



Certified Public Accountants, A.C.

**CITY OF NORTH CANTON
STARK COUNTY
Regular Audit
For the Year Ended December 31, 2017**

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St.,
Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave.,
Suite 300
Cambridge, OH 43725
740.435.3417

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Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of North Canton, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2017. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 16, 2018

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CITY OF NORTH CANTON
STARK COUNTY

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304.232.1358

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Cambridge, OH 43725
740.435.3417

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

June 25, 2018

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, 2017, 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, 2018.

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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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 cursive script that reads "Perry & Associates CPAs A.C.".

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

City of North Canton, Ohio



Comprehensive Annual Financial Report For the Year Ended December 31, 2017

CITY OF NORTH CANTON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017



LAURA BROWN
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT

Introductory Section



Hoover Trail

CITY OF NORTH CANTON, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

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145 North Main St. · North Canton, OH 44720

CITY OF NORTH CANTON

June 25, 2018

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, 2017, and has been developed to accurately detail the status of City finances to North Canton residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

State statutes require the City to be subjected to an annual audit by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The firm of Perry & Associates, CPA's A.C. has performed the City audit as of December 31, 2017 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, 2017 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 and department. Transfers between funds, need special approval from Council.

North Canton Local Economy

Background

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

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

Recent Economic History

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

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

Current Local Economy

Since 2008, the partnership between the City of North Canton and Hoover District Developer have continued to bring new employees and increased income tax revenues to the City. Currently fourteen companies call the Hoover District their home and employ over 1,000 people and the total annual income tax revenue for the 2017 calendar year has increased to over \$500,000.

The Hoover District continues to play a big role helping drive the City’s economy. The City and the Developer 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, the community has several other business clusters including healthcare, business services, and education. This includes a significant presence of the Aultman North Medical Care Facility/North Canton Medical Group, the Mercy Medical Center, Akron Children’s Hospital Pediatrics offices, St. Luke’s Lutheran Community, The Windsor, Altercare of Ohio, Heritage Villas, The Danbury and Sanctuary Grande senior living facilities, Northeast Professional Home Care Inc. and numerous medical and dental offices that account for over 1,250 jobs.

The City also has a significant number of jobs involved in software development with companies like Prime Pro Data Inc. and Squirrels LLC. Further, employment in education has increased to over 2,650 jobs at both Walsh University and the North Canton City School District.

Long-Term Financial Planning

The City’s income tax ordinance provided for 0.30 percent of the first 1 percent tax rate (after paying all costs associated with the collection of the income tax) be used for capital improvements and 0.70 percent of the first 1 percent be used for general operations of the City. The remaining 0.5 percent tax rate was to be used for either general operations of the City or capital improvements. As the cost of general operations increased at a greater pace than income tax collections, the amount directed to capital improvements had been reduced to the minimum amount allowed. This minimum amount was about 20 percent of the full 1.5 percent tax. As there were fewer funds for capital projects, the City looked at other means to finance equipment purchases and road, curb and gutter improvements. These financing options included capital leasing, grants and zero interest loans. Although the City will continue to explore all financing options, the income tax ordinance was revised for 2017. For 2017 and again in 2018, 30 percent of the full 1.5 percent income tax rate (after paying all costs associated with the collection of the income tax) will be used for capital improvements and the remaining 70 percent will be used for general operations of the City. This allocation is reviewed each year as the budget is prepared for the following year and can be adjusted to meet the priorities of each year’s budget.

Relevant Financial Policies

The City maintains several reserve funds to accumulate resources for future needs. One such fund is for the payout of earned vacation and eligible sick leave to employees who terminate employment with the City. In 2017 and again in the 2018 budget, no contributions to this fund were necessary, as the amount in the fund is sufficient to cover anticipated termination payments. In addition, the City is accumulating a reserve for improvements to the police department firing range. The City's newest reserve fund was created so that each department can accumulate unspent budgeted dollars to save money towards future capital needs.

Major Initiatives

The City of North Canton will continue its major initiatives/focus areas it has adopted over the past few years that concentrates its efforts on financial stability and growth. The City has prospered since the end of the "Great Recession" that officially occurred in the period of 2008 through 2009. Job losses, plant closures, and significant cuts in State promised funding substantially effected the City's finances and ability to deliver services to its residential and commercial customers. As a result, the City has adopted several major management issues to assure long-term financial stability, growth, and delivery of superior customer service. These include the following:

1. Lean staffing controls;
2. Controlling expenditures;
3. Improvement of operating efficiencies;
4. Maintenance of a strong general fund and capital improvement fund balances;
5. Development of a capital improvement plans to repair and replace capital assets;
6. Strong investment policies;
7. Aggressive grant seeking for economic development and capital improvement projects;
8. Major focus on economic development and job retention and expansion and,
9. Superior service delivery to residents and business customers.

These measures have been effective in reducing costs and improving efficiencies throughout the City for the 2012 – 2017 fiscal years. Several examples include strong managed operating revenues and expenses with very strong revenue to expense ratios, very strong and improving trends in the general fund, strong job growth during this period evidenced by positive trends and continual increases in income tax revenue during the period, and a defined five-year capital improvement plan. Further, aggressive grant seeking has allowed the replacement and installation of new infrastructure at a fraction of the cost to the City's capital improvement funds.

Awards and Acknowledgements

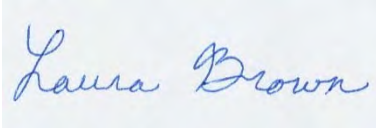
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Comprehensive Annual Financial Report for the year ended December 31, 2016. This was the twenty-ninth consecutive 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 to many of the City's other employees contributing to this effort.

Respectfully Submitted,

A rectangular box containing a handwritten signature in blue ink that reads "Laura Brown".

Laura Brown
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

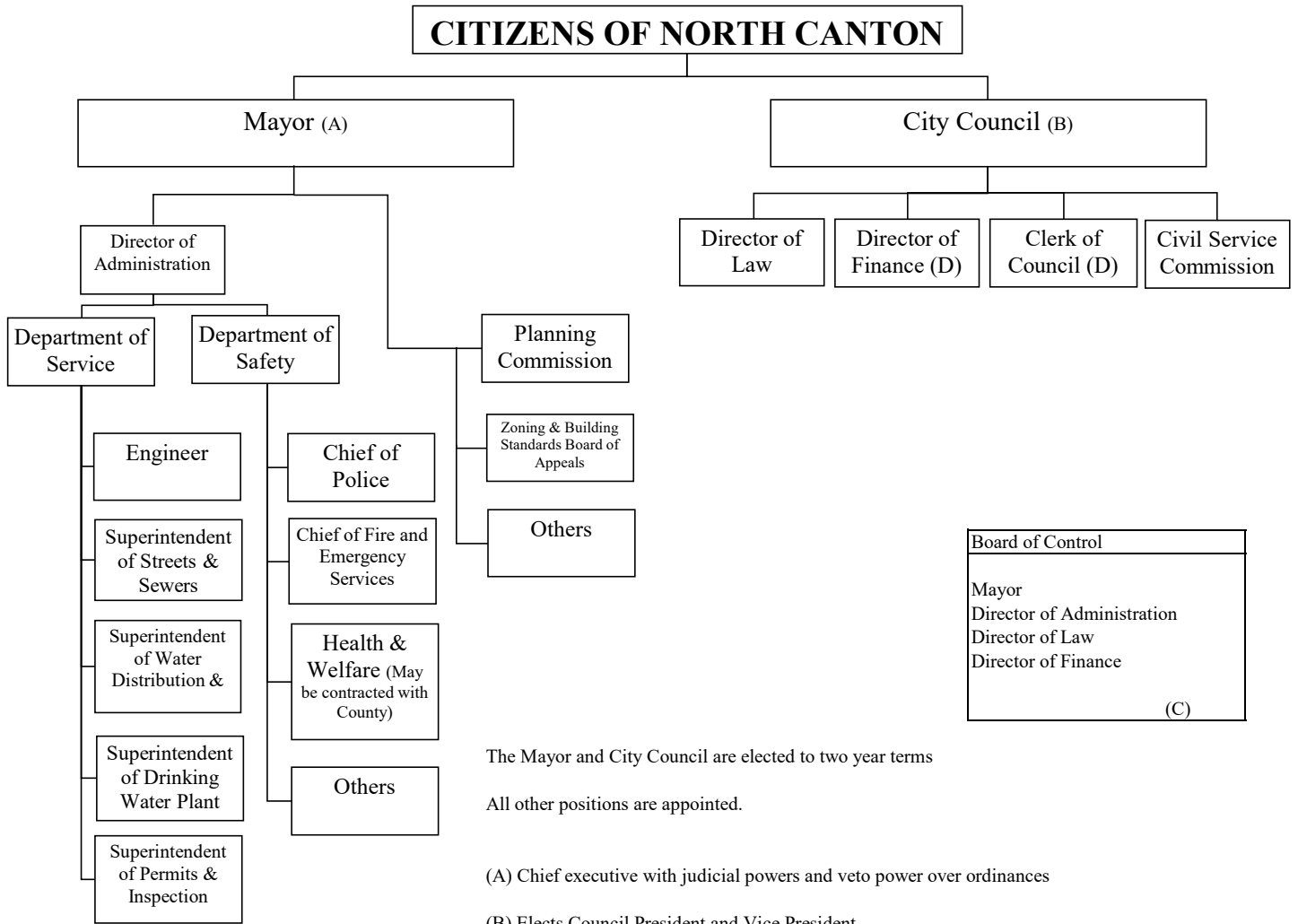
December 31, 2016

Christopher P. Morrill

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, 2017

ELECTED CITY OFFICIALS

MAYOR

HONORABLE DAVID J. HELD

CITY COUNCIL

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

APPOINTED CITY OFFICIALS

DIRECTOR OF ADMINISTRATION

MICHAEL J. GRIMES⁽¹⁾

DIRECTOR OF FINANCE

LAURA E. BROWN

DIRECTOR OF LAW

TIMOTHY L. FOX

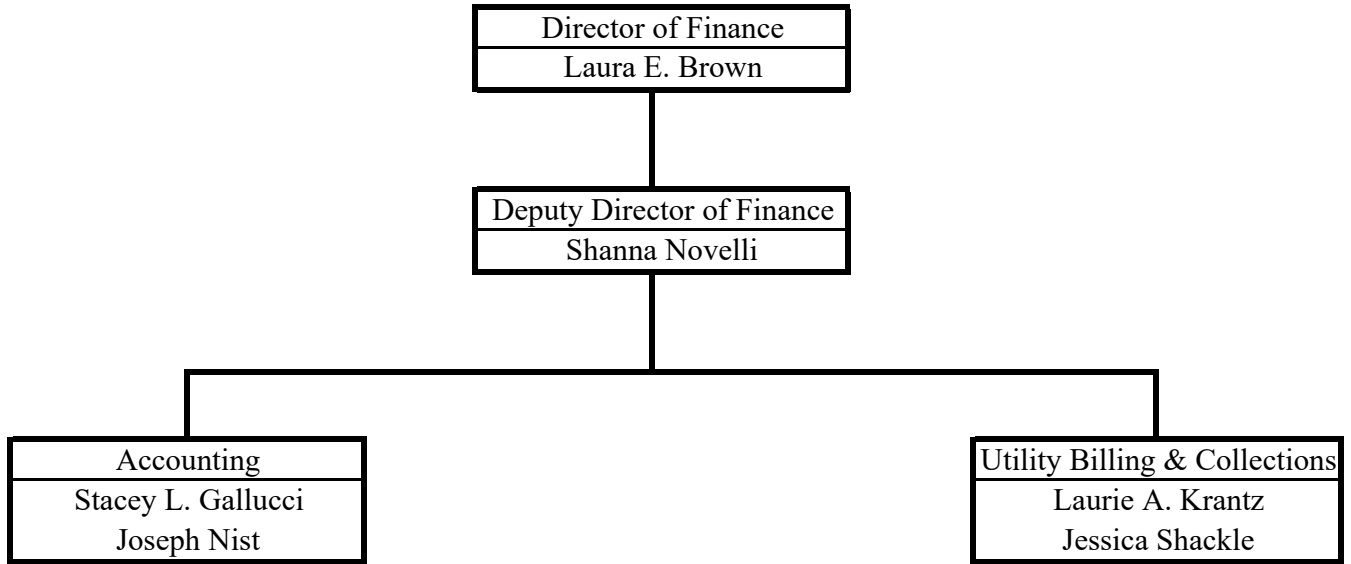
CLERK OF COUNCIL

MARY BETH BAILEY

⁽¹⁾Patrick De Orio became Director of Administration on January 8, 2018

CITY OF NORTH CANTON, OHIO

DEPARTMENT OF FINANCE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2017



Financial Section



Aerial View of North Canton



Certified Public Accountants, A.C.

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Marietta, OH 45750
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740.435.3417

INDEPENDENT AUDITOR'S REPORT

June 25, 2018

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, 2017, 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.

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Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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• 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, 2017, 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*, schedules of net pension liabilities and pension contributions 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.

Supplementary and 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, 2018, 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.

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

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, 2017 UNAUDITED

The Management's Discussion and Analysis for the City of North Canton's (the "City") financial statements provides an overview of the City's financial activities for the year ended December 31, 2017. 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 2017 are as follows:

- The total net position of the City increased \$2,406,791. Net position of governmental activities increased \$1,320,664 or 3.00% over 2016's net position and business-type activities increased \$1,086,127 or 2.91% over 2016's net position.
- General revenues accounted for \$11,669,479 or 82.28% of total governmental activities revenue. Program specific revenues accounted for \$2,512,641 or 17.72% of total governmental activities revenue.
- The City had \$12,861,456 in expenses related to governmental activities; \$2,512,641 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$10,348,815 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$11,669,479.
- The general fund had revenues and other financing sources of \$8,163,798 in 2017. The expenditures and other financing uses of the general fund totaled \$6,883,130 in 2017. The net increase in the fund balance for the general fund was \$1,280,668 or 16.76%, from \$7,642,952 to \$8,923,620.
- The emergency medical services levy fund had revenues and other financing sources of \$1,796,530 in 2017. The emergency medical services levy fund had expenditures of \$1,543,896. The fund balance of the emergency medical services levy fund increased \$252,634 from \$212,396 to \$465,030.
- The capital improvement major fund had 2,396,647 in revenues and \$3,332,871 in expenditures in 2017. The fund balance for the capital improvement fund decreased \$936,224 or 24.06%, from \$3,890,882 to \$2,954,658.
- Net position for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$1,086,127 from a net position of \$37,295,313 to \$38,381,440 in 2017.
- The water fund had \$7,060,554 in operating revenues and \$5,219,032 in operating expenses in 2017. The water fund also had nonoperating expenses of \$254,607. The net position of the water fund increased \$1,586,915 or 5.82%.
- The sewer fund had \$3,049,564 in operating revenues and \$3,522,333 in operating expenses in 2017. The sewer fund also had non-operating expenses of \$62,741. The net position of the sewer fund decreased \$535,510 or 5.70%.
- The garbage fund had \$975,900 in operating revenues and \$1,006,209 in operating expenses in 2017. The garbage fund also had non-operating revenues of \$62,960. The net position of the garbage fund increased \$32,651 or 13.49%.

Using this Comprehensive Annual Financial Report (CAFR)

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 UNAUDITED

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

The Statement of Net 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 2017?" 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 23-25 of this report.

Fund Financial Statements

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

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 UNAUDITED

Governmental Funds

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

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 26-34 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 35-38 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 39 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 41-91 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 94-100 of this report.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Government-Wide Financial Analysis

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

The table below provides a summary of the City's net position at December 31, 2017 compared to December 31, 2016.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<u>Assets</u>						
Current assets	\$ 22,562,032	\$ 21,578,547	\$ 9,820,337	\$ 10,083,035	\$ 32,382,369	\$ 31,661,582
Capital assets, net	35,462,297	34,549,659	44,076,512	42,920,049	79,538,809	77,469,708
Total assets	58,024,329	56,128,206	53,896,849	53,003,084	111,921,178	109,131,290
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	67,354	72,568	144,819	156,031	212,173	228,599
Pension	3,029,495	3,352,853	1,141,763	874,615	4,171,258	4,227,468
Total deferred outflows of resources	3,096,849	3,425,421	1,286,582	1,030,646	4,383,431	4,456,067
<u>Liabilities</u>						
Current liabilities	1,061,681	938,045	1,590,674	1,364,572	2,652,355	2,302,617
Long-term liabilities:						
Due within one year	279,132	235,544	1,122,469	1,083,042	1,401,601	1,318,586
Net pension liability	9,040,865	9,202,123	2,840,929	2,252,982	11,881,794	11,455,105
Other amounts	2,365,091	2,675,288	11,135,748	11,927,800	13,500,839	14,603,088
Total liabilities	12,746,769	13,051,000	16,689,820	16,628,396	29,436,589	29,679,396
<u>Deferred inflows of resources</u>						
Property taxes	2,432,627	2,385,096	-	-	2,432,627	2,385,096
Pension	666,699	163,112	112,171	110,021	778,870	273,133
Total deferred inflows of resources	3,099,326	2,548,208	112,171	110,021	3,211,497	2,658,229
<u>Net Position</u>						
Net investment in capital assets	33,955,258	32,868,204	31,587,314	29,398,761	65,542,572	62,266,965
Restricted	3,186,980	3,208,871	-	-	3,186,980	3,208,871
Unrestricted	8,132,845	7,877,344	6,794,126	7,896,552	14,926,971	15,773,896
Total net position	\$ 45,275,083	\$ 43,954,419	\$ 38,381,440	\$ 37,295,313	\$ 83,656,523	\$ 81,249,732

During a previous year, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$83,656,523. At year-end, net position was \$45,275,083 and \$38,381,440 for the governmental activities and the business-type activities, respectively.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED**

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2017, capital assets represented 71.07% 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, 2017, was \$33,955,258 and \$31,587,314 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 \$1,896,123 or 3.38%. This increase can mainly be attributed to an increase in equity in pooled cash and investments and capital assets. The increase in equity in pool cash and investments is the result of conservative spending while revenues increased from the previous year. The increase in capital assets was the result of new land improvements, equipment and street programs that were purchased during the year. Liabilities of the governmental activities decreased by \$304,231 or 2.33% which is due primarily to an decrease in the net pension liabilities related to the City's proportionate share of the Ohio Police & Fire (OP&F) net pension liability as well as the payment of current year principal payments on other long-term obligations.

Assets of business-type activities increased \$893,765 or 1.69%. This increase was the result of an increase in buildings and water and sewer lines infrastructure. Liabilities of the business-type activities increased by \$61,424. This increase was also due to an increase in the City's net pension liability.

As of December 31, 2017, 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, \$3,186,980, represents resources that are subject to external restriction on how they may be used. This is a decrease of \$21,891 from 2016. In the governmental activities, the remaining balance of unrestricted net position of \$8,132,845 may be used to meet the City's ongoing obligations to citizens and creditors.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Statement of Activities

The table below shows the changes in net position for years 2017 and 2016.

	Change in Net Position					
	Governmental	Governmental	Business-Type	Business-Type	2017	2016
	Activities	Activities	Activities	Activities	Total	Total
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,531,976	\$ 1,483,867	\$ 11,008,971	\$ 11,042,484	\$ 12,540,947	\$ 12,526,351
Operating grants and contributions	788,165	978,226	62,960	76,277	851,125	1,054,503
Capital grants and contributions	<u>192,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,500</u>	<u>-</u>
Total program revenues	<u>2,512,641</u>	<u>2,462,093</u>	<u>11,071,931</u>	<u>11,118,761</u>	<u>13,584,572</u>	<u>13,580,854</u>
General revenues:						
Taxes	10,824,556	9,762,872	-	-	10,824,556	9,762,872
Grants and entitlements	641,490	659,166	-	-	641,490	659,166
Investment earnings	143,590	102,615	-	-	143,590	102,615
Miscellaneous	<u>59,843</u>	<u>71,487</u>	<u>77,047</u>	<u>78,833</u>	<u>136,890</u>	<u>150,320</u>
Total general revenues	<u>11,669,479</u>	<u>10,596,140</u>	<u>77,047</u>	<u>78,833</u>	<u>11,746,526</u>	<u>10,674,973</u>
Total revenues	<u>14,182,120</u>	<u>13,058,233</u>	<u>11,148,978</u>	<u>11,197,594</u>	<u>25,331,098</u>	<u>24,255,827</u>

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CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Change in Net Position - (Continued)

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	Business-type Activities <u>2017</u>	Business-type Activities <u>2016</u>	2017 <u>Total</u>	2016 <u>Total</u>
Expenses:						
General government	2,139,358	1,858,413	-	-	2,139,358	1,858,413
Security of persons and property:						
Police	3,623,736	3,639,343	-	-	3,623,736	3,639,343
Fire	610,936	750,133	-	-	610,936	750,133
Public health and welfare	1,812,729	1,600,200	-	-	1,812,729	1,600,200
Transportation	2,808,748	2,182,339	-	-	2,808,748	2,182,339
Community environment	559,672	520,582	-	-	559,672	520,582
Leisure time activities	702,842	674,203	-	-	702,842	674,203
Basic utility services	553,272	1,006,385	-	-	553,272	1,006,385
Interest and fiscal charges	50,163	77,397	-	-	50,163	77,397
Water	-	-	5,472,143	5,577,703	5,472,143	5,577,703
Sewer	-	-	3,584,577	3,169,297	3,584,577	3,169,297
Garbage	-	-	1,006,131	947,836	1,006,131	947,836
Total expenses	<u>12,861,456</u>	<u>12,308,995</u>	<u>10,062,851</u>	<u>9,694,836</u>	<u>22,924,307</u>	<u>22,003,831</u>
Excess before transfers	1,320,664	749,238	1,086,127	1,502,758	2,406,791	2,251,996
Transfers	<u>-</u>	<u>189,005</u>	<u>-</u>	<u>(189,005)</u>	<u>-</u>	<u>-</u>
Change in net position	1,320,664	938,243	1,086,127	1,313,753	2,406,791	2,251,996
Net position at beginning of year	<u>43,954,419</u>	<u>43,016,176</u>	<u>37,295,313</u>	<u>35,981,560</u>	<u>81,249,732</u>	<u>78,997,736</u>
Net position at end of year	<u>\$ 45,275,083</u>	<u>\$ 43,954,419</u>	<u>\$ 38,381,440</u>	<u>\$ 37,295,313</u>	<u>\$ 83,656,523</u>	<u>\$ 81,249,732</u>

Governmental Activities

Governmental activities net position increased \$1,320,664 in 2017.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$4,234,672 of the total expenses of the City. These expenses were partially funded by \$18,316 in direct charges to users of the services. General government expenses totaled \$2,139,358. General government expenses were partially funded by \$420,751 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$980,665 in operating grants and contributions. Capital grants and contributions increased due to money being received from the Ohio Public Works Commission (OPWC) during the year.

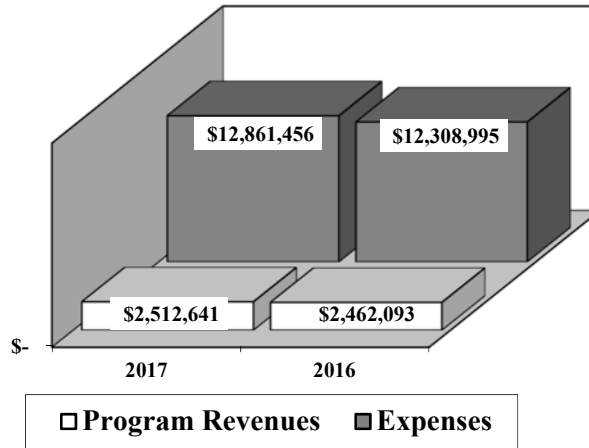
General revenues totaled 11,669,479 and amounted to 82.28% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$10,824,556. This increase was the result of greater than expected income tax collections compared to the previous year. The other primary 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 \$641,490.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

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

Governmental Activities – Program Revenues vs. Total Expenses



Governmental Activities

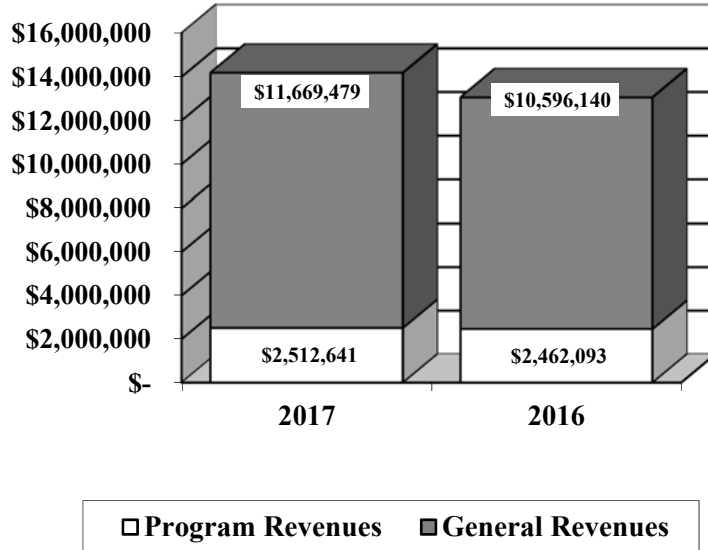
	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>
Program Expenses:				
General government	\$ 2,139,358	\$ 1,718,605	\$ 1,858,413	\$ 1,401,095
Security of persons and property:				
Police	3,623,736	3,589,307	3,639,343	3,616,335
Fire	610,936	607,545	750,133	750,124
Public health and welfare	1,812,729	1,187,150	1,600,200	1,019,745
Transportation	2,808,748	1,849,038	2,182,339	1,220,417
Community environment	559,672	234,258	520,582	168,237
Leisure time activities	702,842	559,477	674,203	587,167
Basic utility services	553,272	553,272	1,006,385	1,006,385
Interest and fiscal charges	50,163	50,163	77,397	77,397
Total Expenses	\$ 12,861,456	\$ 10,348,815	\$ 12,308,995	\$ 9,846,902

The dependence upon general revenues for governmental activities is apparent, with 80.46% of expenses supported through taxes and other general revenues in 2017 and 80.00% in 2016.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Governmental Activities – General and Program Revenues

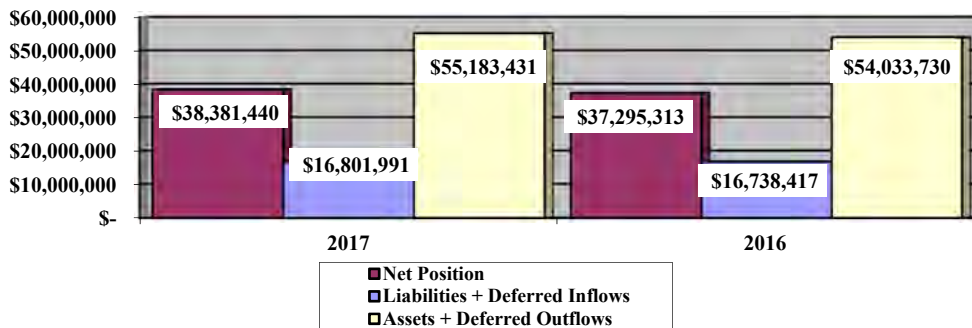


Business-Type Activities

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$11,071,931, expenses of \$10,062,851 and general revenues of \$77,047 for 2017. Additional discussion on the enterprise funds can be found on the subsequent pages.

The graph below shows the business-type activities assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2017 and 2016.

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.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

The City's governmental funds reported a combined fund balance of \$15,291,070 which is \$419,734 higher than last year's total of \$14,871,336. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2017 for all major and nonmajor governmental funds.

	<u>Fund Balances 12/31/17</u>	<u>Fund Balances 12/31/16</u>	<u>Change</u>
Major Funds:			
General	\$ 8,923,620	\$ 7,642,952	\$ 1,280,668
Emergency Medical Services Levy	465,030	212,396	252,634
Capital Improvement	2,954,658	3,890,882	(936,224)
Other Nonmajor Governmental Funds	<u>2,947,762</u>	<u>3,125,106</u>	<u>(177,344)</u>
Total	<u>\$ 15,291,070</u>	<u>\$ 14,871,336</u>	<u>\$ 419,734</u>

General Fund

The City's general fund balance increased \$1,280,668. The table that follows assists in illustrating the revenues of the general fund.

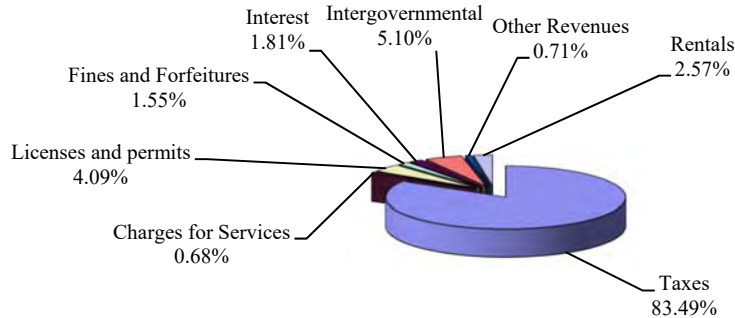
	<u>2017 Amount</u>	<u>2016 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
Revenues				
Taxes	\$ 6,646,983	\$ 6,126,478	\$ 520,505	8.50 %
Charges for services	53,990	14,125	39,865	282.23 %
Licenses and permits	325,414	352,345	(26,931)	(7.64) %
Fines and forfeitures	123,727	128,695	(4,968)	(3.86) %
Intergovernmental	405,808	445,944	(40,136)	(9.00) %
Interest	144,192	105,247	38,945	37.00 %
Rentals	204,375	186,421	17,954	9.63 %
Other	<u>56,731</u>	<u>70,030</u>	<u>(13,299)</u>	<u>(18.99) %</u>
Total	<u>\$ 7,961,220</u>	<u>\$ 7,429,285</u>	<u>\$ 531,935</u>	<u>7.16 %</u>

Revenues of the general fund increased \$531,935 or 7.16%. Tax revenues increased \$520,505 or 8.50%. This increase was the result of better income tax collections compared to the prior year. All other major revenue remained comparable to 2016.

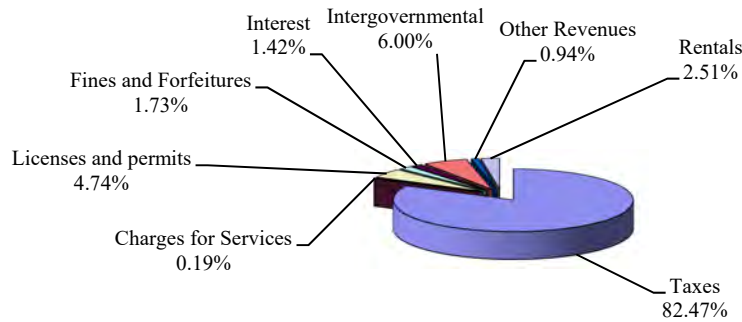
CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Revenues – 2017



Revenues – 2016



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

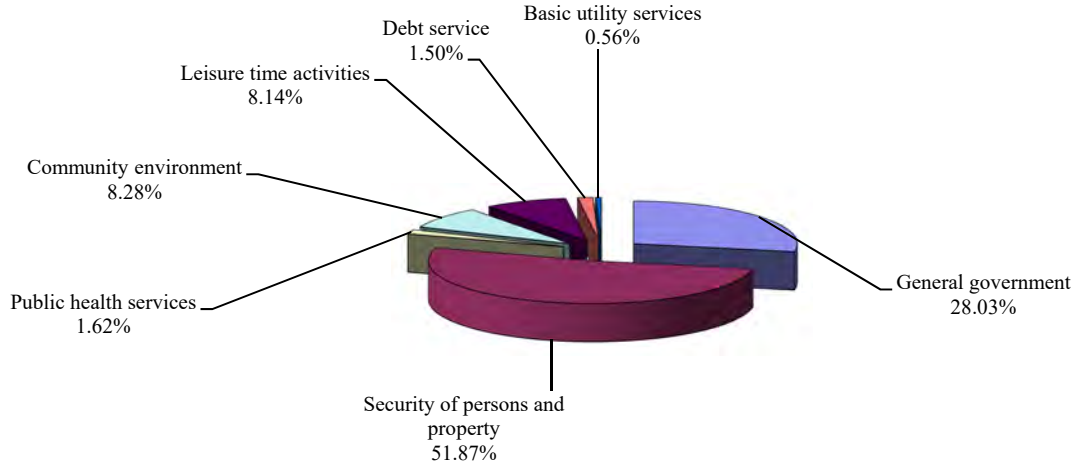
	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 1,739,838	\$ 1,567,459	\$ 172,379	11.00 %
Security of persons and property:				
Police	3,220,357	3,216,473	3,884	0.12 %
Public health and welfare	100,652	131,329	(30,677)	(23.36) %
Community environment	514,138	539,291	(25,153)	(4.66) %
Leisure time activities	505,092	560,245	(55,153)	(9.84) %
Basic utility services	34,905	5,537	29,368	530.40 %
Debt service	93,148	96,998	(3,850)	(3.97) %
Total	<u>\$ 6,208,130</u>	<u>\$ 6,117,332</u>	<u>\$ 90,798</u>	1.48 %

Expenditures of the general fund increased \$90,798 or 1.48%. While many of the categories showed decreases, the largest increase was in the area of general government which increased \$172,379. This increase was the result of increased spending by the director of administration for personal services and electronic data processing for contract services.

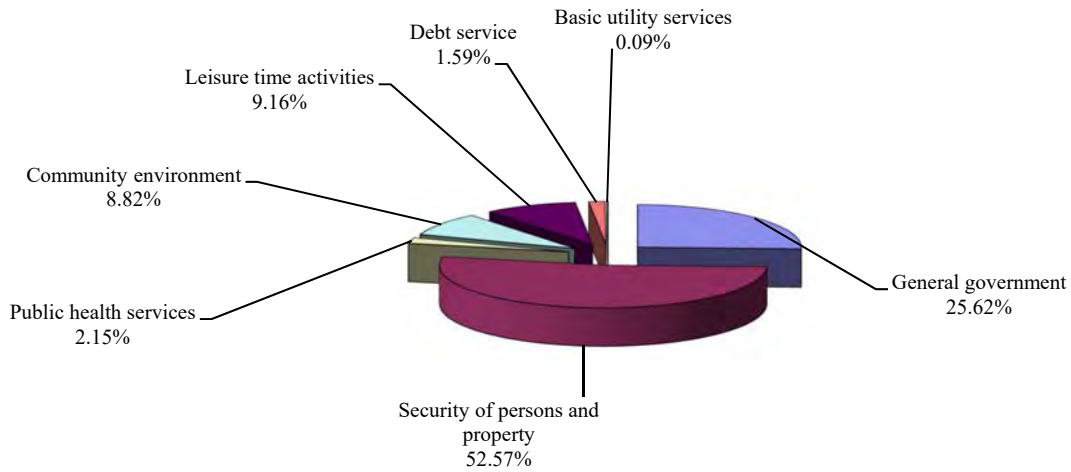
CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED**

Expenditures – 2017



Expenditures – 2016



Emergency Medical Services Levy

The emergency medical services levy fund had revenues and other financing sources of \$1,796,530. The emergency medical services levy fund had expenditures of \$1,543,896. The fund balance of the emergency medical services levy fund increased \$252,634 during 2017 from \$212,396 to \$465,030. The fund balance increased due to a transfer in from the general fund.

Capital Improvement Fund

The capital improvement major fund had \$2,396,647 in revenues and \$3,332,871 in expenditures in 2017. The fund balance for the capital improvement fund decreased \$936,224, or 24.06%, from \$3,890,882 to \$2,954,658 in 2017. The decrease in fund balance was the result of the City increasing its capital spending while also receiving additional income taxes into the fund.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Budgeting Highlights – General Fund

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$7,224,429 were higher than the final budget amount by \$194,563. This increase is due primarily to rental income coming in \$118,594 higher than originally projected. All other revenues sources were comparable between the budgeted and actual amounts with the exception of charges for services which decreased due to the swimming pool collection decreased drastically.

Actual expenditures and other financing uses of \$6,403,727 were lower than the final budget amount by \$851,167. This decrease was primarily due to conservative spending in the police department, permits and inspections, parks department and other general government. Final appropriations were \$39,653 lower than original appropriations. The City was able to reallocate costs between departments and lower other amounts in order to stay on 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 reported a combined net position of \$37,996,293, which is \$1,084,056 above last year's total of \$36,912,237.

The schedule below indicates the net position and the total change in net position as of December 31, 2017 and December 31, 2016 for all major business-type funds.

	<u>Net Position</u> <u>12/31/17</u>	<u>Net Position</u> <u>12/31/16</u>	<u>Change</u>
Major Funds:			
Water	\$ 28,865,277	\$ 27,278,362	\$ 1,586,915
Sewer	8,856,385	9,391,895	(535,510)
Garbage	<u>274,631</u>	<u>241,980</u>	<u>32,651</u>
Total	<u>\$ 37,996,293</u>	<u>\$ 36,912,237</u>	<u>\$ 1,084,056</u>

Water Fund

The water fund had \$7,060,554 in operating revenues and \$5,219,032 in operating expenses during 2017. The water fund also had \$254,607 in nonoperating expenses. The net position of the water fund increased \$1,586,915 from \$27,278,362 to \$28,865,277. This increase was the result of water rates being sufficient to cover the costs needing to operate the water department.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Sewer Fund

The sewer fund had \$3,049,564 in operating revenues and \$3,522,333 in operating expenses during 2017. The sewer fund also had \$62,741 in nonoperating expenses. The net position of the sewer fund decreased \$535,510 from \$9,391,895 to \$8,856,385. This decrease is the result of an increase in operating expenses while revenues stayed relatively the same as the prior year.

Garbage Fund

The garbage fund had \$975,900 in operating revenues and \$1,006,209 in operating expenses in 2017. The garbage fund also had non-operating revenues of \$62,960. The net position of the garbage fund increased \$32,651 or 13.49%. The fund balance increased due primarily to a few waste and recycling grants received during the year.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2017, the City had \$79,538,809 (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, \$35,462,297 was reported in governmental activities and \$44,076,512 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, 2017 balances compared to December 31, 2016.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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	626,999	612,061	-	-	626,999	612,061
Construction in progress	242,707	902,657	2,665,812	2,561,018	2,908,519	3,463,675
Land improvements	1,871,766	1,744,877	341,722	330,303	2,213,488	2,075,180
Buildings	2,917,443	2,877,536	8,817,832	8,511,832	11,735,275	11,389,368
Equipment	2,810,421	3,001,461	2,211,642	2,314,943	5,022,063	5,316,404
Software	14,435	35,709	12,190	15,673	26,625	51,382
Sewer rights	-	-	878,981	968,434	878,981	968,434
Infrastructure	21,861,337	20,258,169	28,124,631	27,194,144	49,985,968	47,452,313
Totals	\$ 35,462,297	\$ 34,549,659	\$ 44,076,512	\$ 42,920,049	\$ 79,538,809	\$ 77,469,708

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Debt

The City had the following long-term obligations outstanding at December 31, 2017 and 2016.

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>
General obligation bonds	\$ 1,441,356	\$ 1,601,660
Capital leases	<u>10,661</u>	<u>16,078</u>
Total governmental activities long-term obligations	<u>\$ 1,452,017</u>	<u>\$ 1,617,738</u>
	Business-type Activities <u>2017</u>	Business-type Activities <u>2016</u>
OWDA loans	\$ 5,397,382	\$ 6,009,749
Intergovernmental loans	1,627,081	1,330,599
OPWC loans	1,543,051	1,658,951
General obligation bonds	<u>3,388,644</u>	<u>3,683,340</u>
Total business-type activities long-term obligations	<u>\$ 11,956,158</u>	<u>\$ 12,682,639</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

About ten years after the great recession and the closure of the Hoover Company, the City of North Canton has rebounded and the local and regional economy has continued to grow in several key sectors.

The educational sector is led by Walsh University and North Canton City School District. The University completed the construction of a new 44,000 square foot signature building on its campus to be known as the "Marlene and Joe Toot Global Learning Center". The University invested approximately \$20,000,000 to construct classroom and office space with a heavy emphasis on digital and high technology. It is anticipated that this facility will draw more technology companies to the region and provide potential employees to local software development companies such as Prime Pro Data, People 2.0 Global Inc. and Squirrels Inc. North Canton City School District continues to be the City's largest employer (by amount of income tax withholdings) and is exploring options on rehabilitating or reconstructing all School District facilities over the next several years. The School District has been recognized for numerous awards in the past year, including a national Blue Ribbon School honor for Orchard Hill Intermediate School. Orchard Hill was one of only 342 schools in the United States to receive this recognition.

2017 saw continued growth in the medical sector with the opening of the \$16,000,000 Sanctuary Grande Senior Living facility. This facility offers independent and assisted living for seniors, as well as Alzheimer's care. In early 2018, Akron Children's Hospital broke ground on a \$13,800,000 project to expand pediatric services in North Canton. The Hospital and the City signed a 10-year Industrial and Commercial Job Creation Incentive Grant Agreement for this project. The City will return a portion of new income tax generated by the facility to the Hospital to provide for further capital investments in equipment for the facility, and the Hospital will donate a new park shelter to the City at Dogwood Park.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 UNAUDITED

The City continues to see investment in new construction projects as well as smaller businesses filling in existing space along Main Street and beyond. In 2017, Goodwill Industries broke ground on a new retail store and drive-thru donation center, more than doubling the space of their current location. The grand opening for the store was at the end of April 2018. In July 2017, Walther's Twin Tavern restaurant opened in another newly constructed building on the City's northern end. Also in 2017, two existing spaces were transformed into restaurants: a bank building was converted into a Starbucks Coffee store and a video store was remodeled into Pav's Creamery ice cream shop. On the City's east side, a building constructed in 2017 is occupied by a Pet Valu Store and Antonio's Real Italian Pizza, increasing the options for shopping and dining in the Washington Square area. New residential development continues at an even pace as new lots in the Sanctuary development have come on line in 2017 and the early part of 2018.

The City's income tax revenue (on a cash basis) decreased in 2016 due to a transition from in-house income tax collection to the Regional Income Tax Agency. This transition affected the timing of income tax revenue being received by the City. The City's income tax revenue rebounded in 2017 once this transition period was over. In addition, as the general economy continues to improve, the City's income tax revenue in 2017 was at an all-time high. Income tax revenues (net of the cost of tax collection) are to be split 70 percent to the general fund and 30 percent to the capital improvement fund. Dedicating 30 percent of the City's largest revenue source to capital improvements demonstrates the City's commitment to keeping infrastructure well-maintained.

Two significant infrastructure projects were begun in 2017 and continue into early 2018. One was an upgrade to all IT systems City-wide, including: creating a dedicated, secure, climate-controlled server room with upgraded servers, rewiring all City buildings for faster network speeds, replacing network components, replacing a centrex phone system with a VOIP phone system, and connecting all City buildings on the network. The second significant project is a reconstruction and waterproofing of the portico along the front of City Hall. This project was undertaken to address water damage to the lower level of the building and expanded to include landscaping and cosmetic updates to the courtyard area just to the south of City Hall. In addition, a pull-in lane will be added in front of the building to allow for short-term parking for customers wishing to quickly pay a utility bill, rent a park shelter, or visit City offices.

Other infrastructure projects were ongoing during 2017 such as street improvements, storm sewer replacements and improvements, and an expansion of Fire Station #2 to provide more living space for EMS personnel. Although the capital improvement fund is primarily used for governmental capital assets such as these, the City is committed to the repair and maintenance of business-type capital assets as well. Water rates increased each year since June 2013 and had a final planned increase in June of 2017. The City is taking steps to analyze water and sewer operations to determine the future utility rates that will be necessary to keep the systems strong.

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. Laura Brown, 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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
Assets:				
Equity in pooled cash and investments	\$ 16,154,099	\$ 7,956,820	\$ 24,110,919	\$ -
Cash and cash equivalents				
In segregated accounts	284,184	-	284,184	-
With fiscal agents	-	-	-	916,796
With escrow agent	57,000	-	57,000	-
Receivables:				
Property taxes	2,529,684	-	2,529,684	-
Municipal income taxes	2,693,223	-	2,693,223	-
Accounts	166,431	1,143,078	1,309,509	-
Intergovernmental	670,654	17,894	688,548	57,000
Special assessments	4,638	55,451	60,089	-
Accrued interest	24,018	-	24,018	-
Materials and supplies inventory	288,904	227,312	516,216	-
Prepayments	53,984	18,266	72,250	-
Net pension asset	20,360	16,369	36,729	-
Internal balance	(385,147)	385,147	-	-
Capital assets:				
Non-depreciable capital assets	5,986,895	3,689,514	9,676,409	71,439
Depreciable capital assets, net	29,475,402	40,386,998	69,862,400	344,100
Total capital assets, net	35,462,297	44,076,512	79,538,809	415,539
Total assets	58,024,329	53,896,849	111,921,178	1,389,335
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	67,354	144,819	212,173	-
Pension - OPERS	1,406,795	1,141,763	2,548,558	-
Pension - OP&F	1,622,700	-	1,622,700	-
Total deferred outflows of resources	3,096,849	1,286,582	4,383,431	-
Liabilities:				
Accounts payable	89,442	350,663	440,105	-
Contracts payable	380,634	678,364	1,058,998	-
Retainage payable	-	24,460	24,460	-
Accrued wages and benefits payable	257,603	58,579	316,182	-
Intergovernmental payable	149,445	372,561	522,006	-
Accrued interest payable	4,351	106,047	110,398	-
Claims payable	180,206	-	180,206	-
Unearned revenue	-	-	-	57,000
Long-term liabilities:				
Due within one year	279,132	1,122,469	1,401,601	-
Due in more than one year:				
Net pension liability	9,040,865	2,840,929	11,881,794	-
Other amounts	2,365,091	11,135,748	13,500,839	-
Total liabilities	12,746,769	16,689,820	29,436,589	57,000
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,432,627	-	2,432,627	-
Pension - OPERS	216,462	112,171	328,633	-
Pension - OP&F	450,237	-	450,237	-
Total deferred inflows of resources	3,099,326	112,171	3,211,497	-
Net position:				
Net investment in capital assets	33,955,258	31,587,314	65,542,572	415,539
Restricted for:				
Capital projects	219,188	-	219,188	-
Computer systems	30,484	-	30,484	-
Security of persons and property - police	86,654	-	86,654	-
Security of persons and property - fire	194,168	-	194,168	-
Public health and welfare	217,191	-	217,191	-
Transportation	1,548,496	-	1,548,496	-
Basic utilities	655,354	-	655,354	-
General trust	212,165	-	212,165	-
Mayors court	23,280	-	23,280	-
Unrestricted	8,132,845	6,794,126	14,926,971	916,796
Total net position	\$ 45,275,083	\$ 38,381,440	\$ 83,656,523	\$ 1,332,335

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government	\$ 2,139,358	\$ 420,751	\$ 2	\$ -
Security of persons and property:				
Police	3,623,736	18,316	16,113	-
Fire	610,936	-	3,391	-
Public health and welfare	1,812,729	624,130	1,449	-
Transportation	2,808,748	-	767,210	192,500
Community environment	559,672	325,414	-	-
Leisure time activities	702,842	143,365	-	-
Basic utility services	553,272	-	-	-
Interest and fiscal charges	50,163	-	-	-
Total governmental activities	<u>12,861,456</u>	<u>1,531,976</u>	<u>788,165</u>	<u>192,500</u>
Business-type activities:				
Water	5,472,143	7,009,035	-	-
Sewer	3,584,577	3,024,104	-	-
Garbage	1,006,131	975,832	62,960	-
Total business-type activities	<u>10,062,851</u>	<u>11,008,971</u>	<u>62,960</u>	<u>-</u>
Total primary government	<u>\$ 22,924,307</u>	<u>\$ 12,540,947</u>	<u>\$ 851,125</u>	<u>\$ 192,500</u>
Component Unit:				
North Canton Community Improvement Corporation	<u>\$ 218,420</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>

General revenues:

Property taxes levied for:
General purposes
Fire operating levy
Emergency medical services levy
Storm sewer levy
Street levy
Income taxes levied for:
General purposes
Capital improvement
Grants and entitlements not restricted to specific programs
Investment earnings
Miscellaneous
Total general revenues
Transfers
Total general revenues and transfers
Change in net position
Net position at beginning of year
Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
\$ (1,718,605)	\$ -	\$ (1,718,605)	\$ -
(3,589,307)	-	(3,589,307)	-
(607,545)	-	(607,545)	-
(1,187,150)	-	(1,187,150)	-
(1,849,038)	-	(1,849,038)	-
(234,258)	-	(234,258)	-
(559,477)	-	(559,477)	-
(553,272)	-	(553,272)	-
(50,163)	-	(50,163)	-
<u>(10,348,815)</u>	<u>-</u>	<u>(10,348,815)</u>	<u>-</u>
-	1,536,892	1,536,892	-
-	(560,473)	(560,473)	-
-	32,661	32,661	-
-	<u>1,009,080</u>	<u>1,009,080</u>	<u>-</u>
<u>(10,348,815)</u>	<u>1,009,080</u>	<u>(9,339,735)</u>	<u>-</u>
-	-	-	(118,420)
811,683	-	811,683	-
158,730	-	158,730	-
793,789	-	793,789	-
317,592	-	317,592	-
317,589	-	317,589	-
5,885,948	-	5,885,948	-
2,539,225	-	2,539,225	-
641,490	-	641,490	-
143,590	-	143,590	3,868
59,843	77,047	136,890	-
<u>11,669,479</u>	<u>77,047</u>	<u>11,746,526</u>	<u>3,868</u>
-	-	-	-
<u>11,669,479</u>	<u>77,047</u>	<u>11,746,526</u>	<u>3,868</u>
1,320,664	1,086,127	2,406,791	(114,552)
<u>43,954,419</u>	<u>37,295,313</u>	<u>81,249,732</u>	<u>1,446,887</u>
<u>\$ 45,275,083</u>	<u>\$ 38,381,440</u>	<u>\$ 83,656,523</u>	<u>\$ 1,332,335</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 8,585,850	\$ 489,924	\$ 3,015,928	\$ 2,535,378
Cash and cash equivalents:				
In segregated accounts	-	-	-	284,184
With escrow agent	57,000	-	-	-
Receivables:				
Property taxes	855,315	837,185	-	837,184
Municipal income taxes	1,871,879	-	802,156	19,188
Accounts	14,431	149,597	-	2,403
Intergovernmental	198,897	57,628	-	414,129
Special assessments	4,638	-	-	-
Interfund loans	30,000	-	-	-
Accrued interest	24,018	-	-	-
Materials and supplies inventory	38,060	7,025	-	243,819
Prepayments	32,890	2,664	-	18,430
Total assets	<u>\$ 11,712,978</u>	<u>\$ 1,544,023</u>	<u>\$ 3,818,084</u>	<u>\$ 4,354,715</u>
Liabilities:				
Accounts payable	\$ 40,151	\$ 10,243	\$ 5,927	\$ 30,011
Contracts payable	-	-	267,624	113,010
Accrued wages and benefits payable	185,630	50,995	-	20,978
Compensated absences payable	34,905	-	-	-
Interfund loans payable	-	-	-	30,000
Intergovernmental payable	103,404	35,048	-	10,993
Total liabilities	<u>364,090</u>	<u>96,286</u>	<u>273,551</u>	<u>204,992</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	820,742	805,943	-	805,942
Delinquent property tax revenue not available	34,573	31,242	-	31,242
Accrued interest not available	12,559	-	-	-
Special assessments revenue not available	4,638	-	-	-
Miscellaneous revenue not available	4,569	1,423	-	553
Income tax revenue not available	1,376,403	-	589,875	14,110
Intergovernmental revenues not available	171,784	56,205	-	350,114
Charges for services revenue not available	-	87,894	-	-
Total deferred inflows of resources	<u>2,425,268</u>	<u>982,707</u>	<u>589,875</u>	<u>1,201,961</u>
Fund balances:				
Nonspendable	70,950	9,689	-	262,249
Restricted	-	455,341	-	2,489,935
Committed	4,703,664	-	2,954,658	205,078
Assigned	427,008	-	-	-
Unassigned (deficit)	3,721,998	-	-	(9,500)
Total fund balances	<u>8,923,620</u>	<u>465,030</u>	<u>2,954,658</u>	<u>2,947,762</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,712,978</u>	<u>\$ 1,544,023</u>	<u>\$ 3,818,084</u>	<u>\$ 4,354,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Total
Governmental
Funds**

\$ 14,627,080

284,184
57,000

2,529,684
2,693,223
166,431

670,654
4,638

30,000
24,018

288,904
53,984

\$ 21,429,800

\$ 86,332

380,634
257,603

34,905
30,000

149,445
938,919

2,432,627
97,057
12,559

4,638
6,545

1,980,388
578,103

87,894
5,199,811

342,888
2,945,276

7,863,400
427,008

3,712,498

15,291,070

\$ 21,429,800

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CITY OF NORTH CANTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017

Total governmental fund balances	\$	15,291,070
<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.		35,462,297
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 97,057	
Municipal income taxes receivable	1,980,388	
Accounts receivable	94,439	
Special assessments receivable	4,638	
Intergovernmental receivable	578,103	
Accrued interest receivable	12,559	
Total	2,767,184	2,767,184
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Position.		1,343,703
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(385,147)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(4,351)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		67,354
Unamortized premiums on bond issuances are not recognized in the funds.		(122,376)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	20,360	
Deferred outflows of resources	3,029,495	
Deferred inflows of resources	(666,699)	
Net pension liability	(9,040,865)	
Total	(6,657,709)	(6,657,709)
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	(1,034,925)	
Capital lease payable	(10,661)	
General obligation bonds payable	(1,441,356)	
Total	(2,486,942)	(2,486,942)
Net position of governmental activities	\$	45,275,083

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, 2017

	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>
Revenues:				
Property taxes	\$ 803,461	\$ 789,363	\$ -	\$ 789,486
Municipal income taxes	5,843,522	-	2,204,147	51,232
Charges for services.	53,990	613,442	-	-
Licenses and permits	325,414	-	-	-
Fines and forfeitures	123,727	-	-	196,181
Intergovernmental.	405,808	118,725	192,500	867,116
Interest	144,192	-	-	2
Rentals	204,375	-	-	-
Contributions and donations.	-	-	-	6,499
Other	56,731	-	-	31,077
Total revenues	<u>7,961,220</u>	<u>1,521,530</u>	<u>2,396,647</u>	<u>1,941,593</u>
Expenditures:				
Current:				
General government	1,739,838	-	-	164,386
Security of persons and property:				
Police	3,220,357	-	-	22,003
Fire	-	-	-	466,266
Public health and welfare.	100,652	1,543,896	-	80
Transportation	-	-	-	1,186,241
Community environment	514,138	-	-	-
Leisure time activities	505,092	-	-	-
Basic utility services.	34,905	-	-	467,883
Capital outlay	-	-	3,200,897	9,500
Debt service:				
Principal retirement.	75,417	-	90,304	-
Interest and fiscal charges	17,731	-	41,670	-
Total expenditures	<u>6,208,130</u>	<u>1,543,896</u>	<u>3,332,871</u>	<u>2,316,359</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,753,090</u>	<u>(22,366)</u>	<u>(936,224)</u>	<u>(374,766)</u>
Other financing sources (uses):				
Transfers in	202,578	275,000	-	400,000
Transfers out.	(675,000)	-	-	(202,578)
Total other financing sources (uses)	<u>(472,422)</u>	<u>275,000</u>	<u>-</u>	<u>197,422</u>
Net change in fund balances	1,280,668	252,634	(936,224)	(177,344)
Fund balances at beginning of year	<u>7,642,952</u>	<u>212,396</u>	<u>3,890,882</u>	<u>3,125,106</u>
Fund balances at end of year	<u>\$ 8,923,620</u>	<u>\$ 465,030</u>	<u>\$ 2,954,658</u>	<u>\$ 2,947,762</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Total
Governmental
Funds**

\$ 2,382,310
8,098,901
667,432
325,414
319,908
1,584,149
144,194
204,375
6,499
87,808

13,820,990

1,904,224

3,242,360
466,266
1,644,628
1,186,241
514,138
505,092
502,788
3,210,397

165,721
59,401

13,401,256

419,734

877,578
(877,578)

-

419,734

14,871,336

\$ 15,291,070

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, 2017

Net change in fund balances - total governmental funds	\$	419,734
<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	\$ 3,394,861	
Current year depreciation	<u>(2,436,808)</u>	
Total		958,053
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(45,415)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	17,073	
Municipal income taxes	327,119	
Charges for services	8,384	
Special assessments	4,159	
Intergovernmental	(1,548)	
Interest	(602)	
Other	6,545	
Total	<u>6,545</u>	361,130
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.		
		165,721
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	543	
Amortization of deferred amounts on refunding	13,909	
Amortization of bond premiums	<u>(5,214)</u>	
Total		9,238
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		114,576
Contractually required pension contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
		760,060
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the Statement of Activities.		
		(1,426,131)
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>3,698</u>
Change in net position of governmental activities	\$	<u>1,320,664</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 802,185	\$ 801,611	\$ 803,461	\$ 1,850
Municipal income taxes	4,877,250	4,877,250	4,877,250	-
Charges for services.	42,107	42,107	53,990	11,883
Licenses and permits	358,088	317,887	325,414	7,527
Fines and forfeitures	120,776	120,776	116,038	(4,738)
Intergovernmental.	425,144	436,281	408,078	(28,203)
Interest	83,595	83,595	173,283	89,688
Rentals	56,143	85,781	204,375	118,594
Other	62,000	62,000	59,962	(2,038)
Total revenues	<u>6,827,288</u>	<u>6,827,288</u>	<u>7,021,851</u>	<u>194,563</u>
Expenditures:				
Current:				
General government	1,605,590	1,704,181	1,410,594	293,587
Security of persons and property:				
Police	3,518,828	3,403,680	3,155,007	248,673
Public health and welfare.	105,000	105,000	100,652	4,348
Community environment	662,543	660,012	436,767	223,245
Leisure time activities	639,586	589,021	508,657	80,364
Debt service:				
Principal retirement.	70,000	70,000	70,000	-
Interest and fiscal charges	18,000	18,000	17,050	950
Total expenditures	<u>6,619,547</u>	<u>6,549,894</u>	<u>5,698,727</u>	<u>851,167</u>
Excess of revenues over expenditures	<u>207,741</u>	<u>277,394</u>	<u>1,323,124</u>	<u>1,045,730</u>
Other financing sources (uses):				
Advances out	-	(30,000)	(30,000)	-
Transfers in	202,578	202,578	202,578	-
Transfers out.	(675,000)	(675,000)	(675,000)	-
Total other financing sources (uses).	<u>(472,422)</u>	<u>(502,422)</u>	<u>(502,422)</u>	<u>-</u>
Net change in fund balances	<u>(264,681)</u>	<u>(225,028)</u>	<u>820,702</u>	<u>1,045,730</u>
Fund balances at beginning of year	<u>2,661,236</u>	<u>2,661,236</u>	<u>2,661,236</u>	<u>-</u>
Prior year encumbrances appropriated	<u>253,463</u>	<u>253,463</u>	<u>253,463</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,650,018</u>	<u>\$ 2,689,671</u>	<u>\$ 3,735,401</u>	<u>\$ 1,045,730</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMERGENCY MEDICAL SERVICES LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 786,619	\$ 786,619	\$ 789,363	\$ 2,744
Charges for services.	526,401	526,401	593,359	66,958
Intergovernmental.	141,183	141,183	118,725	(22,458)
Total revenues	<u>1,454,203</u>	<u>1,454,203</u>	<u>1,501,447</u>	<u>47,244</u>
Expenditures:				
Current:				
Public health and welfare.	<u>1,762,657</u>	<u>1,739,578</u>	<u>1,506,060</u>	<u>233,518</u>
Total expenditures	<u>1,762,657</u>	<u>1,739,578</u>	<u>1,506,060</u>	<u>233,518</u>
Excess of expenditures over revenues.	<u>(308,454)</u>	<u>(285,375)</u>	<u>(4,613)</u>	<u>280,762</u>
Other financing sources:				
Transfers in	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Total other financing sources	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Net change in fund balances	(33,454)	(10,375)	270,387	280,762
Fund balance at beginning of year	172,565	172,565	172,565	-
Prior year encumbrances appropriated . . .	<u>32,957</u>	<u>32,957</u>	<u>32,957</u>	<u>-</u>
Fund balance at end of year	<u>\$ 172,068</u>	<u>\$ 195,147</u>	<u>\$ 475,909</u>	<u>\$ 280,762</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage	Total	
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 5,495,316	\$ 2,073,378	\$ 388,126	\$ 7,956,820	\$ 1,527,019
Receivables:					
Accounts	886,162	252,849	4,067	1,143,078	-
Special assessments	2,201	53,250	-	55,451	-
Intergovernmental	1,813	617	15,464	17,894	-
Materials and supplies inventory	219,045	8,267	-	227,312	-
Prepayments	14,437	3,352	477	18,266	-
Total current assets	6,618,974	2,391,713	408,134	9,418,821	1,527,019
Noncurrent assets:					
Net pension asset	11,989	3,940	440	16,369	-
Capital assets:					
Non-depreciable capital assets	1,897,631	1,791,883	-	3,689,514	-
Depreciable capital assets, net	32,692,573	7,694,425	-	40,386,998	-
Total capital assets, net	34,590,204	9,486,308	-	44,076,512	-
Total noncurrent assets	34,602,193	9,490,248	440	44,092,881	-
Total assets	41,221,167	11,881,961	408,574	53,511,702	1,527,019
Deferred outflows of resources:					
Unamortized deferred charges on debt refunding	144,819	-	-	144,819	-
Pension - OPERS	828,388	282,949	30,426	1,141,763	-
Total deferred outflows of resources	973,207	282,949	30,426	1,286,582	-
Liabilities:					
Current liabilities:					
Accounts payable	91,719	181,791	77,153	350,663	3,110
Contracts payable	578,364	100,000	-	678,364	-
Retainage payable	24,460	-	-	24,460	-
Accrued wages and benefits payable	47,314	11,265	-	58,579	-
Intergovernmental payable	28,974	342,833	754	372,561	-
Accrued interest payable	103,955	2,092	-	106,047	-
General obligation bonds payable	310,136	-	-	310,136	-
OWDA loans payable	626,769	7,967	-	634,736	-
OPWC loans payable	100,932	14,968	-	115,900	-
Intergovernmental loans payable	-	61,697	-	61,697	-
Claims and judgements payable	-	-	-	-	180,206
Total current liabilities	1,912,623	722,613	77,907	2,713,143	183,316
Long-term liabilities:					
General obligation bonds payable	3,380,567	-	-	3,380,567	-
OWDA loans payable	4,648,611	114,035	-	4,762,646	-
OPWC loans payable	1,217,605	209,546	-	1,427,151	-
Intergovernmental loans payable	-	1,565,384	-	1,565,384	-
Net pension liability	2,080,715	683,794	76,420	2,840,929	-
Total long-term liabilities	11,327,498	2,572,759	76,420	13,976,677	-
Total liabilities	13,240,121	3,295,372	154,327	16,689,820	183,316
Deferred inflows of resources:					
Pension - OPERS	88,976	13,153	10,042	112,171	-
Total deferred inflows of resources	88,976	13,153	10,042	112,171	-
Net position:					
Net investment in capital assets	24,232,267	7,355,047	-	31,587,314	-
Unrestricted	4,633,010	1,501,338	274,631	6,408,979	1,343,703
Total net position	\$ 28,865,277	\$ 8,856,385	\$ 274,631	37,996,293	\$ 1,343,703
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				385,147	
Net position of business-type activities				\$ 38,381,440	

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, 2017

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 6,980,891	\$ 2,940,596	\$ 975,832	\$ 10,897,319	\$ 1,107,077
Tap-in fees	28,144	83,508	-	111,652	-
Other operating revenues	51,519	25,460	68	77,047	-
Total operating revenues.	<u>7,060,554</u>	<u>3,049,564</u>	<u>975,900</u>	<u>11,086,018</u>	<u>1,107,077</u>
Operating expenses:					
Personal services	2,019,283	620,359	73,374	2,713,016	-
Contract services.	995,715	2,458,724	907,335	4,361,774	288,147
Materials and supplies.	584,320	22,820	25,500	632,640	-
Claims expense	-	-	-	-	813,161
Depreciation.	1,615,679	420,430	-	2,036,109	-
Other	4,035	-	-	4,035	-
Total operating expenses.	<u>5,219,032</u>	<u>3,522,333</u>	<u>1,006,209</u>	<u>9,747,574</u>	<u>1,101,308</u>
Operating income (loss)	<u>1,841,522</u>	<u>(472,769)</u>	<u>(30,309)</u>	<u>1,338,444</u>	<u>5,769</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(254,607)	(62,741)	-	(317,348)	-
Intergovernmental	-	-	62,960	62,960	-
Total nonoperating revenues (expenses).	<u>(254,607)</u>	<u>(62,741)</u>	<u>62,960</u>	<u>(254,388)</u>	<u>-</u>
Change in net position	1,586,915	(535,510)	32,651	1,084,056	5,769
Net position at beginning of year	<u>27,278,362</u>	<u>9,391,895</u>	<u>241,980</u>		<u>1,337,934</u>
Net position at end of year	<u>\$ 28,865,277</u>	<u>\$ 8,856,385</u>	<u>\$ 274,631</u>		<u>\$ 1,343,703</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>2,071</u>	
Change in net position of business-type activities.				<u>\$ 1,086,127</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, 2017

	<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>	
Cash flows from operating activities:					
Cash received from customers	\$ 7,044,687	\$ 2,947,245	\$ 976,375	\$ 10,968,307	\$ -
Cash received from interfund services	-	-	-	-	1,107,077
Cash received from tap-in fees	28,144	83,508	-	111,652	-
Cash received from other operations	49,609	24,843	-	74,452	-
Cash payments for personal services.	(1,752,939)	(524,086)	(66,887)	(2,343,912)	-
Cash payments for contractual services	(951,190)	(2,022,485)	(908,976)	(3,882,651)	(285,037)
Cash payments for materials and supplies	(527,086)	(21,441)	(25,500)	(574,027)	-
Cash payments for claims	-	-	-	-	(686,580)
Cash payments for other expenses	(4,035)	-	-	(4,035)	-
Net cash provided by (used in) operating activities	<u>3,887,190</u>	<u>487,584</u>	<u>(24,988)</u>	<u>4,349,786</u>	<u>135,460</u>
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies.	-	-	64,435	64,435	-
Net cash provided by noncapital financing activities.	<u>-</u>	<u>-</u>	<u>64,435</u>	<u>64,435</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,292,522)	(1,191,833)	-	(3,484,355)	-
Intergovernmental loan proceeds	-	421,943	-	421,943	-
Principal payments - bonds	(294,696)	-	-	(294,696)	-
Principal payments - OWDA loans	(604,667)	(7,700)	-	(612,367)	-
Principal payments - OPWC loans	(100,932)	(14,968)	-	(115,900)	-
Principal payments - intergovernmental loans	-	(125,461)	-	(125,461)	-
Interest and fiscal charges - bonds.	(109,130)	-	-	(109,130)	-
Interest and fiscal charges - OWDA loans.	(171,906)	(3,834)	-	(175,740)	-
Interest and fiscal charges - intergovernment loans	-	(59,039)	-	(59,039)	-
Net cash used in capital and related financing activities.	<u>(3,573,853)</u>	<u>(980,892)</u>	<u>-</u>	<u>(4,554,745)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	313,337	(493,308)	39,447	(140,524)	135,460
Cash and cash equivalents at beginning of year	<u>5,181,979</u>	<u>2,566,686</u>	<u>348,679</u>	<u>8,097,344</u>	<u>1,391,559</u>
Cash and cash equivalents at end of year	<u>\$ 5,495,316</u>	<u>\$ 2,073,378</u>	<u>\$ 388,126</u>	<u>\$ 7,956,820</u>	<u>\$ 1,527,019</u>

- - Continued

CITY OF NORTH CANTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Garbage	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,841,522	\$ (472,769)	\$ (30,309)	\$ 1,338,444	\$ 5,769
Adjustments:					
Depreciation	1,615,679	420,430	-	2,036,109	-
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	63,740	1,570	543	65,853	3,110
Special assessments receivable	(41)	5,079	-	5,038	-
Intergovernmental receivable	(1,813)	(617)	(68)	(2,498)	-
Materials and supplies inventory	54,488	2,004	-	56,492	-
Prepayments	(499)	(640)	(278)	(1,417)	-
Net pension asset	(308)	(474)	84	(698)	-
Deferred outflows - Pension - OPERS	(176,440)	(89,504)	(1,204)	(267,148)	-
Accounts payable	(3,930)	161,304	(1,363)	156,011	-
Contracts payable	103,071	(57,664)	-	45,407	-
Accrued wages and benefits	(5,540)	7,240	-	1,700	-
Intergovernmental payable	(11,018)	337,320	94	326,396	-
Net pension liability	401,314	185,486	1,147	587,947	-
Deferred inflows - Pension - OPERS	6,965	(11,181)	6,366	2,150	-
Claims payable	-	-	-	-	126,581
Net cash provided by (used in) operating activities	<u>\$ 3,887,190</u>	<u>\$ 487,584</u>	<u>\$ (24,988)</u>	<u>\$ 4,349,786</u>	<u>\$ 135,460</u>

Noncash transactions:

During 2017 and 2016, the water fund purchased \$551,088 and \$839,283 in capital assets on account, respectively.
 During 2017 and 2016, the sewer fund purchased \$157,664 and \$161,252 in capital assets on account, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2017

	<u>Agency</u>
Assets:	
Cash in segregated accounts.	<u>\$ 78,940</u>
Total assets	<u>\$ 78,940</u>
Liabilities:	
Deposits held and due to others	<u>\$ 78,940</u>
Total liabilities	<u>\$ 78,940</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, 2017

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 three jointly governed organizations: the Stark Council of Governments, the Stark County Combined General Health District and the Regional Income Tax Agency (RITA). These organizations are described in Note 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 23.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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.

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

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

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

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

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

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

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

C. Measurement Focus

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

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

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

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, 2017

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 12 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

E. Budgetary Process

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

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

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

F. Cash and Investments

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

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

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

During 2017, investments were limited to Federal National Mortgage Association (FNMA) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, a U.S. Government money market, negotiable certificates of deposit, a City of Cincinnati municipal bonds and State Treasury Asset Reserve of Ohio (STAR Ohio).

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2017 amounted to \$144,192, which includes \$123,936 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, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

H. Inventory

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

I. Capital Assets

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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.

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

N. Net Position

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

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

O. Operating Revenues and Expenses

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

P. Contributions of Capital

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

Q. Internal Activity

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

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

R. Estimates

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

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

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

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.

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

Bond issuance costs are expensed when they occur.

T. 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 2017.

U. Pensions

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

V. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2017, the City has implemented GASB Statement No. 80, “*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*”, GASB Statement No. 81 “*Irrevocable Split-Interest Agreements*”, and GASB Statement No. 82, “*Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*”.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances at December 31, 2017 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
Issue II fund	\$ 9,500

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 270 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 270 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

A. Cash in Segregated Accounts

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

B. Deposits with Financial Institutions

At December 31, 2017, the carrying amount of all City deposits was \$3,015,514. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2017, \$3,230,528 of the City's bank balance of \$3,740,783 was exposed to custodial risk as discussed below, while \$510,255 was covered by the FDIC and \$3,230,528 was covered by the Ohio Pooled Collateral System.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2017, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLB	\$ 562,042	\$ -	\$ -	\$ -	\$ -	\$ 562,042
FHLMC	257,474	-	-	-	-	257,474
FNMA	988,437	-	-	-	987,120	1,317
Negotiable CD's	5,712,776	494,820	1,500,795	543,026	908,315	2,265,820
City of Cincinnati bonds	271,817	-	-	-	-	271,817
U.S. Government money market	35,191	35,191	-	-	-	-
Amortized cost:						
STAR Ohio	<u>13,687,792</u>	<u>13,687,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 21,515,529</u>	<u>\$ 14,217,803</u>	<u>\$ 1,500,795</u>	<u>\$ 543,026</u>	<u>\$ 1,895,435</u>	<u>\$ 3,358,470</u>

The weighted average of maturity of investments is 0.76 years.

The City's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FHLB, FNMA, FHLMC), negotiable CD's and City of Cincinnati bonds are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% of Total</u>
Fair value:		
FHLB	\$ 562,042	2.61
FHLMC	257,474	1.20
FNMA	988,437	4.59
Negotiable CD's	5,712,776	26.55
City of Cincinnati bonds	271,817	1.26
U.S. Government money market	35,191	0.16
Amortized cost:		
STAR Ohio	<u>13,687,792</u>	<u>63.62</u>
Total	<u>\$ 21,515,529</u>	<u>99.99</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, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,015,514
Investments	21,515,529
Total	<u>\$ 24,531,043</u>

<u>Cash and investments per Statement of Net Position</u>	
Governmental activities	\$ 16,495,283
Business-type activities	7,956,820
Agency fund	78,940
Total	<u>\$ 24,531,043</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 revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 5 - PROPERTY TAXES - (Continued)

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, 2017 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 2017 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, 2017 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 301,311,680
Commercial/industrial/mineral	85,356,080
Public utility	<u>7,717,590</u>
Total assessed value	<u>\$ 394,385,350</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2017, 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 \$73,407 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 \$47,809. At December 31, 2017, the amount of delinquent special assessments was \$3,757.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 - RECEIVABLES - (Continued)

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental activities:

Local government	\$	137,059
Homestead and rollback		57,269
BWC refund		4,569
Street construction, maintenance and repair		348,121
Fire operating levy		11,404
Emergency medical services		57,628
Storm sewer levy		22,482
Street levy		22,482
Continuing enforcement education		9,640
Total governmental activities	\$	670,654

Business-type activities:

Water	\$	1,813
Sewer		617
Garbage		15,464
Total business-type activities	\$	17,894

B. Municipal Income Taxes

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 2017, the City contracted with Public Entities Pool of Ohio for the following coverages:

Legal Liability	\$6,000,000
Automobile Liability	\$6,000,000
Law Enforcement Operations	\$6,000,000
Wrongful Acts	\$6,000,000
Property Coverage/Equipment Breakdown	\$48,529,379
Earthquake Coverage	\$1,000,000
Flood Coverage	\$1,000,000
Employee Dishonesty	\$100,000
Electronic Data Processing	\$50,000
Miscellaneous Property	\$725,253
Automobile Physical Damage	\$6,000,000

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

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

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 \$500 single and \$1,000 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 \$1,316 for family coverage or \$506 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 \$180,206 reported in the internal service fund at December 31, 2017 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 2017 and 2016 are:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2017	\$ 53,625	\$ 813,161	\$ (686,580)	\$ 180,206
2016	154,990	660,311	(761,676)	53,625

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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. As of December 31, 2017, R&S Golf Properties, Inc. has not made the lease payment related to 2017. At this time, it is unknown if the lease will be extended, as the City is working with R&S Golf Properties, Inc. to bring the operator into compliance with the terms of the lease.

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>(1,260,765)</u>
Total	<u>\$ 2,937,297</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9 - CONTRACTUAL COMMITMENTS

The City had the following contractual commitments outstanding at December 31, 2017:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
AtNet Plus	\$ 250,000	\$ (190,561)	\$ 59,439
Burch Hydro Inc	250,000	(85,194)	164,806
Cargill	405,000	(332,089)	72,911
Carmeuse Lime Inc	350,000	(318,319)	31,681
Central Allied Enterprises Inc	672,000	(385,533)	286,467
Coon Caulking & Sealants Inc	518,104	-	518,104
Easton Construction Inc	132,500	-	132,500
Northstar Asphalt Inc	1,498,500	(1,366,586)	131,914
Stark County Treasurer	<u>1,799,550</u>	<u>(1,441,590)</u>	<u>357,960</u>
Total Contractual Commitments	<u>\$ 5,875,654</u>	<u>\$ (4,119,872)</u>	<u>\$ 1,755,782</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	\$ 146,941
Emergency medical service levy fund	3,772
Capital improvement fund	1,323,985
Other governmental	<u>252,069</u>
Total	<u>\$ 1,726,767</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities

Governmental capital asset activity for the year ended December 31, 2017, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> 12/31/16	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 12/31/17
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,117,189	\$ -	\$ -	\$ 5,117,189
Easements and rights-of-way	612,061	14,938	-	626,999
Construction in progress	<u>902,657</u>	<u>2,102,889</u>	<u>(2,762,839)</u>	<u>242,707</u>
Total capital assets, not being depreciated	<u>6,631,907</u>	<u>2,117,827</u>	<u>(2,762,839)</u>	<u>5,986,895</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,477,924	254,379	-	2,732,303
Buildings	8,312,976	214,180	-	8,527,156
Equipment	8,379,600	396,363	(472,149)	8,303,814
Software	135,670	-	-	135,670
Infrastructure - streets subsystem	34,995,464	2,780,002	-	37,775,466
Infrastructure - storm sewers subsystem	10,073,021	394,949	-	10,467,970
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated	<u>64,577,655</u>	<u>4,039,873</u>	<u>(472,149)</u>	<u>68,145,379</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(733,047)	(127,490)	-	(860,537)
Buildings	(5,435,440)	(174,273)	-	(5,609,713)
Equipment	(5,378,139)	(541,988)	426,734	(5,493,393)
Software	(99,961)	(21,274)	-	(121,235)
Infrastructure - streets subsystem	(19,671,655)	(1,345,991)	-	(21,017,646)
Infrastructure - storm sewers subsystem	(5,178,636)	(222,717)	-	(5,401,353)
Infrastructure - bridge subsystem	<u>(163,025)</u>	<u>(3,075)</u>	<u>-</u>	<u>(166,100)</u>
Total accumulated depreciation	<u>(36,659,903)</u>	<u>(2,436,808)</u>	<u>426,734</u>	<u>(38,669,977)</u>
Total capital assets, being depreciated, net	<u>27,917,752</u>	<u>1,603,065</u>	<u>(45,415)</u>	<u>29,475,402</u>
Governmental activities capital assets, net	<u>\$ 34,549,659</u>	<u>\$ 3,720,892</u>	<u>\$ (2,808,254)</u>	<u>\$ 35,462,297</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 155,173
Police	111,669
Fire	164,520
Public health and welfare	91,146
Transportation	1,503,579
Leisure time activities	187,610
Basic utility services	<u>223,111</u>
Total depreciation expense - governmental activities	<u>\$ 2,436,808</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - CAPITAL ASSETS - (Continued)

B. Business-Type Activities

Business-type activities capital asset activity for 2017 is as follows.

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>2,561,018</u>	<u>1,651,812</u>	<u>(1,547,018)</u>	<u>2,665,812</u>
Total capital assets, not being depreciated	<u>3,584,720</u>	<u>1,651,812</u>	<u>(1,547,018)</u>	<u>3,689,514</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	590,077	31,543	-	621,620
Buildings	17,452,399	737,961	-	18,190,360
Equipment	7,263,566	279,285	(162,877)	7,379,974
Software	22,538	-	-	22,538
Infrastructure - water lines	35,483,735	1,231,277	-	36,715,012
Infrastructure - sewer lines	14,053,683	807,712	-	14,861,395
Sewer rights	<u>3,578,153</u>	<u>-</u>	<u>-</u>	<u>3,578,153</u>
Total capital assets, being depreciated	<u>78,444,151</u>	<u>3,087,778</u>	<u>(162,877)</u>	<u>81,369,052</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(259,774)	(20,124)	-	(279,898)
Buildings	(8,940,567)	(431,961)	-	(9,372,528)
Equipment	(4,948,623)	(382,586)	162,877	(5,168,332)
Software	(6,865)	(3,483)	-	(10,348)
Infrastructure - water lines	(14,067,049)	(838,531)	-	(14,905,580)
Infrastructure - sewer lines	(8,276,225)	(269,971)	-	(8,546,196)
Sewer rights	<u>(2,609,719)</u>	<u>(89,453)</u>	<u>-</u>	<u>(2,699,172)</u>
Total accumulated depreciation	<u>(39,108,822)</u>	<u>(2,036,109)</u>	<u>162,877</u>	<u>(40,982,054)</u>
Total capital assets, being depreciated, net	<u>39,335,329</u>	<u>1,051,669</u>	<u>-</u>	<u>40,386,998</u>
Business-type activities capital assets, net	<u>\$ 42,920,049</u>	<u>\$ 2,703,481</u>	<u>\$ (1,547,018)</u>	<u>\$ 44,076,512</u>

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

Water	\$ 1,615,679
Sewer	<u>420,430</u>
Total depreciation expense - business-type activities:	<u>\$ 2,036,109</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
Employee	10.0 %

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

The City’s contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$549,847 for 2017. Of this amount, \$90,988 is reported as intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
 Total Employer	 19.50 %	 24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$455,266 for 2017. Of this amount \$88,420 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.030266%	0.07467%	0.020418%	0.0966820%	
Proportion of the net pension liability/asset current measurement date	<u>0.028071%</u>	<u>0.065865%</u>	<u>0.016979%</u>	<u>0.0869510%</u>	
Change in proportionate share	<u>-0.002195%</u>	<u>-0.00880500%</u>	<u>-0.00343900%</u>	<u>-0.00973100%</u>	
Proportionate share of the net pension liability	\$ 6,374,448	\$ -	\$ -	\$ 5,507,346	\$ 11,881,794
Proportionate share of the net pension asset	-	(36,658)	(71)	-	(36,729)
Pension expense	1,218,740	26,458	87	748,123	1,993,408

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 8,640	\$ -	\$ 719	\$ 1,558	\$ 10,917
Net difference between projected and actual earnings on pension plan investments	949,302	8,945	61	535,570	1,493,878
Changes of assumptions	1,011,066	8,934	80	-	1,020,080
Changes in employer's proportionate percentage/difference between employer contributions	10,964	-	-	630,306	641,270
City contributions subsequent to the measurement date	497,428	38,181	14,238	455,266	1,005,113
Total deferred outflows of resources	<u>\$ 2,477,400</u>	<u>\$ 56,060</u>	<u>\$ 15,098</u>	<u>\$ 1,622,700</u>	<u>\$ 4,171,258</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 37,939	\$ 18,749	\$ -	\$ 12,681	\$ 69,369
Changes in employer's proportionate percentage/difference between employer contributions	271,945	-	-	437,556	709,501
Total deferred outflows of resources	<u>\$ 309,884</u>	<u>\$ 18,749</u>	<u>\$ -</u>	<u>\$ 450,237</u>	<u>\$ 778,870</u>

\$1,005,113 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2018	\$ 643,507	\$ 1,736	\$ 126	\$ 271,573	\$ 916,942
2019	724,625	1,736	126	271,572	998,059
2020	329,784	1,349	122	215,966	547,221
2021	(27,826)	(1,816)	99	24,759	(4,784)
2022	(2)	(1,485)	103	(58,125)	(59,509)
Thereafter	-	(2,390)	284	(8,548)	(10,654)
Total	\$ 1,670,088	\$ (870)	\$ 860	\$ 717,197	\$ 2,387,275

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 9,738,391	\$ 6,374,448	\$ 3,571,193
Combined Plan	2,635	(36,658)	(67,182)
Member-Directed Plan	170	(71)	(170)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation			
Protected Securities *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	120.00 %		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 7,335,190	\$ 5,507,346	\$ 3,958,303

Changes Between Measurement Date and Report Date - In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, it has the potential to impact to the City’s net pension liability.

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (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 2017, 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 2017 was 1.00%.

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, 2017, 2016, and 2015 were \$42,296, \$79,240, and \$77,781, respectively; 84.63% has been contributed for 2017 and 100% has been contributed for 2016 and 2015. The remaining 2017 post-employment health care benefits liability has been reported as intergovernmental payable on the basic financial statements.

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 health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

OP&F maintains funds for health care in two separate accounts, one 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. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$8,193 and \$3,062 for the year ended December 31, 2017, \$7,749 and \$2,373 for the year ended December 31, 2016, and \$7,408 and \$1,917, for the year ended December 31, 2015. 100% has been contributed for 2016 and 2015. 81.10% has been contributed for police and 80.94% has been contributed for firefighters for 2017. The remaining 2017 post-employment health care benefits liability has been reported as intergovernmental 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS - (Continued)

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 a prior year, the City entered into a lease for copier equipment. Assets acquired through a capital lease were capitalized at the present value of the minimum lease payments at the time the lease was entered into.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Equipment	\$ 22,062
Less: accumulated depreciation	<u>(11,031)</u>
Total	<u>\$ 11,031</u>

The lease provided for minimum annual lease payments as follows:

	<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
	2018	\$ 6,098
	2019	<u>5,082</u>
Total minimum lease payments		11,180
Less: amount representing interest		<u>(519)</u>
Present value of future minimum lease payments		<u>\$ 10,661</u>

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017
N. Main Street & Various Street			
Reconstruction Projects - Series 2011A	2.00 - 5.00	500,000	December 1, 2017
Real Estate Acquisition - Series 2011B	3.50 - 5.50	700,000	December 1, 2020
Series 2016 Refunding	2.00 - 4.00	1,233,180	December 1, 2026
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 #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			
Raw waterline - Series 2011A	2.00 - 5.50	915,000	December 1, 2030
Frank/Applegrove waterline - Series 2011A	2.00 - 5.50	600,000	December 1, 2030
Series 2016 Refunding	2.00 - 4.00	3,691,820	December 1, 2030

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

	<u>Balance</u> <u>12/31/2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Amounts Due</u> <u>in One Year</u>
Governmental activities:					
General obligation bonds					
City Hall/Civic Center/ Salt Storage - Series 2011A	\$ 55,000	\$ -	\$ (55,000)	\$ -	\$ -
N. Main Street & Various Street Reconstruction Projects - Series 2011A	30,000	-	(30,000)	-	-
Real Estate Acquisition - Series 2011B	310,000	-	(70,000)	240,000	75,000
Series 2016 Refunding	<u>1,206,660</u>	<u>-</u>	<u>(5,304)</u>	<u>1,201,356</u>	<u>84,864</u>
Total GO bonds	<u>1,601,660</u>	<u>-</u>	<u>(160,304)</u>	<u>1,441,356</u>	<u>159,864</u>
Other long-term liabilities					
Compensated absences	1,156,809	268,047	(355,026)	1,069,830	113,574
Net pension liability	9,202,123	550,978	(712,236)	9,040,865	-
Capital lease	<u>16,078</u>	<u>-</u>	<u>(5,417)</u>	<u>10,661</u>	<u>5,694</u>
Total governmental activities	<u>\$ 11,976,670</u>	<u>\$ 819,025</u>	<u>\$ (1,232,983)</u>	11,562,712	<u>\$ 279,132</u>
				Add: unamortized premiums	122,376
				Total on Statement of Net Position	<u>\$ 11,685,088</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. During 2016, \$1,220,000 of these bonds were refunded by the Series 2016 Refunding Bonds. At December 31, 2017, there were no further obligations outstanding.

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.

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

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

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

Net pension liability: See Note 12 for details.

Capital lease: See Note 15 for details.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

	<u>Balance</u> <u>12/31/2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Amounts Due</u> <u>in One Year</u>
Business-type activities:					
OWDA loans					
Water treatment plant improvement	\$ 3,313,307	\$ -	\$ (363,664)	\$ 2,949,643	\$ 377,059
Water treatment plant improvement	1,639,147	-	(156,192)	1,482,955	162,120
Water treatment backwash tank	927,593	-	(84,811)	842,782	87,590
Portage St./W. Park sanitary	<u>129,702</u>	<u>-</u>	<u>(7,700)</u>	<u>122,002</u>	<u>7,967</u>
Total OWDA loans	<u>6,009,749</u>	<u>-</u>	<u>(612,367)</u>	<u>5,397,382</u>	<u>634,736</u>
Intergovernmental loans					
Sewer rights - City of Canton #2717	155,346	-	(50,430)	104,916	51,770
Sewer rights - City of Canton #2190	25,744	-	(8,343)	17,401	8,579
Sewer rights - City of Canton #3290	4,045	-	(1,306)	2,739	1,348
Sewer rights - City of Canton #6699	821,779	245,276	(41,735)	1,025,320	-
Sewer rights - City of Canton #6556	<u>323,685</u>	<u>176,667</u>	<u>(23,647)</u>	<u>476,705</u>	<u>-</u>
Total intergovernmental loans	<u>1,330,599</u>	<u>421,943</u>	<u>(125,461)</u>	<u>1,627,081</u>	<u>61,697</u>
OPWC loans					
Booster pump station	561,499	-	(51,045)	510,454	51,045
Applegrove waterline	307,328	-	(13,970)	293,358	13,970
North Main St. waterline	232,242	-	(16,017)	216,225	16,017
Water Tower #1 exterior painting	318,400	-	(19,900)	298,500	19,900
Lynbrook sanitary sewer	<u>239,482</u>	<u>-</u>	<u>(14,968)</u>	<u>224,514</u>	<u>14,968</u>
Total OPWC loans	<u>1,658,951</u>	<u>-</u>	<u>(115,900)</u>	<u>1,543,051</u>	<u>115,900</u>
General obligation bonds					
General obligation bonds - Series 2011A	40,000	-	(40,000)	-	-
General obligation bonds - Series 2011A	25,000	-	(25,000)	-	-
Series 2016 Refunding	1,068,340	-	(4,696)	1,063,644	75,136
Series 2016 Refunding	<u>2,550,000</u>	<u>-</u>	<u>(225,000)</u>	<u>2,325,000</u>	<u>235,000</u>
Total general obligation bonds	<u>3,683,340</u>	<u>-</u>	<u>(294,696)</u>	<u>3,388,644</u>	<u>310,136</u>
Net pension liability	<u>2,252,982</u>	<u>587,947</u>	<u>-</u>	<u>2,840,929</u>	<u>-</u>
Total business-type activities	<u>\$ 14,935,621</u>	<u>\$ 1,009,890</u>	<u>\$ (1,148,424)</u>	<u>14,797,087</u>	<u>\$ 1,122,469</u>
				<u>302,059</u>	
				<u>\$ 15,099,146</u>	

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

The City has pledged future water and sewer revenues to repay OWDA loans. The loans are payable solely from water and sewer fund revenues and are payable through 2026. Annual principal and interest payments on the loans are expected to require 24.20 percent of net revenues and 8.15 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$6,222,503. Principal and interest paid for the current year were \$824,038, total net revenues were \$3,404,862 and total revenues were \$10,110,118.

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, 2017 is \$125,056. 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, 2017 is \$1,502,025. These loans have not been completely disbursed, therefore, no amortization schedule is available at December 31, 2017. 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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.

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

Principal and interest requirements to retire the outstanding debt at December 31, 2017, are as follows:

Year Ending <u>December 31,</u>	Total Governmental General Obligation Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2018	\$ 159,864	\$ 52,211
2019	167,516	46,389	213,905
2020	175,168	40,238	215,406
2021	92,820	33,760	126,580
2022	95,472	30,975	126,447
2023 - 2027	464,100	109,581	573,681
2028 - 2030	<u>286,416</u>	<u>74,681</u>	<u>361,097</u>
Total	<u>\$ 1,441,356</u>	<u>\$ 387,835</u>	<u>\$ 1,829,191</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Ohio Public Works Commission			OWDA Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 115,900	\$ -	\$ 115,900	\$ 634,736	\$ 189,303	\$ 824,039
2019	115,900	-	115,900	657,921	166,118	824,039
2020	115,900	-	115,900	681,957	142,081	824,038
2021	115,900	-	115,900	706,871	117,166	824,037
2022	115,900	-	115,900	732,698	91,339	824,037
2023 - 2027	579,504	-	579,504	1,954,484	117,621	2,072,105
2028 - 2032	300,239	-	300,239	28,715	1,493	30,208
2033 - 2037	69,850	-	69,850	-	-	-
2038	13,958	-	13,958	-	-	-
Total	<u>\$ 1,543,051</u>	<u>\$ -</u>	<u>\$ 1,543,051</u>	<u>\$ 5,397,382</u>	<u>\$ 825,121</u>	<u>\$ 6,222,503</u>

Year Ending December 31,	Intergovernmental Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 61,697	\$ 3,054	\$ 64,751
2019	63,359	1,274	64,633
Total	<u>\$ 125,056</u>	<u>\$ 4,328</u>	<u>\$ 129,384</u>

Year Ending December 31,	Total Business-Type Activities General Obligation Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 310,136	\$ 102,589	\$ 412,725
2019	327,484	96,386	423,870
2020	324,832	89,837	414,669
2021	332,180	83,340	415,520
2022	339,528	73,375	412,903
2023 - 2027	1,500,900	202,119	1,703,019
2028 - 2031	253,584	66,119	319,703
Total	<u>\$ 3,388,644</u>	<u>\$ 713,765</u>	<u>\$ 4,102,409</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, 2017, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$20,850,732.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017, the City's total debt margin was \$39,969,106 and the unvoted debt margin was \$20,249,838.

NOTE 17 - INTERFUND ACTIVITY

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

	<u>Transfer from</u>		
<u>Transfer to</u>	<u>General</u>	<u>Nonmajor fund</u>	<u>Total</u>
Major funds			
General	\$ -	\$ 202,578	\$ 202,578
Emergency medical services levy	275,000	-	275,000
Nonmajor funds			
Fire operating levy	200,000	-	200,000
Street construction, maintenance and repair	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total	<u>\$ 675,000</u>	<u>\$ 202,578</u>	<u>\$ 877,578</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 the Issue II fund (a nonmajor governmental fund) to the general fund was a residual equity transfer.

B. Interfund loans receivable/payable consisted of the following at December 31, 2017, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental fund	<u>\$ 30,000</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 17 - INTERFUND ACTIVITY - (Continued)

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received. Interfund loans between governmental funds are eliminated on the statement of net position, thus there are not internal balances.

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.

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:

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General Fund</u>	Emergency Medical Services <u>Levy Fund</u>
Budget basis	\$ 820,702	\$ 270,387
Net adjustment for revenue accruals	42,711	20,083
Net adjustment for expenditure accruals	(142,521)	(51,851)
Net adjustment for other financing sources/uses	30,000	-
Funds budgeted elsewhere	345,278	-
Adjustment for encumbrances	<u>184,498</u>	<u>14,015</u>
GAAP basis	<u>\$ 1,280,668</u>	<u>\$ 252,634</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.

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CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 38,060	\$ 7,025	\$ -	\$ 243,819	\$ 288,904
Prepays	32,890	2,664	-	18,430	53,984
Total nonspendable	<u>70,950</u>	<u>9,689</u>	<u>-</u>	<u>262,249</u>	<u>342,888</u>
Restricted:					
Security of persons and property police	-	-	-	86,654	86,654
Security of persons and property fire	-	-	-	265,605	265,605
Public health and welfare	-	455,341	-	1,375	456,716
Computer systems	-	-	-	30,134	30,134
Transportation	-	-	-	1,488,398	1,488,398
Utility services	-	-	-	382,324	382,324
General trust	-	-	-	212,165	212,165
Mayor's court	-	-	-	23,280	23,280
Total restricted	<u>-</u>	<u>455,341</u>	<u>-</u>	<u>2,489,935</u>	<u>2,945,276</u>
Committed:					
Capital improvements	-	-	2,954,658	205,078	3,159,736
Income tax	3,234,387	-	-	-	3,234,387
CIC escrow	57,000	-	-	-	57,000
Compensated absences	1,412,277	-	-	-	1,412,277
Total committed	<u>4,703,664</u>	<u>-</u>	<u>2,954,658</u>	<u>205,078</u>	<u>7,863,400</u>
Assigned:					
General government	44,772	-	-	-	44,772
Community environment	23,244	-	-	-	23,244
Security of persons and property police	64,288	-	-	-	64,288
Utility services	6,916	-	-	-	6,916
Subsequent year appropriation	287,788	-	-	-	287,788
Total assigned	<u>427,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,008</u>
Unassigned (deficit)	<u>3,721,998</u>	<u>-</u>	<u>-</u>	<u>(9,500)</u>	<u>3,712,498</u>
Total fund balances	<u>\$ 8,923,620</u>	<u>\$ 465,030</u>	<u>\$ 2,954,658</u>	<u>\$ 2,947,762</u>	<u>\$ 15,291,070</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 2017. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

Stark County Combined General Health District

The City participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, and the City of North Canton. Of the 7 Board Members, the City has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$100,652 to the Health District in 2017. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for almost 200 municipalities throughout the State of Ohio. During 2017, the City paid \$234,409 in income tax collection fees to RITA.

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

NOTE 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.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 22 - TAX ABATEMENTS

The City had two Community Reinvestment Areas, Main Street CRA and Valley View CRA. These CRA programs were created by ordinance as authorized in Ohio Revised Code Sections 3735.65-70. The CRAs provided an incentive for new residential, commercial, or industrial development or rehabilitation in designated areas. A property tax exemption on 100% of the increase in assessed valuation resulting from improvements was given on residential properties. The residential tax exemption varied from 10 to 15 years, based on the type of dwelling and the cost of remodeling or construction. For commercial and industrial properties, those exemptions were negotiated on a case-by-case bases in advance of the commencement of construction or remodeling. An ordinance to repeal both CRAs was passed by City Council in 2016, however abatements granted prior to the repeal are still in place. The amount of property taxes that were reduced during 2017 as a result of tax abatement agreements was \$79,049.

NOTE 23 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION

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

The City of North Canton (the “City”) is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity”, 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.

B. Cash and Cash Equivalents

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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, 2017, the carrying amount of the CIC's deposits was \$916,796. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2017, all of the bank balance of \$916,796 was covered by the Federal Deposit Insurance Corporation.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance			Balance
	<u>12/31/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/17</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	(39,780)	(4,420)	-	(44,200)
Equipment	(88,800)	(11,100)	-	(99,900)
<i>Total accumulated depreciation</i>	<u>(128,580)</u>	<u>(15,520)</u>	<u>-</u>	<u>(144,100)</u>
Total capital assets, net	<u><u>\$ 431,059</u></u>	<u><u>\$ (15,520)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 415,539</u></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, 2017, the CIC has received \$1,443,000 under this funding mechanism.

Litigation

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

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH CANTON, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST FOUR YEARS			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.280710%	0.030226%	0.031691%	0.031691%
City's proportionate share of the net pension liability	\$ 6,374,447	\$ 5,235,523	\$ 3,822,289	\$ 3,735,956
City's covered payroll	\$ 3,617,467	\$ 3,503,758	\$ 3,935,808	\$ 3,898,908
City's proportionate share of the net pension liability as a percentage of its covered payroll	176.21%	149.43%	97.12%	95.82%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.658650%	0.074670%	0.075345%	0.075345%
City's proportionate share of the net pension asset	\$ 36,658	\$ 36,337	\$ 29,010	\$ 7,906
City's covered payroll	\$ 256,375	\$ 271,733	\$ 264,817	\$ 254,254
City's proportionate share of the net pension asset as a percentage of its covered payroll	14.30%	13.37%	10.95%	3.11%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.016979%	0.020418%	n/a	n/a
City's proportionate share of the net pension asset	\$ 71	\$ 78	n/a	n/a
City's covered payroll	\$ 88,142	\$ 113,708	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.08%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%	n/a	n/a

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH CANTON, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST FOUR YEARS			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.08695100%	0.09668200%	0.07778590%	0.07778590%
City's proportionate share of the net pension liability	\$ 5,507,346	\$ 6,219,582	\$ 4,029,634	\$ 3,788,418
City's covered payroll	\$ 1,983,744	\$ 1,825,891	\$ 1,835,351	\$ 1,689,819
City's proportionate share of the net pension liability as a percentage of its covered payroll	277.62%	340.63%	219.56%	224.19%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH CANTON, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 497,428	\$ 434,096	\$ 420,451	\$ 472,297
Contributions in relation to the contractually required contribution	<u>(497,428)</u>	<u>(434,096)</u>	<u>(420,451)</u>	<u>(472,297)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,826,369	\$ 3,617,467	\$ 3,503,758	\$ 3,935,808
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 38,181	\$ 30,765	\$ 32,608	\$ 31,778
Contributions in relation to the contractually required contribution	<u>(38,181)</u>	<u>(30,765)</u>	<u>(32,608)</u>	<u>(31,778)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 293,700	\$ 256,375	\$ 271,733	\$ 264,817
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 14,238	\$ 10,577	\$ 13,645	
Contributions in relation to the contractually required contribution	<u>(14,238)</u>	<u>(10,577)</u>	<u>(13,645)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 142,380	\$ 88,142	\$ 113,708	
Contributions as a percentage of covered payroll	10.00%	12.00%	12.00%	

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 506,858	\$ 402,329	\$ 444,536	\$ 386,729	\$ 380,066	\$ 342,009
<u>(506,858)</u>	<u>(402,329)</u>	<u>(444,536)</u>	<u>(386,729)</u>	<u>(380,066)</u>	<u>(342,009)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,898,908	\$ 4,023,290	\$ 4,445,360	\$ 4,337,148	\$ 4,677,735	\$ 4,885,843
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 33,053	\$ 17,994	\$ 13,377	\$ 15,132	\$ -	\$ -
<u>(33,053)</u>	<u>(17,994)</u>	<u>(13,377)</u>	<u>(15,132)</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 254,254	\$ 226,340	\$ 168,264	\$ 156,215	\$ -	\$ -
13.00%	7.95%	7.95%	9.69%	8.13%	7.00%

CITY OF NORTH CANTON, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police:</i>				
Contractually required contribution	\$ 311,340	\$ 286,727	\$ 274,092	\$ 297,289
Contributions in relation to the contractually required contribution	<u>(311,340)</u>	<u>(286,727)</u>	<u>(274,092)</u>	<u>(297,289)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,638,632	\$ 1,509,089	\$ 1,442,589	\$ 1,564,679
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 143,926	\$ 111,544	\$ 90,076	\$ 63,608
Contributions in relation to the contractually required contribution	<u>(143,926)</u>	<u>(111,544)</u>	<u>(90,076)</u>	<u>(63,608)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 612,451	\$ 474,655	\$ 383,302	\$ 270,672
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 243,196	\$ 193,970	\$ 190,999	\$ 203,042	\$ 199,794	\$ 194,159
<u>(243,196)</u>	<u>(193,970)</u>	<u>(190,999)</u>	<u>(203,042)</u>	<u>(199,794)</u>	<u>(194,159)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,531,140	\$ 1,521,333	\$ 1,498,031	\$ 1,592,486	\$ 1,567,012	\$ 1,522,816
15.88%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 32,344	\$ 29,567	\$ 25,556	\$ 25,424	\$ 25,457	\$ 27,662
<u>(32,344)</u>	<u>(29,567)</u>	<u>(25,556)</u>	<u>(25,424)</u>	<u>(25,457)</u>	<u>(27,662)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 158,679	\$ 171,403	\$ 148,151	\$ 147,386	\$ 147,577	\$ 160,359
20.38%	17.25%	17.25%	17.25%	17.25%	17.25%

CITY OF NORTH CANTON, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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.

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 802,185	\$ 801,611	\$ 803,461	\$ 1,850
Municipal income taxes	4,877,250	4,877,250	4,877,250	-
Charges for services	42,107	42,107	53,990	11,883
Licenses and permits	358,088	317,887	325,414	7,527
Fines and forfeitures	120,776	120,776	116,038	(4,738)
Intergovernmental	425,144	436,281	408,078	(28,203)
Interest	83,595	83,595	173,283	89,688
Rentals	56,143	85,781	204,375	118,594
Other	62,000	62,000	59,962	(2,038)
Total revenues	<u>6,827,288</u>	<u>6,827,288</u>	<u>7,021,851</u>	<u>194,563</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Personal services	69,100	69,099	59,328	9,771
Contract services	19,164	19,518	16,883	2,635
Materials and supplies	550	550	550	-
Capital outlay	2,500	2,500	1,460	1,040
Total mayor	<u>91,314</u>	<u>91,667</u>	<u>78,221</u>	<u>13,446</u>
Director of Administration:				
Personal services	105,200	156,800	146,643	10,157
Contract services	17,588	19,254	17,513	1,741
Materials and supplies	971	1,350	1,179	171
Capital outlay	3,000	3,000	290	2,710
Total director of administration	<u>126,759</u>	<u>180,404</u>	<u>165,625</u>	<u>14,779</u>
Director of Finance:				
Personal services	144,200	144,200	139,374	4,826
Contract services	35,779	37,237	32,481	4,756
Materials and supplies	2,200	2,200	1,000	1,200
Capital outlay	5,000	5,000	1,745	3,255
Total director of finance	<u>187,179</u>	<u>188,637</u>	<u>174,600</u>	<u>14,037</u>
Electronic Data Processing:				
Contract services	52,029	68,384	67,681	703
Materials and supplies	60,320	-	-	-
Capital outlay	17,315	17,315	12,821	4,494
Other	8,900	68,540	68,540	-
Total electronic data processing	<u>138,564</u>	<u>154,239</u>	<u>149,042</u>	<u>5,197</u>
Director of Law:				
Personal services	64,100	64,100	62,267	1,833
Contract services	47,219	47,025	23,586	23,439
Materials and supplies	2,850	2,700	2,531	169
Capital outlay	3,350	3,350	2,675	675
Total director of law	<u>117,519</u>	<u>117,175</u>	<u>91,059</u>	<u>26,116</u>
City Council:				
Personal services	103,100	103,099	101,603	1,496
Contract services	28,136	22,976	18,681	4,295
Materials and supplies	1,500	1,500	617	883
Capital outlay	500	500	-	500
Total city council	<u>133,236</u>	<u>128,075</u>	<u>120,901</u>	<u>7,174</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Civil Service Commission:				
Personal services	\$ 6,300	\$ 6,300	\$ 5,987	\$ 313
Contract services	4,700	10,800	7,081	3,719
Materials and supplies.	300	300	-	300
Total civil service commission	<u>11,300</u>	<u>17,400</u>	<u>13,068</u>	<u>4,332</u>
City Hall Maintenance:				
Contract services	130,982	117,082	102,818	14,264
Materials and supplies.	4,800	4,800	4,501	299
Total city hall maintenance.	<u>135,782</u>	<u>121,882</u>	<u>107,319</u>	<u>14,563</u>
Department of Engineering:				
Personal services	185,200	180,810	173,214	7,596
Contract services	53,321	60,762	36,408	24,354
Materials and supplies.	8,727	8,519	4,969	3,550
Capital outlay	24,270	20,649	8,815	11,834
Total department of engineering	<u>271,518</u>	<u>270,740</u>	<u>223,406</u>	<u>47,334</u>
Other General Government:				
Personal services	124,091	96,341	32,835	63,506
Contract services	266,828	272,121	192,835	79,286
Capital outlay	1,500	1,500	-	1,500
Other.	-	64,000	61,683	2,317
Total other general government	<u>392,419</u>	<u>433,962</u>	<u>287,353</u>	<u>146,609</u>
Total General Government	<u>1,605,590</u>	<u>1,704,181</u>	<u>1,410,594</u>	<u>293,587</u>
Security of Persons and Property:				
Police:				
Personal services	2,900,000	2,848,401	2,677,658	170,743
Contract services	303,778	257,627	207,080	50,547
Materials and supplies.	94,950	65,972	55,957	10,015
Capital outlay	9,000	9,000	9,000	-
Other.	-	1,000	1,000	-
Total police	<u>3,307,728</u>	<u>3,182,000</u>	<u>2,950,695</u>	<u>231,305</u>
Police Administration:				
Contract services	1,200	1,200	-	1,200
Materials and supplies.	5,100	5,100	4,146	954
Capital outlay	400	400	-	400
Total police administration.	<u>6,700</u>	<u>6,700</u>	<u>4,146</u>	<u>2,554</u>
School Patrol:				
Personal services	46,000	46,000	39,586	6,414
Contract services	200	200	-	200
Materials and supplies.	200	200	-	200
Total school patrol	<u>46,400</u>	<u>46,400</u>	<u>39,586</u>	<u>6,814</u>
Street lighting:				
Contract services	158,000	168,580	160,580	8,000
Total street lighting	<u>158,000</u>	<u>168,580</u>	<u>160,580</u>	<u>8,000</u>
Total Security of Persons and Property.	<u>3,518,828</u>	<u>3,403,680</u>	<u>3,155,007</u>	<u>248,673</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health and Welfare:				
County Health Department:				
Contract services	\$ 105,000	\$ 105,000	\$ 100,652	\$ 4,348
Total county health department	105,000	105,000	100,652	4,348
Total Public Health and Welfare	105,000	105,000	100,652	4,348
Community Environment:				
Permits and Inspections:				
Personal services	497,400	497,401	332,017	165,384
Contract services	60,639	58,936	41,071	17,865
Materials and supplies.	6,258	5,910	5,108	802
Capital outlay	10,000	10,000	3,246	6,754
Total permits and inspections.	574,297	572,247	381,442	190,805
Planning Commission:				
Contract services	4,500	4,500	2,455	2,045
Materials and supplies.	500	500	60	440
Total planning commission	5,000	5,000	2,515	2,485
Zoning and Building:				
Contract services	350	396	296	100
Materials and supplies.	300	254	254	-
Total zoning and building	650	650	550	100
Economic Development:				
Contract services	79,446	78,965	52,231	26,734
Materials and supplies.	3,150	3,150	29	3,121
Total economic development.	82,596	82,115	52,260	29,855
Total Community Environment.	662,543	660,012	436,767	223,245
Leisure Time Activities:				
Dogwood Shelter:				
Contract services	27,890	27,890	26,628	1,262
Materials and supplies.	2,500	2,500	2,241	259
Total dogwood shelter	30,390	30,390	28,869	1,521
Swimming Pool:				
Contract services	43,554	43,330	40,066	3,264
Total swimming pool	43,554	43,330	40,066	3,264
Parks Department:				
Personal services	165,200	165,200	154,405	10,795
Contract services	192,474	175,136	158,169	16,967
Materials and supplies.	24,998	18,043	15,989	2,054
Capital outlay	3,900	3,900	3,110	790
Total parks department.	386,572	362,279	331,673	30,606

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Civic Center:				
Contract services	\$ 100,069	\$ 76,769	\$ 61,881	\$ 14,888
Materials and supplies.	4,000	4,000	3,800	200
Capital outlay	3,000	3,000	-	3,000
Total civic center	<u>107,069</u>	<u>83,769</u>	<u>65,681</u>	<u>18,088</u>
Recreation Department:				
Personal services	40,100	40,100	27,240	12,860
Contract services	17,212	17,153	10,001	7,152
Materials and supplies.	5,600	4,100	2,527	1,573
Total recreation department.	<u>62,912</u>	<u>61,353</u>	<u>39,768</u>	<u>21,585</u>
Recreation Program:				
Contract services	8,089	6,900	2,600	4,300
Materials and supplies.	1,000	1,000	-	1,000
Total recreation program	<u>9,089</u>	<u>7,900</u>	<u>2,600</u>	<u>5,300</u>
Total Leisure Time Activities.	<u>639,586</u>	<u>589,021</u>	<u>508,657</u>	<u>80,364</u>
Debt Service:				
Principal retirement	70,000	70,000	70,000	-
Interest and fiscal charges	18,000	18,000	17,050	950
Total debt service.	<u>88,000</u>	<u>88,000</u>	<u>87,050</u>	<u>950</u>
Total expenditures	<u>6,619,547</u>	<u>6,549,894</u>	<u>5,698,727</u>	<u>851,167</u>
Excess of revenues over expenditures.	<u>207,741</u>	<u>277,394</u>	<u>1,323,124</u>	<u>1,045,730</u>
Other financing sources (uses):				
Advances out	-	(30,000)	(30,000)	-
Transfers in	202,578	202,578	202,578	-
Transfers out	(675,000)	(675,000)	(675,000)	-
Total other financing sources (uses)	<u>(472,422)</u>	<u>(502,422)</u>	<u>(502,422)</u>	<u>-</u>
Net change in fund balance	(264,681)	(225,028)	820,702	1,045,730
Fund balance at beginning of year	<u>2,661,236</u>	<u>2,661,236</u>	<u>2,661,236</u>	<u>-</u>
Prior year encumbrances appropriated	<u>253,463</u>	<u>253,463</u>	<u>253,463</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,650,018</u>	<u>\$ 2,689,671</u>	<u>\$ 3,735,401</u>	<u>\$ 1,045,730</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 786,619	\$ 786,619	\$ 789,363	\$ 2,744
Charges for services	526,401	526,401	593,359	66,958
Intergovernmental	141,183	141,183	118,725	(22,458)
Total revenues	<u>1,454,203</u>	<u>1,454,203</u>	<u>1,501,447</u>	<u>47,244</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Personal services	1,500,794	1,486,484	1,270,309	216,175
Contract services	205,217	198,518	182,406	16,112
Materials and supplies	42,346	40,276	39,650	626
Capital outlay	14,300	14,300	13,695	605
Total expenditures	<u>1,762,657</u>	<u>1,739,578</u>	<u>1,506,060</u>	<u>233,518</u>
Excess of expenditures over revenues	<u>(308,454)</u>	<u>(285,375)</u>	<u>(4,613)</u>	<u>280,762</u>
Other financing sources:				
Transfers in	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Total other financing sources	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Net change in fund balance	(33,454)	(10,375)	270,387	280,762
Fund balance at beginning of year	<u>172,565</u>	<u>172,565</u>	<u>172,565</u>	<u>-</u>
Prior year encumbrances appropriated	<u>32,957</u>	<u>32,957</u>	<u>32,957</u>	<u>-</u>
Fund balance at end of year	<u>\$ 172,068</u>	<u>\$ 195,147</u>	<u>\$ 475,909</u>	<u>\$ 280,762</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 2,040,250	\$ 2,040,250	\$ 2,090,250	\$ 50,000
Intergovernmental	-	-	192,500	192,500
Total revenues	<u>2,040,250</u>	<u>2,040,250</u>	<u>2,282,750</u>	<u>242,500</u>
Expenditures:				
Capital Outlay:				
Contract services	3,901,864	3,941,102	3,648,722	292,380
Capital outlay	<u>1,614,573</u>	<u>1,583,992</u>	<u>1,270,248</u>	<u>313,744</u>
Total capital outlay	<u>5,516,437</u>	<u>5,525,094</u>	<u>4,918,970</u>	<u>606,124</u>
Debt service:				
Principal retirement	90,400	90,400	90,304	96
Interest and fiscal charges	<u>41,700</u>	<u>41,700</u>	<u>41,670</u>	<u>30</u>
Total debt service.	<u>132,100</u>	<u>132,100</u>	<u>131,974</u>	<u>126</u>
Total expenditures	<u>5,648,537</u>	<u>5,657,194</u>	<u>5,050,944</u>	<u>606,250</u>
Net change in fund balance	(3,608,287)	(3,616,944)	(2,768,194)	848,750
Fund balance at beginning of year	3,515,722	3,515,722	3,515,722	-
Prior year encumbrances appropriated .	<u>670,864</u>	<u>670,864</u>	<u>670,864</u>	<u>-</u>
Fund balance at end of year	<u>\$ 578,299</u>	<u>\$ 569,642</u>	<u>\$ 1,418,392</u>	<u>\$ 848,750</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 7,023,051	\$ 7,023,051	\$ 7,044,687	\$ 21,636
Tap-in fees	37,285	37,285	28,144	(9,141)
Other.	50,400	50,400	49,609	(791)
Total operating revenues.	<u>7,110,736</u>	<u>7,110,736</u>	<u>7,122,440</u>	<u>11,704</u>
Operating expenses:				
Personal services.	1,832,305	1,821,861	1,752,974	68,887
Contract services	3,390,761	3,305,633	2,281,485	1,024,148
Materials and supplies	808,340	766,565	585,161	181,404
Capital outlay	5,106,565	5,081,344	2,211,204	2,870,140
Other.	5,000	5,000	4,035	965
Total operating expenses.	<u>11,142,971</u>	<u>10,980,403</u>	<u>6,834,859</u>	<u>4,145,544</u>
Operating income (loss)	<u>(4,032,235)</u>	<u>(3,869,667)</u>	<u>287,581</u>	<u>4,157,248</u>
Nonoperating revenues (expenses):				
Bonds issued.	1,600,000	1,600,000	-	(1,600,000)
Debt service:				
Principal retirement	(1,050,400)	(1,050,400)	(1,000,294)	50,106
Interest and fiscal charges.	(281,200)	(281,200)	(281,037)	163
Total nonoperating revenues (expenses).	<u>268,400</u>	<u>268,400</u>	<u>(1,281,331)</u>	<u>(1,549,731)</u>
Net change in fund equity	(3,763,835)	(3,601,267)	(993,750)	2,607,517
Fund equity at beginning of year.	3,670,158	3,670,158	3,670,158	-
Prior year encumbrances appropriated	<u>1,511,821</u>	<u>1,511,821</u>	<u>1,511,821</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,418,144</u>	<u>\$ 1,580,712</u>	<u>\$ 4,188,229</u>	<u>\$ 2,607,517</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,898,976	\$ 2,898,976	\$ 2,947,245	\$ 48,269
Tap-in fees	72,851	72,851	83,508	10,657
Other.	8,345	8,345	24,843	16,498
Total operating revenues	2,980,172	2,980,172	3,055,596	75,424
Operating expenses:				
Personal services.	554,831	548,993	524,869	24,124
Contract services	2,949,529	2,901,212	2,684,208	217,004
Materials and supplies	41,741	42,278	32,850	9,428
Capital outlay	1,496,127	1,495,294	1,076,841	418,453
Total operating expenses	5,042,228	4,987,777	4,318,768	669,009
Operating loss	(2,062,056)	(2,007,605)	(1,263,172)	744,433
Nonoperating expenses:				
Debt service:				
Principal retirement	(22,700)	(22,700)	(22,668)	32
Interest and fiscal charges.	(3,900)	(3,900)	(3,834)	66
Total nonoperating expenses	(26,600)	(26,600)	(26,502)	98
Change in fund equity	(2,088,656)	(2,034,205)	(1,289,674)	744,531
Fund equity at beginning of year.	2,054,478	2,054,478	2,054,478	-
Prior year encumbrances appropriated . . .	512,208	512,208	512,208	-
Fund equity at end of year	\$ 478,030	\$ 532,481	\$ 1,277,012	\$ 744,531

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 963,214	\$ 963,214	\$ 976,375	\$ 13,161
Total operating revenues	<u>963,214</u>	<u>963,214</u>	<u>976,375</u>	<u>13,161</u>
Operating expenses:				
Personal services	75,020	74,143	66,887	7,256
Contract services	897,673	913,550	909,089	4,461
Materials and supplies	55,500	37,810	25,500	12,310
Capital outlay	-	1,500	-	1,500
Total operating expenses	<u>1,028,193</u>	<u>1,027,003</u>	<u>1,001,476</u>	<u>25,527</u>
Operating loss	<u>(64,979)</u>	<u>(63,789)</u>	<u>(25,101)</u>	<u>38,688</u>
Nonoperating revenues:				
Intergovernmental	58,256	58,256	64,435	6,179
Total nonoperating revenues	<u>58,256</u>	<u>58,256</u>	<u>64,435</u>	<u>6,179</u>
Net change in fund equity	(6,723)	(5,533)	39,334	44,867
Fund equity at beginning of year.	347,386	347,386	347,386	-
Prior year encumbrances appropriated . . .	<u>1,293</u>	<u>1,293</u>	<u>1,293</u>	<u>-</u>
Fund equity at end of year	<u>\$ 341,956</u>	<u>\$ 343,146</u>	<u>\$ 388,013</u>	<u>\$ 44,867</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.

Indoor Firearms Training Range Improvement Fund

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

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments.	\$ 2,305,378	\$ 230,000	\$ 2,535,378
Cash and cash equivalents:			
In segregated accounts	284,184	-	284,184
Receivables:			
Property taxes.	837,184	-	837,184
Income taxes.	-	19,188	19,188
Accounts	2,403	-	2,403
Intergovernmental.	414,129	-	414,129
Materials and supplies inventory	243,819	-	243,819
Prepayments	18,430	-	18,430
Total assets	\$ 4,105,527	\$ 249,188	\$ 4,354,715
Liabilities:			
Accounts payable	\$ 20,511	\$ 9,500	\$ 30,011
Contracts payable	113,010	-	113,010
Accrued wages and benefits payable.	20,978	-	20,978
Interfund loan payable	-	30,000	30,000
Intergovernmental payable.	10,993	-	10,993
Total liabilities	165,492	39,500	204,992
Deferred Inflows of Resources:			
Property taxes levied for the next fiscal year	805,942	-	805,942
Delinquent property tax revenue not available	31,242	-	31,242
Miscellaneous revenue not available	553	-	553
Income tax revenue not available	-	14,110	14,110
Intergovernmental revenues not available.	350,114	-	350,114
Total deferred inflows of resources.	1,187,851	14,110	1,201,961
Fund Balances:			
Nonspendable	262,249	-	262,249
Restricted	2,489,935	-	2,489,935
Committed.	-	205,078	205,078
Unassigned (deficit)	-	(9,500)	(9,500)
Total fund balances	2,752,184	195,578	2,947,762
Total liabilities, deferred inflows of resources and fund balance.	\$ 4,105,527	\$ 249,188	\$ 4,354,715

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Other Governmental Funds
Revenues:			
Property taxes	\$ 789,486	\$ -	\$ 789,486
Income taxes	-	51,232	51,232
Fines and forfeitures	196,181	-	196,181
Intergovernmental	867,116	-	867,116
Interest	2	-	2
Contributions and donations	6,499	-	6,499
Other	31,077	-	31,077
Total revenues	<u>1,890,361</u>	<u>51,232</u>	<u>1,941,593</u>
Expenditures:			
Current:			
General government	164,386	-	164,386
Security of persons and property:			
Police	22,003	-	22,003
Fire	466,266	-	466,266
Public health and welfare	80	-	80
Transportation	1,186,241	-	1,186,241
Basic utility services	467,883	-	467,883
Capital outlay	-	9,500	9,500
Total expenditures	<u>2,306,859</u>	<u>9,500</u>	<u>2,316,359</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(416,498)</u>	<u>41,732</u>	<u>(374,766)</u>
Other financing sources (uses):			
Transfers in	400,000	-	400,000
Transfers out	-	(202,578)	(202,578)
Total other financing sources (uses)	<u>400,000</u>	<u>(202,578)</u>	<u>197,422</u>
Net change in fund balances	(16,498)	(160,846)	(177,344)
Fund balances at beginning of year	<u>2,768,682</u>	<u>356,424</u>	<u>3,125,106</u>
Fund balances at end of year	<u>\$ 2,752,184</u>	<u>\$ 195,578</u>	<u>\$ 2,947,762</u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	<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	\$ 291,084	\$ 27,940	\$ 19,866	\$ 846,942
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
Receivables:				
Property taxes	167,436	-	-	-
Accounts	-	2,194	209	-
Intergovernmental	11,404	-	-	348,121
Materials and supplies inventory	-	-	-	243,819
Prepayments	<u>5,036</u>	<u>350</u>	<u>-</u>	<u>5,135</u>
Total assets	<u>\$ 474,960</u>	<u>\$ 30,484</u>	<u>\$ 20,075</u>	<u>\$ 1,444,017</u>
Liabilities:				
Accounts payable	\$ 9,569	\$ -	\$ -	\$ 10,551
Contracts payable	-	-	-	-
Accrued wages and benefits	11,106	-	-	9,872
Intergovernmental payable	<u>4,804</u>	<u>-</u>	<u>-</u>	<u>6,189</u>
Total liabilities	<u>25,479</u>	<u>-</u>	<u>-</u>	<u>26,612</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	161,188	-	-	-
Delinquent property tax revenue not available	6,248	-	-	-
Miscellaneous revenue not available	163	-	-	390
Intergovernmental revenues not available	<u>11,241</u>	<u>-</u>	<u>-</u>	<u>293,909</u>
Total deferred inflows of resources	<u>178,840</u>	<u>-</u>	<u>-</u>	<u>294,299</u>
Fund Balances:				
Nonspendable	5,036	350	-	248,954
Restricted	<u>265,605</u>	<u>30,134</u>	<u>20,075</u>	<u>874,152</u>
Total fund balances	<u>270,641</u>	<u>30,484</u>	<u>20,075</u>	<u>1,123,106</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 474,960</u>	<u>\$ 30,484</u>	<u>\$ 20,075</u>	<u>\$ 1,444,017</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 712,857	\$ 395,334	\$ 1,780	\$ -	\$ -
-	-	-	212,165	48,739
334,874	334,874	-	-	-
-	-	-	-	-
22,482	22,482	-	-	-
-	-	-	-	-
7,909	-	-	-	-
<u>\$ 1,078,122</u>	<u>\$ 752,690</u>	<u>\$ 1,780</u>	<u>\$ 212,165</u>	<u>\$ 48,739</u>
\$ 391	\$ -	\$ -	\$ -	\$ -
100,000	13,010	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>100,391</u>	<u>13,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
322,377	322,377	-	-	-
12,497	12,497	-	-	-
-	-	-	-	-
22,482	22,482	-	-	-
<u>357,356</u>	<u>357,356</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,909	-	-	-	-
612,466	382,324	1,780	212,165	48,739
<u>620,375</u>	<u>382,324</u>	<u>1,780</u>	<u>212,165</u>	<u>48,739</u>
<u>\$ 1,078,122</u>	<u>\$ 752,690</u>	<u>\$ 1,780</u>	<u>\$ 212,165</u>	<u>\$ 48,739</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2017

	Continuing Professional Education	Community Disaster Relief	Mayor's Court	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 8,200	\$ 1,375	\$ -	\$ 2,305,378
Cash and cash equivalents:				
In segregated accounts	-	-	23,280	284,184
Receivables:				
Property taxes	-	-	-	837,184
Accounts	-	-	-	2,403
Intergovernmental	9,640	-	-	414,129
Materials and supplies inventory	-	-	-	243,819
Prepayments	-	-	-	18,430
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Total assets	<u>\$ 17,840</u>	<u>\$ 1,375</u>	<u>\$ 23,280</u>	<u>\$ 4,105,527</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 20,511
Contracts payable	-	-	-	113,010
Accrued wages and benefits	-	-	-	20,978
Intergovernmental payable	-	-	-	10,993
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Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,492</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	-	-	-	805,942
Delinquent property tax revenue not available	-	-	-	31,242
Miscellaneous revenue not available	-	-	-	553
Intergovernmental revenues not available	-	-	-	350,114
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Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,851</u>
Fund Balances:				
Nonspendable	-	-	-	262,249
Restricted	17,840	1,375	23,280	2,489,935
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>17,840</u>	<u>1,375</u>	<u>23,280</u>	<u>2,752,184</u>
of resources and fund balance	<u>\$ 17,840</u>	<u>\$ 1,375</u>	<u>\$ 23,280</u>	<u>\$ 4,105,527</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, 2017

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Revenues:				
Property taxes	\$ 157,845	\$ -	\$ -	\$ -
Fines and forfeitures	-	17,748	3,622	-
Intergovernmental	29,070	-	-	737,627
Interest	-	-	-	-
Contributions and donations	-	-	-	-
Other	3,228	-	-	27,849
Total revenues	<u>190,143</u>	<u>17,748</u>	<u>3,622</u>	<u>765,476</u>
Expenditures:				
Current:				
General government	-	7,857	-	-
Security of persons and property:				
Police	-	-	-	-
Fire	466,266	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	912,273
Basic utility services	-	-	-	-
Total expenditures	<u>466,266</u>	<u>7,857</u>	<u>-</u>	<u>912,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(276,123)</u>	<u>9,891</u>	<u>3,622</u>	<u>(146,797)</u>
Other financing sources (uses):				
Transfers in	200,000	-	-	200,000
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances.	(76,123)	9,891	3,622	53,203
Fund balances at beginning of year	<u>346,764</u>	<u>20,593</u>	<u>16,453</u>	<u>1,069,903</u>
Fund balances at end of year	<u>\$ 270,641</u>	<u>\$ 30,484</u>	<u>\$ 20,075</u>	<u>\$ 1,123,106</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 315,822	\$ 315,819	\$ -	\$ -	\$ -
-	-	-	-	5,428
45,390	45,389	-	-	-
-	-	-	-	-
-	-	-	6,499	-
-	-	-	-	-
<u>361,212</u>	<u>361,208</u>	<u>-</u>	<u>6,499</u>	<u>5,428</u>
-	-	-	-	-
-	-	-	19,923	-
-	-	-	-	-
-	-	-	80	-
-	273,968	-	-	-
467,883	-	-	-	-
<u>467,883</u>	<u>273,968</u>	<u>-</u>	<u>20,003</u>	<u>-</u>
(106,671)	87,240	-	(13,504)	5,428
-	-	-	-	-
-	-	-	-	-
(106,671)	87,240	-	(13,504)	5,428
727,046	295,084	1,780	225,669	43,311
<u>\$ 620,375</u>	<u>\$ 382,324</u>	<u>\$ 1,780</u>	<u>\$ 212,165</u>	<u>\$ 48,739</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, 2017

	Continuing Professional Education	Community Disaster Relief	Mayor's Court	Total Nonmajor Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 789,486
Fines and forfeitures	-	-	169,383	196,181
Intergovernmental	9,640	-	-	867,116
Interest	-	-	2	2
Contributions and donations	-	-	-	6,499
Other	-	-	-	31,077
Total revenues	<u>9,640</u>	<u>-</u>	<u>169,385</u>	<u>1,890,361</u>
Expenditures:				
Current:				
General government	-	-	156,529	164,386
Security of persons and property:				
Police	2,080	-	-	22,003
Fire	-	-	-	466,266
Public health and welfare	-	-	-	80
Transportation	-	-	-	1,186,241
Basic utility services	-	-	-	467,883
Total expenditures	<u>2,080</u>	<u>-</u>	<u>156,529</u>	<u>2,306,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,560</u>	<u>-</u>	<u>12,856</u>	<u>(416,498)</u>
Other financing sources (uses):				
Transfers in	-	-	-	400,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
Net change in fund balances.	7,560	-	12,856	(16,498)
Fund balances at beginning of year	<u>10,280</u>	<u>1,375</u>	<u>10,424</u>	<u>2,768,682</u>
Fund balances at end of year	<u>\$ 17,840</u>	<u>\$ 1,375</u>	<u>\$ 23,280</u>	<u>\$ 2,752,184</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 157,316	\$ 157,316	\$ 157,845	\$ 529
Intergovernmental	23,244	23,244	29,070	5,826
Other	-	-	3,228	3,228
Total revenues	<u>180,560</u>	<u>180,560</u>	<u>190,143</u>	<u>9,583</u>
Expenditures:				
Current:				
Security of Person and Property:				
Fire:				
Personal services	390,801	384,639	341,511	43,128
Contract services	164,833	153,577	114,000	39,577
Materials and supplies	35,831	29,280	24,435	4,845
Capital outlay	7,461	7,440	6,332	1,108
Other	-	2,800	-	2,800
Total expenditures	<u>598,926</u>	<u>577,736</u>	<u>486,278</u>	<u>91,458</u>
Excess of expenditures over revenues	<u>(418,366)</u>	<u>(397,176)</u>	<u>(296,135)</u>	<u>101,041</u>
Other financing sources:				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	(218,366)	(197,176)	(96,135)	101,041
Fund balance at beginning of year	<u>326,856</u>	<u>326,856</u>	<u>326,856</u>	<u>-</u>
Prior year encumbrances appropriated	<u>34,976</u>	<u>34,976</u>	<u>34,976</u>	<u>-</u>
Fund balance at end of year	<u>\$ 143,466</u>	<u>\$ 164,656</u>	<u>\$ 265,697</u>	<u>\$ 101,041</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, 2017

	<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	\$ 18,707	\$ 18,707	\$ 16,540	\$ (2,167)
Total revenues	<u>18,707</u>	<u>18,707</u>	<u>16,540</u>	<u>(2,167)</u>
Expenditures:				
Current:				
General Government:				
Computer:				
Contract services	5,300	5,300	4,507	793
Materials and supplies.	1,000	1,000	1,000	-
Capital outlay	<u>2,700</u>	<u>2,700</u>	<u>2,400</u>	<u>300</u>
Total expenditures.	<u>9,000</u>	<u>9,000</u>	<u>7,907</u>	<u>1,093</u>
Net change in fund balance	9,707	9,707	8,633	(1,074)
Fund balance at beginning of year	<u>19,307</u>	<u>19,307</u>	<u>19,307</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,014</u>	<u>\$ 29,014</u>	<u>\$ 27,940</u>	<u>\$ (1,074)</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, 2017

	<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	\$ 2,468	\$ 2,468	\$ 3,413	\$ 945
Total revenues	<u>2,468</u>	<u>2,468</u>	<u>3,413</u>	<u>945</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	1,500	1,500	-	1,500
Materials and supplies.	1,000	1,000	-	1,000
Capital outlay	1,500	1,500	-	1,500
Total expenditures.	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net change in fund balance	(1,532)	(1,532)	3,413	4,945
Fund balance at beginning of year	<u>16,453</u>	<u>16,453</u>	<u>16,453</u>	<u>-</u>
Fund balance at end of year	<u>\$ 14,921</u>	<u>\$ 14,921</u>	<u>\$ 19,866</u>	<u>\$ 4,945</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 739,816	\$ 739,816	\$ 740,521	\$ 705
Other	3,705	3,705	27,849	24,144
Total revenues	<u>743,521</u>	<u>743,521</u>	<u>768,370</u>	<u>24,849</u>
Expenditures:				
Current:				
Transportation:				
Personal services	322,150	319,593	334,165	(14,572)
Contract services	323,284	310,394	214,939	95,455
Materials and supplies	731,533	714,535	367,425	347,110
Capital outlay	81,970	81,971	81,970	1
Total expenditures	<u>1,458,937</u>	<u>1,426,493</u>	<u>998,499</u>	<u>427,994</u>
Excess expenditures over revenues	<u>(715,416)</u>	<u>(682,972)</u>	<u>(230,129)</u>	<u>452,843</u>
Other financing sources:				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	(515,416)	(482,972)	(30,129)	452,843
Fund balance at beginning of year	358,494	358,494	358,494	-
Prior year encumbrances appropriated .	<u>355,337</u>	<u>355,337</u>	<u>355,337</u>	<u>-</u>
Fund balance at end of year	<u>\$ 198,415</u>	<u>\$ 230,859</u>	<u>\$ 683,702</u>	<u>\$ 452,843</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 314,675	\$ 314,675	\$ 315,822	\$ 1,147
Intergovernmental	46,446	46,446	45,390	(1,056)
Total revenues	<u>361,121</u>	<u>361,121</u>	<u>361,212</u>	<u>91</u>
Expenditures:				
Current:				
Basic Utility Services:				
Storm Sewers:				
Personal services	55,000	55,000	50,000	5,000
Contract services	740,561	690,094	556,524	133,570
Materials and supplies.	16,775	15,671	7,274	8,397
Total expenditures.	<u>812,336</u>	<u>760,765</u>	<u>613,798</u>	<u>146,967</u>
Net change in fund balance	(451,215)	(399,644)	(252,586)	147,058
Fund balance at beginning of year	419,171	419,171	419,171	-
Prior year encumbrances appropriated .	<u>401,836</u>	<u>401,836</u>	<u>401,836</u>	<u>-</u>
Fund balance at end of year	<u>\$ 369,792</u>	<u>\$ 421,363</u>	<u>\$ 568,421</u>	<u>\$ 147,058</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 314,674	\$ 314,674	\$ 315,819	\$ 1,145
Intergovernmental	46,446	46,446	45,389	(1,057)
Total revenues	<u>361,120</u>	<u>361,120</u>	<u>361,208</u>	<u>88</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Personal services	55,000	55,000	55,000	-
Contract services	462,597	440,745	333,600	107,145
Total expenditures.	<u>517,597</u>	<u>495,745</u>	<u>388,600</u>	<u>107,145</u>
Net change in fund balance	(156,477)	(134,625)	(27,392)	107,233
Fund balance at beginning of year	88,395	88,395	88,395	-
Prior year encumbrances appropriated .	<u>306,597</u>	<u>306,597</u>	<u>306,597</u>	<u>-</u>
Fund balance at end of year	<u>\$ 238,515</u>	<u>\$ 260,367</u>	<u>\$ 367,600</u>	<u>\$ 107,233</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ -	\$ (75,000)
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</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>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>1,780</u>	<u>1,780</u>	<u>1,780</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,780</u>	<u>\$ 1,780</u>	<u>\$ 1,780</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 6,000	\$ 6,000	\$ 6,499	\$ 499
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>6,499</u>	<u>499</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Contract services	21,700	23,450	-	23,450
Total legislative and executive	<u>21,700</u>	<u>23,450</u>	<u>-</u>	<u>23,450</u>
Total General Government	<u>21,700</u>	<u>23,450</u>	<u>-</u>	<u>23,450</u>
Security of Persons and Property:				
Police:				
Contract services	7,071	25,870	18,800	7,070
Total police	<u>7,071</u>	<u>25,870</u>	<u>18,800</u>	<u>7,070</u>
Fire:				
Contract services	9,206	9,206	1,123	8,083
Total fire	<u>9,206</u>	<u>9,206</u>	<u>1,123</u>	<u>8,083</u>
Total Security of Persons and Property	<u>16,277</u>	<u>35,076</u>	<u>19,923</u>	<u>15,153</u>
Public Health and Welfare:				
E.M.S.:				
Contract services	2,425	2,425	80	2,345
Total E.M.S.	<u>2,425</u>	<u>2,425</u>	<u>80</u>	<u>2,345</u>
Total Public Health and Welfare	<u>2,425</u>	<u>2,425</u>	<u>80</u>	<u>2,345</u>
Leisure Time Activites:				
Park Maintance:				
Contract services	148,812	148,813	-	148,813
Total Park maintance	<u>148,812</u>	<u>148,813</u>	<u>-</u>	<u>148,813</u>
Total Leisure Time Activites	<u>148,812</u>	<u>148,813</u>	<u>-</u>	<u>2,345</u>
Total expenditures	<u>189,214</u>	<u>209,764</u>	<u>20,003</u>	<u>43,293</u>
Net change in fund balance	(183,214)	(203,764)	(13,504)	43,792
Fund balance at beginning of year	<u>225,669</u>	<u>225,669</u>	<u>225,669</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,455</u>	<u>\$ 21,905</u>	<u>\$ 212,165</u>	<u>\$ 43,792</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<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	\$ -	\$ -	\$ 5,428	\$ 5,428
Intergovernmental	6,173	6,173	-	(6,173)
Total revenues	<u>6,173</u>	<u>6,173</u>	<u>5,428</u>	<u>(745)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Materials and supplies.	29,000	29,000	-	29,000
Total expenditures	<u>29,000</u>	<u>29,000</u>	<u>-</u>	<u>29,000</u>
Net change in fund balance	(22,827)	(22,827)	5,428	28,255
Fund balance at beginning of year	<u>43,311</u>	<u>43,311</u>	<u>43,311</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,484</u>	<u>\$ 20,484</u>	<u>\$ 48,739</u>	<u>\$ 28,255</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 5,500	\$ 5,500
Total revenues	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>5,500</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	2,080	2,080	2,080	-
Total Police	<u>2,080</u>	<u>2,080</u>	<u>2,080</u>	<u>-</u>
Total expenditures	<u>2,080</u>	<u>2,080</u>	<u>2,080</u>	<u>-</u>
Net change in fund balance	(2,080)	(2,080)	3,420	5,500
Fund balance at beginning of year	<u>4,780</u>	<u>4,780</u>	<u>4,780</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,700</u>	<u>\$ 2,700</u>	<u>\$ 8,200</u>	<u>\$ 5,500</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General Government:				
Income Tax Division:				
Contract services	1,375	1,375	-	1,375
Total expenditures	<u>1,375</u>	<u>1,375</u>	<u>-</u>	<u>1,375</u>
Net change in fund balance	(1,375)	(1,375)	-	1,375
Fund balance at beginning of year	<u>1,375</u>	<u>1,375</u>	<u>1,375</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,375</u></u>	<u><u>\$ 1,375</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 332,500	\$ 332,500	\$ 897,617	\$ 565,117
Total revenues	<u>332,500</u>	<u>332,500</u>	<u>897,617</u>	<u>565,117</u>
Expenditures:				
Current:				
General Government:				
Personal services	106,750	103,269	79,529	23,740
Contract services	238,791	228,887	224,285	4,602
Materials and supplies.	<u>1,000</u>	<u>1,000</u>	<u>500</u>	<u>500</u>
Total General Government.	<u>346,541</u>	<u>333,156</u>	<u>304,314</u>	<u>28,842</u>
Total expenditures	<u>346,541</u>	<u>333,156</u>	<u>304,314</u>	<u>28,842</u>
Net change in fund balance	(14,041)	(656)	593,303	593,959
Fund balance at beginning of year	2,625,544	2,625,544	2,625,544	-
Prior year encumbrances appropriated .	<u>14,041</u>	<u>14,041</u>	<u>14,041</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,625,544</u>	<u>\$ 2,638,929</u>	<u>\$ 3,232,888</u>	<u>\$ 593,959</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General Government:				
Personal services	\$ 151,000	\$ 151,000	\$ 89,826	\$ 61,174
Total General Government	<u>151,000</u>	<u>151,000</u>	<u>89,826</u>	<u>61,174</u>
Security of Persons and Property:				
Police:				
Personal services	41,000	41,000	31,884	9,116
Total Police	<u>41,000</u>	<u>41,000</u>	<u>31,884</u>	<u>9,116</u>
Total Security of Persons and Property	<u>41,000</u>	<u>41,000</u>	<u>31,884</u>	<u>9,116</u>
Total expenditures	<u>192,000</u>	<u>192,000</u>	<u>121,710</u>	<u>70,290</u>
Excess expenditures over revenues	<u>(192,000)</u>	<u>(192,000)</u>	<u>(121,710)</u>	<u>70,290</u>
Net change in fund balance	(192,000)	(192,000)	(121,710)	70,290
Fund balance at beginning of year	<u>1,568,892</u>	<u>1,568,892</u>	<u>1,568,892</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,376,892</u>	<u>\$ 1,376,892</u>	<u>\$ 1,447,182</u>	<u>\$ 70,290</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, 2017

	<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:				
Contract 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>157,000</u>	<u>157,000</u>	<u>157,000</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 57,000</u></u>	<u><u>\$ 57,000</u></u>	<u><u>\$ 57,000</u></u>	<u><u>\$ -</u></u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Issue II</u>	<u>Indoor Firearms Training Range Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Equity in pooled cash and investments.	\$ 30,000	\$ 200,000	\$ 230,000
Receivables:			
Income taxes.	<u>-</u>	<u>19,188</u>	<u>19,188</u>
Total assets.	<u>\$ 30,000</u>	<u>\$ 219,188</u>	<u>\$ 249,188</u>
Liabilities:			
Accounts payable.	9,500	-	9,500
Interfunds loans payable	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total liabilities.	<u>39,500</u>	<u>-</u>	<u>39,500</u>
Deferred Inflows of Resources:			
Income tax revenue not available.		<u>\$ 14,110</u>	<u>\$ 14,110</u>
Total deferred inflows of resources	<u>-</u>	<u>14,110</u>	<u>14,110</u>
Fund Balances:			
Committed	-	205,078	205,078
Unassigned (deficit)	<u>(9,500)</u>	<u>-</u>	<u>(9,500)</u>
Total fund balances	<u>(9,500)</u>	<u>205,078</u>	<u>195,578</u>
Total liabilities, deferred inflows of resources and fund balance.	<u>\$ 30,000</u>	<u>\$ 219,188</u>	<u>\$ 249,188</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Issue II</u>	<u>Indoor Firearms Training Range Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Income tax	\$ -	\$ 51,232	\$ 51,232
Total revenues	<u>-</u>	<u>51,232</u>	<u>51,232</u>
Expenditures:			
Capital outlay	<u>9,500</u>	<u>-</u>	<u>9,500</u>
Total expenditures	<u>9,500</u>	<u>-</u>	<u>9,500</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(9,500)</u>	<u>51,232</u>	<u>41,732</u>
Other financing uses:			
Transfers out	<u>(202,578)</u>	<u>-</u>	<u>(202,578)</u>
Total other financing uses	<u>(202,578)</u>	<u>-</u>	<u>(202,578)</u>
Net change in fund balances	(212,078)	51,232	(160,846)
Fund balances at beginning of year	<u>202,578</u>	<u>153,846</u>	<u>356,424</u>
Fund balances (deficit) at end of year	<u>\$ (9,500)</u>	<u>\$ 205,078</u>	<u>\$ 195,578</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 197,879	\$ -	\$ (197,879)
Total revenues	<u>-</u>	<u>197,879</u>	<u>-</u>	<u>(197,879)</u>
Expenditures:				
Capital Outlay:				
Contract services	-	197,879	30,000	167,879
Total capital outlay	<u>-</u>	<u>197,879</u>	<u>30,000</u>	<u>167,879</u>
Total expenditures	<u>-</u>	<u>197,879</u>	<u>30,000</u>	<u>167,879</u>
Excess of expenditures over revenues	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>
Other financing sources (uses):				
Advanced in	-	-	30,000	30,000
Transfers out	(202,578)	(202,578)	(202,578)	-
Total other financing sources (uses) . . .	<u>(202,578)</u>	<u>(202,578)</u>	<u>(172,578)</u>	<u>30,000</u>
Net change in fund balance	(202,578)	(202,578)	(202,578)	-
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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDOOR FIREARMS TRAINING RANGE IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	50,000	50,000	50,000	-
Fund balance at beginning of year	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</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, 2017

	<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	\$ 1,274,106	\$ 1,274,106	\$ 1,107,077	\$ (167,029)
Total operating revenues	<u>1,274,106</u>	<u>1,274,106</u>	<u>1,107,077</u>	<u>(167,029)</u>
Operating Expenses:				
Contract services	357,448	333,000	298,665	34,335
Claims	<u>1,097,319</u>	<u>1,096,041</u>	<u>1,046,042</u>	<u>49,999</u>
Total operating expenses	<u>1,454,767</u>	<u>1,429,041</u>	<u>1,344,707</u>	<u>84,334</u>
Operating loss/ change in fund equity	(180,661)	(154,935)	(237,630)	(82,695)
Fund equity at beginning of year	1,364,792	1,364,792	1,364,792	-
Prior year encumbrances appropriated .	<u>26,767</u>	<u>26,767</u>	<u>26,767</u>	-
Fund equity at end of year	<u>\$ 1,210,898</u>	<u>\$ 1,236,624</u>	<u>\$ 1,153,929</u>	<u>\$ (82,695)</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, 2017

	Beginning Balance 12/31/2016	Additions	Reductions	Ending Balance 12/31/2017
Deposits and Fees				
Assets:				
Cash and cash equivalents in segregated accounts.	\$ 91,546	\$ 10,980	\$ 23,586	\$ 78,940
Total assets.	<u>\$ 91,546</u>	<u>\$ 10,980</u>	<u>\$ 23,586</u>	<u>\$ 78,940</u>
Liabilities:				
Deposits held and due to others	\$ 91,546	\$ 10,980	\$ 23,586	\$ 78,940
Total liabilities	<u>\$ 91,546</u>	<u>\$ 10,980</u>	<u>\$ 23,586</u>	<u>\$ 78,940</u>

Statistical Section



Bitzer Park and War Memorial

CITY OF NORTH CANTON, OHIO

**STATISTICAL SECTION
TABLE OF CONTENTS**

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

<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.	146-157
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.	158-165
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.	166-171
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.	172-175
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.	176-181

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 (3)</u>
Governmental Activities				
Net investment in capital assets	\$ 33,955,258	\$ 32,868,204	\$ 31,398,690	\$ 31,628,172
Restricted for:				
Capital projects	219,188	368,468	302,578	713,158
Street construction, maintenance and repair	-	-	-	-
Emergency medical services	-	-	-	-
Fire operations	-	-	-	-
Computer systems	30,484	20,593	7,856	2,243
Security of persons and property - police	86,654	70,044	57,373	46,564
Security of persons and property - fire	194,168	278,879	150,299	211,861
Public health and welfare	217,191	1,375	1,370	530,811
Transportation	1,548,496	1,473,127	1,183,270	1,580,377
Basic utilities	655,354	760,292	875,885	430,153
General trust	212,165	225,669	221,262	194,378
Mayors Court	23,280	10,424	7,357	10,269
Storm sewer	-	-	-	-
Donations and supplies	-	-	-	-
Other purposes	-	-	-	-
Unrestricted	<u>8,132,845</u>	<u>7,877,344</u>	<u>8,810,236</u>	<u>6,443,087</u>
Total governmental activities net position	<u>\$ 45,275,083</u>	<u>\$ 43,954,419</u>	<u>\$ 43,016,176</u>	<u>\$ 41,791,073</u>
Business-type Activities				
Net investment in capital assets	\$ 31,587,314	\$ 29,398,761	\$ 28,680,671	\$ 27,533,121
Unrestricted	<u>6,794,126</u>	<u>7,896,552</u>	<u>7,300,889</u>	<u>7,074,176</u>
Total business-type activities net position	<u>\$ 38,381,440</u>	<u>\$ 37,295,313</u>	<u>\$ 35,981,560</u>	<u>\$ 34,607,297</u>
Total Primary Government				
Net investment in capital assets	\$ 65,542,572	\$ 62,266,965	\$ 60,079,361	\$ 59,161,293
Restricted	3,186,980	3,208,871	2,807,250	3,719,814
Unrestricted	<u>14,926,971</u>	<u>15,773,896</u>	<u>16,111,125</u>	<u>13,517,263</u>
Total primary government net position	<u>\$ 83,656,523</u>	<u>\$ 81,249,732</u>	<u>\$ 78,997,736</u>	<u>\$ 76,398,370</u>

Source: City financial records.

- (1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.
- (2) Amounts have been restated to reflect a restatement.
- (3) Amounts have been restated to reflect a restatement related to GASB Statement No. 68 & 71.

<u>2013 (2)</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 30,087,393	\$ 30,162,804	\$ 28,206,677	\$ 28,683,552	\$ 28,598,354	\$ 28,494,366
202,578	202,578	164,021	1,843,983	1,057,592	976,112
-	-	-	1,134,308	1,042,924	774,996
-	-	-	190,534	190,303	128,653
-	-	-	133,317	95,270	44,003
9,249	12,430	15,834	22,113	15,472	34,987
41,790	41,628	95,411	-	-	-
116,726	17,036	-	-	-	-
572,499	296,690	-	-	-	-
1,215,859	1,207,215	1,304,606	-	-	-
536,338	535,373	479,041	-	-	-
190,613	48,884	15,951	-	-	-
12,038	13,957	1,840	-	-	-
-	-	-	535,073	483,356	524,203
-	-	-	16,830	32,363	17,062
-	-	-	27,933	36,808	17,822
9,267,304	7,644,922	6,461,011	1,311,616	2,053,244	3,252,531
<u>\$ 42,252,387</u>	<u>\$ 40,183,517</u>	<u>\$ 36,744,392</u>	<u>\$ 33,899,259</u>	<u>\$ 33,605,686</u>	<u>\$ 34,264,735</u>
\$ 26,626,707	\$ 26,042,734	\$ 25,897,087	\$ 25,702,585	\$ 25,353,521	\$ 24,501,565
7,952,328	7,523,687	6,580,867	5,699,657	4,524,526	4,781,693
<u>\$ 34,579,035</u>	<u>\$ 33,566,421</u>	<u>\$ 32,477,954</u>	<u>\$ 31,402,242</u>	<u>\$ 29,878,047</u>	<u>\$ 29,283,258</u>
\$ 56,714,100	\$ 56,205,538	\$ 54,103,764	\$ 54,386,137	\$ 53,951,875	\$ 52,995,931
2,897,690	2,375,791	2,076,704	3,904,091	2,954,088	2,517,838
17,219,632	15,168,609	13,041,878	7,011,273	6,577,770	8,034,224
<u>\$ 76,831,422</u>	<u>\$ 73,749,938</u>	<u>\$ 69,222,346</u>	<u>\$ 65,301,501</u>	<u>\$ 63,483,733</u>	<u>\$ 63,547,993</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 420,751	\$ 448,431	\$ 349,591	\$ 389,409
Security of persons and property:				
Police	18,316	17,508	17,119	13,069
Fire	-	-	100	430
Public health and welfare	624,130	580,315	470,156	551,809
Community environment	325,414	352,345	467,586	397,787
Leisure time activities	143,365	85,268	134,058	301,977
Subtotal - charges for services	<u>1,531,976</u>	<u>1,483,867</u>	<u>1,438,610</u>	<u>1,654,481</u>
Operating grants and contributions				
General government	2	8,887	6	5
Security of persons and property:				
Police	16,113	5,500	2,080	2,608
Fire	3,391	9	38,934	16,854
Public health and welfare	1,449	140	26,693	54,123
Transportation	767,210	961,922	784,987	780,991
Leisure time activities	-	1,768	-	1,282
Economic development	-	-	-	-
Basic utility services	-	-	-	702
Subtotal - operating grants and contributions	<u>788,165</u>	<u>978,226</u>	<u>852,700</u>	<u>856,565</u>
Capital grants and contributions				
Transportation	192,500	-	1,127,854	994,073
Leisure time activities	-	-	-	-
Economic development	-	-	65,920	2,331,548
Subtotal - capital grants and contributions	<u>192,500</u>	<u>-</u>	<u>1,193,774</u>	<u>3,325,621</u>
Total governmental activities program revenues	<u>2,512,641</u>	<u>2,462,093</u>	<u>3,485,084</u>	<u>5,836,667</u>
Business-type activities:				
Charges for services:				
Water	7,009,035	7,065,818	6,818,684	6,404,161
Sewer	3,024,104	3,048,897	2,910,360	2,830,415
Garbage	975,832	927,769	895,826	897,523
Subtotal - charges for services	<u>11,008,971</u>	<u>11,042,484</u>	<u>10,624,870</u>	<u>10,132,099</u>
Operating grants and contributions:				
Garbage	62,960	76,277	66,227	56,867
Subtotal - operating grants and contributions	<u>62,960</u>	<u>76,277</u>	<u>66,227</u>	<u>56,867</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>11,071,931</u>	<u>11,118,761</u>	<u>10,691,097</u>	<u>10,188,966</u>
Total primary government	<u>\$ 13,584,572</u>	<u>\$ 13,580,854</u>	<u>\$ 14,176,181</u>	<u>\$ 16,025,633</u>

	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	461,653	\$ 381,444	\$ 316,780	\$ 306,383	\$ 361,766	\$ 236,634
	18,814	11,298	23,934	14,976	22,274	8,006
	-	-	-	340	-	-
	599,043	498,983	528,999	458,502	416,579	231,002
	304,774	261,986	194,781	178,145	193,024	154,156
	288,350	355,269	376,177	384,118	329,340	389,748
	<u>1,672,634</u>	<u>1,508,980</u>	<u>1,440,671</u>	<u>1,342,464</u>	<u>1,322,983</u>	<u>1,019,546</u>
	6	8	6	6	-	42,885
	134,370	10,296	3,818	-	3,146	8,948
	12,686	29,619	92,010	6	289	2,459
	12,798	286,753	24	50,211	3,330	266
	878,888	869,781	740,998	905,023	681,889	841,285
	31,918	-	198	-	350	501
	-	-	-	-	4,197,409	-
	670	335	-	29,995	448,424	-
	<u>1,071,336</u>	<u>1,196,792</u>	<u>837,054</u>	<u>985,241</u>	<u>5,334,837</u>	<u>896,344</u>
	1,793,398	3,102,193	1,089,922	762,392	491,915	36,818
	-	-	-	-	-	32,245
	-	-	-	-	-	-
	<u>1,793,398</u>	<u>3,102,193</u>	<u>1,089,922</u>	<u>762,392</u>	<u>491,915</u>	<u>69,063</u>
	<u>4,537,368</u>	<u>5,807,965</u>	<u>3,367,647</u>	<u>3,090,097</u>	<u>7,149,735</u>	<u>1,984,953</u>
	6,150,482	6,051,273	5,891,652	5,898,393	5,885,354	5,949,012
	2,854,520	2,773,669	2,729,854	2,431,111	2,286,131	2,167,750
	883,742	881,780	845,184	811,940	812,774	759,547
	<u>9,888,744</u>	<u>9,706,722</u>	<u>9,466,690</u>	<u>9,141,444</u>	<u>8,984,259</u>	<u>8,876,309</u>
	28,371	39,998	38,498	51,768	49,802	63,655
	<u>28,371</u>	<u>39,998</u>	<u>38,498</u>	<u>51,768</u>	<u>49,802</u>	<u>63,655</u>
	-	-	-	240,000	65,702	188,670
	-	-	-	359,520	-	-
	-	-	-	<u>599,520</u>	<u>65,702</u>	<u>188,670</u>
	9,917,115	9,746,720	9,505,188	9,792,732	9,099,763	9,128,634
\$	<u>14,454,483</u>	<u>15,554,685</u>	<u>12,872,835</u>	<u>12,882,829</u>	<u>16,249,498</u>	<u>11,113,587</u>

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CITY OF NORTH CANTON, OHIO

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

	2017	2016	2015	2014
Expenses:				
Governmental Activities				
General government	\$ 2,139,358	\$ 1,858,413	\$ 1,820,019	\$ 1,797,198
Security of persons and property:				
Police	3,623,736	3,639,343	3,346,255	3,026,167
Fire	610,936	750,133	637,260	561,489
Public health and welfare	1,812,729	1,600,200	1,584,397	1,660,454
Transportation	2,808,748	2,182,339	3,180,380	1,936,292
Community environment	559,672	520,582	541,360	442,474
Leisure time activities	702,842	674,203	754,631	867,399
Economic development	-	-	313,143	1,110,772
Basic utility services	553,272	1,006,385	516,290	615,934
Interest and fiscal charges	50,163	77,397	80,997	85,052
Total governmental activities expenses	12,861,456	12,308,995	12,774,732	12,103,231
Business-type activities:				
Water	\$ 5,472,143	\$ 5,577,703	\$ 5,321,422	\$ 5,261,976
Sewer	3,584,577	3,169,297	3,017,885	2,626,109
Garbage	1,006,131	947,836	922,038	991,279
Total business-type activities expenses	10,062,851	9,694,836	9,261,345	8,879,364
Total primary government program expenses	\$ 22,924,307	\$ 22,003,831	\$ 22,036,077	\$ 20,982,595
Net (Expense) Revenue				
Governmental activities	(10,348,815)	(9,846,902)	(9,289,648)	(6,266,564)
Business-type activities	1,009,080	1,423,925	1,429,752	1,309,602
Total primary government net expense	\$ (9,339,735)	\$ (8,422,977)	\$ (7,859,896)	\$ (4,956,962)

<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,916,122	\$ 1,914,208	\$ 1,882,729	\$ 1,958,753	\$ 2,154,096	\$ 2,235,205
3,209,466	3,184,475	3,027,294	3,269,935	3,271,884	3,049,396
663,161	731,977	797,998	623,594	750,783	705,273
1,500,576	1,690,461	1,657,395	1,537,536	1,567,495	1,476,085
3,574,374	3,333,527	2,210,572	2,420,679	2,629,812	2,575,379
402,156	416,531	404,088	456,226	503,388	619,805
789,887	791,895	808,252	903,568	909,636	965,725
-	-	-	207,434	4,100,754	-
607,310	542,450	672,814	406,544	401,269	566,496
89,725	94,829	171,435	20,525	22,707	55,072
<u>12,752,777</u>	<u>12,700,353</u>	<u>11,632,577</u>	<u>11,804,794</u>	<u>16,311,824</u>	<u>12,248,436</u>
\$ 6,223,675	\$ 5,349,166	\$ 5,236,367	\$ 5,176,387	\$ 5,660,450	\$ 5,106,672
2,594,504	2,432,758	2,306,528	2,256,669	2,017,112	1,946,158
936,462	860,061	856,923	879,774	974,743	742,158
<u>9,754,641</u>	<u>8,641,985</u>	<u>8,399,818</u>	<u>8,312,830</u>	<u>8,652,305</u>	<u>7,794,988</u>
<u>\$ 22,507,418</u>	<u>\$ 21,342,338</u>	<u>\$ 20,032,395</u>	<u>\$ 20,117,624</u>	<u>\$ 24,964,129</u>	<u>\$ 20,043,424</u>
(8,215,409)	(6,892,388)	(8,264,930)	(8,714,697)	(9,162,089)	(10,263,483)
<u>162,474</u>	<u>1,104,735</u>	<u>1,105,370</u>	<u>1,479,902</u>	<u>447,458</u>	<u>1,333,646</u>
<u>\$ (8,052,935)</u>	<u>\$ (5,787,653)</u>	<u>\$ (7,159,560)</u>	<u>\$ (7,234,795)</u>	<u>\$ (8,714,631)</u>	<u>\$ (8,929,837)</u>

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CITY OF NORTH CANTON, OHIO

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 811,683	\$ 787,147	\$ 735,637	\$ 710,411
Fire operating levy	158,730	155,937	156,092	151,838
Emergency medical services levy	793,789	779,929	781,171	760,211
Storm sewer levy	317,592	312,171	317,120	313,045
Street levy	317,589	312,162	317,098	313,008
Municipal income taxes levied for:				
General purposes	5,885,948	5,956,308	6,064,347	5,822,946
Capital improvement	2,539,225	1,459,218	1,213,821	1,096,040
Grants and entitlements not restricted to				
Specific programs	641,490	659,166	695,530	1,766,623
Interest	143,590	102,615	70,740	61,894
Miscellaneous	59,843	71,487	43,195	91,727
Transfers	-	189,005	120,000	65,000
Total governmental activities	<u>11,669,479</u>	<u>10,785,145</u>	<u>10,514,751</u>	<u>11,152,743</u>
Business-type activities				
Miscellaneous	77,047	78,833	64,511	87,661
Transfers	-	(189,005)	(120,000)	(65,000)
Total business-type activities	<u>77,047</u>	<u>(110,172)</u>	<u>(55,489)</u>	<u>22,661</u>
Total primary government	<u>\$ 11,746,526</u>	<u>\$ 10,674,973</u>	<u>\$ 10,459,262</u>	<u>\$ 11,175,404</u>
Change in Net Position				
Governmental activities	\$ 1,320,664	\$ 938,243	\$ 1,225,103	\$ 4,886,179
Business-type activities	1,086,127	1,313,753	1,374,263	1,332,263
Total primary government	<u>\$ 2,406,791</u>	<u>\$ 2,251,996</u>	<u>\$ 2,599,366</u>	<u>\$ 6,218,442</u>

Source: City financial records.

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

<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 721,721	\$ 764,213	\$ 764,958	\$ 782,658	\$ 797,287	\$ 836,437
153,665	84,705	84,094	84,225	82,972	83,655
771,523	642,001	631,196	159,739	148,236	149,878
318,334	344,947	349,384	327,430	323,509	323,116
318,261	339,593	353,000	366,943	323,509	323,116
5,504,737	5,098,669	4,871,528	4,342,052	4,331,485	4,465,795
1,227,730	1,124,278	944,577	1,274,696	1,166,334	1,106,163
1,036,416	1,839,867	2,958,944	1,606,528	1,418,091	2,041,947
15,322	16,185	7,767	11,782	23,936	269,837
129,570	2,055	69,615	37,139	35,012	109,857
87,000	75,000	75,000	15,078	(147,331)	59,081
<u>10,284,279</u>	<u>10,331,513</u>	<u>11,110,063</u>	<u>9,008,270</u>	<u>8,503,040</u>	<u>9,768,882</u>
104,237	58,732	45,342	59,371	-	-
<u>(87,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>(15,078)</u>	<u>147,331</u>	<u>(59,081)</u>
<u>17,237</u>	<u>(16,268)</u>	<u>(29,658)</u>	<u>44,293</u>	<u>147,331</u>	<u>(59,081)</u>
<u>\$ 10,301,516</u>	<u>\$ 10,315,245</u>	<u>\$ 11,080,405</u>	<u>\$ 9,052,563</u>	<u>\$ 8,650,371</u>	<u>\$ 9,709,801</u>
\$ 2,068,870	\$ 3,439,125	\$ 2,845,133	\$ 293,573	\$ (659,049)	\$ (494,601)
179,711	1,088,467	1,075,712	1,524,195	594,789	1,274,565
<u>\$ 2,248,581</u>	<u>\$ 4,527,592</u>	<u>\$ 3,920,845</u>	<u>\$ 1,817,768</u>	<u>\$ (64,260)</u>	<u>\$ 779,964</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 70,950	\$ 61,766	\$ 36,379	\$ 24,071
Committed	4,703,664	4,358,353	4,791,066	3,949,413
Assigned	427,008	222,789	771,645	1,793,923
Unassigned	3,721,998	3,000,044	1,674,309	828,334
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 8,923,620</u>	<u>\$ 7,642,952</u>	<u>\$ 7,273,399</u>	<u>\$ 6,595,741</u>
All Other Governmental Funds				
Nonspendable	\$ 271,938	\$ 364,284	\$ 286,638	\$ 24,383
Restricted	2,945,276	2,819,372	2,660,012	3,421,318
Committed	3,159,736	4,044,728	5,605,860	4,637,231
Unassigned (deficit)	(9,500)	-	-	-
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 6,367,450</u>	<u>\$ 7,228,384</u>	<u>\$ 8,552,510</u>	<u>\$ 8,082,932</u>
Total governmental funds	<u>\$ 15,291,070</u>	<u>\$ 14,871,336</u>	<u>\$ 15,825,909</u>	<u>\$ 14,678,673</u>

Source: City financial records.

The City implemented GASB 54 in 2011.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Restated 2010</u>	<u>2009</u>	<u>2008</u>
\$ 12,344	\$ 19,469	\$ 24,826	\$ -	\$ -	\$ -
2,973,122	2,310,330	1,839,023	-	-	-
1,521,722	1,455,511	2,365,977	-	-	-
641,364	872,443	503,206	-	-	-
-	-	-	106,491	108,772	81,670
-	-	-	1,917,072	2,199,198	3,055,386
<u>\$ 5,148,552</u>	<u>\$ 4,657,753</u>	<u>\$ 4,733,032</u>	<u>\$ 2,023,563</u>	<u>\$ 2,307,970</u>	<u>\$ 3,137,056</u>
\$ 9,283	\$ 26,015	\$ 84,851	\$ -	\$ -	\$ -
2,779,437	2,154,328	2,683,823	-	-	-
4,141,798	3,249,558	1,951,833	-	-	-
(114,848)	(189,231)	(303,360)	-	-	-
-	-	-	2,192,721	737,856	899,423
-	-	-	1,093,839	1,522,698	1,133,862
-	-	-	(256,225)	(436,156)	192,097
<u>\$ 6,815,670</u>	<u>\$ 5,240,670</u>	<u>\$ 4,417,147</u>	<u>\$ 3,030,335</u>	<u>\$ 1,824,398</u>	<u>\$ 2,225,382</u>
<u>\$ 11,964,222</u>	<u>\$ 9,898,423</u>	<u>\$ 9,150,179</u>	<u>\$ 5,053,898</u>	<u>\$ 4,132,368</u>	<u>\$ 5,362,438</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues				
Taxes	\$ 10,481,211	\$ 8,996,634	\$ 9,509,514	\$ 9,042,284
Charges for services	667,432	582,091	598,194	756,126
Licenses and permits	325,414	352,345	467,586	397,787
Fines and forfeitures	319,908	352,768	279,305	283,297
Intergovernmental	1,584,149	1,639,257	2,635,791	5,886,372
Interest	144,194	105,255	61,649	63,556
Rentals	204,375	186,421	203,316	181,267
Contributions and donations	6,499	10,787	54,421	11,417
Other	87,808	76,339	87,825	137,983
Total revenues	<u>13,820,990</u>	<u>12,301,897</u>	<u>13,897,601</u>	<u>16,760,089</u>
Expenditures				
Current:				
General government	1,904,224	1,771,834	1,677,122	1,706,095
Security of persons and property:				
Police	3,242,360	3,219,499	3,234,260	3,269,463
Fire	466,266	464,986	529,909	504,635
Public health and welfare	1,644,628	1,678,460	1,566,294	1,658,889
Transportation	1,186,241	1,317,497	1,572,808	937,326
Community environment	514,138	539,291	557,799	447,225
Leisure time activities	505,092	560,245	616,280	754,214
Basic utility services	502,788	823,967	307,912	467,576
Economic development	-	-	313,143	1,706,120
Capital outlay	3,210,397	2,728,298	2,341,247	2,458,593
Debt service:				
Principal retirement	165,721	181,673	145,831	159,427
Interest and fiscal charges	59,401	58,120	86,423	91,075
Bond issuance costs	-	28,732	-	-
Total expenditures	<u>13,401,256</u>	<u>13,372,602</u>	<u>12,949,028</u>	<u>14,160,638</u>
Excess (deficiency) of revenues over (under) expenditures	419,734	(1,070,705)	948,573	2,599,451
Other Financing Sources (Uses)				
Sale of capital assets	-	-	56,601	-
Issuance of bond proceeds	-	1,233,180	-	-
Payment to refunded bond escrow agent	-	(1,337,277)	-	-
Premium on bond issuance	-	132,829	-	-
Inception of capital lease	-	-	22,062	-
Transfers in	877,578	1,207,600	2,138,757	1,679,400
Transfers out	(877,578)	(1,120,200)	(2,018,757)	(1,564,400)
Total other financing sources (uses)	<u>-</u>	<u>116,132</u>	<u>198,663</u>	<u>115,000</u>
Net change in fund balances	<u>\$ 419,734</u>	<u>\$ (954,573)</u>	<u>\$ 1,147,236</u>	<u>\$ 2,714,451</u>
Capital expenditures	\$ 3,394,861	\$ 3,466,510	\$ 2,108,678	\$ 3,497,103
Debt service as a percentage of noncapital expenditures	2.25%	2.42%	2.14%	2.35%

Source: City financial records.

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	8,888,544	\$ 8,385,266	\$ 8,025,579	\$ 7,292,004	\$ 7,176,340	\$ 7,298,228
	760,933	809,929	768,067	748,250	720,470	418,432
	304,774	261,986	194,781	178,145	193,024	154,156
	331,760	262,870	178,961	168,102	215,144	108,903
	4,170,149	5,707,775	4,991,646	4,189,234	5,184,081	2,777,801
	10,033	13,135	7,773	11,788	28,898	289,131
	195,880	215,402	243,282	257,595	277,537	202,932
	168,186	62,514	3,500	52,292	1,415,992	82,644
	189,133	87,254	79,090	44,185	42,410	123,852
	<u>15,019,392</u>	<u>15,806,131</u>	<u>14,492,679</u>	<u>12,941,595</u>	<u>15,253,896</u>	<u>11,456,079</u>
	1,810,499	1,810,943	1,832,330	1,841,185	2,028,118	2,149,856
	3,167,527	3,102,962	3,195,293	3,283,034	3,094,169	3,038,698
	581,231	617,881	721,363	577,900	580,697	578,707
	1,421,456	1,612,523	1,600,747	1,474,212	1,487,863	1,416,316
	1,426,291	1,584,937	1,191,111	1,494,494	1,206,706	1,515,298
	404,055	437,425	422,242	463,094	455,515	589,150
	678,926	684,494	764,555	781,696	817,514	941,185
	384,518	347,093	482,492	432,980	904,835	460,158
	-	-	-	207,434	4,100,754	-
	2,971,567	4,623,693	2,269,727	1,523,078	1,570,678	1,460,150
	185,283	214,952	401,315	282,274	249,111	287,196
	95,922	101,984	83,223	20,403	28,006	61,445
	-	-	86,340	-	-	-
	<u>13,127,275</u>	<u>15,138,887</u>	<u>13,050,738</u>	<u>12,381,784</u>	<u>16,523,966</u>	<u>12,498,159</u>
	1,892,117	667,244	1,441,941	559,811	(1,270,070)	(1,042,080)
	86,682	6,000	-	41,594	-	-
	-	-	2,500,000	-	-	-
	-	-	-	-	-	-
	-	-	79,340	-	-	-
	-	-	-	255,125	-	-
	1,815,000	2,665,122	952,692	1,993,035	2,140,000	1,936,060
	(1,728,000)	(2,590,122)	(877,692)	(1,928,035)	(2,100,000)	(1,890,320)
	<u>173,682</u>	<u>81,000</u>	<u>2,654,340</u>	<u>361,719</u>	<u>40,000</u>	<u>45,740</u>
\$	<u>2,065,799</u>	<u>748,244</u>	<u>4,096,281</u>	<u>921,530</u>	<u>(1,230,070)</u>	<u>(996,340)</u>
\$	1,811,647	\$ 4,085,424	\$ 2,256,845	\$ 1,923,064	\$ 1,908,358	\$ 1,709,755
	2.49%	2.87%	4.49%	2.89%	1.90%	3.23%

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
2017	\$ 301,311,680	\$ 85,356,080	\$ 1,104,765,029	\$ 7,717,590	\$ 8,769,989
2016	298,057,720	82,961,920	1,088,627,543	8,295,930	9,427,193
2015	274,041,110	76,738,380	1,002,227,114	8,417,570	9,565,420
2014	272,828,380	73,169,260	988,564,686	8,412,870	9,560,080
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

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>
\$ -	\$ -	\$ 394,385,350	\$ 1,113,535,017	35.42%	\$ 7.40
-	-	389,315,570	1,098,054,736	35.46%	7.40
-	-	359,197,060	1,011,792,535	35.50%	7.40
-	-	354,410,510	998,124,765	35.51%	7.40
-	-	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

CITY OF NORTH CANTON, OHIO

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</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	\$ 40.4147	\$ 40.5638	\$ 43.6119	\$ 46.6432
Commercial/Industrial and Public Utility Real	48.0005	48.4004	50.7375	52.0007
General Business and Public Utility	78.7000	78.7000	78.8000	78.8000
Stark County				
Residential/Agricultural Real	8.7202	8.7441	9.2924	9.3007
Commercial/Industrial and Public Utility Real	9.6085	9.6342	10.0762	10.0757
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	2.1053	2.1141	2.2986	2.3009
Commercial/Industrial and Public Utility Real	2.1814	2.1970	2.3222	2.3612
General Business and Public Utility	2.5000	2.5000	2.5000	2.5000

Source: County Auditor

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

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

The City has no charter millage.

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

(1) North Canton Library, Stark County Park District

2013	2012	2011	2010	2009	2008
<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>	<u>\$ 2.4000</u>
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2.5000	2.5000	2.5000	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>5.0000</u>	<u>5.0000</u>	<u>5.0000</u>	<u>3.5000</u>	<u>3.5000</u>	<u>3.5000</u>
<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>

\$ 38.9173	\$ 38.9173	\$ 45.4133	\$ 38.8841	\$ 34.0290	\$ 34.5888
47.0395	47.0395	53.7905	46.5217	42.0846	39.7213
76.0000	76.0000	83.4000	76.0000	72.3000	72.8000
8.9180	8.9180	8.7993	8.9134	6.9852	3.9848
9.5912	9.5912	9.5912	9.4212	7.8365	7.6556
11.5000	11.5000	11.5000	11.5000	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
2.3031	1.7797	1.7797	2.0555	0.7673	0.7677
2.3606	1.8370	1.8370	1.8344	0.8249	0.7974
2.5000	2.0000	2.0000	1.3818	1.0000	1.0000

CITY OF NORTH CANTON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2017	\$ 2,721,835	\$ 2,671,910	98.17%	\$ 56,332	\$ 2,728,242
2016	2,670,331	2,652,176	99.32%	40,889	2,693,065
2015	2,619,406	2,583,174	98.62%	55,306	2,638,480
2014	2,621,720	2,546,037	97.11%	53,961	2,599,998
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

Source: County Auditor

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

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

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
100.24%	\$ 90,935	3.34%
100.85%	73,862	2.77%
100.73%	73,862	2.82%
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%

CITY OF NORTH CANTON, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO

2017			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
McKinley Development Leasing Co LTD	\$ 6,447,680	1	1.63%
Maple Street Commerce LLC	6,815,230	2	1.73%
Versailles Gardens LTD	5,383,720	3	1.37%
Albrecht Incorporated	2,342,000	4	0.59%
Waterford at St. Luke	2,259,830	5	0.57%
Williamsburg Apartments LTD	2,001,640	6	0.51%
Berlin Commons LTD	1,934,320	7	0.49%
St. Luke Lutheran Home for the Aging	1,926,950	8	0.49%
Windsor Medical Center Inc.	1,772,810	9	0.45%
Euro Development LTD	1,847,260	10	0.47%
Total	<u>\$ 32,731,440</u>		<u>8.30%</u>
Total Assessed Valuation	<u>\$ 394,385,350</u>		

2008			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
McKinley Development Leasing Co. LTD	\$ 5,284,380	1	1.36%
Versailles Gardens LTD	4,899,940	2	1.26%
Albrecht Incorporated	2,547,410	3	0.66%
Waterford at St Luke	2,456,910	4	0.63%
Potsdamer Platz LLC	2,290,690	5	0.59%
Jewel Acquisition, LLC	2,023,430	6	0.52%
Berlin Commons LTD	1,966,720	7	0.51%
Williamsburg Apartments LTD	1,882,550	8	0.49%
Maple St. Commerce LLC	1,752,880	9	0.45%
Louisville Ventures, LTD	1,610,970	10	0.42%
Total	<u>\$ 26,715,880</u>		<u>6.89%</u>
Total Assessed Valuation	<u>\$ 387,874,760</u>		

Source: Stark County, Ohio, Auditor's Office

CITY OF NORTH CANTON, OHIO

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholdings	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2017	1.50%	\$ 7,915,117	\$ 5,033,628	63.60%	\$ 931,535	11.77%	\$ 1,949,954	24.64%
2016	1.50%	6,750,861	4,654,728	68.95%	612,423	9.07%	1,483,710	21.98%
2015	1.50%	7,108,368	4,727,504	66.51%	625,329	8.80%	1,755,535	24.70%
2014	1.50%	6,851,412	4,586,042	66.94%	614,229	8.96%	1,651,141	24.10%
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%

Source: The City of North Canton through the Regional Income Tax Agency (RITA).

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

CITY OF NORTH CANTON, OHIO

LEGAL DEBT MARGIN
LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Assessed Property Value	\$ 394,385,350	\$ 389,315,570	\$ 359,197,060	\$ 354,410,510
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>41,410,462</u>	<u>40,878,135</u>	<u>37,715,691</u>	<u>37,213,104</u>
Debt Outstanding				
Various Improvement Note	-	-	-	-
Governmental General Obligation Bonds	1,441,356	1,601,660	1,765,000	1,910,000
Water System Bonds	3,388,644	3,683,340	4,075,000	4,335,000
Water Notes	-	-	-	-
OPWC Loans	1,543,051	1,658,951	1,774,851	1,890,751
OWDA Loans	5,397,382	6,009,749	6,600,537	7,170,509
Intergovernmental Loans	1,627,081	1,330,599	1,108,156	528,923
Total gross indebtedness	<u>13,397,514</u>	<u>14,284,299</u>	<u>15,323,544</u>	<u>15,835,183</u>
Less:				
Water System Bonds	3,388,644	3,683,340	4,075,000	4,335,000
Water Notes	-	-	-	-
Sewer Notes	-	-	-	-
OPWC Loans	1,543,051	1,658,951	1,774,851	1,890,751
OWDA Loans	5,397,382	6,009,749	6,600,537	7,170,509
Intergovernmental Loans	1,627,081	1,330,599	1,108,156	528,923
Total net debt applicable to debt limit	<u>1,441,356</u>	<u>1,601,660</u>	<u>1,765,000</u>	<u>1,910,000</u>
Legal debt margin within 10 1/2 % limitation	\$ <u>39,969,106</u>	\$ <u>39,276,475</u>	\$ <u>35,950,691</u>	\$ <u>35,303,104</u>
Legal debt margin as a percentage of the debt limit	96.52%	96.08%	95.32%	94.87%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>21,691,194</u>	<u>21,412,356</u>	<u>19,755,838</u>	<u>19,492,578</u>
Total gross indebtedness	13,397,514	14,284,299	15,323,544	15,835,183
Less:				
Water System Bonds	3,388,644	3,683,340	4,075,000	4,335,000
Water Notes	-	-	-	-
Sewer Notes	-	-	-	-
OPWC Loans	1,543,051	1,658,951	1,774,851	1,890,751
OWDA Loans	5,397,382	6,009,749	6,600,537	7,170,509
Intergovernmental Loans	1,627,081	1,330,599	1,108,156	528,923
Net debt within 5 1/2 % limitations	<u>1,441,356</u>	<u>1,601,660</u>	<u>1,765,000</u>	<u>1,910,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	\$ <u>20,249,838</u>	\$ <u>19,810,696</u>	\$ <u>17,990,838</u>	\$ <u>17,582,578</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	93.36%	92.52%	91.07%	90.20%

Source: City financial records.

2013	2012	2011	2010	2009	2008
<u>\$ 353,748,300</u>	<u>\$ 377,029,310</u>	<u>\$ 377,895,960</u>	<u>\$ 378,629,750</u>	<u>\$ 389,904,030</u>	<u>\$ 394,082,950</u>
<u>37,143,572</u>	<u>39,588,078</u>	<u>39,679,076</u>	<u>39,756,124</u>	<u>40,939,923</u>	<u>41,378,710</u>
-	-	-	-	-	-
2,055,000	2,195,000	2,335,000	-	-	-
4,585,000	4,845,000	5,080,000	3,815,000	3,985,000	4,145,000
-	-	-	915,000	-	-
2,006,651	1,917,980	1,506,229	1,448,320	1,323,932	1,388,947
7,720,400	8,250,917	8,760,422	9,255,783	9,686,773	10,263,181
-	-	-	-	-	-
<u>16,367,051</u>	<u>17,208,897</u>	<u>17,681,651</u>	<u>15,434,103</u>	<u>14,995,705</u>	<u>15,797,128</u>
4,585,000	4,845,000	5,080,000	3,815,000	3,985,000	4,145,000
-	-	-	915,000	-	-
-	-	-	-	-	-
2,006,651	1,917,980	1,506,229	1,448,320	1,323,932	1,388,947
7,720,400	8,250,917	8,760,422	9,255,783	9,686,773	10,263,181
-	-	-	-	-	-
<u>2,055,000</u>	<u>2,195,000</u>	<u>2,335,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 35,088,572</u>	<u>\$ 37,393,078</u>	<u>\$ 37,344,076</u>	<u>\$ 39,756,124</u>	<u>\$ 40,939,923</u>	<u>\$ 41,378,710</u>
94.47%	94.46%	94.12%	100.00%	100.00%	100.00%
<u>19,456,157</u>	<u>20,736,612</u>	<u>20,784,278</u>	<u>20,824,636</u>	<u>21,444,722</u>	<u>21,674,562</u>
16,367,051	17,208,897	17,681,651	15,434,103	14,995,705	15,797,128
4,585,000	4,845,000	5,080,000	3,815,000	3,985,000	4,145,000
-	-	-	915,000	-	-
-	-	-	-	-	-
2,006,651	1,917,980	1,506,229	1,448,320	1,323,932	1,388,947
7,720,400	8,250,917	8,760,422	9,255,783	9,686,773	10,263,181
-	-	-	-	-	-
<u>2,055,000</u>	<u>2,195,000</u>	<u>2,335,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 17,401,157</u>	<u>\$ 18,541,612</u>	<u>\$ 18,449,278</u>	<u>\$ 20,824,636</u>	<u>\$ 21,444,722</u>	<u>\$ 21,674,562</u>
89.44%	89.41%	88.77%	100.00%	100.00%	100.00%

CITY OF NORTH CANTON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities		Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Bonds Payable	Notes/ Bonds Payable	OWDA Loans	Intergovernmental Loans	OPWC Loans			
2017	\$ 10,661	\$ 1,563,732	\$ 3,690,703	\$ 5,397,382	\$ 1,627,081	\$ 1,543,051	\$ 13,832,610	2.53%	\$ 794
2016	16,078	1,737,945	4,011,543	6,009,749	1,330,599	1,658,951	14,764,865	2.99%	847
2015	21,231	1,820,684	4,119,859	6,600,537	1,108,156	1,774,851	15,445,318	3.01%	883
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

Source: City financial records.

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

CITY OF NORTH CANTON, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017

<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	\$ 1,574,393	100.00%	\$ 1,574,393
	<u>1,574,393</u>		<u>1,574,393</u>
Overlapping debt:			
North Canton City School District	5,794,000	46.53%	2,695,948
Jackson Local School District	40,125,544	0.21%	84,264
Plain Local School District	38,815,000	6.86%	2,662,709
Stark County	5,984,982	5.48%	327,977
	<u>98,611,526</u>		<u>5,770,898</u>
Total direct and overlapping debt	<u>\$ 100,185,919</u>		<u>\$ 7,345,291</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 TEN YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2017	\$ 7,060,554	\$ 3,603,353	\$ 3,457,201	\$ 604,667	\$ 171,906	4.45
2016	7,139,007	3,737,053	3,401,954	583,345	228,614	4.19
2015	6,876,229	3,323,178	3,553,051	562,778	249,175	4.38
2014	6,470,000	3,110,809	3,359,191	542,938	269,016	4.14
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

(1) Operating expenses do not include depreciation.

Source: Office of the City Finance Director.

CITY OF NORTH CANTON, OHIO

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2017	\$ 3,049,564	\$ 3,101,903	\$ (52,339)	\$ 7,700	\$ 3,834	(4.54)
2016	3,054,541	2,781,567	272,974	7,443	4,641	22.59
2015	2,917,326	2,599,327	317,999	7,194	4,890	26.32
2014	2,849,831	2,213,954	635,877	6,953	5,130	52.63
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)
2016	17,422	\$ 547,451,506	\$ 31,423	\$ 55,874	44.0	35.3%
2016	17,441	494,487,232	28,352	52,210	42.0	36.1%
2015	17,490	513,209,070	29,343	52,530	42.5	33.3%
2014	17,433	494,260,416	28,352	50,728	41.0	35.4%
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%

(1) Source: U.S. Census

(a) Years 2008 through 2010 Federal Census and Years 2011-2017 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>
4,332	5.0%	\$ 158,696	\$ 394,385,350
4,427	5.2%	158,693	389,315,570
4,496	5.2%	124,869	359,197,060
4,515	5.7%	136,700	354,410,510
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

CITY OF NORTH CANTON, OHIO

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

		2017
Employer	Description	Rank
North Canton Board of Education	Education	1
Walsh University	Education	2
St. Lukes Home for the Aged	Medical	3
Truebridge	Insurance	4
Aultman North Canton Medical Group	Medical	5
State of Ohio	Government	6
City of North Canton	Government	7
Mullinax Ford	Retail	8
Myers Controlled Power	Manufacturing	9
Absolute Pharmacy, Inc.	Medical	10

		2010
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. Information prior to 2010 was unavailable.

CITY OF NORTH CANTON, OHIO

PRINCIPAL EMPLOYERS
BY NUMBER OF EMPLOYEES
2017 AND NINE YEARS AGO

2017			
Employer	Employees	Rank	
Walsh University	1,662	1	
North Canton Board of Education	686	2	
Trubridge Inc.	458	3	
St. Lukes Home for the Aged	450	4	
City of North Canton	193	5	
Absolute Pharmacy, Inc.	156	6	
Myers Controlled Power LLC	145	7	
Mullinax Ford	136	8	
Aultman North Canton Medical Group	134	9	
ADP Total Source	80	10	
Total	<u>4,100</u>		
Total City Employment	<u>N/A</u>		
2008			
Employer	Employees	Rank	Percentage of Total City Employment
Walsh University	1,359	1	8.63%
North Canton Board of Education	983	2	6.24%
TTI / Hoover Co. Inc.	678	3	4.31%
St. Lukes Home for the Aged	438	4	2.78%
YMCA of Central Stark County	372	5	2.36%
North Canton Medical Foundation	362	6	2.30%
Aultman Hospital Association	257	7	1.63%
Tamakin Company	240	8	1.52%
Fred W. Albrecht Grocery	224	9	1.42%
City of North Canton	169	10	1.07%
Total	<u>5,082</u>		<u>32.26%</u>
Total City Employment	<u>15,748</u>		

Source: 2017 - Data from Regional Income Tax Agency; 2008 - W2's from the City Tax Department. The total employment for the City was unavailable for 2017.

CITY OF NORTH CANTON, OHIO

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Council	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	6.00	5.50
Mayor's office	1.50	1.00	1.00	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	1.00	1.00	1.00	0.50	0.50
Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Tax	0.00	0.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	3.00
Administration	3.00	2.00	2.00	2.00	2.00	3.00	3.00	2.00	2.00	2.00
City hall maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Engineer	5.50	5.50	5.50	5.50	5.50	6.00	6.00	5.50	5.50	5.50
Security of Persons and Property										
Police - administration	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police - officers	24.00	24.50	24.00	24.50	23.50	25.00	25.00	27.00	26.00	25.00
Police - crossing guards	4.50	4.50	4.50	4.00	4.00	4.50	6.00	6.00	6.00	6.00
Dispatchers/Chief Dispatcher	8.50	8.50	8.50	8.50	8.50	7.00	7.00	8.00	8.00	8.50
Fire Inspectors	1.00	1.00	1.00	1.00	1.00	3.00	3.00	3.00	3.00	3.00
Public Health Services										
Fire Fighters/Emergency										
Medical Services	26.00	26.00	25.00	37.00	34.00	33.50	35.00	37.50	30.50	33.00
Leisure Time Activities										
Municipal Pool	0.00	0.00	0.00	24.50	20.50	20.50	22.00	21.50	20.50	19.50
Civic Center	0.00	0.00	0.50	0.50	0.50	1.00	2.00	2.00	3.00	2.00
Recreation	1.00	1.00	2.00	2.00	2.00	2.00	1.50	2.50	2.50	3.50
Park Maintenance	2.00	2.00	3.00	4.00	5.00	6.00	7.00	6.00	5.50	8.00
Community Development										
Permits & Inspections	4.00	4.00	6.00	6.00	5.50	4.50	3.50	3.50	3.50	3.50
Economic Development	1.00	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00	2.00
Transportation										
Street M&R	5.00	5.00	6.00	8.50	9.00	4.50	9.00	8.50	8.50	8.50
Basic Utility Services										
Water Administration	3.00	3.00	3.00	3.00	3.00	2.00	4.00	4.00	4.00	4.00
Water Distribution	8.00	8.00	8.00	11.00	10.00	0.00	6.00	8.00	7.00	5.50
Water Treatment Plant	10.00	10.00	10.00	10.50	9.00	9.00	10.00	10.00	12.00	11.00
Sewer Collection	4.00	4.00	3.00	3.00	2.00	2.00	2.00	3.50	4.00	3.00
Total	<u>121.50</u>	<u>120.00</u>	<u>125.00</u>	<u>169.00</u>	<u>158.50</u>	<u>147.00</u>	<u>165.50</u>	<u>172.50</u>	<u>167.50</u>	<u>168.50</u>

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	2017	2016	2015	2014
General Government				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	15	15	10	10
Police				
Stations	1	1	1	1
Square footage of building	11,960	11,960	11,960	11,960
Vehicles	13	13	13	13
Fire				
Stations	1	1	1	1
Square footage of building	8,989	8,989	8,989	8,989
Vehicles	11	11	9	10
Emergency Medical Service				
Stations	1	1	1	1
Square footage of building	9,399	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	8	8	10	11
Public Service Department				
Streets (miles)	94.28	94.28	94.28	97.52
Vehicles	21	21	18	18
Water Department				
Water lines (miles)	146.43	146.43	146.43	155.86
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	14	14	14	16
Wastewater				
Sanitary sewers (miles)	80.58	80.58	80.58	74.64
Storm sewers (miles)	72.58	72.58	72.58	75.91
Vehicles	5	5	5	6

Source: City of North Canton departments

2013	2012	2011	2010	2009	2008
31,517 9	31,517 9	31,517 10	31,517 10	31,517 10	31,517 10
1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13
1 8,989 10	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11
1 8,970 5	1 8,970 5	1 8,970 5	1 8,970 6	1 8,970 6	1 8,970 6
11 1 11 7 9 12	11 1 11 7 9 12	11 1 11 7 9 11	11 1 11 7 8 11	11 1 11 7 8 11	11 1 11 7 8 11
97.50 17	97.50 17	97.50 15	95.46 18	95.46 18	95.46 18
155.76 32,125 18	144.97 32,125 19	144.00 32,125 17	129.80 32,125 17	129.80 32,125 17	129.80 32,125 17
74.64 75.91 6	74.64 72.59 6	74.64 72.59 15	64.39 49.42 9	64.39 49.42 9	64.39 49.42 9

CITY OF NORTH CANTON, OHIO

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

Function/Program	2017	2016	2015	2014
General Government				
Number of ordinances passed	108	83	85	95
Number of planning commission agenda items	11	9	7	20
Number of zoning board of appeals agenda items	17	4	6	-
Number of checks/vouchers issued	2,434	2,813	3,079	3,016
Interest earnings for fiscal year (cash basis)	\$173,283	\$95,905	\$60,586	\$58,067
General fund receipts (cash basis in thousands)	\$7,224	\$7,613	\$7,370	\$8,078
General fund expenditures (cash basis in thousands)	\$6,219	\$6,774	\$8,033	\$7,592
General fund cash balances (in thousands)	\$3,920	\$2,915	\$1,839	\$2,285
Income Tax Department				
Number of individual returns	N/A	N/A	7,723	7,930
Number of business returns	N/A	N/A	1,366	1,327
Annual number of reconciliation of withholding processed	N/A	N/A	1,249	1,397
Building Department Indicators				
Construction permits issued	813	782	252	627
Estimated value of construction	\$ 24,568,448	\$ 23,219,555	\$ 71,120,103	\$ 26,491,592
Inspections conducted	1,516	1,252	1,121	917
Security of Persons & Property				
Police				
Total calls for services	19,896	18,929	17,922	16,746
Traffic violations	2,165	4,386	1,546	1,571
Motor vehicle accidents	523	533	529	546
Written warnings	4,537	2,032	3,847	3,912
Total criminal arrests	378	345	348	406
Fire/Emergency Medical Services				
EMS calls	2,664	2,426	2,152	2,416
EMS transports	1,854	1,718	1,631	1,510
Ambulance billing collections	\$586,089	\$557,457	\$552,430	\$496,107
Fire calls	494	437	573	430
Fire safety inspections	413	555	995	980
Leisure Time Activities				
Recreation				
Swimming pool memberships	2,617	2,386	2,304	1,033
Civic center rentals	119	55	55	46
Dogwood shelter rentals	379	265	267	265
Transportation				
Asphalt resurfacing (miles)	13.68	0	0	2.92
Asphalt usage for pothole repairs (tons)	30	368	292	0
Salt usage (tons)	2,372	1,700	2,500	4,600
Liquid de-icer used (gallons)	7,864	N/A	N/A	N/A
Cost of salt purchased	\$118,474	\$230,575	\$330,421	\$258,290
Water Department				
Number of customers	9,337	9,043	8,993	8,970
Annual water collections	\$7,113,175	\$6,972,033	\$6,806,063	\$6,229,831
Water main breaks	7	12	19	14
Number of wells	9	9	9	9
Gallons of water treated (millions of gallons)	972	955	998	1,029
Wastewater Department				
Residential sewer rate (flat monthly rate)	\$26.83	\$26.83	\$25.41	\$25.41
Number of customers	6,422	6,379	6,356	6,342

Source: City of North Canton departments

2013	2012	2011	2010	2009	2008
81	111	111	110	123	122
18	15	8	12	2	15
1	6	1	10	3	11
3,362	3,289	3,356	3,419	4,113	3,390
\$20,339	\$14,974	\$32,364	\$47,819	\$81,158	\$360,120
\$7,262	\$7,755	\$9,161	\$7,888	\$8,425	\$9,031
\$7,553	\$8,382	\$7,382	\$9,235	\$9,406	\$9,961
\$1,667	\$1,894	\$2,418	\$1,567	\$2,826	\$3,713
7,281	4,260	7,267	7,471	7,742	7,852
1,270	1,305	1,231	1,184	1,109	1,187
1,329	1,426	1,144	1,397	1,503	1,529
727	664	1,327	776	786	703
\$ 11,456,887	\$ 12,102,168	\$ 5,754,751	\$ 7,534,618	\$ 11,462,310	\$ 17,559,237
789	663	712	1,054	1,124	1,114
18,049	26,503	28,172	28,107	29,225	29,459
1,901	1,805	1,139	1,175	1,495	1,418
429	558	527	516	513	525
3,998	3,706	1,891	1,983	-	-
552	404	504	399	504	392
2,292	2,223	2,377	2,075	1,948	2,080
1,934	1,502	1,509	1,416	1,251	1,284
\$538,763	\$501,956	\$489,060	\$458,753	\$461,009	\$269,287
559	470	493	406	424	537
215	1,527	1,694	1,655	1,543	1,410
936	2,079	2,404	2,247	2,387	2,729
21	90	254	255	303	337
372	154	159	248	261	252
0	5.16	3.75	3.12	2.58	2.7
454	511.73	413.85	672.13	358.37	530.75
4,003	2,800	5,200	6,400	6,250	6,752
N/A	N/A	N/A	N/A	N/A	N/A
\$153,088	\$310,960	\$359,814	\$325,248	\$237,641	\$282,216
9,102	9,063	9,044	8,900	8,876	8,947
\$6,006,676	\$6,051,273	\$5,874,591	\$5,832,610	\$5,819,610	\$5,759,068
13	23	18	14	19	31
9	9	7	9	8	8
1,008	1,106	1,211	1,163	1,210	1,321
\$25.41	\$25.41	\$25.41	\$25.41	\$21.00	\$21.00
6,334	6,308	6,310	6,305	6,204	6,284

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Dave Yost • Auditor of State

CITY OF NORTH CANTON

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 28, 2018**