589	51,045
Applegrove waterline	349,238	-	(13,970)	335,268	13,970
North Main St. waterline	280,293	-	(16,017)	264,276	16,017
Water Tower #1 exterior painting	378,100	-	(19,900)	358,200	19,900
Lynbrook sanitary sewer	<u>284,386</u>	<u>-</u>	<u>(14,968)</u>	<u>269,418</u>	<u>14,968</u>
Total OPWC loans	<u>2,006,651</u>	<u>-</u>	<u>(115,900)</u>	<u>1,890,751</u>	<u>115,900</u>
General obligation bonds					
General obligation bonds - Series 2007	3,260,000	-	(190,000)	3,070,000	200,000
General obligation bonds - Series 2011A	800,000	-	(35,000)	765,000	35,000
General obligation bonds - Series 2011A	<u>525,000</u>	<u>-</u>	<u>(25,000)</u>	<u>500,000</u>	<u>25,000</u>
Total general obligation bonds	<u>4,585,000</u>	<u>-</u>	<u>(250,000)</u>	<u>4,335,000</u>	<u>260,000</u>
Total business-type activities	<u>\$ 14,715,943</u>	<u>\$ 228,313</u>	<u>\$ (1,019,073)</u>	13,925,183	<u>\$ 1,002,842</u>
				<u>47,866</u>	
				<u>\$ 13,973,049</u>	

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, 2014

NOTE 16 - 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 20.63 percent of net revenues and 8.84 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$8,694,652. Principal and interest paid for the current year were \$824,037, total net revenues were \$3,995,068 and total revenues were \$9,319,831.

In 1994, the City entered into a contractual agreement with the City of Canton for the improvement and future maintenance of a wastewater treatment plant that is in the area that will be shared between the City of Canton, Stark County and the City of North Canton and that City residents are able to tap into. The project was financed by the three OWDA loans issued in 2002 by the City of Canton. The original loan was followed by two supplemental loans to cover change order costs beyond the original loan amount. All proceeds were received by the City of Canton and the City of Canton is responsible for the debt retirement and maintenance. The plant is a capital asset of the City of Canton. The total amount collectively owed to the City of Canton as of December 31, 2014 is \$300,610. This amount has been recorded on the City's books as a long-term liability in the sewer enterprise fund. An amount has been recorded as sewer rights in the City sewer enterprise fund capital assets. These amounts will be amortized over the useful life of the asset to the City of Canton.

In 2013, the City entered into a contractual agreement with the City of Canton for the construction of the Water Reclamation Facility that is in the area that will be shared between the City of Canton, Stark County and the City of North Canton and that City residents are able to tap into. The total project is estimated to cost \$88.6 million, with the City's portion estimated to be \$1.9 million. The project was financed by two OWDA loans issued by the City of Canton. The first loan was issued in August 2013 for the acquisition of membrane separators and associated components. In early 2014, the City issued another OWDA loan for the construction, engineering assistance during construction, and the unpaid balance of the design loan. All proceeds will be received by the City of Canton and the City of Canton will be responsible for the debt retirement and maintenance. The plant will be a capital asset of the City of Canton. The total amount collectively owed to the City of Canton as of December 31, 2014 is \$228,313. These loans have not been completely disbursed, therefore, no amortization schedule is available at December 31, 2014. This amount has been recorded on the City's books as a long-term liability in the sewer enterprise fund. An amount has been recorded as sewer rights in the City sewer enterprise fund capital assets. These amounts will be amortized over the useful life of the asset to the City of Canton once the project is complete.

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the outstanding debt at December 31, 2014, are as follows:

Year Ending December 31,	Series 2011A - City Hall Roof/ Civic Center Roof/Salt Storage			Series 2011A - N. Main Street and Various Street Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 50,000	\$ 48,450	\$ 98,450	\$ 30,000	\$ 14,613	\$ 44,613
2016	50,000	47,200	97,200	30,000	13,863	43,863
2017	55,000	45,825	100,825	30,000	13,037	43,037
2018	55,000	44,175	99,175	30,000	12,137	42,137
2019	55,000	42,388	97,388	35,000	11,162	46,162
2020 - 2024	320,000	178,950	498,950	185,000	36,225	221,225
2025 - 2029	405,000	94,024	499,024	40,000	2,000	42,000
2030	95,000	5,225	100,225	-	-	-
Total	<u>\$ 1,085,000</u>	<u>\$ 506,237</u>	<u>\$ 1,591,237</u>	<u>\$ 380,000</u>	<u>\$ 103,037</u>	<u>\$ 483,037</u>

Year Ending December 31,	Series 2011B Real Estate Acquisition			Total Governmental General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 65,000	\$ 23,175	\$ 88,175	\$ 145,000	\$ 86,238	\$ 231,238
2016	70,000	20,900	90,900	150,000	81,963	231,963
2017	70,000	17,050	87,050	155,000	75,912	230,912
2018	75,000	13,200	88,200	160,000	69,512	229,512
2019	80,000	9,075	89,075	170,000	62,625	232,625
2020 - 2024	85,000	4,675	89,675	590,000	219,850	809,850
2025 - 2029	-	-	-	445,000	96,024	541,024
2030	-	-	-	95,000	5,225	100,225
Total	<u>\$ 445,000</u>	<u>\$ 88,075</u>	<u>\$ 533,075</u>	<u>\$ 1,910,000</u>	<u>\$ 697,349</u>	<u>\$ 2,607,349</u>

Year Ending December 31,	Ohio Public Works Commission			OWDA Loans		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 115,900	\$ -	\$ 115,900	\$ 569,972	\$ 254,066	\$ 824,038
2016	115,900	-	115,900	590,788	233,255	824,043
2017	115,900	-	115,900	612,367	211,671	824,038
2018	115,900	-	115,900	634,736	189,303	824,039
2019	115,900	-	115,900	657,921	166,118	824,039
2020 - 2024	579,501	-	579,501	3,668,221	451,966	4,120,187
2025 - 2029	477,413	-	477,413	430,564	17,632	448,196
2030 - 2034	198,469	-	198,469	5,940	102	6,042
2035 - 2038	55,868	-	55,868	-	-	-
Total	<u>\$ 1,890,751</u>	<u>\$ -</u>	<u>\$ 1,890,751</u>	<u>\$ 7,170,509</u>	<u>\$ 1,524,113</u>	<u>\$ 8,694,622</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Intergovernmental Loans		
	Principal	Interest	Total
2015	\$ 56,970	\$ 7,663	\$ 64,633
2016	58,505	6,129	64,634
2017	60,079	4,553	64,632
2018	61,697	3,054	64,751
2019	63,359	1,274	64,633
Total	<u>\$ 300,610</u>	<u>\$ 22,673</u>	<u>\$ 323,283</u>

Year Ending December 31,	Series 2007 Water System General Obligation Bonds			Series 2011A Raw Waterline		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 200,000	\$ 123,777	\$ 323,777	\$ 35,000	\$ 34,113	\$ 69,113
2016	210,000	115,777	325,777	35,000	33,238	68,238
2017	220,000	107,377	327,377	40,000	32,275	72,275
2018	230,000	98,577	328,577	40,000	31,075	71,075
2019	250,000	89,377	339,377	40,000	29,775	69,775
2020 - 2024	1,350,000	292,888	1,642,888	225,000	125,525	350,525
2025 - 2029	610,000	37,874	647,874	285,000	66,025	351,025
2030	-	-	-	65,000	3,575	68,575
Total	<u>\$ 3,070,000</u>	<u>\$ 865,647</u>	<u>\$ 3,935,647</u>	<u>\$ 765,000</u>	<u>\$ 355,601</u>	<u>\$ 1,120,601</u>

Year Ending December 31,	Series 2011A Frank/Applegrove Waterline			Total Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 25,000	\$ 22,263	\$ 47,263	\$ 260,000	\$ 180,153	\$ 440,153
2016	25,000	21,637	46,637	270,000	170,652	440,652
2017	25,000	20,950	45,950	285,000	160,602	445,602
2018	25,000	20,200	45,200	295,000	149,852	444,852
2019	25,000	19,387	44,387	315,000	138,539	453,539
2020 - 2024	145,000	81,875	226,875	1,720,000	500,288	2,220,288
2025 - 2029	185,000	43,200	228,200	1,080,000	147,099	1,227,099
2030	45,000	2,475	47,475	110,000	6,050	116,050
Total	<u>\$ 500,000</u>	<u>\$ 231,987</u>	<u>\$ 731,987</u>	<u>\$ 4,335,000</u>	<u>\$ 1,453,235</u>	<u>\$ 5,788,235</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, 2014, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$23,640,000.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - 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, 2014, the City's total debt margin was \$35,303,104 and the unvoted debt margin was \$17,582,578.

NOTE 17 - INTERFUND ACTIVITY

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

<u>Transfer to</u>	<u>Transfer from</u>					<u>Total</u>
	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Nonmajor funds</u>	<u>Water</u>	<u>Sewer</u>	
Major funds						
General fund	\$ -	\$ 26,400	\$ 33,000	\$ 75,500	\$ 39,500	\$ 174,400
Emergency medical services levy	25,000	-	-	-	-	25,000
Capital improvement	900,000	-	-	-	-	900,000
Nonmajor funds						
Fire operating levy	400,000	-	-	-	-	400,000
Street construction	180,000	-	-	-	-	180,000
Business-type funds						
Sewer	-	-	-	100,000	-	100,000
Total	<u>\$ 1,505,000</u>	<u>\$ 26,400</u>	<u>\$ 33,000</u>	<u>\$ 175,500</u>	<u>\$ 39,500</u>	<u>\$ 1,779,400</u>

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between business-type funds are eliminated on the government-wide financial statements. Transfers between governmental funds and business-type activities are presented as transfers on the Statement of Activities. The transfers from various funds into the general fund are to fund future termination payments. The transfers from the water fund to the sewer fund were to help purchase a vacuum truck.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

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

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

Net Change in Fund Balance

	<u>General Fund</u>	Emergency Medical Services <u>Levy Fund</u>
Budget basis	\$ 486,148	\$ (82,540)
Net adjustment for revenue accruals	(49,816)	19,118
Net adjustment for expenditure accruals	(52,686)	(23,171)
Net adjustment for other sources/uses	(130,000)	-
Funds budgeted elsewhere	976,393	-
Adjustment for encumbrances	<u>217,150</u>	<u>21,658</u>
GAAP basis	<u>\$ 1,447,189</u>	<u>\$ (64,935)</u>

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 19 - FUND BALANCE

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

Fund balance	General	Emergency Medical Services Levy Fund	Capital Improvement Fund	Hoover District Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ 3,519	\$ 5,491	\$ -	\$ -	\$ 7,061	\$ 16,071
Prepays	20,552	1,890	-	-	9,941	32,383
Total nonspendable	24,071	7,381	-	-	17,002	48,454
Restricted:						
Capital improvements	-	-	332,375	510,580	202,578	1,045,533
Security of persons and property police	-	-	-	-	46,564	46,564
Security of persons and property fire	-	-	-	-	190,332	190,332
Public health and welfare	-	289,328	-	-	1,370	290,698
Computer systems	-	-	-	-	2,243	2,243
Transportation	-	-	-	-	1,244,920	1,244,920
Utility services	-	-	-	-	396,381	396,381
General trust	-	-	-	-	194,378	194,378
Mayor's court	-	-	-	-	10,269	10,269
Total restricted	-	289,328	332,375	510,580	2,289,035	3,421,318
Committed:						
Capital improvements	-	-	4,637,231	-	-	4,637,231
Income tax	2,464,303	-	-	-	-	2,464,303
CIC escrow	357,000	-	-	-	-	357,000
Compensated absences	1,128,110	-	-	-	-	1,128,110
Total committed	3,949,413	-	4,637,231	-	-	8,586,644
Assigned:						
General government	80,269	-	-	-	-	80,269
Community environment	47,422	-	-	-	-	47,422
Security of persons and property police	9,885	-	-	-	-	9,885
Utility services	23,001	-	-	-	-	23,001
Subsequent year appropriation	1,633,346	-	-	-	-	1,633,346
Total assigned	1,793,923	-	-	-	-	1,793,923
Unassigned	828,334	-	-	-	-	828,334
Total fund balances	\$ 6,595,741	\$ 296,709	\$ 4,969,606	\$ 510,580	\$ 2,306,037	\$ 14,678,673

NOTE 20 - 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 2014. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Stark County Combined General Health District

The City participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, and the City of North Canton. Of the 7 Board Members, the City has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$103,913 to the Health District in 2014. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

NOTE 21 - 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 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION

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

The City of North Canton (the "City") is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the City's financial statements include all organizations, activities and functions which comprise the primary government and those legally separate entities for which the City is financially accountable. The CIC is 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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.

D. Net Position

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

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

E. Estimates

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

Deposits

At December 31, 2014, the carrying amount of the CIC's deposits was \$516,767. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2014, \$266,767 of the bank balance of \$516,767 was exposed to custodial credit risk as described below while \$250,000 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the CIC'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 CIC. The CIC 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 CIC to a successful claim by the FDIC.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
	<u>12/31/13</u>			<u>12/31/14</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	(26,520)	(4,420)	-	(30,940)
Equipment	(55,500)	(11,100)	-	(66,600)
<i>Total accumulated depreciation</i>	<u>(82,020)</u>	<u>(15,520)</u>	<u>-</u>	<u>(97,540)</u>
Total capital assets, net	<u>\$ 477,619</u>	<u>\$ (15,520)</u>	<u>\$ -</u>	<u>\$ 462,099</u>

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, 2014, the CIC has received \$1,143,000 under this funding mechanism.

Litigation

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

Subsequent Event

On March 26, 2015, the City transferred the old Engineer's building and 2 parcels of land located at 220 West Maple Street to the CIC. The CIC plans to sell the property in the near future.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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

GENERAL FUND

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

Major Special Revenue Fund

Emergency Medical Services Levy Fund

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

Major Capital Projects Fund

Capital Improvement Fund

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

Hoover District Improvements Fund

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

Major Enterprise Funds

Water Fund

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

Sewer Fund

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

Garbage Fund

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

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 713,000	\$ 713,000	\$ 712,928	\$ (72)
Municipal income taxes	4,623,300	4,623,300	4,623,300	-
Charges for services	258,700	258,700	231,043	(27,657)
Licenses and permits	321,800	321,800	405,838	84,038
Fines and forfeitures	66,000	66,000	115,380	49,380
Intergovernmental	593,600	593,600	1,527,790	934,190
Interest	18,000	18,000	58,067	40,067
Rentals	117,900	117,900	183,267	65,367
Other	30,000	30,000	90,532	60,532
Total revenues	<u>6,742,300</u>	<u>6,742,300</u>	<u>7,948,145</u>	<u>1,205,845</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Personal services	87,500	87,500	76,699	10,801
Contract services	9,500	9,475	8,087	1,388
Materials and supplies	700	700	-	700
Total mayor	<u>97,700</u>	<u>97,675</u>	<u>84,786</u>	<u>12,889</u>
Director of Administration:				
Personal services	79,000	79,030	76,221	2,809
Contract services	16,336	15,554	11,666	3,888
Materials and supplies	1,974	1,810	1,305	505
Capital outlay	1,000	1,000	-	1,000
Total director of administration	<u>98,310</u>	<u>97,394</u>	<u>89,192</u>	<u>8,202</u>
Director of Finance:				
Personal services	146,500	146,500	130,590	15,910
Contract services	53,181	52,255	32,353	19,902
Materials and supplies	3,800	3,800	2,348	1,452
Capital outlay	1,400	1,400	-	1,400
Total director of finance	<u>204,881</u>	<u>203,955</u>	<u>165,291</u>	<u>38,664</u>
Electronic Data Processing:				
Contract services	22,113	20,342	19,055	1,287
Materials and supplies	100	100	2,478	(2,378)
Capital outlay	1,000	4,000	-	4,000
Total electronic data processing	<u>23,213</u>	<u>24,442</u>	<u>21,533</u>	<u>2,909</u>
Director of Law:				
Personal services	61,200	53,360	50,534	2,826
Contract services	38,294	50,107	44,841	5,266
Materials and supplies	2,350	2,350	2,151	199
Capital outlay	600	-	-	-
Total director of law	<u>102,444</u>	<u>105,817</u>	<u>97,526</u>	<u>8,291</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
City Council:				
Personal services	\$ 116,460	\$ 115,740	\$ 108,226	\$ 7,514
Contract services	55,858	51,264	29,468	21,796
Materials and supplies.	2,946	1,861	1,724	137
Capital outlay	450	450	300	150
Total city council	<u>175,714</u>	<u>169,315</u>	<u>139,718</u>	<u>29,597</u>
Civil Service Commission:				
Personal services	8,110	8,150	3,554	4,596
Contract services	12,300	12,260	6,045	6,215
Materials and supplies.	300	300	-	300
Total civil service commission	<u>20,710</u>	<u>20,710</u>	<u>9,599</u>	<u>11,111</u>
City Hall Maintenance:				
Contract services	107,573	108,273	93,548	14,725
Materials and supplies.	5,000	5,000	4,497	503
Total city hall maintenance.	<u>112,573</u>	<u>113,273</u>	<u>98,045</u>	<u>15,228</u>
Department of Engineering:				
Personal services	183,000	184,310	175,430	8,880
Contract services	102,399	99,602	91,761	7,841
Materials and supplies.	13,566	14,030	12,266	1,764
Capital outlay	18,058	11,566	8,000	3,566
Total department of engineering	<u>317,023</u>	<u>309,508</u>	<u>287,457</u>	<u>22,051</u>
Other General Government:				
Personal services	70,000	70,000	65,179	4,821
Contract services	176,019	155,854	111,456	44,398
Capital outlay	1,600	1,600	-	1,600
Other.	91,000	88,000	76,601	11,399
Total other general government	<u>338,619</u>	<u>315,454</u>	<u>253,236</u>	<u>62,218</u>
Total General Government	<u>1,491,187</u>	<u>1,457,543</u>	<u>1,246,383</u>	<u>211,160</u>
Security of Persons and Property:				
Police:				
Personal services	2,930,280	2,930,299	2,799,788	130,511
Contract services	362,811	349,914	320,979	28,935
Materials and supplies.	108,393	119,494	113,253	6,241
Capital outlay	8,101	500	431	69
Total police	<u>3,409,585</u>	<u>3,400,207</u>	<u>3,234,451</u>	<u>165,756</u>
Total Security of Persons and Property.	<u>3,409,585</u>	<u>3,400,207</u>	<u>3,234,451</u>	<u>165,756</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Health and Welfare:				
County Health Department:				
Contract services	\$ 106,600	\$ 106,600	\$ 103,913	\$ 2,687
Total county health department	<u>106,600</u>	<u>106,600</u>	<u>103,913</u>	<u>2,687</u>
Total Public Health and Welfare	<u>106,600</u>	<u>106,600</u>	<u>103,913</u>	<u>2,687</u>
Community Environment:				
Permits and Inspections:				
Personal services	596,600	592,800	275,290	317,510
Contract services	45,274	45,115	41,617	3,498
Materials and supplies.	7,955	6,553	5,151	1,402
Capital outlay	6,300	13,409	13,161	248
Total permits and inspections.	<u>656,129</u>	<u>657,877</u>	<u>335,219</u>	<u>322,658</u>
Planning Commission:				
Personal services	-	400	241	159
Contract services	3,735	3,335	429	2,906
Materials and supplies.	520	520	220	300
Total planning commission	<u>4,255</u>	<u>4,255</u>	<u>890</u>	<u>3,365</u>
Zoning and Building:				
Contract services	100	100	-	100
Materials and supplies.	300	300	-	300
Total zoning and building	<u>400</u>	<u>400</u>	<u>-</u>	<u>400</u>
Economic Development:				
Contract services	84,665	80,884	55,411	25,473
Materials and supplies.	1,888	1,884	1,884	-
Capital outlay	1,500	1,500	-	1,500
Total economic development.	<u>88,053</u>	<u>84,268</u>	<u>57,295</u>	<u>26,973</u>
Total Community Environment.	<u>748,837</u>	<u>746,800</u>	<u>393,404</u>	<u>353,396</u>
Leisure Time Activities:				
Dogwood Shelter:				
Contract services	16,600	17,534	17,491	43
Total dogwood shelter	<u>16,600</u>	<u>17,534</u>	<u>17,491</u>	<u>43</u>
Swimming Pool:				
Personal services	142,200	142,200	130,802	11,398
Contract services	57,958	56,174	37,462	18,712
Materials and supplies.	48,000	36,690	35,346	1,344
Capital outlay	1,100	-	-	-
Total swimming pool	<u>249,258</u>	<u>235,064</u>	<u>203,610</u>	<u>31,454</u>
Parks Department:				
Personal services	172,100	186,212	183,418	2,794
Contract services	147,320	143,637	135,941	7,696
Materials and supplies.	25,700	25,425	24,978	447
Capital outlay	-	518	-	518
Total parks department.	<u>345,120</u>	<u>355,792</u>	<u>344,337</u>	<u>11,455</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civic Center:				
Contract services	\$ 75,831	\$ 91,489	\$ 78,217	\$ 13,272
Materials and supplies.	4,000	4,000	3,609	391
Capital outlay	12,000	12,592	8,192	4,400
Total civic center	<u>91,831</u>	<u>108,081</u>	<u>90,018</u>	<u>18,063</u>
Recreation Department:				
Personal services	117,100	116,100	99,046	17,054
Contract services	10,755	10,379	6,725	3,654
Materials and supplies.	10,150	13,150	12,613	537
Capital outlay	-	518	489	29
Total recreation department.	<u>138,005</u>	<u>140,147</u>	<u>118,873</u>	<u>21,274</u>
Recreation Program:				
Contract services	8,556	8,657	8,067	590
Materials and supplies.	2,000	976	-	976
Total recreation program	<u>10,556</u>	<u>9,633</u>	<u>8,067</u>	<u>1,566</u>
Total Leisure Time Activities.	<u>851,370</u>	<u>866,251</u>	<u>782,396</u>	<u>83,855</u>
Debt Service:				
Principal retirement	65,000	65,000	65,000	-
Interest and fiscal charges	25,450	25,450	25,450	-
Total debt service.	<u>90,450</u>	<u>90,450</u>	<u>90,450</u>	<u>-</u>
Total expenditures	<u>6,698,029</u>	<u>6,667,851</u>	<u>5,850,997</u>	<u>816,854</u>
Excess of revenues over expenditures.	<u>44,271</u>	<u>74,449</u>	<u>2,097,148</u>	<u>2,022,699</u>
Other financing source (uses):				
Advances in	130,000	130,000	130,000	-
Transfers out	(1,741,000)	(1,741,000)	(1,741,000)	-
Total other financing sources (uses).	<u>(1,611,000)</u>	<u>(1,611,000)</u>	<u>(1,611,000)</u>	<u>-</u>
Net change in fund balance	<u>(1,566,729)</u>	<u>(1,536,551)</u>	<u>486,148</u>	<u>2,022,699</u>
Fund balance at beginning of year	<u>1,666,989</u>	<u>1,666,989</u>	<u>1,666,989</u>	<u>-</u>
Prior year encumbrances appropriated	<u>131,698</u>	<u>131,698</u>	<u>131,698</u>	<u>-</u>
Fund balance at end of year	<u>\$ 231,958</u>	<u>\$ 262,136</u>	<u>\$ 2,284,835</u>	<u>\$ 2,022,699</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 766,000	\$ 766,000	\$ 763,672	\$ (2,328)
Charges for services	483,700	483,700	505,535	21,835
Intergovernmental	159,000	159,000	162,066	3,066
Other	-	-	11,535	11,535
Total revenues	<u>1,408,700</u>	<u>1,408,700</u>	<u>1,442,808</u>	<u>34,108</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Personal services	1,286,911	1,286,489	1,236,255	50,234
Contract services	180,667	184,897	159,678	25,219
Materials and supplies.	41,700	41,700	35,408	6,292
Capital outlay	108,050	104,050	92,607	11,443
Total expenditures.	<u>1,617,328</u>	<u>1,617,136</u>	<u>1,523,948</u>	<u>93,188</u>
Excess of expenditures over revenues	<u>(208,628)</u>	<u>(208,436)</u>	<u>(81,140)</u>	<u>127,296</u>
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	-
Transfers out	<u>(26,400)</u>	<u>(26,400)</u>	<u>(26,400)</u>	<u>-</u>
Total other financing sources (uses). . .	<u>(1,400)</u>	<u>(1,400)</u>	<u>(1,400)</u>	<u>-</u>
Net change in fund balance	(210,028)	(209,836)	(82,540)	127,296
Fund balance at beginning of year	376,026	376,026	376,026	-
Prior year encumbrances appropriated .	<u>41,878</u>	<u>41,878</u>	<u>41,878</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 207,876</u>	<u>\$ 208,068</u>	<u>\$ 335,364</u>	<u>\$ 127,296</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,142,700	\$ 1,142,700	\$ 1,102,700	\$ (40,000)
Intergovernmental	550,000	550,000	1,286,567	736,567
Total revenues	<u>1,692,700</u>	<u>1,692,700</u>	<u>2,389,267</u>	<u>696,567</u>
Expenditures:				
Capital Outlay:				
Contract services	3,049,007	3,214,167	2,872,406	341,761
Capital outlay	2,095,425	2,082,668	683,498	1,399,170
Total capital outlay	<u>5,144,432</u>	<u>5,296,835</u>	<u>3,555,904</u>	<u>1,740,931</u>
Debt service:				
Principal retirement	94,426	94,426	94,426	-
Interest and fiscal charges	65,626	65,626	65,626	-
Total debt service	<u>160,052</u>	<u>160,052</u>	<u>160,052</u>	<u>-</u>
Total expenditures	<u>5,304,484</u>	<u>5,456,887</u>	<u>3,715,956</u>	<u>1,740,931</u>
Excess of expenditures over revenues . .	<u>(3,611,784)</u>	<u>(3,764,187)</u>	<u>(1,326,689)</u>	<u>2,437,498</u>
Other financing sources:				
Transfers in	2,127,000	900,000	900,000	-
Total other financing sources	<u>2,127,000</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Net change in fund balance	(1,484,784)	(2,864,187)	(426,689)	2,437,498
Fund balance at beginning of year	3,584,834	3,584,834	3,584,834	-
Prior year encumbrances appropriated .	1,395,530	1,395,530	1,395,530	-
Fund balance at end of year	<u>\$ 3,495,580</u>	<u>\$ 2,116,177</u>	<u>\$ 4,553,675</u>	<u>\$ 2,437,498</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,876,610	\$ 2,179,963	\$ 2,331,548	\$ 151,585
Total revenues	<u>1,876,610</u>	<u>2,179,963</u>	<u>2,331,548</u>	<u>151,585</u>
Expenditures:				
Current:				
Economic Development:				
Contract services	1,879,310	2,134,131	1,901,397	232,734
Total expenditures	<u>1,879,310</u>	<u>2,134,131</u>	<u>1,901,397</u>	<u>232,734</u>
Net change in fund balance	(2,700)	45,832	430,151	384,319
Fund balance at beginning of year. . . .	77,729	77,729	77,729	-
Prior year encumbrances appropriated .	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>	<u>-</u>
Fund balance at end of year	<u>\$ 77,729</u>	<u>\$ 126,261</u>	<u>\$ 510,580</u>	<u>\$ 384,319</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,900,000	\$ 5,900,000	\$ 6,246,153	\$ 346,153
Tap-in fees	20,000	20,000	86,487	66,487
Other.	21,000	21,000	65,839	44,839
Total operating revenues.	5,941,000	5,941,000	6,398,479	457,479
Operating expenses:				
Personal services.	1,901,500	1,896,800	1,651,695	245,105
Contract services	1,746,241	1,547,259	1,247,122	300,137
Materials and supplies	747,958	697,959	620,923	77,036
Capital outlay	4,221,132	4,274,081	2,569,740	1,704,341
Other.	61,500	61,500	2,791	58,709
Total operating expenses.	8,678,331	8,477,599	6,092,271	2,385,328
Operating income (loss)	(2,737,331)	(2,536,599)	306,208	2,842,807
Nonoperating revenues (expenses):				
Intergovernmental	149,000	149,000	-	(149,000)
Debt service:				
Principal retirement	(893,868)	(902,648)	(902,648)	-
Interest and fiscal charges.	(457,970)	(457,970)	(457,970)	-
Total nonoperating revenues (expenses).	(1,202,838)	(1,211,618)	(1,360,618)	(149,000)
Loss before transfers	(3,940,169)	(3,748,217)	(1,054,410)	2,693,807
Transfers out.	(75,500)	(75,500)	(75,500)	-
Net change in fund equity	(4,015,669)	(3,823,717)	(1,129,910)	2,693,807
Fund equity at beginning of year.	3,363,538	3,363,538	3,363,538	-
Prior year encumbrances appropriated	1,006,107	1,006,107	1,006,107	-
Fund equity at end of year	\$ 353,976	\$ 545,928	\$ 3,239,735	\$ 2,693,807

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,803,000	\$ 2,803,000	\$ 2,761,958	\$ (41,042)
Tap-in fees	23,000	23,000	73,371	50,371
Other.	-	-	19,416	19,416
Total operating revenues	2,826,000	2,826,000	2,854,745	28,745
Operating expenses:				
Personal services.	580,500	578,800	470,153	108,647
Contract services	2,500,658	2,277,375	1,995,591	281,784
Materials and supplies	20,403	20,564	18,723	1,841
Capital outlay	746,151	949,151	434,417	514,734
Total operating expenses	3,847,712	3,825,890	2,918,884	907,006
Operating loss	(1,021,712)	(999,890)	(64,139)	935,751
Nonoperating expenses:				
Debt service:				
Principal retirement	(38,485)	(38,485)	(21,921)	16,564
Interest and fiscal charges.	(5,130)	(5,130)	(5,130)	-
Total nonoperating expenses	(43,615)	(43,615)	(27,051)	16,564
Loss before transfers	(1,065,327)	(1,043,505)	(91,190)	952,315
Transfers out	(39,500)	(39,500)	(39,500)	-
Change in fund equity	(1,104,827)	(1,083,005)	(130,690)	952,315
Fund equity at beginning of year.	2,451,883	2,451,883	2,451,883	-
Prior year encumbrances appropriated . . .	301,772	301,772	301,772	-
Fund equity at end of year	\$ 1,648,828	\$ 1,670,650	\$ 2,622,965	\$ 952,315

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 860,000	\$ 860,000	\$ 896,320	\$ 36,320
Other	-	-	2,406	2,406
Total operating revenues	<u>860,000</u>	<u>860,000</u>	<u>898,726</u>	<u>38,726</u>
Operating expenses:				
Personal services	109,500	109,500	88,606	20,894
Contract services	852,700	851,665	816,460	35,205
Materials and supplies	25,900	25,900	21,020	4,880
Capital outlay	-	1,035	1,006	29
Total operating expenses	<u>988,100</u>	<u>988,100</u>	<u>927,092</u>	<u>61,008</u>
Operating loss	<u>(128,100)</u>	<u>(128,100)</u>	<u>(28,366)</u>	<u>99,734</u>
Nonoperating revenues:				
Intergovernmental	<u>45,000</u>	<u>45,000</u>	<u>56,867</u>	<u>11,867</u>
Total nonoperating revenues	<u>45,000</u>	<u>45,000</u>	<u>56,867</u>	<u>11,867</u>
Net change in fund equity	(83,100)	(83,100)	28,501	111,601
Fund equity at beginning of year	<u>237,958</u>	<u>237,958</u>	<u>237,958</u>	<u>-</u>
Fund equity at end of year	<u>\$ 154,858</u>	<u>\$ 154,858</u>	<u>\$ 266,459</u>	<u>\$ 111,601</u>

CITY OF NORTH CANTON, OHIO

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

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Fire Operating Levy Fund

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

Computer Fund

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

Enforcement and Education Fund

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

Street Construction, Maintenance and Repair Fund

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

Storm Sewer Levy Fund

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

Street Levy Fund

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

Municipal Road Fund

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

General Trust Fund

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

Law Enforcement Trust Fund

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

Continuing Professional Education Fund

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

Community Disaster Relief Fund

This fund accounts for donations that are restricted for the use of assisting businesses or community members during times of natural disasters.

Mayor's Court Fund

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

CITY OF NORTH CANTON, OHIO

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

Nonmajor Special Revenue Funds

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

Income Tax Fund

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

Compensated Absences Fund

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

North Canton CIC Escrow Fund

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

CAPITAL PROJECTS FUND

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

Nonmajor Capital Projects Fund

Issue II Fund

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

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund Issue II	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,907,612	\$ 202,578	\$ 2,110,190
Cash and cash equivalents:			
In segregated accounts	235,053	-	235,053
Receivables:			
Property taxes	798,507	-	798,507
Accounts	625	-	625
Intergovernmental	411,920	-	411,920
Materials and supplies inventory	7,061	-	7,061
Prepayments	9,941	-	9,941
	<hr/>	<hr/>	<hr/>
Total assets	\$ 3,370,719	\$ 202,578	\$ 3,573,297
	<hr/>	<hr/>	<hr/>
Liabilities:			
Accounts payable	\$ 67,795	\$ -	\$ 67,795
Accrued wages and benefits payable	25,414	-	25,414
Intergovernmental payable	26,668	-	26,668
	<hr/>	<hr/>	<hr/>
Total liabilities	119,877	-	119,877
	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources:			
Property taxes levied for the next fiscal year	773,627	-	773,627
Delinquent property tax revenue not available	24,880	-	24,880
Other nonexchange transactions not available	348,876	-	348,876
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources.	1,147,383	-	1,147,383
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Nonspendable	17,002	-	17,002
Restricted	2,086,457	202,578	2,289,035
	<hr/>	<hr/>	<hr/>
Total fund balances	2,103,459	202,578	2,306,037
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	\$ 3,370,719	\$ 202,578	\$ 3,573,297
	<hr/>	<hr/>	<hr/>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund Issue II	Other Governmental Funds
Revenues:			
Property taxes	\$ 781,351	\$ -	\$ 781,351
Charges for services	430	-	430
Fines and forfeitures	169,504	-	169,504
Intergovernmental	869,521	-	869,521
Interest	5	-	5
Contributions and donations	11,417	-	11,417
Other	34,721	-	34,721
Total revenues	<u>1,866,949</u>	<u>-</u>	<u>1,866,949</u>
Expenditures:			
Current:			
General government	173,111	-	173,111
Security of persons and property:			
Police	2,859	-	2,859
Fire	481,440	-	481,440
Public health and welfare	53	-	53
Transportation	937,326	-	937,326
Leisure time activities	859	-	859
Basic utility services	467,576	-	467,576
Total expenditures	<u>2,063,224</u>	<u>-</u>	<u>2,063,224</u>
Excess of expenditures over revenues	<u>(196,275)</u>	<u>-</u>	<u>(196,275)</u>
Other financing sources (uses):			
Transfers in	580,000	-	580,000
Transfers out	(33,000)	-	(33,000)
Total other financing sources (uses)	<u>547,000</u>	<u>-</u>	<u>547,000</u>
Net change in fund balances	350,725	-	350,725
Fund balances at beginning of year	<u>1,752,734</u>	<u>202,578</u>	<u>1,955,312</u>
Fund balances at end of year	<u>\$ 2,103,459</u>	<u>\$ 202,578</u>	<u>\$ 2,306,037</u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014

	<u>Fire Operating Levy</u>	<u>Computer</u>	<u>Enforcement and Education</u>	<u>Street Construction, Maintenance and Repair</u>
Assets:				
Equity in pooled cash and investments	\$ 228,541	\$ 4,189	\$ 15,792	\$ 703,704
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
Receivables:				
Property taxes.	159,703	-	-	-
Accounts	-	400	225	-
Intergovernmental.	11,777	-	-	353,031
Materials and supplies inventory	-	-	-	7,061
Prepayments	4,776	-	-	4,901
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 404,797</u>	<u>\$ 4,589</u>	<u>\$ 16,017</u>	<u>\$ 1,068,697</u>
Liabilities:				
Accounts payable.	\$ 9,925	\$ 2,346	\$ 2,559	\$ 39,879
Accrued wages and benefits	12,579	-	-	12,835
Intergovernmental payable	15,705	-	-	10,963
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities.	<u>38,209</u>	<u>2,346</u>	<u>2,559</u>	<u>63,677</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	154,727	-	-	-
Delinquent property tax revenue not available.	4,976	-	-	-
Other nonexchange transactions not available	11,777	-	-	289,987
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources.	<u>171,480</u>	<u>-</u>	<u>-</u>	<u>289,987</u>
Fund Balances:				
Nonspendable	4,776	2,243	13,458	11,962
Restricted	190,332	-	-	703,071
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>195,108</u>	<u>2,243</u>	<u>13,458</u>	<u>715,033</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance.	<u>\$ 404,797</u>	<u>\$ 4,589</u>	<u>\$ 16,017</u>	<u>\$ 1,068,697</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 409,467	\$ 540,069	\$ 1,780	\$ -	\$ -
-	-	-	194,378	30,406
319,402	319,402	-	-	-
-	-	-	-	-
23,556	23,556	-	-	-
-	-	-	-	-
264	-	-	-	-
<u>\$ 752,689</u>	<u>\$ 883,027</u>	<u>\$ 1,780</u>	<u>\$ 194,378</u>	<u>\$ 30,406</u>
\$ 13,086	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
<u>13,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
309,450	309,450	-	-	-
9,952	9,952	-	-	-
23,556	23,556	-	-	-
<u>342,958</u>	<u>342,958</u>	<u>-</u>	<u>-</u>	<u>-</u>
264	-	-	-	-
<u>396,381</u>	<u>540,069</u>	<u>1,780</u>	<u>194,378</u>	<u>30,406</u>
<u>396,645</u>	<u>540,069</u>	<u>1,780</u>	<u>194,378</u>	<u>30,406</u>
<u>\$ 752,689</u>	<u>\$ 883,027</u>	<u>\$ 1,780</u>	<u>\$ 194,378</u>	<u>\$ 30,406</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2014

	Continuing Professional Education	Community Disaster Relief	Mayor's Court	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 2,700	\$ 1,370	\$ -	\$ 1,907,612
Cash and cash equivalents:				
In segregated accounts	-	-	10,269	235,053
Receivables:				
Property taxes.	-	-	-	798,507
Accounts	-	-	-	625
Intergovernmental.	-	-	-	411,920
Materials and supplies inventory	-	-	-	7,061
Prepayments	-	-	-	9,941
Total assets	<u>\$ 2,700</u>	<u>\$ 1,370</u>	<u>\$ 10,269</u>	<u>\$ 3,370,719</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ 67,795
Accrued wages and benefits	-	-	-	25,414
Intergovernmental payable	-	-	-	26,668
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,877</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	-	-	-	773,627
Delinquent property tax revenue not available.	-	-	-	24,880
Other nonexchange transactions not available	-	-	-	348,876
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,147,383</u>
Fund Balances:				
Nonspendable	-	-	-	32,703
Restricted	<u>2,700</u>	<u>1,370</u>	<u>10,269</u>	<u>2,070,756</u>
Total fund balances	<u>2,700</u>	<u>1,370</u>	<u>10,269</u>	<u>2,103,459</u>
Total liabilities and fund balance.	<u>\$ 2,700</u>	<u>\$ 1,370</u>	<u>\$ 10,269</u>	<u>\$ 3,370,719</u>

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CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Revenues:				
Property taxes	\$ 152,530	\$ -	\$ -	\$ -
Charges for services	430	-	-	-
Fines and forfeitures	-	5,862	2,260	-
Intergovernmental	23,910	-	-	747,795
Interest	-	-	-	-
Contributions and donations	-	-	-	-
Other	7,251	-	-	26,768
Total revenues	<u>184,121</u>	<u>5,862</u>	<u>2,260</u>	<u>774,563</u>
Expenditures:				
Current:				
General government	-	12,868	-	-
Security of persons and property:				
Police	-	-	2,559	-
Fire	475,005	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	818,448
Leisure time activities	-	-	-	-
Basic utility services	-	-	-	-
Total expenditures	<u>475,005</u>	<u>12,868</u>	<u>2,559</u>	<u>818,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(290,884)</u>	<u>(7,006)</u>	<u>(299)</u>	<u>(43,885)</u>
Other financing sources (uses):				
Transfers in	400,000	-	-	180,000
Transfers out	<u>(13,200)</u>	<u>-</u>	<u>-</u>	<u>(19,800)</u>
Total other financing sources (uses)	<u>386,800</u>	<u>-</u>	<u>-</u>	<u>160,200</u>
Net change in fund balances	95,916	(7,006)	(299)	116,315
Fund balances at beginning of year	<u>99,192</u>	<u>9,249</u>	<u>13,757</u>	<u>598,718</u>
Fund balances at end of year	<u>\$ 195,108</u>	<u>\$ 2,243</u>	<u>\$ 13,458</u>	<u>\$ 715,033</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 314,429	\$ 314,392	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	2,913
47,828	47,828	-	-	-
-	-	-	-	-
-	-	-	11,412	-
702	-	-	-	-
<u>362,959</u>	<u>362,220</u>	<u>-</u>	<u>11,412</u>	<u>2,913</u>
-	-	-	-	-
-	-	-	300	-
-	-	-	6,435	-
-	-	-	53	-
-	118,877	1	-	-
-	-	-	859	-
467,576	-	-	-	-
<u>467,576</u>	<u>118,877</u>	<u>1</u>	<u>7,647</u>	<u>-</u>
(104,617)	243,343	(1)	3,765	2,913
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(104,617)	243,343	(1)	3,765	2,913
501,262	296,726	1,781	190,613	27,493
<u>\$ 396,645</u>	<u>\$ 540,069</u>	<u>\$ 1,780</u>	<u>\$ 194,378</u>	<u>\$ 30,406</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, 2014

	Continuing Professional Education	Community Disaster Relief	Mayor's Court	Total Nonmajor Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 781,351
Charges for services	-	-	-	430
Fines and forfeitures	-	-	158,469	169,504
Intergovernmental	2,160	-	-	869,521
Interest	-	-	5	5
Contributions and donations	-	5	-	11,417
Other	-	-	-	34,721
Total revenues	<u>2,160</u>	<u>5</u>	<u>158,474</u>	<u>1,866,949</u>
Expenditures:				
Current:				
General government	-	-	160,243	173,111
Security of persons and property:				
Police	-	-	-	2,859
Fire	-	-	-	481,440
Public health and welfare	-	-	-	53
Transportation	-	-	-	937,326
Leisure time activities	-	-	-	859
Basic utility services	-	-	-	467,576
Total expenditures	<u>-</u>	<u>-</u>	<u>160,243</u>	<u>2,063,224</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,160</u>	<u>5</u>	<u>(1,769)</u>	<u>(196,275)</u>
Other financing sources (uses):				
Transfers in	-	-	-	580,000
Transfers out	-	-	-	(33,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>547,000</u>
Net change in fund balances	2,160	5	(1,769)	350,725
Fund balances at beginning of year	<u>540</u>	<u>1,365</u>	<u>12,038</u>	<u>1,752,734</u>
Fund balances at end of year	<u>\$ 2,700</u>	<u>\$ 1,370</u>	<u>\$ 10,269</u>	<u>\$ 2,103,459</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 152,800	\$ 152,800	\$ 152,530	\$ (270)
Charges for services	-	-	430	430
Intergovernmental	23,800	23,800	23,910	110
Other	-	-	7,251	7,251
Total revenues	<u>176,600</u>	<u>176,600</u>	<u>184,121</u>	<u>7,521</u>
Expenditures:				
Current:				
Security of Person and Property:				
Fire:				
Personal services	461,093	462,932	362,150	100,782
Contract services	125,351	119,080	86,634	32,446
Materials and supplies	31,100	34,600	32,514	2,086
Capital outlay	15,300	15,300	14,991	309
Total expenditures	<u>632,844</u>	<u>631,912</u>	<u>496,289</u>	<u>135,623</u>
Excess of expenditures over revenues . . .	<u>(456,244)</u>	<u>(455,312)</u>	<u>(312,168)</u>	<u>143,144</u>
Other financing sources (uses):				
Transfers in	400,000	400,000	400,000	-
Transfers out	<u>(13,200)</u>	<u>(13,200)</u>	<u>(13,200)</u>	<u>-</u>
Total other financing sources (uses) . . .	<u>386,800</u>	<u>386,800</u>	<u>386,800</u>	<u>-</u>
Net change in fund balance	(69,444)	(68,512)	74,632	143,144
Fund balance at beginning of year	141,177	141,177	141,177	-
Prior year encumbrances appropriated .	<u>1,544</u>	<u>1,544</u>	<u>1,544</u>	<u>-</u>
Fund balance at end of year	<u>\$ 73,277</u>	<u>\$ 74,209</u>	<u>\$ 217,353</u>	<u>\$ 143,144</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,300	\$ 5,300	\$ 5,957	\$ 657
Total revenues	<u>5,300</u>	<u>5,300</u>	<u>5,957</u>	<u>657</u>
Expenditures:				
Current:				
General Government:				
Computer:				
Contract services	6,225	4,250	2,872	1,378
Materials and supplies.	924	924	808	116
Capital outlay	<u>5,312</u>	<u>7,190</u>	<u>7,045</u>	<u>145</u>
Total expenditures.	<u>12,461</u>	<u>12,364</u>	<u>10,725</u>	<u>1,639</u>
Net change in fund balance	(7,161)	(7,064)	(4,768)	2,296
Fund balance at beginning of year	8,205	8,205	8,205	-
Prior year encumbrances appropriated .	<u>536</u>	<u>536</u>	<u>536</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,580</u>	<u>\$ 1,677</u>	<u>\$ 3,973</u>	<u>\$ 2,296</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,300	\$ 1,300	\$ 2,035	\$ 735
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>2,035</u>	<u>735</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	4,700	4,700	-	4,700
Materials and supplies.	2,000	2,000	-	2,000
Capital outlay	3,747	3,747	2,600	1,147
Total expenditures.	<u>10,447</u>	<u>10,447</u>	<u>2,600</u>	<u>7,847</u>
Net change in fund balance	(9,147)	(9,147)	(565)	8,582
Fund balance at beginning of year	<u>13,757</u>	<u>13,757</u>	<u>13,757</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,610</u>	<u>\$ 4,610</u>	<u>\$ 13,192</u>	<u>\$ 8,582</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 736,000	\$ 736,000	\$ 747,554	\$ 11,554
Other	10,000	10,000	26,768	16,768
Total revenues	<u>746,000</u>	<u>746,000</u>	<u>774,322</u>	<u>28,322</u>
Expenditures:				
Current:				
Transportation:				
Personal services	456,000	453,322	316,213	137,109
Contract services	265,527	271,674	253,759	17,915
Materials and supplies.	401,509	332,826	304,467	28,359
Capital outlay	121,030	180,000	154,922	25,078
Total expenditures.	<u>1,244,066</u>	<u>1,237,822</u>	<u>1,029,361</u>	<u>208,461</u>
Excess expenditures over revenues	<u>(498,066)</u>	<u>(491,822)</u>	<u>(255,039)</u>	<u>236,783</u>
Other financing sources (uses):				
Transfers in	180,000	180,000	180,000	-
Transfers out	(19,800)	(19,800)	(19,800)	-
Total other financing sources (uses). . .	<u>160,200</u>	<u>160,200</u>	<u>160,200</u>	<u>-</u>
Net change in fund balance	(337,866)	(331,622)	(94,839)	236,783
Fund balance at beginning of year	537,109	537,109	537,109	-
Prior year encumbrances appropriated .	35,532	35,532	35,532	-
Fund balance at end of year	<u>\$ 234,775</u>	<u>\$ 241,019</u>	<u>\$ 477,802</u>	<u>\$ 236,783</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 307,200	\$ 307,200	\$ 314,429	\$ 7,229
Intergovernmental	47,132	47,132	47,828	696
Other	-	-	702	702
Total revenues	<u>354,332</u>	<u>354,332</u>	<u>362,959</u>	<u>8,627</u>
Expenditures:				
Current:				
Basic Utility Services:				
Storm Sewers:				
Personal services	65,000	65,000	55,000	10,000
Contract services	807,250	717,494	450,739	266,755
Materials and supplies.	10,037	10,037	6,016	4,021
Capital outlay	-	53,000	50,450	2,550
Total expenditures.	<u>882,287</u>	<u>845,531</u>	<u>562,205</u>	<u>283,326</u>
Net change in fund balance	(527,955)	(491,199)	(199,246)	291,953
Fund balance at beginning of year	413,618	413,618	413,618	-
Prior year encumbrances appropriated .	<u>115,187</u>	<u>115,187</u>	<u>115,187</u>	<u>-</u>
Fund balance at end of year	<u>\$ 850</u>	<u>\$ 37,606</u>	<u>\$ 329,559</u>	<u>\$ 291,953</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 307,200	\$ 307,200	\$ 314,392	\$ 7,192
Intergovernmental	47,132	47,132	47,828	696
Total revenues	<u>354,332</u>	<u>354,332</u>	<u>362,220</u>	<u>7,888</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Personal services	65,000	65,000	55,000	10,000
Contract services	814,542	781,636	737,554	44,082
Materials and supplies.	2,300	2,300	-	2,300
Capital outlay	-	3,000	450	2,550
Total expenditures.	<u>881,842</u>	<u>851,936</u>	<u>793,004</u>	<u>58,932</u>
Net change in fund balance	(527,510)	(497,604)	(430,784)	66,820
Fund balance at beginning of year	250,821	250,821	250,821	-
Prior year encumbrances appropriated .	<u>284,442</u>	<u>284,442</u>	<u>284,442</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,753</u>	<u>\$ 37,659</u>	<u>\$ 104,479</u>	<u>\$ 66,820</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 205,000	\$ 205,000	\$ 117,636	\$ (87,364)
Total revenues	<u>205,000</u>	<u>205,000</u>	<u>117,636</u>	<u>(87,364)</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Total expenditures.	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Excess of revenues over expenditures	<u>130,000</u>	<u>130,000</u>	<u>117,636</u>	<u>(12,364)</u>
Other financing sources:				
Advances out	(130,000)	(130,000)	(130,000)	-
Total other financing sources	<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>-</u>
Net change in fund balance	-	-	(12,364)	(12,364)
Fund balance at beginning of year	<u>14,144</u>	<u>14,144</u>	<u>14,144</u>	<u>-</u>
Fund balance at end of year	<u>\$ 14,144</u>	<u>\$ 14,144</u>	<u>\$ 1,780</u>	<u>\$ (12,364)</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ -	\$ -	\$ 11,412	\$ 11,412
Total revenues	-	-	11,412	11,412
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Contract services	15,687	15,687	-	15,687
Total General Government	15,687	15,687	-	15,687
Security of Persons and Property:				
Police:				
Contract services	6,010	6,010	300	5,710
Total police	6,010	6,010	300	5,710
Fire:				
Contract services	16,173	16,173	6,865	9,308
Total fire	16,173	16,173	6,865	9,308
Total Security of Persons and Property.	22,183	22,183	7,165	15,018
Public Health and Welfare:				
E.M.S.:				
Contract services	1,785	1,785	53	1,732
Total E.M.S.	1,785	1,785	53	1,732
Total Public Health and Welfare.	1,785	1,785	53	1,732
Leisure Time Activities:				
Park Department:				
Contract services	150,958	150,958	859	150,099
Total park department	150,958	150,958	859	150,099
Total Leisure Time Activities.	150,958	150,958	859	150,099
Total expenditures	190,613	190,613	8,077	182,536
Net change in fund balance	(190,613)	(190,613)	3,335	193,948
Fund balance at beginning of year	190,613	190,613	190,613	-
Fund balance at end of year	\$ -	\$ -	\$ 193,948	\$ 193,948

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 2,913	\$ (87)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>2,913</u>	<u>(87)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Materials and supplies	27,493	27,493	-	27,493
Total expenditures	<u>27,493</u>	<u>27,493</u>	<u>-</u>	<u>27,493</u>
Net change in fund balance	(24,493)	(24,493)	2,913	27,406
Fund balance at beginning of year	<u>27,493</u>	<u>27,493</u>	<u>27,493</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 3,000</u></u>	<u><u>\$ 3,000</u></u>	<u><u>\$ 30,406</u></u>	<u><u>\$ 27,406</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONTINUING PROFESSIONAL EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 2,160	\$ 2,160
Total revenues	<u>-</u>	<u>-</u>	<u>2,160</u>	<u>2,160</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	540	540	-	540
Total expenditures	<u>540</u>	<u>540</u>	<u>-</u>	<u>540</u>
Net change in fund balance	(540)	(540)	2,160	2,700
Fund balance at beginning of year	<u>540</u>	<u>540</u>	<u>540</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,700</u></u>	<u><u>\$ 2,700</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DISASTER RELIEF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 300	\$ 300	\$ 5	\$ (295)
Total revenues	300	300	5	(295)
Expenditures:				
Current:				
General Government:				
Income Tax Division:				
Contract services	600	600	-	600
Total expenditures	600	600	-	600
Net change in fund balance	(300)	(300)	5	305
Fund balance at beginning of year	1,365	1,365	1,365	-
Fund balance at end of year	\$ 1,065	\$ 1,065	\$ 1,370	\$ 305

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 624,000	\$ 624,000	\$ 1,125,412	\$ 501,412
Intergovernmental	1,000	1,000	-	(1,000)
Other	-	-	1,236	1,236
Total revenues	<u>624,000</u>	<u>625,000</u>	<u>1,126,648</u>	<u>501,648</u>
Expenditures:				
Current:				
General Government:				
Personal services	164,500	166,500	154,797	11,703
Contract services	81,163	79,168	55,315	23,853
Materials and supplies.	5,002	4,912	2,902	2,010
Capital outlay	6,000	6,000	1,947	4,053
Other.	195,000	195,000	134,422	60,578
Total General Government.	<u>451,665</u>	<u>451,580</u>	<u>349,383</u>	<u>102,197</u>
Total expenditures	<u>451,665</u>	<u>451,580</u>	<u>349,383</u>	<u>102,197</u>
Excess of revenues over expenditures	<u>172,335</u>	<u>173,420</u>	<u>777,265</u>	<u>603,845</u>
Other financing uses:				
Transfers out	<u>(6,600)</u>	<u>(6,600)</u>	<u>(6,600)</u>	<u>-</u>
Total other financing uses	<u>(6,600)</u>	<u>(6,600)</u>	<u>(6,600)</u>	<u>-</u>
Net change in fund balance	165,735	166,820	770,665	603,845
Fund balance at beginning of year	1,682,464	1,682,464	1,682,464	-
Prior year encumbrances appropriated .	<u>6,365</u>	<u>6,365</u>	<u>6,365</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,854,564</u>	<u>\$ 1,855,649</u>	<u>\$ 2,459,494</u>	<u>\$ 603,845</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General Government:				
Personal services	\$ 143,926	\$ 143,926	\$ 28,739	\$ 115,187
Total General Government.	<u>143,926</u>	<u>143,926</u>	<u>28,739</u>	<u>115,187</u>
Security of Persons and Property:				
Police:				
Personal services	27,500	27,500	-	27,500
Total Police	<u>27,500</u>	<u>27,500</u>	<u>-</u>	<u>27,500</u>
Fire:				
Personal services	23,313	23,313	-	23,313
Total Fire	<u>23,313</u>	<u>23,313</u>	<u>-</u>	<u>23,313</u>
Total Security of Persons and Property .	<u>50,813</u>	<u>50,813</u>	<u>-</u>	<u>50,813</u>
Public Health and Welfare:				
Personal services	31,000	31,000	29,462	1,538
Total Public Health and Welfare	<u>31,000</u>	<u>31,000</u>	<u>29,462</u>	<u>1,538</u>
Community Environment:				
Personal services	850	850	-	850
Total Community Environment.	<u>850</u>	<u>850</u>	<u>-</u>	<u>850</u>
Basic Utilities Services:				
Personal services	114,466	114,466	-	114,466
Total Basic Utility Services.	<u>114,466</u>	<u>114,466</u>	<u>-</u>	<u>114,466</u>
Leisure Time Activities:				
Personal services	44,250	44,250	-	44,250
Total Leisure Time Activities.	<u>44,250</u>	<u>44,250</u>	<u>-</u>	<u>44,250</u>
Transportation:				
Personal services	31,695	31,695	-	31,695
Total Transportation	<u>31,695</u>	<u>31,695</u>	<u>-</u>	<u>31,695</u>
Total expenditures	<u>417,000</u>	<u>417,000</u>	<u>58,201</u>	<u>358,799</u>
Excess expenditures over revenues	<u>(417,000)</u>	<u>(417,000)</u>	<u>(58,201)</u>	<u>358,799</u>
Other financing sources:				
Transfers in	417,000	417,000	417,000	-
Total other financing sources.	<u>417,000</u>	<u>417,000</u>	<u>417,000</u>	<u>-</u>
Net change in fund balance	-	-	358,799	358,799
Fund balance at beginning of year	<u>857,127</u>	<u>857,127</u>	<u>857,127</u>	<u>-</u>
Fund balance at end of year	<u>\$ 857,127</u>	<u>\$ 857,127</u>	<u>\$ 1,215,926</u>	<u>\$ 358,799</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NORTH CANTON CIC ESCROW FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Community Environment:				
Personal services	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total Community Environment	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(100,000)	(100,000)	(100,000)	-
Fund balance at beginning of year	<u>457,000</u>	<u>457,000</u>	<u>457,000</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 357,000</u></u>	<u><u>\$ 357,000</u></u>	<u><u>\$ 357,000</u></u>	<u><u>\$ -</u></u>

CITY OF NORTH CANTON, OHIO

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

ISSUE II FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 249,000	\$ -	\$ -	\$ -
Total revenues	<u>249,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	249,000	-	-	-
Fund balance at beginning of year	<u>\$ 202,578</u>	<u>\$ 202,578</u>	<u>\$ 202,578</u>	<u>\$ -</u>
Fund balance at end of year.	<u>\$ 451,578</u>	<u>\$ 202,578</u>	<u>\$ 202,578</u>	<u>\$ -</u>

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

ENTERPRISE FUNDS

Enterprise funds are used to account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

INTERNAL SERVICE FUNDS

To account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Internal Service Fund

Insurance Fund

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

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Charges for services	\$ 1,195,000	\$ 1,195,000	\$ 1,211,585	\$ 16,585
Total operating revenues	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,211,585</u>	<u>16,585</u>
Operating Expenses:				
Contract services	309,648	277,900	206,971	70,929
Claims	1,280,488	1,193,400	987,200	206,200
Total operating expenses	<u>1,590,136</u>	<u>1,471,300</u>	<u>1,194,171</u>	<u>277,129</u>
Operating income (loss)/change in fund equity	(395,136)	(276,300)	17,414	293,714
Fund equity at beginning of year	886,045	886,045	886,045	-
Prior year encumbrances appropriated .	<u>118,836</u>	<u>118,836</u>	<u>118,836</u>	<u>-</u>
Fund equity at end of year	<u>\$ 609,745</u>	<u>\$ 728,581</u>	<u>\$ 1,022,295</u>	<u>\$ 293,714</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, 2014

	Beginning Balance 12/31/2013	Additions	Reductions	Ending Balance 12/31/2014
Deposits and Fees				
Assets:				
Cash and cash equivalents in segregated accounts.	\$ 120,944	\$ 23,419	\$ 64,171	\$ 80,192
Total assets.	<u>\$ 120,944</u>	<u>\$ 23,419</u>	<u>\$ 64,171</u>	<u>\$ 80,192</u>
Liabilities:				
Deposits held and due to others	\$ 120,944	\$ 23,419	\$ 64,171	\$ 80,192
Total liabilities	<u>\$ 120,944</u>	<u>\$ 23,419</u>	<u>\$ 64,171</u>	<u>\$ 80,192</u>

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City of North Canton, Ohio



Statistical Section

CITY OF NORTH CANTON, OHIO

**STATISTICAL SECTION
TABLE CONTENTS**

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	120-131
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the income tax.	132-139
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	140-145
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	146-149
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	150-155

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

CITY OF NORTH CANTON, OHIO

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

	<u>2014</u>	<u>2013 (3)</u>	<u>2012</u>	<u>2011 (2)</u>
Governmental Activities				
Net investment in capital assets	\$ 31,628,172	\$ 30,087,393	\$ 30,162,804	\$ 28,206,677
Restricted for:				
Capital projects	713,158	202,578	202,578	164,021
Street construction, maintenance and repair	-	-	-	-
Emergency medical services	-	-	-	-
Fire operations	-	-	-	-
Computer systems	2,243	9,249	12,430	15,834
Security of persons and property - police	46,564	41,790	41,628	95,411
Security of persons and property - fire	211,861	116,726	17,036	-
Public health and welfare	530,811	572,499	296,690	-
Transportation	1,580,377	1,215,859	1,207,215	1,304,606
Basic utilities	430,153	536,338	535,373	479,041
General trust	194,378	190,613	48,884	15,951
Mayors Court	10,269	12,038	13,957	1,840
Storm sewer	-	-	-	-
Donations and supplies	-	-	-	-
Other purposes	-	-	-	-
Unrestricted	11,790,580	9,267,304	7,644,922	6,461,011
Total governmental activities net position	<u>\$ 47,138,566</u>	<u>\$ 42,252,387</u>	<u>\$ 40,183,517</u>	<u>\$ 36,744,392</u>
Business-type Activities				
Net investment in capital assets	\$ 27,533,121	\$ 26,626,707	\$ 26,042,734	\$ 25,897,087
Unrestricted	8,378,177	7,952,328	7,523,687	6,580,867
Total business-type activities net position	<u>\$ 35,911,298</u>	<u>\$ 34,579,035</u>	<u>\$ 33,566,421</u>	<u>\$ 32,477,954</u>
Total Primary Government				
Net investment in capital assets	\$ 59,161,293	\$ 56,714,100	\$ 56,205,538	\$ 54,103,764
Restricted	3,719,814	2,897,690	2,375,791	2,076,704
Unrestricted	20,168,757	17,219,632	15,168,609	13,041,878
Total primary government net position	<u>\$ 83,049,864</u>	<u>\$ 76,831,422</u>	<u>\$ 73,749,938</u>	<u>\$ 69,222,346</u>

Source: City financial records.

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

(2) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>
\$ 28,683,552	\$ 28,598,354	\$ 28,494,366	\$ 27,680,040	\$ 26,870,342	\$ 22,671,549
1,843,983	1,057,592	976,112	2,364,897	1,859,062	2,926,256
1,134,308	1,042,924	774,996	651,009	854,455	211,489
190,534	190,303	128,653	235,207	205,388	28,623
133,317	95,270	44,003	-	17,550	22,563
22,113	15,472	34,987	14,502	13,719	29,538
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
535,073	483,356	524,203	526,185	349,624	99,180
16,830	32,363	17,062	35,054	36,864	31,479
27,933	36,808	17,822	6,858	6,614	7,844
1,311,616	2,053,244	3,252,531	3,245,584	5,070,626	5,151,595
<u>\$ 33,899,259</u>	<u>\$ 33,605,686</u>	<u>\$ 34,264,735</u>	<u>\$ 34,759,336</u>	<u>\$ 35,284,244</u>	<u>\$ 31,180,116</u>
\$ 25,702,585	\$ 25,353,521	\$ 24,501,565	\$ 24,165,821	\$ 22,808,223	\$ 22,540,242
5,699,657	4,524,526	4,781,693	3,842,872	4,053,862	2,862,283
<u>\$ 31,402,242</u>	<u>\$ 29,878,047</u>	<u>\$ 29,283,258</u>	<u>\$ 28,008,693</u>	<u>\$ 26,862,085</u>	<u>\$ 25,402,525</u>
\$ 54,386,137	\$ 53,951,875	\$ 52,995,931	\$ 51,845,861	\$ 49,678,565	\$ 45,211,791
3,904,091	2,954,088	2,517,838	3,833,712	3,343,276	3,356,972
7,011,273	6,577,770	8,034,224	7,088,456	9,124,488	8,013,878
<u>\$ 65,301,501</u>	<u>\$ 63,483,733</u>	<u>\$ 63,547,993</u>	<u>\$ 62,768,029</u>	<u>\$ 62,146,329</u>	<u>\$ 56,582,641</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 389,409	\$ 461,653	\$ 381,444	\$ 316,780
Security of persons and property:				
Police	13,069	18,814	11,298	23,934
Fire	430	-	-	-
Public health and welfare	551,809	599,043	498,983	528,999
Community environment	397,787	304,774	261,986	194,781
Leisure time activities	301,977	288,350	355,269	376,177
Subtotal - charges for services	<u>1,654,481</u>	<u>1,672,634</u>	<u>1,508,980</u>	<u>1,440,671</u>
Operating grants and contributions				
General government	5	6	8	6
Security of persons and property:				
Police	2,608	134,370	10,296	3,818
Fire	16,854	12,686	29,619	92,010
Public health and welfare	54,123	12,798	286,753	24
Transportation	780,991	878,888	869,781	740,998
Leisure time activities	1,282	31,918	-	198
Economic development	-	-	-	-
Basic utility services	702	670	335	-
Subtotal - operating grants and contributions	<u>856,565</u>	<u>1,071,336</u>	<u>1,196,792</u>	<u>837,054</u>
Capital grants and contributions				
Security of persons and property:				
Fire	-	-	-	-
Transportation	994,073	1,793,398	3,102,193	1,089,922
Leisure time activities	-	-	-	-
Economic development	2,331,548	-	-	-
Subtotal - capital grants and contributions	<u>3,325,621</u>	<u>1,793,398</u>	<u>3,102,193</u>	<u>1,089,922</u>
Total governmental activities program revenues	<u>5,836,667</u>	<u>4,537,368</u>	<u>5,807,965</u>	<u>3,367,647</u>
Business-type activities:				
Charges for services:				
Water	6,404,161	6,150,482	6,051,273	5,891,652
Sewer	2,830,415	2,854,520	2,773,669	2,729,854
Garbage	897,523	883,742	881,780	845,184
Subtotal - charges for services	<u>10,132,099</u>	<u>9,888,744</u>	<u>9,706,722</u>	<u>9,466,690</u>
Operating grants and contributions:				
Garbage	56,867	28,371	39,998	38,498
Subtotal - operating grants and contributions	<u>56,867</u>	<u>28,371</u>	<u>39,998</u>	<u>38,498</u>
Capital grants and contributions:				
Water	-	-	-	-
Sewer	-	-	-	-
Subtotal - capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>10,188,966</u>	<u>9,917,115</u>	<u>9,746,720</u>	<u>9,505,188</u>
Total primary government	<u>\$ 16,025,633</u>	<u>\$ 14,454,483</u>	<u>\$ 15,554,685</u>	<u>\$ 12,872,835</u>

2010	2009	2008	2007	2006	2005
\$ 306,383	\$ 361,766	\$ 236,634	\$ 206,652	\$ 196,809	\$ 250,259
14,976	22,274	8,006	7,213	9,779	11,741
340	-	-	-	-	-
458,502	416,579	231,002	352,106	311,999	314,046
178,145	193,024	154,156	119,756	131,988	104,782
384,118	329,340	389,748	375,713	379,916	376,381
<u>1,342,464</u>	<u>1,322,983</u>	<u>1,019,546</u>	<u>1,061,440</u>	<u>1,030,491</u>	<u>1,057,209</u>
6	-	42,885	-	-	3,750
-	3,146	8,948	722	16,964	22,463
6	289	2,459	17,468	3,300	8,568
50,211	3,330	266	33,246	7,000	4,000
905,023	681,889	841,285	712,773	539,001	517,377
-	350	501	-	-	-
-	4,197,409	-	-	-	-
29,995	448,424	-	54,906	-	-
<u>985,241</u>	<u>5,334,837</u>	<u>896,344</u>	<u>819,115</u>	<u>566,265</u>	<u>556,158</u>
-	-	-	-	36,536	-
762,392	491,915	36,818	1,220,785	3,037,809	150,425
-	-	32,245	-	-	-
-	-	-	-	-	-
<u>762,392</u>	<u>491,915</u>	<u>69,063</u>	<u>1,220,785</u>	<u>3,074,345</u>	<u>150,425</u>
<u>3,090,097</u>	<u>7,149,735</u>	<u>1,984,953</u>	<u>3,101,340</u>	<u>4,671,101</u>	<u>1,763,792</u>
5,898,393	5,885,354	5,949,012	5,740,648	5,181,984	4,760,279
2,431,111	2,286,131	2,167,750	2,063,478	2,239,988	2,060,530
811,940	812,774	759,547	708,666	634,144	558,940
<u>9,141,444</u>	<u>8,984,259</u>	<u>8,876,309</u>	<u>8,512,792</u>	<u>8,056,116</u>	<u>7,379,749</u>
51,768	49,802	63,655	61,800	60,000	60,000
<u>51,768</u>	<u>49,802</u>	<u>63,655</u>	<u>61,800</u>	<u>60,000</u>	<u>60,000</u>
240,000	65,702	188,670	588,162	513,604	1,015,828
359,520	-	-	42,215	308,369	623,350
<u>599,520</u>	<u>65,702</u>	<u>188,670</u>	<u>630,377</u>	<u>821,973</u>	<u>1,639,178</u>
9,792,732	9,099,763	9,128,634	9,204,969	8,938,089	9,078,927
<u>\$ 12,882,829</u>	<u>\$ 16,249,498</u>	<u>\$ 11,113,587</u>	<u>\$ 12,306,309</u>	<u>\$ 13,609,190</u>	<u>\$ 10,842,719</u>

(Continued)

CITY OF NORTH CANTON, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>
Expenses:				
Governmental Activities				
General government	\$ 1,797,198	\$ 1,916,122	\$ 1,914,208	\$ 1,882,729
Security of persons and property:				
Police	3,026,167	3,209,466	3,184,475	3,027,294
Fire	561,489	663,161	731,977	797,998
Public health and welfare	1,660,454	1,500,576	1,690,461	1,657,395
Transportation	1,936,292	3,574,374	3,333,527	2,210,572
Community environment	442,474	402,156	416,531	404,088
Leisure time activities	867,399	789,887	791,895	808,252
Economic development	1,110,772	-	-	-
Basic utility services	615,934	607,310	542,450	672,814
Intergovernmental	-	-	-	-
Interest and fiscal charges	85,052	89,725	94,829	171,435
Total governmental activities expenses	<u>12,103,231</u>	<u>12,752,777</u>	<u>12,700,353</u>	<u>11,632,577</u>
Business-type activities:				
Water	\$ 5,261,976	\$ 6,223,675	\$ 5,349,166	\$ 5,236,367
Sewer	2,626,109	2,594,504	2,432,758	2,306,528
Garbage	991,279	936,462	860,061	856,923
Total business-type activities expenses	<u>8,879,364</u>	<u>9,754,641</u>	<u>8,641,985</u>	<u>8,399,818</u>
Total primary government program expenses	<u>\$ 20,982,595</u>	<u>\$ 22,507,418</u>	<u>\$ 21,342,338</u>	<u>\$ 20,032,395</u>
Net (Expense) Revenue				
Governmental activities	(6,266,564)	(8,215,409)	(6,892,388)	(8,264,930)
Business-type activities	1,309,602	162,474	1,104,735	1,105,370
Total primary government net expense	<u>\$ (4,956,962)</u>	<u>\$ (8,052,935)</u>	<u>\$ (5,787,653)</u>	<u>\$ (7,159,560)</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 1,958,753	\$ 2,154,096	\$ 2,235,205	\$ 2,253,710	\$ 2,040,584	\$ 2,299,022
3,269,935	3,271,884	3,049,396	3,587,425	3,026,053	3,038,460
623,594	750,783	705,273	819,062	693,324	602,558
1,537,536	1,567,495	1,476,085	1,703,059	1,311,606	1,290,268
2,420,679	2,629,812	2,575,379	3,213,072	1,075,130	1,988,890
456,226	503,388	619,805	547,013	380,145	397,328
903,568	909,636	965,725	1,356,650	1,207,578	1,190,514
207,434	4,100,754	-	-	-	-
406,544	401,269	566,496	558,990	1,164,581	287,468
-	-	-	-	100,000	100,000
20,525	22,707	55,072	184,341	136,057	83,215
<u>11,804,794</u>	<u>16,311,824</u>	<u>12,248,436</u>	<u>14,223,322</u>	<u>11,135,058</u>	<u>11,277,723</u>
\$ 5,176,387	\$ 5,660,450	\$ 5,106,672	\$ 5,349,070	\$ 4,485,688	\$ 4,062,394
2,256,669	2,017,112	1,946,158	2,031,424	2,296,527	1,960,523
879,774	974,743	742,158	789,005	676,949	584,994
<u>8,312,830</u>	<u>8,652,305</u>	<u>7,794,988</u>	<u>8,169,499</u>	<u>7,459,164</u>	<u>6,607,911</u>
<u>\$ 20,117,624</u>	<u>\$ 24,964,129</u>	<u>\$ 20,043,424</u>	<u>\$ 22,392,821</u>	<u>\$ 18,594,222</u>	<u>\$ 17,885,634</u>
(8,714,697)	(9,162,089)	(10,263,483)	(11,121,982)	(6,463,957)	(9,513,931)
1,479,902	447,458	1,333,646	1,035,470	1,478,925	2,471,016
<u>\$ (7,234,795)</u>	<u>\$ (8,714,631)</u>	<u>\$ (8,929,837)</u>	<u>\$ (10,086,512)</u>	<u>\$ (4,985,032)</u>	<u>\$ (7,042,915)</u>

(Continued)

CITY OF NORTH CANTON, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 710,411	\$ 721,721	\$ 764,213	\$ 764,958
Fire operating levy	151,838	153,665	84,705	84,094
Emergency medical services levy	760,211	771,523	642,001	631,196
Storm sewer levy	313,045	318,334	344,947	349,384
Street levy	313,008	318,261	339,593	353,000
Municipal income taxes levied for:				
General purposes	5,822,946	5,504,737	5,098,669	4,871,528
Capital improvement	1,096,040	1,227,730	1,124,278	944,577
Grants and entitlements not restricted to				
Specific programs	1,766,623	1,036,416	1,839,867	2,958,944
Interest	61,894	15,322	16,185	7,767
Gain on sale of capital assets	-	-	-	-
Miscellaneous	91,727	129,570	2,055	69,615
Transfers	65,000	87,000	75,000	75,000
Total governmental activities	<u>11,152,743</u>	<u>10,284,279</u>	<u>10,331,513</u>	<u>11,110,063</u>
Business-type activities				
Gain on sale of capital assets	\$ -	\$ -	\$ -	\$ -
Miscellaneous	87,661	104,237	58,732	45,342
Transfers	(65,000)	(87,000)	(75,000)	(75,000)
Total business-type activities	<u>22,661</u>	<u>17,237</u>	<u>(16,268)</u>	<u>(29,658)</u>
Total primary government	<u>\$ 11,175,404</u>	<u>\$ 10,301,516</u>	<u>\$ 10,315,245</u>	<u>\$ 11,080,405</u>
Change in Net Position				
Governmental activities	\$ 4,886,179	\$ 2,068,870	\$ 3,439,125	\$ 2,845,133
Business-type activities	1,332,263	179,711	1,088,467	1,075,712
Total primary government	<u>\$ 6,218,442</u>	<u>\$ 2,248,581</u>	<u>\$ 4,527,592</u>	<u>\$ 3,920,845</u>

Source: City financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 782,658	\$ 797,287	\$ 836,437	\$ 846,147	\$ 825,186	\$ 780,276
84,225	82,972	83,655	93,144	96,955	91,580
159,739	148,236	149,878	169,256	176,194	166,613
327,430	323,509	323,116	341,288	355,276	97,410
366,943	323,509	323,116	341,288	355,276	97,410
4,342,052	4,331,485	4,465,795	4,591,652	5,085,423	4,013,121
1,274,696	1,166,334	1,106,163	1,254,058	1,178,141	2,576,293
1,606,528	1,418,091	2,041,947	2,199,383	1,803,539	1,551,328
11,782	23,936	269,837	606,217	537,976	295,629
-	-	-	82,873	-	-
37,139	35,012	109,857	33,134	110,979	38,953
15,078	(147,331)	59,081	38,634	43,140	-
<u>9,008,270</u>	<u>8,503,040</u>	<u>9,768,882</u>	<u>10,597,074</u>	<u>10,568,085</u>	<u>9,708,613</u>
\$ -	\$ -	\$ -	\$ 16,339	\$ -	\$ 11,286
59,371	-	-	133,433	23,775	29,877
<u>(15,078)</u>	<u>147,331</u>	<u>(59,081)</u>	<u>(38,634)</u>	<u>(43,140)</u>	<u>-</u>
44,293	147,331	(59,081)	111,138	(19,365)	41,163
<u>\$ 9,052,563</u>	<u>\$ 8,650,371</u>	<u>\$ 9,709,801</u>	<u>\$ 10,708,212</u>	<u>\$ 10,548,720</u>	<u>\$ 9,749,776</u>
\$ 293,573	\$ (659,049)	\$ (494,601)	\$ (524,908)	\$ 4,104,128	\$ 194,682
1,524,195	594,789	1,274,565	1,146,608	1,459,560	2,512,179
<u>\$ 1,817,768</u>	<u>\$ (64,260)</u>	<u>\$ 779,964</u>	<u>\$ 621,700</u>	<u>\$ 5,563,688</u>	<u>\$ 2,706,861</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Nonspendable	\$ 24,071	\$ 12,344	\$ 19,469	\$ 24,826
Committed	3,949,413	2,973,122	2,310,330	1,839,023
Assigned	1,793,923	1,521,722	1,455,511	2,365,977
Unassigned	828,334	641,364	872,443	503,206
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 6,595,741</u>	<u>\$ 5,148,552</u>	<u>\$ 4,657,753</u>	<u>\$ 4,733,032</u>
All Other Governmental Funds				
Nonspendable	\$ 24,383	\$ 9,283	\$ 26,015	\$ 84,851
Restricted	3,421,318	2,779,437	2,154,328	2,683,823
Committed	4,637,231	4,141,798	3,249,558	1,951,833
Unassigned (deficit)	-	(114,848)	(189,231)	(303,360)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 8,082,932</u>	<u>\$ 6,815,670</u>	<u>\$ 5,240,670</u>	<u>\$ 4,417,147</u>
Total governmental funds	<u>\$ 14,678,673</u>	<u>\$ 11,964,222</u>	<u>\$ 9,898,423</u>	<u>\$ 9,150,179</u>

Source: City financial records.

The City implemented GASB 54 in 2011.

Restated 2010	2009	2008	Restated 2007	2006	2005
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
106,491	108,772	81,670	59,073	27,388	13,292
1,917,072	2,199,198	3,055,386	3,620,768	4,811,853	5,254,767
<u>\$ 2,023,563</u>	<u>\$ 2,307,970</u>	<u>\$ 3,137,056</u>	<u>\$ 3,679,841</u>	<u>\$ 4,839,241</u>	<u>\$ 5,268,059</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,192,721	737,856	899,423	952,745	2,154,751	2,997,278
1,093,839	1,522,698	1,133,862	1,059,744	1,032,842	379,908
(256,225)	(436,156)	192,097	666,448	(1,125,401)	(1,694,856)
<u>\$ 3,030,335</u>	<u>\$ 1,824,398</u>	<u>\$ 2,225,382</u>	<u>\$ 2,678,937</u>	<u>\$ 2,062,192</u>	<u>\$ 1,682,330</u>
<u>\$ 5,053,898</u>	<u>\$ 4,132,368</u>	<u>\$ 5,362,438</u>	<u>\$ 6,358,778</u>	<u>\$ 6,901,433</u>	<u>\$ 6,950,389</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues				
Taxes	\$ 9,042,284	\$ 8,888,544	\$ 8,385,266	\$ 8,025,579
Charges for services	756,126	760,933	809,929	768,067
Licenses and permits	397,787	304,774	261,986	194,781
Fines and forfeitures	283,297	331,760	262,870	178,961
Intergovernmental	5,886,372	4,170,149	5,707,775	4,991,646
Interest	63,556	10,033	13,135	7,773
Rentals	181,267	195,880	215,402	243,282
Contributions and donations	11,417	168,186	62,514	3,500
Ambulance fees	-	-	-	-
Other	137,983	189,133	87,254	79,090
Total revenues	<u>16,760,089</u>	<u>15,019,392</u>	<u>15,806,131</u>	<u>14,492,679</u>
Expenditures				
Current:				
General government	1,706,095	1,810,499	1,810,943	1,832,330
Security of persons and property:				
Police	3,269,463	3,167,527	3,102,962	3,195,293
Fire	504,635	581,231	617,881	721,363
Public health and welfare	1,658,889	1,421,456	1,612,523	1,600,747
Transportation	937,326	1,426,291	1,584,937	1,191,111
Community environment	447,225	404,055	437,425	422,242
Leisure time activities	754,214	678,926	684,494	764,555
Basic utility services	467,576	384,518	347,093	482,492
Economic development	1,706,120	-	-	-
Settlement agreement	-	-	-	-
Capital outlay	2,458,593	2,971,567	4,623,693	2,269,727
Debt service:				
Principal retirement	159,427	185,283	214,952	401,315
Interest and fiscal charges	91,075	95,922	101,984	83,223
Bond issuance costs	-	-	-	86,340
Total expenditures	<u>14,160,638</u>	<u>13,127,275</u>	<u>15,138,887</u>	<u>13,050,738</u>
Excess (deficiency) of revenues over (under) expenditures	2,599,451	1,892,117	667,244	1,441,941
Other Financing Sources (Uses)				
Sale of capital assets	-	86,682	6,000	-
Notes issued	-	-	-	-
Current refunding	-	-	-	-
Bond issuance	-	-	-	2,500,000
Premium on bond issuance	-	-	-	79,340
Inception of capital lease	-	-	-	-
Transfers in	1,679,400	1,815,000	2,665,122	952,692
Transfers out	(1,564,400)	(1,728,000)	(2,590,122)	(877,692)
Total other financing sources (uses)	<u>115,000</u>	<u>173,682</u>	<u>81,000</u>	<u>2,654,340</u>
Net change in fund balances	<u>\$ 2,714,451</u>	<u>\$ 2,065,799</u>	<u>\$ 748,244</u>	<u>\$ 4,096,281</u>
Capital expenditures	\$ 3,497,103	\$ 1,811,647	\$ 4,085,424	\$ 2,256,845
Debt service as a percentage of noncapital expenditures	2.35%	2.49%	2.87%	4.49%

Source: City financial records.

	2010	2009	2008	Restated 2007	2006	2005
\$	7,292,004	\$ 7,176,340	\$ 7,298,228	\$ 7,629,826	\$ 8,105,152	\$ 7,362,787
	748,250	720,470	418,432	291,477	277,741	481,565
	178,145	193,024	154,156	117,981	132,200	-
	168,102	215,144	108,903	103,838	96,561	164,104
	4,189,234	5,184,081	2,777,801	4,395,082	5,397,544	1,806,389
	11,788	28,898	289,131	576,917	549,893	304,147
	257,595	277,537	202,932	208,767	212,202	96,054
	52,292	1,415,992	82,644	-	-	6,250
	-	-	-	337,602	311,999	314,046
	44,185	42,410	123,852	33,134	110,979	38,953
	<u>12,941,595</u>	<u>15,253,896</u>	<u>11,456,079</u>	<u>13,694,624</u>	<u>15,194,271</u>	<u>10,574,295</u>
	1,841,185	2,028,118	2,149,856	1,731,013	1,775,064	2,112,916
	3,283,034	3,094,169	3,038,698	2,950,401	2,898,587	2,914,728
	577,900	580,697	578,707	582,303	590,204	532,590
	1,474,212	1,487,863	1,416,316	1,337,240	1,225,749	1,255,865
	1,494,494	1,206,706	1,515,298	1,700,177	1,158,714	1,330,351
	463,094	455,515	589,150	499,427	500,264	493,027
	781,696	817,514	941,185	1,079,086	1,070,913	1,043,587
	432,980	904,835	460,158	213,207	176,012	116,710
	207,434	4,100,754	-	-	-	-
	-	-	-	-	558,315	1,500,000
	1,523,078	1,570,678	1,460,150	3,736,296	4,566,756	2,978,281
	282,274	249,111	287,196	552,414	644,661	2,213
	20,403	28,006	61,445	189,890	121,128	78,017
	-	-	-	-	-	-
	<u>12,381,784</u>	<u>16,523,966</u>	<u>12,498,159</u>	<u>14,571,454</u>	<u>15,286,367</u>	<u>14,358,285</u>
	559,811	(1,270,070)	(1,042,080)	(876,830)	(92,096)	(3,783,990)
	41,594	-	-	84,000	-	50,521
	-	-	-	-	1,200,000	1,800,000
	-	-	-	-	(1,200,000)	(1,800,000)
	-	-	-	-	-	-
	-	-	-	-	-	-
	255,125	-	-	1,087,721	-	146,000
	1,993,035	2,140,000	1,936,060	3,039,119	2,572,880	1,515,000
	(1,928,035)	(2,100,000)	(1,890,320)	(2,984,799)	(2,529,740)	(1,515,000)
	<u>361,719</u>	<u>40,000</u>	<u>45,740</u>	<u>1,226,041</u>	<u>43,140</u>	<u>196,521</u>
\$	<u>921,530</u>	<u>(1,230,070)</u>	<u>(996,340)</u>	<u>349,211</u>	<u>(48,956)</u>	<u>(3,587,469)</u>
\$	1,923,064	\$ 1,908,358	\$ 1,709,755	\$ 1,896,914	\$ 5,149,276	\$ 3,226,978
	2.89%	1.90%	3.23%	5.86%	7.55%	0.72%

CITY OF NORTH CANTON, OHIO

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated actual value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed value	Estimated actual value
2014	\$ 272,828,380	\$ 73,169,260	\$ 988,564,686	\$ 8,412,870	\$ 9,560,080
2013	271,964,980	73,735,850	987,716,657	8,047,470	9,144,852
2012	294,910,260	74,675,700	1,055,959,886	7,443,350	8,458,352
2011	294,828,710	75,981,140	1,059,456,714	7,086,110	8,052,398
2010	295,352,930	76,190,710	1,061,553,257	7,086,110	8,052,398
2009	306,412,350	76,848,090	1,095,029,829	6,213,470	7,060,761
2008	304,274,660	83,600,100	1,108,213,600	5,829,460	6,624,386
2007	300,242,990	82,856,980	1,094,571,343	9,468,540	10,759,705
2006	282,557,950	70,647,520	1,009,158,486	9,822,620	11,162,068
2005	277,423,330	73,768,930	1,003,406,457	10,739,360	12,203,818

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>
\$ -	\$ -	\$ 354,410,510	\$ 998,124,765	35.51%	\$ 7.40
-	-	353,748,300	996,861,509	35.49%	7.40
-	-	377,029,310	1,064,418,238	35.42%	7.40
-	-	377,895,960	1,067,509,112	35.40%	7.40
-	-	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

CITY OF NORTH CANTON, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Unvoted Millage				
Operating	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
Voted Millage				
2005 Storm Sewer	1.0000	1.0000	1.0000	1.0000
2005 Street Improvement	1.0000	1.0000	1.0000	1.0000
1982 & 2011 Ambulance & E.M.S.	2.5000	2.5000	2.5000	2.5000
1983 Fire	0.5000	0.5000	0.5000	0.5000
Total Voted Millage	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>
Total Millage	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>
Overlapping Rates By Taxing District				
North Canton City School District				
Residential/Agricultural Real	\$ 46.6432	\$ 38.9173	\$ 38.9173	\$ 45.4133
Commercial/Industrial and Public Utility Real	52.0007	47.0395	47.0395	53.7905
General Business and Public Utility	78.8000	76.0000	76.0000	83.4000
Stark County				
Residential/Agricultural Real	9.3007	8.9180	8.9180	8.7993
Commercial/Industrial and Public Utility Real	10.0757	9.5912	9.5912	9.5912
General Business and Public Utility	11.5000	11.5000	11.5000	11.5000
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	2.3009	2.3031	1.7797	1.7797
Commercial/Industrial and Public Utility Real	2.3612	2.3606	1.8370	1.8370
General Business and Public Utility	2.5000	2.5000	2.0000	2.0000

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

2010	2009	2008	2007	2006	2005
<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>\$ 5.9000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>
\$ 38.8841	\$ 34.0290	\$ 34.5888	\$ 34.7169	\$ 29.6110	\$ 29.6110
46.5217	42.0846	39.7213	39.3218	37.7864	37.7864
76.0000	72.3000	72.8000	72.8000	65.8000	65.8000
8.9134	6.9852	3.9848	6.9848	7.3694	7.3694
9.4212	7.8365	7.6556	7.4909	8.3378	8.3378
11.5000	10.1000	10.1000	10.1000	10.1000	10.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
2.0555	0.7673	0.7677	0.6712	0.7232	0.7232
1.8344	0.8249	0.7974	0.7090	0.8281	0.8281
1.3818	1.0000	1.0000	1.0000	1.0000	1.0000

CITY OF NORTH CANTON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2014	\$ 2,621,720	\$ 2,546,037	97.11%	\$ 53,961	\$ 2,599,998
2013	2,617,737	2,547,990	97.34%	43,517	2,591,507
2012	2,453,472	2,409,800	98.22%	52,325	2,462,125
2011	2,461,163	2,400,180	97.52%	80,727	2,480,907
2010	1,887,486	1,837,223	97.34%	39,215	1,876,438
2009	1,908,956	1,865,586	97.73%	72,493	1,938,079
2008	1,963,272	1,895,920	96.57%	42,201	1,938,121
2007	2,004,956	1,958,900	97.70%	33,875	1,992,775
2006	1,984,367	1,932,148	97.37%	45,467	1,977,615
2005	1,440,031	1,404,479	97.53%	28,300	1,432,779

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>
99.17%	\$ 67,039	2.56%
99.00%	76,312	2.92%
100.35%	90,405	3.68%
100.80%	79,766	3.24%
99.41%	99,510	5.27%
101.53%	64,992	3.40%
98.72%	69,768	3.55%
99.39%	40,556	2.02%
99.66%	6,752	0.34%
99.50%	7,252	0.50%

CITY OF NORTH CANTON, OHIO
PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO

2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
McKinley Development Leasing Co. Ltd.	\$ 6,006,050	1	1.74%
Versailles Gardens, Ltd.	4,983,860	2	1.44%
Waterford at St. Luke	2,174,930	3	0.63%
Albrecht Incorporated	2,169,780	4	0.63%
Maple Street Commerce LLC	1,888,480	5	0.55%
Berlin Commons, Ltd.	1,867,810	6	0.54%
Williamsburg Apartments, Ltd.	1,853,000	7	0.54%
Euro Development, Ltd.	1,491,590	8	0.43%
Mullinax Ford	1,347,510	9	0.39%
Creekside Residential Partners LLC.	1,340,610	10	0.39%
Total	\$ 25,123,620		7.28%
Total Assessed Valuation	\$ 345,997,640		

2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Maytag Corporation - Hoover Company	\$ 8,721,700	1	2.48%
Versailles Gardens Ltd.	3,989,170	2	1.14%
McKinley Development Leasing Co. Ltd.	3,398,320	3	0.97%
Albrecht Incorporated	2,203,010	4	0.63%
Potsdamer Platz LLC	2,096,990	5	0.60%
Waterford at Saint Luke	2,029,980	6	0.58%
Berlin Commons Ltd.	1,783,830	7	0.51%
Williamsburg Apartments Ltd.	1,597,480	8	0.45%
CETA Group Limited Partnership	1,403,540	9	0.40%
Euro Development Ltd.	1,267,920	10	0.36%
Total	\$ 28,491,940		8.12%
Total Assessed Valuation	\$ 351,192,260		

Source: Stark County, Ohio, Auditor's Office

CITY OF NORTH CANTON, OHIO

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholdings	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2014	1.50%	\$ 6,851,412	\$ 4,586,042	66.94%	\$ 614,229	8.96%	\$ 1,651,141	24.10%
2013	1.50%	6,637,706	4,274,021	64.39%	698,631	10.53%	1,665,054	25.08%
2012	1.50%	6,174,122	4,233,577	68.57%	493,972	8.00%	1,446,572	23.43%
2011	1.50%	5,942,112	3,970,865	66.83%	524,170	8.82%	1,447,077	24.35%
2010	1.50%	5,367,101	3,719,256	69.30%	309,501	5.77%	1,338,344	24.94%
2009	1.50%	5,460,640	3,531,379	64.67%	290,707	5.32%	1,638,554	30.01%
2008	1.50%	5,656,592	3,850,815	68.08%	326,172	5.77%	1,352,921	23.92%
2007	1.50%	6,400,520	4,404,728	68.82%	359,862	5.62%	1,635,930	25.56%
2006	1.50%	6,377,273	4,274,631	67.03%	502,516	7.88%	1,600,126	25.09%
2005	1.50%	6,553,223	4,793,884	73.15%	370,626	5.66%	1,388,713	21.19%

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Assessed Property Value	<u>\$ 354,410,510</u>	<u>\$ 353,748,300</u>	<u>\$ 377,029,310</u>	<u>\$ 377,895,960</u>
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>37,213,104</u>	<u>37,143,572</u>	<u>39,588,078</u>	<u>39,679,076</u>
Debt Outstanding				
Various Improvement Note	-	-	-	-
Governmental General Obligation Bonds	1,910,000	2,055,000	2,195,000	2,335,000
Water System Bonds	4,335,000	4,585,000	4,845,000	5,080,000
Water Notes	-	-	-	-
Sewer Notes	-	-	-	-
OPWC Loans	1,890,751	2,006,651	1,917,980	1,506,229
OWDA Loans	7,170,509	7,720,400	8,250,917	8,760,422
Intergovernmental Loans	528,923	-	-	-
Total gross indebtedness	<u>15,835,183</u>	<u>16,367,051</u>	<u>17,208,897</u>	<u>17,681,651</u>
Less:				
Water System Bonds	4,335,000	4,585,000	4,845,000	5,080,000
Water Notes	-	-	-	-
Sewer Notes	-	-	-	-
OPWC Loans	1,890,751	2,006,651	1,917,980	1,506,229
OWDA Loans	7,170,509	7,720,400	8,250,917	8,760,422
Intergovernmental Loans	528,923	-	-	-
Total net debt applicable to debt limit	<u>1,910,000</u>	<u>2,055,000</u>	<u>2,195,000</u>	<u>2,335,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 35,303,104</u>	<u>\$ 35,088,572</u>	<u>\$ 37,393,078</u>	<u>\$ 37,344,076</u>
Legal debt margin as a percentage of the debt limit	94.87%	94.47%	94.46%	94.12%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>19,492,578</u>	<u>19,456,157</u>	<u>20,736,612</u>	<u>20,784,278</u>
Total gross indebtedness	15,835,183	16,367,051	17,208,897	17,681,651
Less:				
Water System Bonds	4,335,000	4,585,000	4,845,000	5,080,000
Water Notes	-	-	-	-
Sewer Notes	-	-	-	-
OPWC Loans	1,890,751	2,006,651	1,917,980	1,506,229
OWDA Loans	7,170,509	7,720,400	8,250,917	8,760,422
Intergovernmental Loans	528,923	-	-	-
Net debt within 5 1/2 % limitations	<u>1,910,000</u>	<u>2,055,000</u>	<u>2,195,000</u>	<u>2,335,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 17,582,578</u>	<u>\$ 17,401,157</u>	<u>\$ 18,541,612</u>	<u>\$ 18,449,278</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	90.20%	89.44%	89.41%	88.77%

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.

2010	2009	2008	Restated 2007	2006	2005
<u>\$ 378,629,750</u>	<u>\$ 389,904,030</u>	<u>\$ 394,082,950</u>	<u>\$ 409,541,909</u>	<u>\$ 386,897,880</u>	<u>\$ 387,703,613</u>
<u>39,756,124</u>	<u>40,939,923</u>	<u>41,378,710</u>	<u>43,001,900</u>	<u>40,624,277</u>	<u>40,708,879</u>
-	-	-	750,000	1,000,000	1,500,000
-	-	-	-	-	-
3,815,000	3,985,000	4,145,000	4,300,000	-	-
915,000	-	-	-	4,300,000	3,000,000
-	-	-	175,000	350,000	548,000
1,448,320	1,323,932	1,388,947	1,020,904	-	-
9,255,783	9,686,773	10,263,181	10,813,200	11,309,281	10,633,475
-	-	-	-	-	-
<u>15,434,103</u>	<u>14,995,705</u>	<u>15,797,128</u>	<u>17,059,104</u>	<u>16,959,281</u>	<u>15,681,475</u>
3,815,000	3,985,000	4,145,000	4,300,000	-	-
915,000	-	-	-	4,300,000	3,000,000
-	-	-	175,000	350,000	548,000
1,448,320	1,323,932	1,388,947	1,020,904	-	-
9,255,783	9,686,773	10,263,181	10,813,200	11,309,281	10,633,475
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>1,000,000</u>	<u>1,500,000</u>
<u>\$ 39,756,124</u>	<u>\$ 40,939,923</u>	<u>\$ 41,378,710</u>	<u>\$ 42,251,900</u>	<u>\$ 39,624,277</u>	<u>\$ 39,208,879</u>
100.00%	100.00%	100.00%	98.26%	97.54%	96.32%
<u>20,824,636</u>	<u>21,444,722</u>	<u>21,674,562</u>	<u>22,524,805</u>	<u>21,279,383</u>	<u>21,323,699</u>
15,434,103	14,995,705	15,797,128	17,059,104	16,959,281	15,681,475
3,815,000	3,985,000	4,145,000	4,300,000	-	-
915,000	-	-	-	4,300,000	3,000,000
-	-	-	175,000	350,000	548,000
1,448,320	1,323,932	1,388,947	1,020,904	-	-
9,255,783	9,686,773	10,263,181	10,813,200	11,309,281	10,633,475
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>1,000,000</u>	<u>1,500,000</u>
<u>\$ 20,824,636</u>	<u>\$ 21,444,722</u>	<u>\$ 21,674,562</u>	<u>\$ 21,774,805</u>	<u>\$ 20,279,383</u>	<u>\$ 19,823,699</u>
100.00%	100.00%	100.00%	96.67%	95.30%	92.97%

CITY OF NORTH CANTON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases	Bonds Payable	Notes/Bonds Payable	OWDA Loans	Intergovernmental Loans	OPWC Loans			
2014	\$ -	\$ -	\$ 1,970,753	\$ 4,382,866	\$ 7,170,509	\$ 528,923	\$ 1,890,751	\$ 15,943,802	3.23%	\$ 915
2013	-	14,427	2,120,822	4,635,873	7,720,400	403,892	2,006,651	16,902,065	3.41%	966
2012	-	59,710	2,265,891	4,898,880	8,250,917	-	1,917,980	17,393,378	3.51%	996
2011	-	134,662	2,410,960	5,136,887	8,760,422	-	1,506,229	17,949,160	3.60%	1,019
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

Source: City financial records.

Note: Population and personal income data are presented on page 146.

CITY OF NORTH CANTON, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
Direct - City of North Canton			
General obligation bonds and capital leases	\$ 1,970,753	100.00%	\$ 1,970,753
	<u>1,970,753</u>		<u>1,970,753</u>
Overlapping debt:			
North Canton City School District	11,875,000	46.76%	5,552,750
Jackson Local School District	48,725,216	0.34%	165,666
Plain Local School District	44,960,000	6.62%	2,976,352
Stark County	4,232,793	5.47%	231,534
	<u>109,793,009</u>		<u>8,926,302</u>
Total direct and overlapping debt	<u>\$ 111,763,762</u>		<u>\$ 10,897,055</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 EIGHT YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2014	\$ 6,470,000	\$ 3,110,809	\$ 3,359,191	\$ 542,938	\$ 269,016	4.14
2013	6,241,358	4,240,926	2,000,432	523,796	288,158	2.46
2012	6,097,862	3,380,373	2,717,489	505,332	306,623	3.35
2011	5,929,810	3,004,923	2,924,887	593,050	324,435	3.19
2010	5,948,192	3,052,742	2,895,450	601,017	347,933	3.05
2009	5,885,354	3,480,388	2,404,966	576,449	372,500	2.53
2008	5,949,012	2,946,896	3,002,116	550,019	395,994	3.17
2007	5,872,497	3,192,233	2,680,264	522,394	339,805	3.11

(1) Operating expenses do not include depreciation.

Source: Office of the City Finance Director.

Note: Information prior to 2007 is unavailable.

CITY OF NORTH CANTON, OHIO

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2014	\$ 2,849,831	\$ 2,213,954	\$ 635,877	\$ 6,953	\$ 5,130	52.63
2013	2,866,932	2,304,022	562,910	6,721	5,362	46.59
2012	2,785,812	2,127,456	658,356	4,173	6,289	62.93
2011	2,737,038	1,994,658	742,380	7,841	7,249	49.20
2010	2,440,683	1,951,856	488,827	3,822	3,723	64.79

(1) Operating expenses do not include depreciation.

Source: Office of the City Finance Director.

Note: Information prior to 2010 is unavailable.

CITY OF NORTH CANTON, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2014	17,433	\$ 494,260,416	\$ 28,352	\$ 50,728	41.0	35.4%
2013	17,488	495,819,776	28,352	50,649	42.5	35.4%
2012	17,465	495,167,680	28,352	47,300	43.4	35.8%
2011	17,610	499,278,720	28,352	47,300	43.4	35.8%
2010	17,488	495,819,776	28,352	47,300	43.4	35.8%
2009	16,369	393,592,605	24,045	42,013	42.3	33.6%
2008	16,369	393,592,605	24,045	42,013	42.3	33.6%
2007	16,369	393,592,605	24,045	42,013	42.3	33.6%
2006	16,369	393,592,605	24,045	42,013	42.3	33.6%
2005	16,369	393,592,605	24,045	42,013	42.3	33.6%

(1) Source: U.S. Census

(a) Years 2004 through 2010 Federal Census and Years 2011-2014 Estimated by City

(2) North Canton City Schools

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

(4) Source: County Auditor

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

<u>School Enrollment (2)</u>	<u>Stark County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value</u>
4,515	5.7%	\$ 136,700	\$ 354,410,510
4,486	7.5%	139,169	353,748,300
4,566	8.7%	151,100	377,029,310
4,738	7.9%	177,900	377,895,960
4,735	11.1%	136,436	378,629,750
4,853	13.5%	132,314	390,557,420
4,937	8.0%	147,498	402,251,469
4,932	5.9%	153,833	409,541,909
5,008	5.8%	148,683	386,897,880
4,963	6.4%	151,889	387,703,613

CITY OF NORTH CANTON, OHIO

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

		2014
Employer	Description	Rank
North Canton Board of Education	North Canton City Schools	1
Walsh University	University	2
St. Lukes Home for the Aged	Nursing Care Home	3
Trubridge Inc.	Insurance Agents	4
City of North Canton	Local Government	5
Myers Control Power LLC	Design Building Mfg.	6
Mullinax Ford	Car Dealership	7
Auditor of Stark County	County Government	8
Aultman Hospital Association	Medical Center	9
Aultman Health Services Association	Health Services	10

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

Source: Income Tax Department

Note: Information prior to 2006 was unavailable.

CITY OF NORTH CANTON, OHIO

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

Employer	2014		
	Employees	Rank	Percentage of Total City Employment
Walsh University	1,637	1	7.88%
North Canton Board of Education	1,026	2	4.94%
Employ-Temp Staffing Services	571	3	2.75%
St. Lukes Home for the Aged	394	4	1.90%
Trubridge Inc.	330	5	1.59%
People 2.0 Global Inc.	330	6	1.59%
YMCA of Central Stark County	320	7	1.54%
Tamarkin Company	306	8	1.47%
City of North Canton	247	9	1.19%
Northeast Professional Home Care Inc.	231	10	1.11%
Total	5,392		25.96%

Total City Employment

20,787

2006

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

Total City Employment

12,364

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

Note: Information prior to 2006 was unavailable.

CITY OF NORTH CANTON, OHIO

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Council	4.50	4.50	4.50	4.50	4.50	6.00	5.50	5.50	5.50	5.50
Mayor's office	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Law	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	0.50
Finance	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.50	4.00	4.00
Tax	1.00	1.00	1.00	1.00	2.00	3.00	3.00	2.50	3.00	3.00
Administration	2.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
City hall maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50
Engineer	5.50	5.50	6.00	6.00	5.50	5.50	5.50	5.00	5.50	6.50
Security of Persons and Property										
Police - administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
Police - officers	24.50	23.50	25.00	25.00	27.00	26.00	25.00	24.00	25.00	26.50
Police - crossing guards	4.00	4.00	4.50	6.00	6.00	6.00	6.00	6.50	7.50	6.00
Dispatchers/Chief Dispatcher	8.50	8.50	7.00	7.00	8.00	8.00	8.50	8.00	7.50	7.50
Fire Inspectors	1.00	1.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Fire Fighters	11.50	11.00	10.00	11.00	11.50	9.50	11.00	12.00	12.00	12.00
Public Health Services										
Emergency Medical Services	25.50	23.00	23.50	24.00	26.00	21.00	22.00	21.50	21.50	23.00
Leisure Time Activities										
Municipal Pool	24.50	20.50	20.50	22.00	21.50	20.50	19.50	18.00	19.00	18.00
Civic Center	0.50	0.50	1.00	2.00	2.00	3.00	2.00	3.00	3.00	3.50
Recreation	2.00	2.00	2.00	1.50	2.50	2.50	3.50	2.50	2.00	2.00
Park Maintenance	4.00	5.00	6.00	7.00	6.00	5.50	8.00	5.50	6.50	6.50
Community Development										
Permits & Inspections	6.00	5.50	4.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00
Economic Development	0.50	0.50	0.50	0.50	1.00	1.00	2.00	1.50	1.50	1.00
Transportation										
Street M&R	8.50	9.00	4.50	9.00	8.50	8.50	8.50	11.00	10.00	12.00
Basic Utility Services										
Water Administration	3.00	3.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Water Distribution	11.00	10.00	0.00	6.00	8.00	7.00	5.50	7.50	8.00	7.50
Water Treatment Plant	10.50	9.00	9.00	10.00	10.00	12.00	11.00	12.00	13.00	12.00
Sewer Collection	3.00	2.00	2.00	2.00	3.50	4.00	3.00	4.00	4.00	4.00
Total	169.00	158.50	147.00	165.50	172.50	167.50	168.50	170.00	176.00	178.50

Source: City Payroll Department W2 Audit Listing

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

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CITY OF NORTH CANTON, OHIO

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

Function/Program	2014	2013	2012	2011
General Government				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	10	9	9	10
Police				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	13	13	13	13
Fire				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	10	10	11	11
Emergency Medical Service				
Stations	1	1	1	1
Square footage of building	8,970	8,970	8,970	8,970
Vehicles	5	5	5	5
Recreation				
Number of parks	11	11	11	11
Number of pools	1	1	1	1
Number of tennis courts	11	11	11	11
Number of basketball courts	7	7	7	7
Number of park shelters	9	9	9	9
Vehicles	11	12	12	11
Public Service Department				
Streets (miles)	97.52	97.50	97.50	97.50
Vehicles	18	17	17	15
Water Department				
Water lines (miles)	155.86	155.76	144.97	144.00
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	16	18	19	17
Wastewater				
Sanitary sewers (miles)	74.64	74.64	74.64	74.64
Storm sewers (miles)	75.91	75.91	72.59	72.59
Vehicles	6	6	6	15

Source: City of North Canton departments

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
31,517 10	31,517 10	31,517 10	31,517 10	31,517 8	31,517 9
1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 14	1 11,960 13	1 11,960 13
1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11
1 8,970 6	1 8,970 6	1 8,970 6	1 8,970 5	1 8,970 6	1 8,970 6
11 1 11 7 8 11	11 1 11 7 8 11	11 1 11 7 8 11	11 1 11 7 7 11	13 1 11 8 7 11	12 1 11 8 6 11
95.46 18	95.46 18	95.46 18	95.46 18	95.46 18	95.46 18
129.80 32,125 17	129.80 32,125 17	129.80 32,125 17	129.80 32,125 17	127.93 32,125 17	127.34 26,925 17
64.39 49.42 9	64.39 49.42 9	64.39 49.42 9	64.39 49.42 9	64.06 48.3 9	63.70 47.41 9

CITY OF NORTH CANTON, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2014	2013	2012	2011
General Government				
Number of ordinances passed	95	81	111	111
Number of planning commission agenda items	20	18	15	8
Number of zoning board of appeals agenda items	-	1	6	1
Number of checks/vouchers issued	3,016	3,362	3,289	3,356
Interest earnings for fiscal year (cash basis)	\$58,067	\$20,339	\$14,974	\$32,364
General fund receipts (cash basis in thousands)	\$8,078	\$7,262	\$7,755	\$9,161
General fund expenditures (cash basis in thousands)	\$7,592	\$7,553	\$8,382	\$7,382
General fund cash balances (in thousands)	\$2,285	\$1,667	\$1,894	\$2,418
Income Tax Department				
Number of individual returns	7,930	7,281	4,260	7,267
Number of business returns	1,327	1,270	1,305	1,231
Annual number of reconciliation of withholding processed	1,397	1,329	1,426	1,144
Building Department Indicators				
Construction permits issued	627	727	664	1,327
Estimated value of construction	\$ 26,491,592	\$ 11,456,887	\$ 12,102,168	\$ 5,754,751
Inspections conducted	917	789	663	712
Security of Persons & Property				
Police				
Total calls for services	16,746	18,049	26,503	28,172
Traffic violations	1,571	1,901	1,805	1,139
Motor vehicle accidents	546	429	558	527
Written warnings	3,912	3,998	3,706	1,891
Total criminal arrests	406	552	404	504
Fire/Emergency Medical Services				
EMS calls	2,416	2,292	2,223	2,377
EMS transports	1,510	1,934	1,502	1,509
Ambulance billing collections	\$496,107	\$538,763	\$501,956	\$489,060
Fire calls	430	559	470	493
Fire safety inspections	980	215	1,527	1,694
Leisure Time Activities				
Recreation				
Swimming pool memberships	1,033	936	2,079	2,404
Civic center rentals	46	21	90	254
Dogwood shelter rentals	265	372	154	159
Transportation				
Asphalt resurfacing (miles)	2.92	0	5.16	3.75
Asphalt usage for pothole repairs (tons)	0	454	511.73	413.85
Salt usage (tons)	4,600	4,003	2,800	5,200
Cost of salt purchased	\$258,290	\$153,088	\$310,960	\$359,814
Water Department				
Average daily gallons sold per consumer	157	152	167	178
Number of customers	8,970	9,102	9,063	9,044
Annual water collections	\$6,229,831	\$6,006,676	\$6,051,273	\$5,874,591
Water main breaks	14	13	23	18
Number of wells	9	9	9	7
Gallons of water treated (millions of gallons)	1,029	1,008	1,106	1,211
Wastewater Department				
Residential sewer rate (flat monthly rate)	\$25.41	\$25.41	\$25.41	\$25.41
Number of customers	6,342	6,334	6,308	6,310

Source: City of North Canton departments

2010	2009	2008	2007	2006	2005
110	123	122	147	141	218
12	2	15	15	21	32
10	3	11	12	18	22
3,419	4,113	3,390	3,711	3,825	4,052
\$47,819	\$81,158	\$360,120	\$543,994	\$463,016	\$319,590
\$7,888	\$8,425	\$9,031	\$9,321	\$9,500	\$7,417
\$9,235	\$9,406	\$9,961	\$7,744	\$9,915	\$9,926
\$1,567	\$2,826	\$3,713	\$4,578	\$4,695	\$5,107
7,471	7,742	7,852	8,312	8,385	8,288
1,184	1,109	1,187	1,319	1,270	1,239
1,397	1,503	1,529	1,523	1,519	1,536
776	786	703	305	381	455
\$ 7,534,618	\$ 11,462,310	\$ 17,559,237	\$19,254,219	\$ 25,389,738	\$ 19,587,769
1,054	1,124	1,114	1,895	771	782
28,107	29,225	29,459	31,274	31,276	32,295
1,175	1,495	1,418	1,297	1,628	2,006
516	513	525	604	561	614
1,983	-	-	-	-	-
399	504	392	398	482	483
2,075	1,948	2,080	1,635	1,612	1,824
1,416	1,251	1,284	1,503	1,069	1,062
\$458,753	\$461,009	\$269,287	\$337,602	\$311,999	\$314,046
406	424	537	434	412	425
1,655	1,543	1,410	1,223	1,087	629
2,247	2,387	2,729	3,107	3,375	2,887
255	303	337	318	208	201
248	261	252	228	260	273
3.12	2.58	2.7	1.80	2.66	5.54
672.13	358.37	530.75	410	184	350
6,400	6,250	6,752	4,250	2,282	4,135
\$325,248	\$237,641	\$282,216	\$188,992	\$121,505	\$235,051
277	132	321	340.81	332.85	292.14
8,900	8,876	8,947	8,794	8,699	8,544
\$5,832,610	\$5,819,610	\$5,759,068	\$5,583,161	\$5,031,926	\$4,587,520
14	19	31	59	33	32
9	8	8	8	7	7
1,163	1,210	1,321	1,307	1,170	1,156
\$25.41	\$21.00	\$21.00	\$19.00	\$19.00	\$18.00
6,305	6,204	6,284	6,283	6,251	6,197

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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
SEPTEMBER 29, 2015**