



Dave Yost • Auditor of State

**CITY OF NORTH CANTON
STARK COUNTY**

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, 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, 2012, 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 20, 2013 wherein we noted the City adopted the provisions of Governmental Accounting Standards Board Statements No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65 *Items Previously Reported as Assets and Liabilities*.

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 opinion 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 Government'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.

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

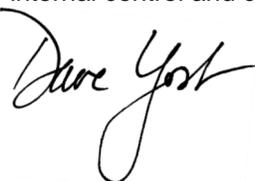
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accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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.

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Dave Yost
Auditor of State
Columbus, Ohio

June 20, 2013



Dave Yost • Auditor of State

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

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

To the City Council:

Report on Compliance for Each Major Federal Program

We have audited the City of North Canton's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of North Canton's major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City of North Canton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of North Canton (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 20, 2013. Our opinion also explained that the City adopted *Governmental Accounting Standard No. 63 and 65* during the year. We conducted our audit to opine on the City's basic financial statements. The accompanying federal awards expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America.

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

In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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Dave Yost
Auditor of State
Columbus, Ohio

June 20, 2013

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**CITY OF NORTH CANTON
STARK COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
<i>(Passed through State of Ohio Department of Homeland Security)</i>			
Assistance to Firefighters Grant	N/A	97.044	155,124
Total U.S. Department of Homeland Security			<u>155,124</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>(Passed through State of Ohio Department of Transportation)</i>			
Highway Planning and Construction	N/A	20.205	1,853,107
Total U.S. Department of Transportation			<u>1,853,107</u>
Total			<u>2,008,231</u>

The accompanying notes are an integral part of this schedule.

**CITY OF NORTH CANTON
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**CITY OF NORTH CANTON
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Ohio Rev. Code Section 5705.42 and Auditor of State Bulletin 2000-008 the City did not initially post monies paid from the Ohio Department of Transportation and the Ohio Public Works Commission.	Yes	

CITY OF NORTH CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

KAREN S. ALGER, CPA
DIRECTOR OF FINANCE

PREPARED BY THE CITY FINANCE DEPARTMENT

INTRODUCTORY SECTION

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CITY OF NORTH CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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City of NORTH CANTON, OHIO

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

June 20, 2013

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, 2012, and has been developed to accurately detail the status of City finances to North Canton residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

State statutes require the City to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2012 and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

Reporting Entity

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

Profile of the Government

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

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

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

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

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

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

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

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

Local Economy

The City of North Canton is located in Northeast Ohio along the Interstate 77 corridor with convenient access to markets in Cleveland, Akron, Canton, and points south. The Akron Canton regional Airport is located within a five minute drive from the City and provides nationwide passenger and commercial air freight services to the region. Major Airlines, such as Southwest Airlines, provide passenger service at the facility and the passenger traffic in 2012 set all-time records. North Canton is also located in a regional academic cluster that contains six universities/colleges that offer high tech programs in bio-sciences, bioinformatics, fuel cells and information technology. These universities/colleges include Walsh University, Stark State College, Kent State University, University of Akron, Malone University, and University of Mount Union.

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

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

Since the site being purchased by Maple Street Commerce, LLC. the City has established a partnership with the developer to continue to bring new companies into the Community. Since 2008, the City and Developer have attracted twelve businesses to the Hoover District that, at the end of calendar year 2012, have added 1,228 new jobs to the community and about \$275,000 in new city income tax revenue for the calendar year.

The partnership with the City of North Canton and Maple Street Commerce, LLC., also saw the City's successful \$5 million Jobs Ready Sites (JRS) Program Grant from the State of Ohio that was awarded in 2009. The program consists of \$3 million for building renovations and \$2 million in infrastructure improvements to East Maple Street. The JRS Grant funding helped renovate a former industrial space that now houses the corporate headquarters of the Schroer Group. The Schroer group is the largest employer in Hoover District during 2012.

Also housed in the Hoover District is Stark State's Corporate and Community Services Offices. The City and the North Canton Community Improvement Corporation partnered on a funding request to the State of Ohio to support the relocation of Stark State College's Corporate and Community Services Offices. The City application for State funds was accepted by the State of Ohio and resulted in \$500,000 in funding for the build-out of approximately 17,000 sq. ft of offices, training labs, and classroom space was successful. Further, the North Canton Community Improvement Corporation committed an additional \$60,000 for office equipment and moving expenses to the project as well. The new facility opened in early 2011 with eight full time employees and at the end of 2012 the employment totaled 61 employees. The space, located along East Maple Street, now serves as a regional employee training center offering on-site as well as mobile training labs for employers in Stark County and beyond. However, and more importantly, housing the training offices in the "Hoover District" offers an additional enticement to attract new businesses to the site. The City and Maple Street Commerce, LLC. continue to work together to redevelop the Hoover District site for warehousing, manufacturing, offices, limited retail, and some residential housing units.

In addition to the above, in 2012, the City amended the JRS Grant with the State of Ohio to add an additional \$1,000,000 in building improvements to the second floor of building 16. These improvements will include elevators, stairs, and HVAC systems. These improvements will allow for access to the 80,000 sq. ft. space for additional tenants to the Hoover District and open up an additional 110,000 sq. ft. for additional development.

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

At the end of 2012, the City had approximately 435 businesses. Vacancy rates for businesses declined to about eight to ten percent in 2012. The City has several significant business clusters that include health care, business services (including financial), and higher education. Most of the community's businesses are the "neighborhood variety" providing local shopping opportunities such as supermarkets, small specialty shops, and personal care businesses.

Investments in the City continued with almost \$9,000,000 in new investment happening in 2012. These investments included \$3.9 million in improvements at Walsh University, a \$1.8 million investment at Windsor Medical, a new Dollar Street Store on North Main Street, a \$2.3 million Apartment Complex (Northridge Apartments), a new Winking Lizard Restaurant, and several new medical offices.

Long-Term Financial Planning

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

Relevant Financial Policies

During 2012, the City continued its commitment to fund the compensated absences fund in order to accumulate resources for the payout of earned vacation and eligible sick leave to employees who terminate employment with the City. In 2012, the City contributed \$228,000 to the fund and anticipates continuing funding that level on an annual basis.

Pursuant to the legislation established in 2006 which authorized the transfer of any estate tax collections in excess of \$300,000 to the capital improvement fund, over \$1.4 million was transferred during 2007. In part, these funds were used for the Sixth Street curb and gutter project and the Lipton Avenue rehabilitation project. By comparison, in 2010, \$359,035 and in 2011, \$244,692 was transferred. The City transferred \$1,542,122 in 2012.

Major Initiatives

As with many communities in the United States the City of North Canton was affected by the “Great Recession” during the period of 2008 through 2011. Despite the recession and the closing of the City’s largest taxpayer (the Hoover Company – 2,400 jobs) in the fourth quarter of 2007, the community moved ahead with several important initiatives during the same period. Included in these initiatives was the funding of the City’s Community Improvement Corporation.

The North Canton Community Improvement Corporation (NCCIC) was created in 1980 but, with the exception of Tax Exempt Bonds, had no funding mechanism to help assist with economic development activities. In 2005, the City Council authorized the transfer of \$1,500,000 from the City’s General Fund to the NCCIC annually for fifteen years in increments of \$100,000.

This funding source has resulted in the NCCIC’s attracting three new businesses to the City that have created over 276 new jobs. The projects included the purchase and lease-back to Myers Controlled Power LLC of three industrial cranes, purchase of land and construction of a fifty car parking lot for the Stark Board of Developmental Disabilities, and the purchase of equipment for the Stark State College’s Corporate and Community Services Office now located in the City’s “Hoover District”.

Following the funding of the City’s successful \$5,000,000 Jobs Ready Site Grant in 2009, the City has worked closely with Maple Street Commerce L.L.C., the Developer of the former 85 acre Hoover Manufacturing Facility, to attract business to and redevelop the site. The total project investment with the Grant is \$6.67 million with the developer contributing \$1.67 million as local match. Uses of the grant funds include \$4 million for building rehabilitation by the developer and \$1.0 million for infrastructure work done by the City. Infrastructure work will be done on East Maple Street, Charlotte Street, Hower Street, Witwer Street and Taft Avenue.

The City/Developer partnership is focused on attraction of high technology businesses such as semi-conductor manufacturers, software publishers, architectural or engineering services firms, scientific research and development services as well as health care offices. To date the partnership has created over 1,500 new jobs distributed among ten new business in the area the City has named “The Hoover District”.

Another initiative the City is leading is the development of any available developable land to encourage job growth. Since the City is almost built-out, one area of vacant land the City has focused on is an area that contains about 17.28 acres of undeveloped land located on South Main Street. The owners of this property had a preliminary development plan for this property since 1999. During 2007, the City contacted the property owners about finally developing the site. The City indicated that they would pursue grant funding to help construct the roadway needed for this project if the developers would agree to provide sites for a high-tech compact business smart park that would bring high tech jobs to the City. The developers agreed and the City submitted a 629 research and development grant application with the State of Ohio's Department of Development. The grant request was approved for \$350,000. The total project cost to construct the street was \$616,367 and construction was completed on the roadway in the fourth quarter of 2009. Although the Great Recession stopped any development activity at the site, in 2012 the City has worked with three companies interested in locating at the site.

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

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

In 2012, a 1.5 mil EMS/Ambulance levy renewal levy was passed at the November general election and is anticipated to generate \$530,225 each year annually for five years. Collection years are 2013-2017. In addition, 2012 a replacement continuing levy for 1.0 mil EMS/Ambulance levy and a .50 mil Fire levy was passed by the voters at the May primary and is anticipated to generate approximately \$353,483 and \$176,742, respectively, each year.

Wherever possible, the City is pursuing grants to assist in projects. The City was awarded \$110,000 from the Stark County Municipal Road Funds for Pittsburgh Road street reconstruction project. The City was awarded \$2,750,000 from the Ohio Department of Transportation (ODOT) and, \$1,537,420 from Ohio Public Works Commission (OPWC) for the construction of North Main Street Phase VI street reconstruction. The construction of this project started in 2011 and is scheduled for completion in 2013. Also, the City was awarded \$310,153 by the Ohio Public works Commission (OPWC) and \$1,152,000 from Ohio Department of Transportation (ODOT) for Main Street resurfacing. Ohio Public Works Commission (OPWC) awarded the City \$1,227,000 grant for East Maple Street reconstruction. The City was awarded \$605,800 from the Ohio Department of Transportation (ODOT) and \$201,450 from Ohio Public Works Commission (OPWC) for the Main Street signalization.

In recent years the City has incurred declining income tax collections as a result of the closing of the City's largest taxpayer, the Maytag TTI/Hoover Company, in September 2007. However, in the last three years revenue from income tax has increased. Despite this, the City will continue to have difficult budget situations in the near future. This is due in part to declines in other revenues such as shared support from the State (reduction in local government funds), interest earnings continuing to remain stagnant due to historically low interest rates, and the elimination of the estate tax for local government by the State Legislature. All this while operating costs continue to increase due to inflationary pressures, higher utility and gasoline prices, training costs due to new State requirements and rising costs of health care. As a result, it is anticipated that further cost containment efforts and revenue enhancement actions will be necessary through the remainder of 2013 and beyond.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Comprehensive Annual Financial Report for the year ended December 31, 2011. This was the twenty-fourth 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 handwritten signature in cursive script that reads "Karen S. Alger".

Karen S. Alger, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Canton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Moirrell

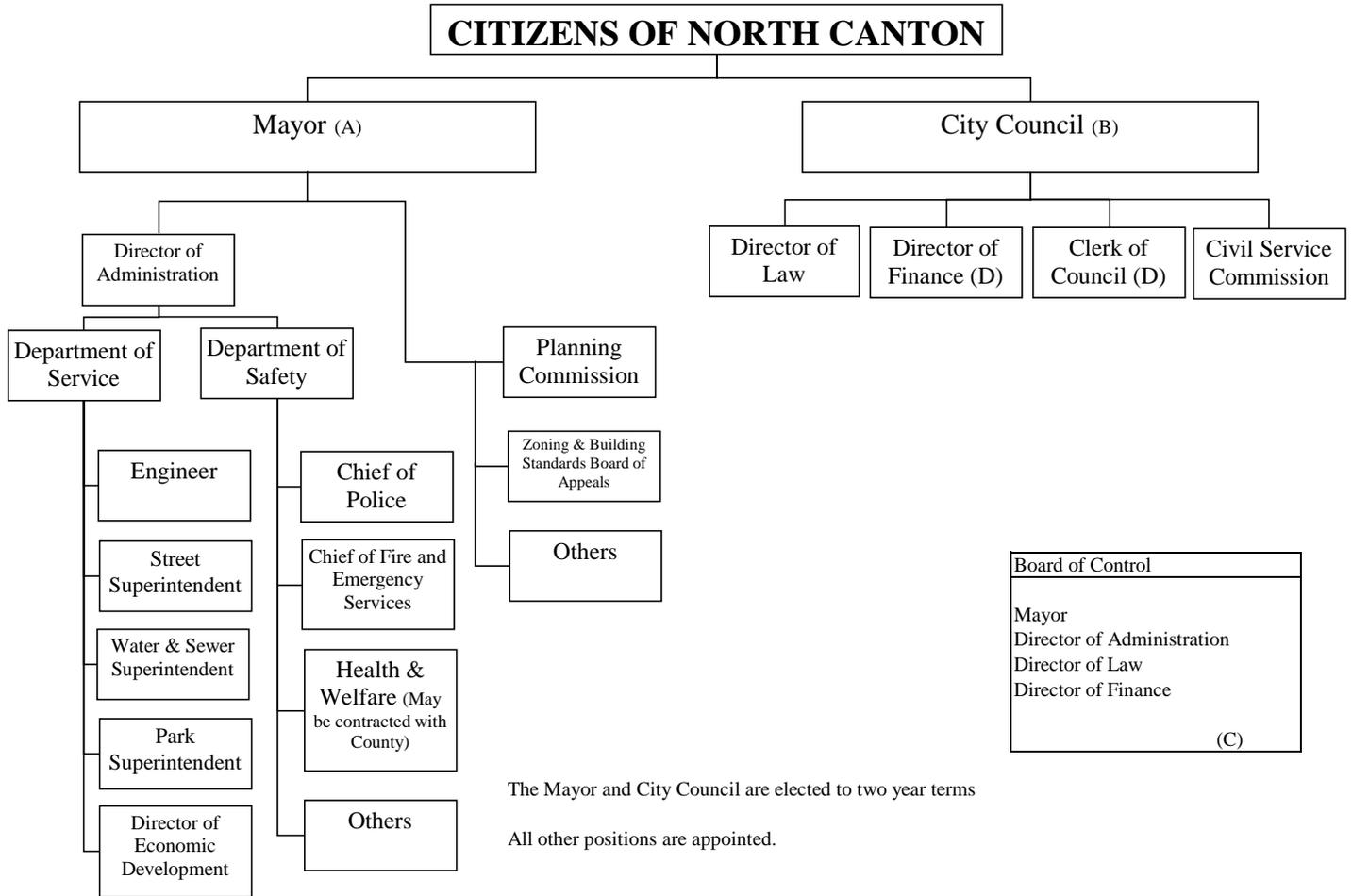
President

Jeffrey R. Emer

Executive Director

CITY OF NORTH CANTON, OHIO

CHARTER GOVERNMENT
ORGANIZATIONAL CHART



The Mayor and City Council are elected to two year terms

All other positions are appointed.

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

(B) Elects Council President and Vice President

(C) Awards contracts over Ohio Revised Code bidding limit

(D) May be combined

CITY OF NORTH CANTON, OHIO

LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2012

ELECTED CITY OFFICIALS

MAYOR

HONORABLE DAVID J. HELD

CITY COUNCIL

JOHN F. SNYDER, PRESIDENT, WARD 4
DOUGLAS V. FOLTZ, VICE PRESIDENT, WARD 1
MARCIA KIESLING, AT-LARGE
MARK CERRETA, AT LARGE
DAN GRIFFITH, AT-LARGE
DANIEL PETERS, WARD 2
STEPHANIE S. WERREN, WARD 3

APPOINTED CITY OFFICIALS

DIRECTOR OF ADMINISTRATION

MICHAEL J. GRIMES

DIRECTOR OF FINANCE

KAREN S. ALGER, CPA

DIRECTOR OF LAW

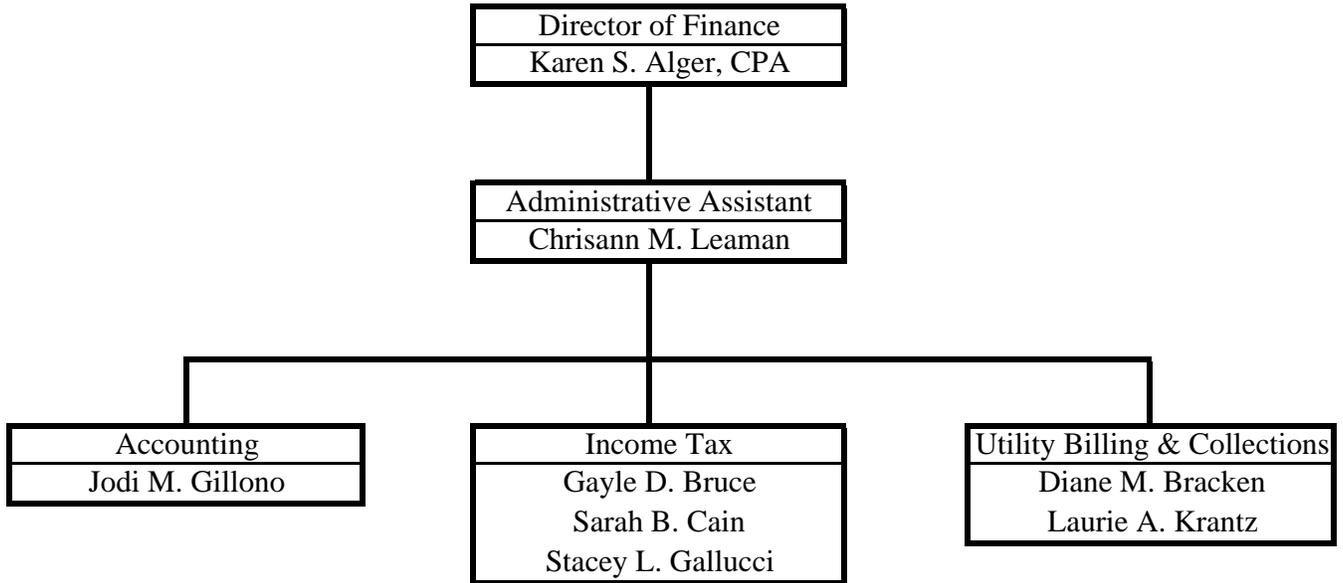
TIM FOX

CLERK OF COUNCIL

GAIL M. KALPAC

CITY OF NORTH CANTON, OHIO

DEPARTMENT OF FINANCE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2012



FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Canton, Stark County, Ohio (the City), as of and for the year ended December 31, 2012, 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.

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, each major fund, and the aggregate remaining fund information of City of North Canton, Stark County, Ohio, as of December 31, 2012, 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 Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2012 the City of North Canton adopted new accounting guidance in Governmental Accounting Standards Board Statements No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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 financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2013, 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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

June 20, 2013

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012. 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 2012 are as follows:

- The total net position of the City increased \$4,527,592. Net position of governmental activities increased \$3,439,125 or 9.36% over 2011 and net position of business-type activities increased \$1,088,467 or 3.35% over 2011. The City restated the net position of governmental and business-type activities as described in Note 3.A.
- General revenues accounted for \$10,256,513 or 63.85% of total governmental activities revenue. Program specific revenues accounted for \$5,807,965 or 36.15% of total governmental activities revenue.
- The City had \$12,700,353 in expenses related to governmental activities; \$5,807,965 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$6,892,388 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$10,256,513.
- The general fund had revenues and other financing sources of \$8,576,358 in 2012. This represents a decrease of \$1,372,043 from 2011 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$8,651,637 in 2012, increased \$1,412,705 from 2011. The net decrease in the fund balance for the general fund was \$75,279 or 1.59%, from \$4,733,032 in 2011 to \$4,657,753 in 2012.
- The emergency medical services levy fund had revenues and other financing sources of \$1,742,235 in 2012. The emergency medical services levy fund had expenditures and other financing uses of \$1,501,169. The fund balance of the emergency medical services levy fund increased \$241,066 from a deficit of \$72,717 to balance of \$168,349.
- The capital improvements major fund had \$5,057,330 in revenues and other financing sources and \$4,550,657 in expenditures in 2012. The fund balance for the capital improvements fund increased \$506,673 or 16.69%, from \$3,035,462 in 2011 to \$3,542,135 in 2012.
- Net position for the business-type activities, which are made up of the water, sewer, and garbage funds, increased \$1,088,467 from a restated balance of \$32,477,954 in 2011 to \$33,566,421 in 2012.
- The water fund had \$6,097,862 in operating revenues and \$4,874,939 in operating expenses in 2012. The water fund also had nonoperating expenses of \$500,305 and transfers out of \$50,000. The net position of the water fund increased \$672,618 or 2.86%.
- The sewer fund had \$2,785,812 in operating revenues and \$2,433,212 in operating expenses in 2012. The sewer fund also had non-operating expenses of \$5,201 and transfers out of \$25,000. The net position of the sewer fund increased \$322,399 or 3.76%.
- The garbage fund had \$881,780 in operating revenues and \$861,985 in operating expenses in 2012. The garbage fund also had non-operating revenues of \$39,998. The net position of the garbage fund increased \$59,793 or 30.02%.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

Reporting the City as a Whole

Statement of Net Position and Statement of Activities

The analysis of the City as a whole begins on page 7. One of the most important questions asked about the City's finances is, "How did the City perform financially during 2012?" 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 19 through 21 of this report.

Fund Financial Statements

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

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

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

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 22 through 27 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 28 through 31 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 32 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 33 through 73 of this report.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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, 2012 compared to December 31, 2011. The net position at December 31, 2011 has been restated as described in Note 3.A.

	Net Position						
	Governmental Activities	Restated	Business-Type Activities	Restated	2012 Total	Restated	
		Governmental		Business-Type		Business-Type	2011
		Activities		Activities		Activities	Total
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>Total</u>	<u>Total</u>		
Assets							
Current and other assets	\$ 15,508,564	\$ 14,132,141	\$ 8,079,753	\$ 7,431,882	\$ 23,588,317	\$ 21,564,023	
Capital assets, net	<u>31,847,363</u>	<u>29,586,030</u>	<u>40,917,082</u>	<u>41,068,495</u>	<u>72,764,445</u>	<u>70,654,525</u>	
Total assets	<u>47,355,927</u>	<u>43,718,171</u>	<u>48,996,835</u>	<u>48,500,377</u>	<u>96,352,762</u>	<u>92,218,548</u>	
Liabilities							
Current and other liabilities	1,016,620	807,967	362,637	571,099	1,379,257	1,379,066	
Long term liabilities:							
Due within one year	331,448	332,249	871,549	869,150	1,202,997	1,201,399	
Due in more than one year	<u>3,577,216</u>	<u>3,717,277</u>	<u>14,196,228</u>	<u>14,582,174</u>	<u>17,773,444</u>	<u>18,299,451</u>	
Total liabilities	<u>4,925,284</u>	<u>4,857,493</u>	<u>15,430,414</u>	<u>16,022,423</u>	<u>20,355,698</u>	<u>20,879,916</u>	
Deferred inflows of resources							
Deferred inflows of resources	<u>2,247,126</u>	<u>2,116,286</u>	-	-	<u>2,247,126</u>	<u>2,116,286</u>	
Total deferred inflows of resources	<u>2,247,126</u>	<u>2,116,286</u>	-	-	<u>2,247,126</u>	<u>2,116,286</u>	
Net Position							
Net investment in capital assets	30,162,804	28,206,677	26,042,734	25,897,087	56,205,538	54,103,764	
Restricted	2,375,791	2,076,704	-	-	2,375,791	2,076,704	
Unrestricted	<u>7,644,922</u>	<u>6,461,011</u>	<u>7,523,687</u>	<u>6,580,867</u>	<u>15,168,609</u>	<u>13,041,878</u>	
Total net position	<u>\$ 40,183,517</u>	<u>\$ 36,744,392</u>	<u>\$ 33,566,421</u>	<u>\$ 32,477,954</u>	<u>\$ 73,749,938</u>	<u>\$ 69,222,346</u>	

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2012, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$73,749,938. At year-end, net position were \$40,183,517 and \$33,566,421 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2012, capital assets represented 75.52% of total assets. Capital assets include land, easements and rights of way, construction in progress (CIP), land improvements, buildings, equipment, software and infrastructure. Net investment in capital assets at December 31, 2012, were \$30,162,804 and \$26,042,734 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.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Assets of governmental activities increased \$3,637,756 or 8.32%. This increase can mainly be attributed to an increase in equity in pooled cash and investments and capital assets. The increase in equity and pooled cash is mainly the result of an increase in revenues that exceeded expenses. The increase in capital assets is the result of an increase in capital purchases such as equipment and street infrastructure projects. Liabilities and deferred inflows of resources of the governmental activities increased \$198,631 or 2.85%. This increase is mainly the result of an increase in contracts payable and intergovernmental payable.

Assets of business-type activities increased \$496,458 or 1.02%. This increase is primarily due to an increase in equity in pooled cash and investments. Liabilities of the business-type activities decreased \$592,009, or 3.69%, due to a decrease in contracts payable and long term obligations.

As of December 31, 2012, 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, \$2,375,791, represents resources that are subject to external restriction on how they may be used. This is an increase of \$299,087 from 2011 and is the result of an increase in restricted for securities of persons and property-fire, public health and welfare and basic utility services. In the governmental activities, the remaining balance of unrestricted net position of \$7,644,922 may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

The table below shows the changes in net position for years 2012 and 2011. The net position at December 31, 2011 has been restated as described in Note 3.A.

	Change in Net Position					
	Governmental		Business-Type		Restated	
	Governmental Activities <u>2012</u>	Restated Governmental Activities <u>2011</u>	Business-Type Activities <u>2012</u>	Business-Type Activities <u>2011</u>	2012 <u>Total</u>	Restated 2011 <u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,508,980	\$ 1,440,671	\$ 9,706,722	\$ 9,466,690	\$ 11,215,702	\$ 10,907,361
Operating grants and contributions	1,196,792	837,054	39,998	38,498	1,236,790	875,552
Capital grants and contributions	<u>3,102,193</u>	<u>1,089,922</u>	-	-	<u>3,102,193</u>	<u>1,089,922</u>
Total program revenues	<u>5,807,965</u>	<u>3,367,647</u>	<u>9,746,720</u>	<u>9,505,188</u>	<u>15,554,685</u>	<u>12,872,835</u>
General revenues:						
Taxes	8,398,406	7,998,737	-	-	8,398,406	7,998,737
Grants and entitlements	1,839,867	2,958,944	-	-	1,839,867	2,958,944
Investment earnings	16,185	7,767	-	-	16,185	7,767
Miscellaneous	<u>2,055</u>	<u>69,615</u>	<u>58,732</u>	<u>45,342</u>	<u>60,787</u>	<u>114,957</u>
Total general revenues	<u>10,256,513</u>	<u>11,035,063</u>	<u>58,732</u>	<u>45,342</u>	<u>10,315,245</u>	<u>11,080,405</u>
Total revenues	<u>16,064,478</u>	<u>14,402,710</u>	<u>9,805,452</u>	<u>9,550,530</u>	<u>25,869,930</u>	<u>23,953,240</u>

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Change in Net Position - (Continued)

	Governmental Activities <u>2012</u>	Restated Governmental Activities <u>2011</u>	Business-type Activities <u>2012</u>	Restated Business-type Activities <u>2011</u>	2012 Total	Restated 2011 Total
Expenses:						
General government	1,914,208	1,882,729	-	-	1,914,208	1,882,729
Security of persons and property:						
Police	3,184,475	3,027,294	-	-	3,184,475	3,027,294
Fire	731,977	797,998	-	-	731,977	797,998
Public health and welfare	1,690,461	1,657,395	-	-	1,690,461	1,657,395
Transportation	3,333,527	2,210,572	-	-	3,333,527	2,210,572
Community environment	416,531	404,088	-	-	416,531	404,088
Leisure time activities	791,895	808,252	-	-	791,895	808,252
Basic utility services	542,450	672,814	-	-	542,450	672,814
Interest and fiscal charges	94,829	171,435	-	-	94,829	171,435
Water	-	-	5,349,166	5,236,367	5,349,166	5,236,367
Sewer	-	-	2,432,758	2,306,528	2,432,758	2,306,528
Garbage	-	-	860,061	856,923	860,061	856,923
Total expenses	<u>12,700,353</u>	<u>11,632,577</u>	<u>8,641,985</u>	<u>8,399,818</u>	<u>21,342,338</u>	<u>20,032,395</u>
Excess before transfers	3,364,125	2,770,133	1,163,467	1,150,712	4,527,592	3,920,845
Transfers	<u>75,000</u>	<u>75,000</u>	<u>(75,000)</u>	<u>(75,000)</u>	-	-
Change in net position	3,439,125	2,845,133	1,088,467	1,075,712	4,527,592	3,920,845
Net position at beginning of year (restated)	<u>36,744,392</u>	<u>33,899,259</u>	<u>32,477,954</u>	<u>31,402,242</u>	<u>69,222,346</u>	<u>65,301,501</u>
Net position at end of year	<u>\$ 40,183,517</u>	<u>\$ 36,744,392</u>	<u>\$ 33,566,421</u>	<u>\$ 32,477,954</u>	<u>\$ 73,749,938</u>	<u>\$ 69,222,346</u>

Governmental Activities

Governmental activities net position increased \$3,439,125 in 2012.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$3,916,452 of the total expenses of the City. These expenses were partially funded by \$11,298 in direct charges to users of the services. General government expenses totaled \$1,914,208. General government expenses were partially funded by \$381,444 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$1,196,792 in operating grants and contributions and \$3,102,193 in capital grants and contributions. Operating grants and contributions increased \$359,738 due to a Federal Emergency Management Agency (FEMA) grant and a transportation grant received in 2012. All of the \$3,102,193 in capital grants and contributions subsidized transportation programs.

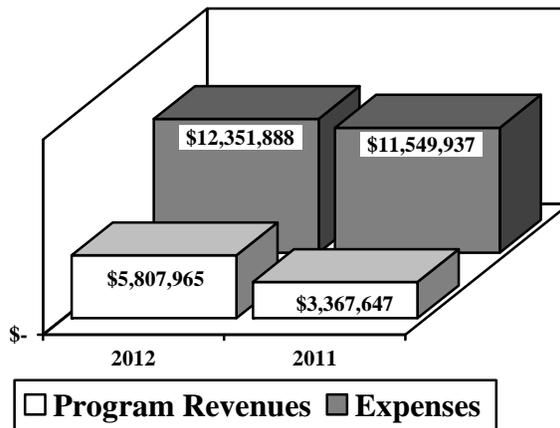
General revenues totaled \$10,256,513, and amounted to 63.85% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$8,398,406, an increase of \$399,669 from 2011 amounts. This increase can be attributed to an increase in income tax revenues which resulted for the rebounding economy. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government, local government revenue assistance, homestead and rollback, making up \$1,839,867. This decreased in comparison to 2011 mainly due to a \$700,000 decrease in estate tax receipts.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

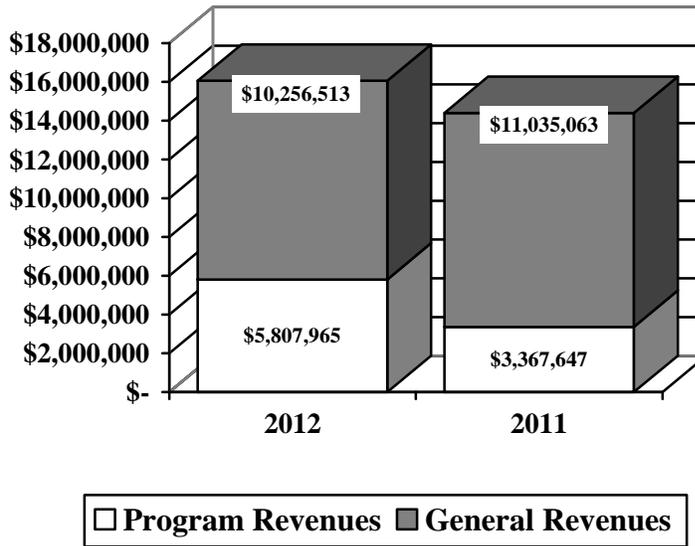
	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>	Restated Total Cost of Services <u>2011</u>	Restated Net Cost of Services <u>2011</u>
Program Expenses:				
General government	\$ 1,914,208	\$ 1,532,756	\$ 1,882,729	\$ 1,565,943
Security of persons and property:				
Police	3,184,475	3,162,881	3,027,294	2,999,542
Fire	731,977	702,358	797,998	705,988
Public health and welfare	1,690,461	904,725	1,657,395	1,128,372
Transportation	3,333,527	(638,447)	2,210,572	379,652
Community environment	416,531	154,545	404,088	209,307
Leisure time activities	791,895	436,626	808,252	431,877
Basic utility services	542,450	542,115	672,814	672,814
Interest and fiscal charges	94,829	94,829	171,435	171,435
Total Expenses	\$ 12,700,353	\$ 6,892,388	\$ 11,632,577	\$ 8,264,930

The dependence upon general revenues for governmental activities is apparent, with 54.27% of expenses supported through taxes and other general revenues in 2012 and 71.05% in 2011.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

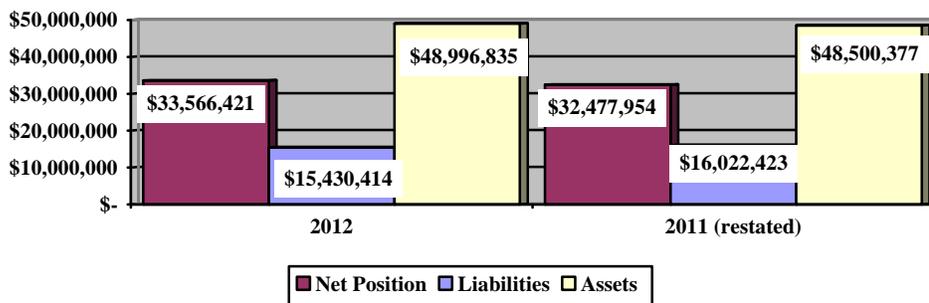
Governmental Activities – General and Program Revenues



Business-Type Activities

Business-type activities include the water, sewer, and garbage enterprise funds. These programs had program revenues of \$9,746,720 and expenses of \$8,641,985 for 2012. The graph below shows the business-type activities assets, liabilities and net position at year-end.

Net Position in Business - Type Activities



Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$9,898,423 which is \$748,244 higher than last year's total of \$9,150,179. The schedule on the next page indicates the fund balances and the total change in fund balances as of December 31, 2012 for all major and nonmajor governmental funds.

CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Fund Balances <u>12/31/12</u>	Fund Balances (deficit) <u>12/31/11</u>	Increase/ (Decrease)
Major Funds:			
General	\$ 4,657,753	\$ 4,733,032	\$ (75,279)
Emergency Medical Services Levy	168,349	(72,717)	241,066
Capital Improvements	3,542,135	3,035,462	506,673
Other Nonmajor Governmental Funds	<u>1,530,186</u>	<u>1,454,402</u>	<u>75,784</u>
Total	<u>\$ 9,898,423</u>	<u>\$ 9,150,179</u>	<u>\$ 748,244</u>

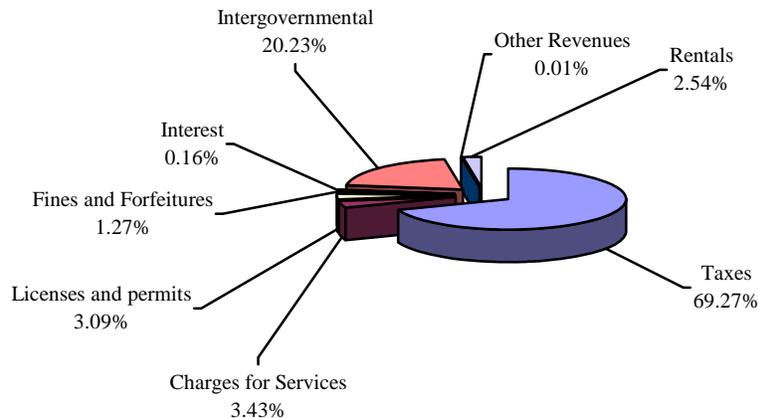
General Fund

The City's general fund balance decreased \$75,279. The table that follows assists in illustrating the revenues of the general fund.

	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Taxes	\$ 5,865,637	\$ 5,637,581	\$ 228,056	4.05 %
Charges for services	290,394	283,421	6,973	2.46 %
Licenses and permits	261,986	194,781	67,205	34.50 %
Fines and forfeitures	107,502	69,083	38,419	55.61 %
Intergovernmental	1,713,477	2,620,454	(906,977)	(34.61) %
Interest	13,127	7,767	5,360	69.01 %
Rentals	215,402	243,282	(27,880)	(11.46) %
Other	<u>833</u>	<u>69,615</u>	<u>(68,782)</u>	<u>(98.80) %</u>
Total	<u>\$ 8,468,358</u>	<u>\$ 9,125,984</u>	<u>\$ (657,626)</u>	<u>(7.21) %</u>

Revenues of the general fund decreased \$657,626 or 7.21%. Tax revenues increased \$228,056 or 4.05%. This increase was the result of an increase in income taxes being reported in the general fund due to an increase in business within the City. The most significant decrease was in the area of intergovernmental revenues. Intergovernmental revenues decreased \$906,977 due mainly to a decrease in estate taxes. All other major revenue remained comparable to 2011.

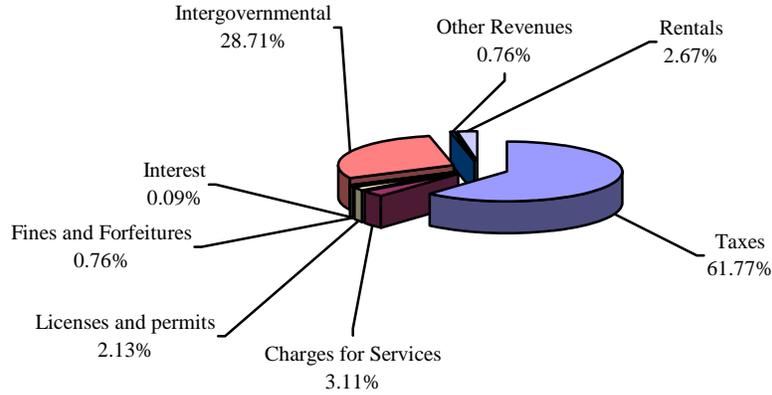
Revenues – 2012



CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Revenues – 2011



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

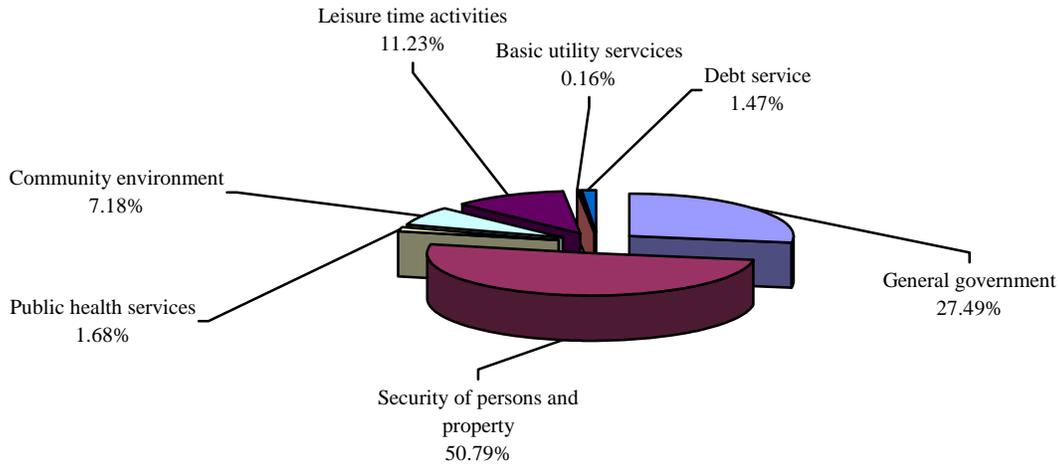
	<u>2012</u> <u>Amount</u>	<u>2011</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 1,675,343	\$ 1,729,043	\$ (53,700)	(3.11) %
Security of persons and property:				
Police	3,095,637	3,189,169	(93,532)	(2.93) %
Public health and welfare	102,395	102,265	130	0.13 %
Transportation	-	53,688	(53,688)	(100.00) %
Community environment	437,425	422,242	15,183	3.60 %
Leisure time activities	684,494	764,307	(79,813)	(10.44) %
Basic utility services	9,571	27,538	(17,967)	(65.24) %
Debt service	<u>89,650</u>	<u>105,988</u>	<u>(16,338)</u>	(15.41) %
Total	<u>\$ 6,094,515</u>	<u>\$ 6,394,240</u>	<u>\$ (299,725)</u>	(4.69) %

Expenditures of the general fund decreased \$299,725 or 4.69%. Decrease were consistent among almost all expenditure functions due to cost cutting measures enacted by the City.

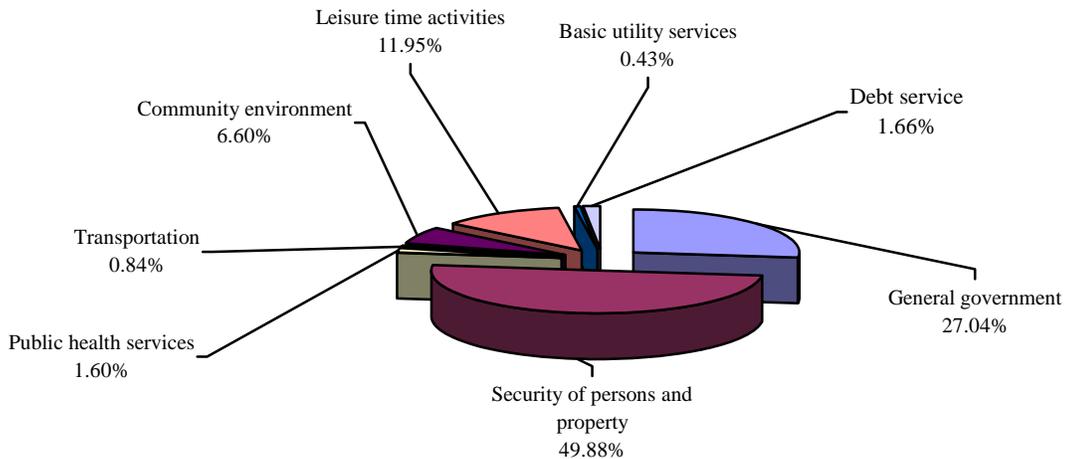
CITY OF NORTH CANTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Expenditures – 2012



Expenditures – 2011



Emergency Medical Services Levy

The emergency medical services levy fund had \$1,742,235 in revenues and other financing sources. The emergency medical services levy fund had expenditures and other financing uses of \$1,501,169. The fund balance of the emergency medical services levy fund increased \$241,066 during 2012 from a deficit of \$72,717 to a balance of \$168,349. The primary reasons for the increase is due to an increase in charges for services related to ambulance runs, an increase in transfers in from the general fund and an increase in intergovernmental revenue.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Capital Improvements Fund

The capital improvements major fund had \$5,057,330 in revenues and other financing sources and \$4,550,657 in expenditures in 2012. The fund balance for the capital improvements fund increased \$506,673, or 16.69%, from \$3,035,462 in 2011 to \$3,890,600 in 2012. The primary reason for the increase in fund balance is due to an increase in transfers in from the general fund and intergovernmental revenues.

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 of \$7,754,729 were higher than the final budget amount by \$853,529. This increase is due to estate taxes that were received during 2012 but was not budgeted for. Actual expenditures and other financing uses of \$8,382,250 were lower than the final budget amount by \$894,664. Budgeted revenues and other financing sources were the same in the original and the final budget. Budgeted expenditures and other financing uses were decreased \$11,640 from the original to the final budget. This is mainly due to a decrease in general government expenditures.

Proprietary Funds

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

The City's business-type funds (as presented on the Statement of Fund Net Position on page 28) reported a combined net position of \$33,379,783, which is \$1,054,810 above last year's restated total of \$32,324,973.

The schedule below indicates the net position and the total change in net position as of December 31, 2012 and December 31, 2011 for all major business-type funds. The net position at December 31, 2011 has been restated as described in Note 3.A.

	Net Position <u>12/31/12</u>	Restated Net Position <u>12/31/11</u>	<u>Increase</u>
Major Funds:			
Water	\$ 24,225,820	\$ 23,553,202	\$ 672,618
Sewer	8,894,994	8,572,595	322,399
Garbage	<u>258,969</u>	<u>199,176</u>	<u>59,793</u>
Total	<u>\$ 33,379,783</u>	<u>\$ 32,324,973</u>	<u>\$ 1,054,810</u>

Water Fund

The water fund had \$6,097,862 in operating revenues and \$4,874,939 in operating expenses during 2012. The water fund also had \$500,305 in nonoperating expenses and \$50,000 in transfers out. The net position of the water fund increased \$672,618, or 2.86%, from \$23,553,202 to \$24,225,820. This increase is the result of water rates being at a sufficient level to cover the costs in the fund.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Sewer Fund

The sewer fund had \$2,785,812 in operating revenues and \$2,433,212 in operating expenses during 2012. The sewer fund also had \$5,201 in nonoperating expenses and \$25,000 in transfers out. The net position of the sewer fund increased \$322,399, or 3.76%, from \$8,572,595 to \$8,894,994. This increase is the result of sewer rates being at a sufficient level to cover the costs in the fund.

Garbage Fund

The garbage fund had \$881,780 in operating revenues and \$861,985 in operating expenses in 2012. The garbage fund also had non-operating revenues of \$39,998. The net position of the garbage fund increased \$59,793, or 30.02%, from \$199,176 to \$258,969. This increase is due to an increase in garbage collection rates.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2012, the City had \$72,764,445 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, equipment, software and infrastructure. Of this total, \$31,847,363 was reported in governmental activities and \$40,917,082 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, 2012 balances compared to December 31, 2011:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</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	568,310	89,346	-	-	568,310	89,346
Construction in progress	2,646,431	3,043,538	216,647	296,987	2,863,078	3,340,525
Land improvements	463,858	498,744	413,883	433,931	877,741	932,675
Buildings	3,092,864	2,857,131	10,116,572	10,544,907	13,209,436	13,402,038
Equipment	2,570,890	2,287,318	2,156,657	2,446,425	4,727,547	4,733,743
Software	-	-	-	-	-	-
Infrastructure	17,387,821	15,692,764	26,989,621	26,322,543	44,377,442	42,015,307
Totals	\$ 31,847,363	\$ 29,586,030	\$ 40,917,082	\$ 41,068,495	\$ 72,764,445	\$ 70,654,525

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Debt

The City had the following long-term obligations outstanding at December 31, 2012 and 2011:

	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>
General obligation bonds	\$ 2,195,000	\$ 2,335,000
Capital leases	<u>59,710</u>	<u>134,662</u>
Total governmental activities long-term obligations	<u>\$ 2,254,710</u>	<u>\$ 2,469,662</u>
	Business-type Activities <u>2012</u>	Business-type Activities <u>2011</u>
OWDA loans	\$ 8,250,917	\$ 8,760,422
OPWC loans	1,917,980	1,506,229
General obligation bonds	<u>4,845,000</u>	<u>5,080,000</u>
Total business-type activities long-term obligations	<u>\$ 15,013,897</u>	<u>\$ 15,346,651</u>

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

Economic Factors and Next Year's Budget

The City of North Canton, despite the loss of its biggest taxpayer in September 2007 (the Hoover Company) and the "Great Recession" of 2008 – 2010, witnessed increases in income tax revenues in calendar year 2012. This was the result of employment growth of approximately 1,600 new jobs at the Hoover District and Walsh University. Further, improvement of the local economy saw the reduction in vacancy of commercial storefronts and buildings along Main, Maple, and Portage Streets. However, the positive gains in job growth were offset by continued cuts in other revenue streams such as shared support from the State of Ohio (Local Government Fund reductions), continued low interest income from deposits, and reductions in property tax revenues. Further, the City's operating costs continue to increase due to inflationary pressures, higher utility and gasoline prices, and increased training costs due to rising costs of employee health care. As a result, the City continues to tighten its belt and anticipates reductions in expenditures and revenue enhancement actions will be necessary through the remainder of 2013.

Wherever possible, the City is pursuing grants to assist in projects to stretch its scarce infrastructure funding as much as possible. Several examples include a \$350,000 Community Development Block Grant (CDBG) for waterline replacement on North Main Street, approximately \$4,000,000 in Ohio Public Works Commission (OPWC) grant funding for Phases V and VI of the North Main Reconstruction and widening, and multiple CDBG grants totaling over \$500,000 for four (4) waterline replacement projects and one (1) storm sewer replacement. The City has also completed over \$600,000 in OPWC Zero Interest Loans for the repainting for the City's water towers and the Lynbrook Sewer Line replacement project.

CITY OF NORTH CANTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

In addition to the rapidly redeveloping Hoover District and Walsh University as mentioned above, the City completed the construction of approximately 1,000 lineal feet of roadway now known as Waterside Drive (Waterside Center). The City made application in 2008 to the State of Ohio under its competitive 629 Research and Development Roadway Assistance Grant Program for grant funding to develop a roadway to open up approximately seventeen vacant acres for development as an office park to house research and technology companies. The City's application was successful and received \$350,000 in grant funds. The project's total cost was approximately \$647,000 and the remaining \$297,000 was funded at a fifty/fifty split with the City and the local developers (Waterside Development Company). The roadway was completed in 2009/2010 at the height of the Great Recession and occupancy of the park has been slow. However, with the recovering economy interest in Waterside Center is increasing and the City expects its first occupant/new building by the end of the 2013. The City and Developer continue to co-market the site for businesses and companies in high technology pursuits.

At the end of 2012, the City had approximately 435 businesses. Vacancy rates for businesses declined to about eight to ten percent in 2012. As in 2011, investment in the City continued with almost \$9,000,000 in new investment happening in 2012. This investment included \$3.9 million in improvements at Walsh University, a \$1.8 million dollar investment at Windsor Medical, a new \$275,000 Dollar Street Store on North Main Street, a \$2.3 million Dollar Apartment Complex (Northridge Apartments), a new Winking Lizard Restaurant, and several new medical offices.

During 2011, multi-year collective bargaining contracts were negotiated with City employees. The City has made significant efforts to obtain concessions to assist the City in controlling costs in areas such as wages, benefits and healthcare expenses. The City, through negotiations, entered into a revised healthcare package for healthcare insurance with its existing provider. Controlling health care costs continues to be a priority. In 2013, a wage re-opener negotiated between all bargaining units except two in which the City is currently in negotiation. It is striving to gain relief and concessions among the collective bargaining contracts in areas such as wages.

The City of North Canton has committed itself to financial excellence. The City is preparing its twenty-fifth Comprehensive Annual Financial Report. We will be submitting our 2012 CAFR for the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting.

Requests for Information

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

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
Assets:				
Equity in pooled cash and investments	\$ 10,200,427	\$ 6,254,848	\$ 16,455,275	\$ -
Cash and cash equivalents				
In segregated accounts	84,632	-	84,632	-
With fiscal agents	-	-	-	330,660
With escrow agent	557,000	-	557,000	-
Receivables:				
Property taxes	2,301,133	-	2,301,133	-
Municipal income taxes	1,186,367	-	1,186,367	-
Accounts	125,593	1,027,355	1,152,948	-
Intergovernmental	1,184,734	10,216	1,194,950	557,000
Special assessments	6,774	84,127	90,901	-
Accrued interest	3,058	-	3,058	-
Materials and supplies inventory	20,910	500,406	521,316	-
Prepayments	24,574	16,163	40,737	-
Internal balance	(186,638)	186,638	-	-
Capital assets:				
Land and construction in progress	8,331,930	1,240,349	9,572,279	71,439
Depreciable capital assets, net	23,515,433	39,676,733	63,192,166	421,700
Total capital assets, net	31,847,363	40,917,082	72,764,445	493,139
Total assets	47,355,927	48,996,835	96,352,762	1,380,799
Liabilities:				
Accounts payable	52,005	72,174	124,179	-
Contracts payable	396,175	-	396,175	-
Accrued wages and benefits payable	208,359	60,507	268,866	-
Intergovernmental payable	291,322	64,254	355,576	-
Accrued interest payable	9,269	165,702	174,971	-
Claims payable	59,490	-	59,490	-
Long-term liabilities:				
Due within one year	331,448	871,549	1,202,997	-
Due in more than one year	3,577,216	14,196,228	17,773,444	-
Total liabilities	4,925,284	15,430,414	20,355,698	-
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,247,126	-	2,247,126	-
City contributions not available	-	-	-	557,000
Total deferred inflows of resources	2,247,126	-	2,247,126	557,000
Total liabilities and deferred inflows of resources	7,172,410	15,430,414	22,602,824	557,000
Net position:				
Net investment in capital assets	30,162,804	26,042,734	56,205,538	493,139
Restricted for:				
Capital projects	202,578	-	202,578	-
Computer systems	12,430	-	12,430	-
Security of persons and property - police	41,628	-	41,628	-
Security of persons and property - fire	17,036	-	17,036	-
Public health and welfare	296,690	-	296,690	-
Transportation	1,207,215	-	1,207,215	-
Basic utilities	535,373	-	535,373	-
General trust	48,884	-	48,884	-
Mayors court	13,957	-	13,957	-
Unrestricted	7,644,922	7,523,687	15,168,609	330,660
Total net position	\$ 40,183,517	\$ 33,566,421	\$ 73,749,938	\$ 823,799

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,914,208	\$ 381,444	\$ 8	\$ -
Security of persons and property:				
Police	3,184,475	11,298	10,296	-
Fire	731,977	-	29,619	-
Public health and welfare	1,690,461	498,983	286,753	-
Transportation	3,333,527	-	869,781	3,102,193
Community environment	416,531	261,986	-	-
Leisure time activities	791,895	355,269	-	-
Basic utility services	542,450	-	335	-
Interest and fiscal charges	94,829	-	-	-
Total governmental activities	<u>12,700,353</u>	<u>1,508,980</u>	<u>1,196,792</u>	<u>3,102,193</u>
Business-type activities:				
Water	5,349,166	6,051,273	-	-
Sewer	2,432,758	2,773,669	-	-
Garbage	860,061	881,780	39,998	-
Total business-type activities	<u>8,641,985</u>	<u>9,706,722</u>	<u>39,998</u>	<u>-</u>
Total primary government	<u>\$ 21,342,338</u>	<u>\$ 11,215,702</u>	<u>\$ 1,236,790</u>	<u>\$ 3,102,193</u>
Component Unit:				
North Canton Community Improvement Corporation	<u>\$ 15,545</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 (restated)

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	North Canton Community Improvement Corporation
\$ (1,532,756)	\$ -	\$ (1,532,756)	\$ -
(3,162,881)	-	(3,162,881)	-
(702,358)	-	(702,358)	-
(904,725)	-	(904,725)	-
638,447	-	638,447	-
(154,545)	-	(154,545)	-
(436,626)	-	(436,626)	-
(542,115)	-	(542,115)	-
(94,829)	-	(94,829)	-
<u>(6,892,388)</u>	<u>-</u>	<u>(6,892,388)</u>	<u>-</u>
-	702,107	702,107	-
-	340,911	340,911	-
-	61,717	61,717	-
<u>-</u>	<u>1,104,735</u>	<u>1,104,735</u>	<u>-</u>
(6,892,388)	1,104,735	(5,787,653)	-
-	-	-	84,455
764,213	-	764,213	-
84,705	-	84,705	-
642,001	-	642,001	-
344,947	-	344,947	-
339,593	-	339,593	-
5,098,669	-	5,098,669	-
1,124,278	-	1,124,278	-
1,839,867	-	1,839,867	-
16,185	-	16,185	132
2,055	58,732	60,787	-
<u>10,256,513</u>	<u>58,732</u>	<u>10,315,245</u>	<u>132</u>
75,000	(75,000)	-	-
<u>10,331,513</u>	<u>(16,268)</u>	<u>10,315,245</u>	<u>132</u>
3,439,125	1,088,467	4,527,592	84,587
36,744,392	32,477,954	69,222,346	739,212
<u>\$ 40,183,517</u>	<u>\$ 33,566,421</u>	<u>\$ 73,749,938</u>	<u>\$ 823,799</u>

CITY OF NORTH CANTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	<u>General</u>	<u>Emergency Medical Services Levy</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 3,719,031	\$ 200,965	\$ 3,798,671	\$ 1,667,876	\$ 9,386,543
Cash and cash equivalents:					
In segregated accounts	-	-	-	84,632	84,632
With escrow agent	557,000	-	-	-	557,000
Receivables:					
Property taxes	731,066	785,046	-	785,021	2,301,133
Municipal income taxes	947,907	-	238,460	-	1,186,367
Accounts	22,535	95,445	-	7,613	125,593
Intergovernmental	356,232	58,543	364,582	405,377	1,184,734
Special assessments	6,774	-	-	-	6,774
Interfund loans	163,000	-	-	-	163,000
Due from other funds	20,445	-	-	-	20,445
Accrued interest	3,058	-	-	-	3,058
Materials and supplies inventory	6,652	9,335	-	4,923	20,910
Prepayments	12,817	1,877	-	9,880	24,574
Total assets	<u>\$ 6,546,517</u>	<u>\$ 1,151,211</u>	<u>\$ 4,401,713</u>	<u>\$ 2,965,322</u>	<u>\$ 15,064,763</u>
Liabilities:					
Accounts payable	\$ 11,848	\$ 6,304	\$ -	\$ 33,853	\$ 52,005
Contracts payable	-	-	393,439	2,736	396,175
Accrued wages and benefits payable	123,321	41,301	-	43,737	208,359
Interfund loans payable	-	-	-	163,000	163,000
Due to other funds	-	-	-	20,445	20,445
Intergovernmental payable	208,993	41,454	-	40,875	291,322
Total liabilities	<u>344,162</u>	<u>89,059</u>	<u>393,439</u>	<u>304,646</u>	<u>1,131,306</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year . . .	713,908	766,622	-	766,596	2,247,126
Delinquent property tax revenue not available . .	17,158	18,424	-	18,425	54,007
Accrued interest not available	3,058	-	-	-	3,058
Special assessments revenue not available	6,774	-	-	-	6,774
Miscellaneous revenue not available	1,222	-	-	-	1,222
Income tax revenue not available	467,767	-	117,674	-	585,441
Other nonexchange transactions not available . .	334,715	58,543	348,465	345,469	1,087,192
Charges for services revenue not available . . .	-	50,214	-	-	50,214
Total deferred inflows of resources	<u>1,544,602</u>	<u>893,803</u>	<u>466,139</u>	<u>1,130,490</u>	<u>4,035,034</u>
Total liabilities and deferred inflows of resources.	<u>1,888,764</u>	<u>982,862</u>	<u>859,578</u>	<u>1,435,136</u>	<u>5,166,340</u>
Fund balances:					
Nonspendable	19,469	11,212	-	14,803	45,484
Restricted	-	157,137	292,577	1,704,614	2,154,328
Committed	2,310,330	-	3,249,558	-	5,559,888
Assigned	1,455,511	-	-	-	1,455,511
Unassigned (deficit)	872,443	-	-	(189,231)	683,212
Total fund balances	<u>4,657,753</u>	<u>168,349</u>	<u>3,542,135</u>	<u>1,530,186</u>	<u>9,898,423</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,546,517</u>	<u>\$ 1,151,211</u>	<u>\$ 4,401,713</u>	<u>\$ 2,965,322</u>	<u>\$ 15,064,763</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012

Total governmental fund balances		\$	9,898,423
<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.			31,847,363
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	54,007	
Municipal income taxes receivable		585,441	
Accounts receivable		51,436	
Special assessments receivable		6,774	
Intergovernmental receivable		1,087,192	
Accrued interest receivable		3,058	
Total		1,787,908	1,787,908
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.			754,394
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.			(186,638)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(9,269)
Unamortized premiums on bond issuances are not recognized in the funds.			(70,891)
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		(1,483,063)	
Pollution remediation obligation		(100,000)	
Capital lease payable		(59,710)	
General obligation bonds payable		(2,195,000)	
Total		(3,837,773)	(3,837,773)
Net position of governmental activities		\$	40,183,517

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, 2012

	General	Emergency Medical Services Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 762,296	\$ 636,322	\$ -	\$ 765,085	\$ 2,163,703
Municipal income taxes	5,103,341	-	1,118,222	-	6,221,563
Charges for services.	290,394	519,535	-	-	809,929
Licenses and permits	261,986	-	-	-	261,986
Fines and forfeitures	107,502	-	-	155,368	262,870
Intergovernmental.	1,713,477	261,698	2,396,986	1,335,614	5,707,775
Interest	13,127	-	-	8	13,135
Rentals	215,402	-	-	-	215,402
Contributions and donations.	-	-	-	62,514	62,514
Other	833	64,680	-	21,741	87,254
Total revenues	8,468,358	1,482,235	3,515,208	2,340,330	15,806,131
Expenditures:					
Current:					
General government	1,675,343	-	-	135,600	1,810,943
Security of persons and property:					
Police	3,095,637	-	-	7,325	3,102,962
Fire	-	-	-	617,881	617,881
Public health and welfare.	102,395	1,485,169	-	24,959	1,612,523
Transportation	-	-	-	1,584,937	1,584,937
Community environment	437,425	-	-	-	437,425
Leisure time activities	684,494	-	-	-	684,494
Basic utility services.	9,571	-	-	337,522	347,093
Capital outlay	-	-	4,323,371	300,322	4,623,693
Debt service:					
Principal retirement.	60,000	-	154,952	-	214,952
Interest and fiscal charges	29,650	-	72,334	-	101,984
Total expenditures	6,094,515	1,485,169	4,550,657	3,008,546	15,138,887
Excess (deficiency) of revenues over (under) expenditures.	2,373,843	(2,934)	(1,035,449)	(668,216)	667,244
Other financing sources (uses):					
Sale of capital assets.	-	-	-	6,000	6,000
Transfers in	108,000	260,000	1,542,122	755,000	2,665,122
Transfers out.	(2,557,122)	(16,000)	-	(17,000)	(2,590,122)
Total other financing sources (uses)	(2,449,122)	244,000	1,542,122	744,000	81,000
Net change in fund balances	(75,279)	241,066	506,673	75,784	748,244
Fund balances (deficit) at beginning of year	4,733,032	(72,717)	3,035,462	1,454,402	9,150,179
Fund balances at end of year	\$ 4,657,753	\$ 168,349	\$ 3,542,135	\$ 1,530,186	\$ 9,898,423

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Net change in fund balances - total governmental funds	\$	748,244
 <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$ 4,085,424	
Current year depreciation	<u>(1,824,091)</u>	
Total		2,261,333
 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	11,756	
Municipal income taxes	1,384	
Charges for services	(20,552)	
Special assessments	(11,231)	
Intergovernmental	272,710	
Interest	3,058	
Other	<u>1,222</u>	
Total		258,347
 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.		
		214,952
 In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	2,086	
Amortization of bond premiums	<u>5,069</u>	
Total		7,155
 Some expenses reported in the Statement of Activities, such as compensated absences and pollution remediation, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(126,140)
 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>75,234</u>
Change in net position of governmental activities	\$	<u>3,439,125</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 795,000	\$ 795,000	\$ 762,296	\$ (32,704)
Municipal income taxes	4,394,500	4,394,500	4,394,500	-
Charges for services	287,000	287,000	290,394	3,394
Licenses and permits	170,000	170,000	261,986	91,986
Fines and forfeitures	50,500	50,500	99,221	48,721
Intergovernmental	727,000	727,000	1,727,797	1,000,797
Interest	40,000	40,000	14,974	(25,026)
Rentals	244,200	244,200	202,902	(41,298)
Other	30,000	30,000	659	(29,341)
Total revenues	6,738,200	6,738,200	7,754,729	1,016,529
Expenditures:				
Current:				
General government	1,798,876	1,716,884	1,415,138	301,746
Security of persons and property:				
Police	3,253,062	3,264,561	3,067,097	197,464
Public health and welfare	105,555	105,555	102,395	3,160
Community environment	411,524	411,557	348,636	62,921
Leisure time activities	794,765	793,585	687,212	106,373
Debt service:				
Principal retirement	60,000	60,000	60,000	-
Interest and fiscal charges	29,650	29,650	29,650	-
Total expenditures	6,453,432	6,381,792	5,710,128	671,664
Excess of revenue over expenditures	284,768	356,408	2,044,601	1,688,193
Other financing sources (uses):				
Advances in	163,000	163,000	-	(163,000)
Transfers out	(2,835,122)	(2,895,122)	(2,672,122)	223,000
Total other financing sources (uses)	(2,672,122)	(2,732,122)	(2,672,122)	60,000
Net change in fund balances	(2,387,354)	(2,375,714)	(627,521)	1,748,193
Fund balances at beginning of year	2,418,062	2,418,062	2,418,062	-
Prior year encumbrances appropriated	103,059	103,059	103,059	-
Fund balance at end of year	\$ 133,767	\$ 145,407	\$ 1,893,600	\$ 1,748,193

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 650,000	\$ 650,000	\$ 636,322	\$ (13,678)
Charges for services.	463,000	463,000	508,462	45,462
Intergovernmental.	246,570	246,570	261,698	15,128
Other	-	-	64,680	64,680
Total revenues	<u>1,359,570</u>	<u>1,359,570</u>	<u>1,471,162</u>	<u>111,592</u>
Expenditures:				
Current:				
Public health and welfare.	1,598,591	1,598,487	1,511,484	87,003
Total expenditures	<u>1,598,591</u>	<u>1,598,487</u>	<u>1,511,484</u>	<u>87,003</u>
Excess of expenditures over revenues	<u>(239,021)</u>	<u>(238,917)</u>	<u>(40,322)</u>	<u>198,595</u>
Other financing sources (uses):				
Transfers in	260,000	260,000	260,000	-
Transfers out.	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>244,000</u>	<u>244,000</u>	<u>244,000</u>	<u>-</u>
Net change in fund balances	4,979	5,083	203,678	198,595
Fund balances (deficit) at beginning of year .	(3,204)	(3,204)	(3,204)	-
Prior year encumbrances appropriated . . .	491	491	491	-
Fund balance at end of year	<u>\$ 2,266</u>	<u>\$ 2,370</u>	<u>\$ 200,965</u>	<u>\$ 198,595</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 3,763,149	\$ 2,238,428	\$ 253,271	\$ 6,254,848	\$ 813,884
Receivables:					
Accounts	783,597	238,764	4,994	1,027,355	-
Special assessments	4,499	79,628	-	84,127	-
Intergovernmental	-	-	10,216	10,216	-
Materials and supplies inventory	453,980	46,426	-	500,406	-
Prepayments	14,278	1,885	-	16,163	-
Total current assets	<u>5,019,503</u>	<u>2,605,131</u>	<u>268,481</u>	<u>7,893,115</u>	<u>813,884</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	1,074,874	165,475	-	1,240,349	-
Depreciable capital assets, net	33,051,794	6,624,939	-	39,676,733	-
Total capital assets, net	<u>34,126,668</u>	<u>6,790,414</u>	<u>-</u>	<u>40,917,082</u>	<u>-</u>
Total assets	<u>39,146,171</u>	<u>9,395,545</u>	<u>268,481</u>	<u>48,810,197</u>	<u>813,884</u>
Liabilities:					
Current liabilities:					
Accounts payable	51,765	14,520	5,889	72,174	-
Accrued wages and benefits payable	44,716	13,855	1,936	60,507	-
Intergovernmental payable	50,468	12,099	1,687	64,254	-
Accrued interest payable	162,992	2,710	-	165,702	-
General obligation bonds payable	260,000	-	-	260,000	-
OWDA loans payable	523,796	6,721	-	530,517	-
OPWC loans payable	81,032	-	-	81,032	-
Claims and judgements payable	-	-	-	-	59,490
Total current liabilities	<u>1,174,769</u>	<u>49,905</u>	<u>9,512</u>	<u>1,234,186</u>	<u>59,490</u>
Long-term liabilities:					
General obligation bonds payable	4,585,000	-	-	4,585,000	-
OWDA loans payable	7,569,108	151,292	-	7,720,400	-
OPWC loans payable	1,537,594	299,354	-	1,836,948	-
Unamortized premium on bonds	53,880	-	-	53,880	-
Total long-term liabilities	<u>13,745,582</u>	<u>450,646</u>	<u>-</u>	<u>14,196,228</u>	<u>-</u>
Total liabilities	<u>14,920,351</u>	<u>500,551</u>	<u>9,512</u>	<u>15,430,414</u>	<u>59,490</u>
Net position:					
Net investment in capital assets	19,709,687	6,333,047	-	26,042,734	-
Unrestricted	4,516,133	2,561,947	258,969	7,337,049	754,394
Total net position	<u>\$ 24,225,820</u>	<u>\$ 8,894,994</u>	<u>\$ 258,969</u>	<u>33,379,783</u>	<u>\$ 754,394</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				186,638	
Net position of business-type activities				<u>\$ 33,566,421</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Garbage	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 6,007,978	\$ 2,726,398	\$ 881,780	\$ 9,616,156	\$ 1,255,483
Tap-in fees	43,295	47,271	-	90,566	-
Other operating revenues	46,589	12,143	-	58,732	1,587
Total operating revenues.	<u>6,097,862</u>	<u>2,785,812</u>	<u>881,780</u>	<u>9,765,454</u>	<u>1,257,070</u>
Operating expenses:					
Personal services	1,669,400	443,180	95,067	2,207,647	-
Contract services.	1,366,578	1,309,048	742,674	3,418,300	204,757
Materials and supplies.	262,292	375,228	24,244	661,764	-
Claims expense	-	-	-	-	943,422
Depreciation.	1,494,566	305,756	-	1,800,322	-
Other	82,103	-	-	82,103	-
Total operating expenses.	<u>4,874,939</u>	<u>2,433,212</u>	<u>861,985</u>	<u>8,170,136</u>	<u>1,148,179</u>
Operating income	<u>1,222,923</u>	<u>352,600</u>	<u>19,795</u>	<u>1,595,318</u>	<u>108,891</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(500,305)	(2,559)	-	(502,864)	-
Loss on disposal of capital assets	-	(2,642)	-	(2,642)	-
Intergovernmental	-	-	39,998	39,998	-
Total nonoperating revenues (expenses).	<u>(500,305)</u>	<u>(5,201)</u>	<u>39,998</u>	<u>(465,508)</u>	<u>-</u>
Income before transfers	722,618	347,399	59,793	1,129,810	108,891
Transfer out	<u>(50,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>
Change in net position	672,618	322,399	59,793	1,054,810	108,891
Net position at beginning of year (restated) .	<u>23,553,202</u>	<u>8,572,595</u>	<u>199,176</u>		<u>645,503</u>
Net position at end of year	<u>\$ 24,225,820</u>	<u>\$ 8,894,994</u>	<u>\$ 258,969</u>		<u>\$ 754,394</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				<u>33,657</u>	
Change in net position of business-type activities.				<u>\$ 1,088,467</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, 2012

	<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	\$ 6,045,639	\$ 2,734,216	\$ 880,012	\$ 9,659,867	\$ -
Cash received from interfund services	-	-	-	-	1,255,483
Cash received from tap-in fees	43,295	47,271	-	90,566	-
Cash received from other operations	44,508	12,143	-	56,651	1,587
Cash payments for personal services.	(1,653,515)	(431,599)	(94,529)	(2,179,643)	-
Cash payments for contractual services	(1,368,734)	(1,417,440)	(822,055)	(3,608,229)	(205,257)
Cash payments for materials and supplies	(600,539)	(322,996)	(24,244)	(947,779)	-
Cash payments for claims	-	-	-	-	(940,906)
Cash payments for other expenses	(82,103)	-	-	(82,103)	-
Net cash provided by (used in) operating activities	<u>2,428,551</u>	<u>621,595</u>	<u>(60,816)</u>	<u>2,989,330</u>	<u>110,907</u>
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies.	-	-	40,172	40,172	-
Cash used in transfers out	(50,000)	(25,000)	-	(75,000)	-
Net cash provided by (used in) noncapital financing activities.	<u>(50,000)</u>	<u>(25,000)</u>	<u>40,172</u>	<u>(34,828)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,354,405)	(380,087)	-	(1,734,492)	-
OPWC loan proceeds	193,429	299,354	-	492,783	-
Principal payments - bonds	(235,000)	-	-	(235,000)	-
Principal payments - OWDA loans	(505,332)	(4,173)	-	(509,505)	-
Principal payments - OPWC loans	(81,032)	-	-	(81,032)	-
Interest and fiscal charges - bonds.	(206,480)	-	-	(206,480)	-
Interest and fiscal charges - OWDA loans.	(306,623)	(3,372)	-	(309,995)	-
Net cash used in capital and related financing activities.	<u>(2,495,443)</u>	<u>(88,278)</u>	<u>-</u>	<u>(2,583,721)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(116,892)	508,317	(20,644)	370,781	110,907
Cash and cash equivalents at beginning of year . . .	<u>3,880,041</u>	<u>1,730,111</u>	<u>273,915</u>	<u>5,884,067</u>	<u>702,977</u>
Cash and cash equivalents at end of year	<u>\$ 3,763,149</u>	<u>\$ 2,238,428</u>	<u>\$ 253,271</u>	<u>\$ 6,254,848</u>	<u>\$ 813,884</u>

-- Continued

CITY OF NORTH CANTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Total</u>	
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income	\$ 1,222,923	\$ 352,600	\$ 19,795	\$ 1,595,318	\$ 108,891
Adjustments:					
Depreciation.	1,494,566	305,756	-	1,800,322	-
Changes in assets and liabilities:					
Decrease (increase) in materials and supplies inventory	(345,536)	60,697	-	(284,839)	-
Decrease (increase) in accounts receivable.	33,109	(3,131)	(1,768)	28,210	-
Decrease in special assessments receivable	2,471	10,949	-	13,420	-
Decrease (increase) in prepayments	(563)	157	8	(398)	-
Increase (decrease) in accounts payable	21,625	(32,141)	2,986	(7,530)	-
(Decrease) in contracts payable.	-	(9,345)	(66,446)	(75,791)	(500)
Increase in accrued wages and benefits	11,827	7,776	90	19,693	-
Increase (decrease) in intergovernmental payable.	4,058	(55,795)	448	(51,289)	-
(Decrease) in pollution remediation payable	(15,929)	(15,928)	(15,929)	(47,786)	-
Increase in claims payable	-	-	-	-	2,516
Net cash provided by (used in) operating activities	<u>\$ 2,428,551</u>	<u>\$ 621,595</u>	<u>\$ (60,816)</u>	<u>\$ 2,989,330</u>	<u>\$ 110,907</u>

Noncash transactions:

During 2011, the water fund purchased \$82,941 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2012**

	<u>Agency</u>
Assets:	
Cash in segregated accounts	\$ 101,197
Total assets	<u>\$ 101,197</u>
Liabilities:	
Deposits held and due to others	\$ 101,197
Total liabilities	<u>\$ 101,197</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - DESCRIPTION OF THE CITY

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

Reporting Entity

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

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

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

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

The City participates in two jointly governed organizations, the Stark Council of Governments and the Stark County Combined General Health District. These organizations are described in Note 20 of the Basic Financial Statements.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 improvements capital projects fund - The capital improvements capital projects 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, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets, all deferred outflows, all liabilities and all deferred inflows 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, current liabilities and current deferred inflows 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, all liabilities and all deferred inflows 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance 2013 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2012, are recorded as deferred inflows on the governmental fund financial statements.

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 2012, investments were limited to Federal National Mortgage Association (FNMA) bonds, the State Treasury Asset Reserve of Ohio Plus (STAR Ohio Plus), repurchase agreements and certificates of deposit.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2012.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2012 amounted to \$13,127, which includes \$11,332 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, 2012, 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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

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

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

J. Interfund Balances

On 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.

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

L. Accrued Liabilities and Long-Term Obligations

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

M. Fund Balance

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

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

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

N. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Position reports \$2,375,791 of restricted net position, none of which is restricted by enabling legislation.

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

O. Operating Revenues and Expenses

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

P. Contributions of Capital

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

Q. Internal Activity

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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 Deferred Charges/Unamortized Bond Premium/Bond Issuance Costs

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

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

Bond issuance costs are expensed when they occur.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2012.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2012, the City has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the City.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the City.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows or resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the City's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had the following effect on the financial statements of the City:

	Governmental Activities	Business-type Activities	Enterprise Fund Water
Net assets as previously reported	\$ 36,827,032	\$ 32,710,084	\$ 23,785,332
Removal of unamortized deferred charges	(82,640)	(232,130)	(232,130)
Net position at January 1, 2012	\$ 36,744,392	\$ 32,477,954	\$ 23,553,202

B. Deficit Fund Balances

Fund balances at December 31, 2012 included the following individual fund deficits:

<u>Nonmajor governmental fund</u>	<u>Deficit</u>
Hoover district improvement fund	\$ 186,181

The general fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur. The fund deficits in the Hoover district improvement fund resulted from reporting a short term interfund loan rather than negative cash. The Hoover district improvement fund had a negative cash balance at December 31, 2012 contrary to Ohio Revised Code (ORC) Section 5705.10.

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012, the carrying amount of all City deposits was \$13,828,473, exclusive of the \$2,760,000 repurchase agreement included in investments on the next page. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2012, \$8,114,669 of the City's bank balance of \$14,028,788 was exposed to custodial risk as discussed below, while \$5,914,119 was covered by the FDIC.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2012, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
FNMA	\$ 12,288	\$ -	\$ -	\$ -	\$ -	\$ 12,288
Repurchase agreement	2,760,000	2,760,000	-	-	-	-
STAR Ohio Plus	597,343	597,343	-	-	-	-
Total	<u>\$ 3,369,631</u>	<u>\$ 3,357,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,288</u>

The weighted average of maturity of investments is 0.03 years.

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

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

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

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2012:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FNMA	\$ 12,288	0.36
Repurchase agreement	2,760,000	81.91
STAR Ohio Plus	597,343	17.73
Total	<u>\$ 3,369,631</u>	<u>100.00</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2012:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 13,828,473
Investments	<u>3,369,631</u>
Total	<u>\$ 17,198,104</u>
 <u>Cash and investments per Statement of Net Position</u>	
Governmental activities	\$ 10,842,059
Business-type activities	6,254,848
Agency fund	<u>101,197</u>
Total	<u>\$ 17,198,104</u>

NOTE 5 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of North Canton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012 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 2012 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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2012 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 294,910,260
Commercial/industrial/mineral	74,675,700
Public utility	<u>7,443,350</u>
Total assessed value	<u><u>\$ 377,029,310</u></u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2012, 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 \$46,833 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 \$83,119. At December 31, 2012, the amount of delinquent special assessments was \$7,782.

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental activities:

Estate tax	\$ 171,951
Local government	129,740
Homestead and rollback	54,541
Street construction, maintenance and repair	346,821
Fire operating levy	11,702
Emergency medical services	58,543
Storm sewer levy	23,427
Street levy	23,427
Capital improvement	<u>16,117</u>
Total governmental activities	<u><u>\$ 836,269</u></u>

Business-type activities:

Garbage	<u><u>\$ 10,216</u></u>
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CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 6 - RECEIVABLES - (Continued)

B. Municipal Income Taxes

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

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

NOTE 7 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2012, the City contracted with Houston Casualty Company for general liability, buildings and contents, automobile, crime, contractor's equipment, public officials' liability and police and professional liability insurance. Houston Casualty Company provides coverage for boiler and machinery, while Hartford Life and Accident covers emergency medical service and fire, accidental disability and death insurance. The City also purchases umbrella coverage from Houston Casualty Company with a general aggregate of \$5,000,000. Ohio Farmers provides performance bonds for all officials.

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

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

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 7 - RISK MANAGEMENT - (Continued)

The claims liability of \$59,490 reported in the internal service fund at December 31, 2012 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 2012 and 2011 are:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2012	\$ 56,974	\$ 943,422	\$ (940,906)	\$ 59,490
2011	72,599	798,228	(813,853)	56,974

NOTE 8 - OPERATING LEASE

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

In December 2003, the City entered into a triple-net lease agreement with a golf course operator effective January 1, 2004. A triple-net lease means the lessee is responsible for operations, insurance and taxes. The initial lease agreement was for five years with an option to extend. Upon the expiration of the original agreement, a new lease agreement was entered into in December 2008 with a golf course operator, R&S Golf Properties, Inc. The new lease agreement is for an initial term of three years with an option to extend it an additional three years. On December 12, 2011, 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 first three years 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>(878,128)</u>
Total	<u>\$ 3,319,934</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 - OPERATING LEASE - (Continued)

The future minimum lease payments under this non-cancelable lease as of December 31, 2012, are the following:

	Minimum Commitment
2013	\$ 100,000
2014	100,000
Total	\$ 200,000

NOTE 9 - CONTRACTUAL COMMITMENTS

The City had the following contractual commitments outstanding at December 31, 2012:

Vendor	Contract Amount	Amount Expended	Amount Outstanding
American Suncraft	\$ 467,625	\$ (193,429)	\$ 274,196
Arcadis G&M of Ohio	198,200	(80,431)	117,769
Canton City Utilities	70,000	-	70,000
Central Allied Ent.	3,065,381	(2,003,105)	1,062,276
McDonald Estate Co.	53,751	-	53,751
ME Companies	150,000	(138,880)	11,120
MS Consultants	227,625	(151,348)	76,277
Northstar Asphalt	646,499	(570,725)	75,774
Omnipro Services	81,632	-	81,632
Software Solutions	77,000	(12,990)	64,010
Superior Paving Materials	248,765	(216,646)	32,119
Total Contractual Commitments	\$ 5,286,478	\$ (3,367,554)	\$ 1,918,924

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:

Fund	Year End Encumbrances
General fund	\$ 59,858
Capital improvements	1,429,131
Other governmental	241,387
Total	\$ 1,730,376

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - CAPITAL ASSETS

A. Governmental activities

Governmental capital asset activity for the year ended December 31, 2012, was as follows:

<u>Governmental activities:</u>	Balance <u>12/31/11</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,117,189	\$ -	\$ -	\$ 5,117,189
Easements and rights-of-way	89,346	478,964	-	568,310
Construction in progress	<u>3,043,538</u>	<u>2,535,435</u>	<u>(2,932,542)</u>	<u>2,646,431</u>
Total capital assets, not being depreciated	<u>8,250,073</u>	<u>3,014,399</u>	<u>(2,932,542)</u>	<u>8,331,930</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	925,389	9,775	-	935,164
Buildings	7,409,973	410,301	(21,724)	7,798,550
Equipment	6,459,606	650,949	(103,550)	7,007,005
Software	57,000	-	-	57,000
Infrastructure - streets subsystem	23,771,877	2,920,380	-	26,692,257
Infrastructure - storm sewers subsystem	9,999,109	12,162	-	10,011,271
Infrastructure - bridge subsystem	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
Total capital assets, being depreciated	<u>48,825,954</u>	<u>4,003,567</u>	<u>(125,274)</u>	<u>52,704,247</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(426,645)	(44,661)	-	(471,306)
Buildings	(4,552,842)	(174,568)	21,724	(4,705,686)
Equipment	(4,172,288)	(367,377)	103,550	(4,436,115)
Software	(57,000)	-	-	(57,000)
Infrastructure - streets subsystem	(14,048,088)	(1,014,798)	-	(15,062,886)
Infrastructure - storm sewers subsystem	(4,085,484)	(219,612)	-	(4,305,096)
Infrastructure - bridge subsystem	<u>(147,650)</u>	<u>(3,075)</u>	<u>-</u>	<u>(150,725)</u>
Total accumulated depreciation	<u>(27,489,997)</u>	<u>(1,824,091)</u>	<u>125,274</u>	<u>(29,188,814)</u>
Total capital assets, being depreciated, net	<u>21,335,957</u>	<u>2,179,476</u>	<u>-</u>	<u>23,515,433</u>
Governmental activities capital assets, net	<u>\$ 29,586,030</u>	<u>\$ 5,193,875</u>	<u>\$ (2,932,542)</u>	<u>\$ 31,847,363</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 11 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$	123,207
Police		64,577
Fire		97,134
Public health and welfare		78,535
Transportation		1,130,381
Leisure time activities		110,251
Basic utility services		<u>220,006</u>
Total depreciation expense - governmental activities	\$	<u>1,824,091</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - CAPITAL ASSETS - (Continued)

B. Business-type activities

Business-type activities capital asset activity for 2012 is as follows:

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,023,702	\$ -	\$ -	\$ 1,023,702
Construction in progress	<u>296,987</u>	<u>1,602,549</u>	<u>(1,682,889)</u>	<u>216,647</u>
Total capital assets, not being depreciated	<u>1,320,689</u>	<u>1,602,549</u>	<u>(1,682,889)</u>	<u>1,240,349</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	588,667	1,410	-	590,077
Buildings	17,406,399	-	-	17,406,399
Equipment	5,907,529	47,592	-	5,955,121
Software	5,124	-	-	5,124
Infrastructure - water lines	30,099,532	1,302,802	(22,351)	31,379,983
Infrastructure - sewer lines	<u>13,416,197</u>	<u>380,087</u>	<u>(55,880)</u>	<u>13,740,404</u>
Total capital assets, being depreciated	<u>67,423,448</u>	<u>1,731,891</u>	<u>(78,231)</u>	<u>69,077,108</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(154,736)	(21,458)	-	(176,194)
Buildings	(6,861,492)	(428,335)	-	(7,289,827)
Equipment	(3,461,104)	(337,360)	-	(3,798,464)
Software	(5,124)	-	-	(5,124)
Infrastructure - water lines	(10,247,032)	(732,671)	22,351	(10,957,352)
Infrastructure - sewer lines	<u>(6,946,154)</u>	<u>(280,498)</u>	<u>53,238</u>	<u>(7,173,414)</u>
Total accumulated depreciation	<u>(27,675,642)</u>	<u>(1,800,322)</u>	<u>75,589</u>	<u>(29,400,375)</u>
Total capital assets, being depreciated, net	<u>39,747,806</u>	<u>(68,431)</u>	<u>(2,642)</u>	<u>39,676,733</u>
Business-type activities capital assets, net	<u>\$ 41,068,495</u>	<u>\$ 1,534,118</u>	<u>\$ (1,685,531)</u>	<u>\$ 40,917,082</u>

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

Water	\$ 1,494,566
Sewer	<u>305,756</u>
Total depreciation expense - business-type activities:	<u>\$ 1,800,322</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and contribution rates were consistent across all three plans. The 2012 member contribution rates were 10.00% for members. The City's contribution rate for 2012 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2012 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2012 was 7.95%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$420,323, \$457,913, and \$401,861, respectively; 87.62% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the member-directed plan for 2012 were \$9,362 made by the City and \$6,687 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 12 - PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2012, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$193,970 and \$29,567 for the year ended December 31, 2012, \$190,999 and \$25,556 for the year ended December 31, 2011, and \$199,794 and \$25,457, for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 71.43% has been contributed for police and 75.15% has been contributed for firefighters for 2012. The remaining 2012 pension liability has been reported as due to other governments on the basic financial statements.

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is 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 2012, 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 for 2012 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2012 was 6.05%.

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.

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$174,625, \$187,995, and \$227,210, respectively; 87.62% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 post-employment health care benefits liability has been reported as due to other governments 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 percent of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

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

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

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

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$102,690 and \$11,570 for the year ended December 31, 2012, \$101,117 and \$10,000 for the year ended December 31, 2011, and \$107,493 and \$9,948, for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 71.43% has been contributed for police and 75.15% has been contributed for firefighters for 2012. The remaining 2012 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

A. Compensated Absences

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

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

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

B. Insurance

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 15 - CAPITAL LEASE

In prior years, the City entered into leases for a Toro Groundsmaster 5900 mower, a ladder truck and an ambulance. 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	\$ 255,110
Less: accumulated depreciation	<u>(61,797)</u>
Total	<u>\$ 193,313</u>

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

	<u>Governmental Activities</u>
2013	\$ 47,406
2014	<u>15,390</u>
Total minimum lease payments	62,796
Less: amount representing interest	<u>(3,086)</u>
Present value of minimum lease payments	<u>\$ 59,710</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 16 - LONG-TERM OBLIGATIONS

<u>Debt Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
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
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	Open	Open
Lynbrook sanitary sewer	0	Open	Open
Other long-term liabilities			
Bonds payable - water system Series 2007	4.00 - 4.125	4,415,000	December 1, 2026
Raw waterline - Series 2011A	2.00 - 5.50	915,000	December 1, 2030
Frank/Applegrove waterline - Series 2011A	2.00 - 5.50	600,000	December 1, 2030
Governmental activities:			
General obligation bonds			
City Hall Roof/Civic Center Roof/ Salt Storage - Series 2011A			
	2.00 - 5.50	1,300,000	December 1, 2030
N. Main Street & Various Street Reconstruction Projects - Series 2011A			
	2.00 - 5.00	500,000	December 1, 2025
Real Estate Acquisition - Series 2011B			
	3.50 - 5.50	700,000	December 1, 2020

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

	<u>Balance</u> <u>12/31/2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2012</u>	<u>Amounts Due</u> <u>in One Year</u>
Business-type activities:					
OWDA loans					
Water treatment plant improvement	\$ 4,946,780	\$ -	\$ (303,498)	\$ 4,643,282	\$ 314,677
Water treatment plant improvement	2,338,500	-	(129,649)	2,208,851	134,569
Water treatment backwash tank	1,312,956	-	(72,185)	1,240,771	74,550
Portage St./W. Park sanitary	<u>162,186</u>	<u>-</u>	<u>(4,173)</u>	<u>158,013</u>	<u>6,721</u>
Total OWDA loans	<u>8,760,422</u>	<u>-</u>	<u>(509,505)</u>	<u>8,250,917</u>	<u>530,517</u>
OPWC loans					
Booster pump station	816,724	-	(51,045)	765,679	51,045
Applegrove waterline	377,178	-	(13,970)	363,208	13,970
North Main St. waterline	312,327	-	(16,017)	296,310	16,017
Water Tower #1 exterior painting	-	193,429	-	193,429	-
Lynbrook sanitary sewer	<u>-</u>	<u>299,354</u>	<u>-</u>	<u>299,354</u>	<u>-</u>
Total OPWC loans	<u>1,506,229</u>	<u>492,783</u>	<u>(81,032)</u>	<u>1,917,980</u>	<u>81,032</u>
Other long-term liabilities					
General obligation bonds - Series 2007	3,640,000	-	(180,000)	3,460,000	200,000
General obligation bonds - Series 2011A	870,000	-	(35,000)	835,000	35,000
General obligation bonds - Series 2011A	570,000	-	(20,000)	550,000	25,000
Pollution remediation	<u>47,786</u>	<u>-</u>	<u>(47,786)</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 15,394,437</u>	<u>\$ 492,783</u>	<u>\$ (873,323)</u>	15,013,897	<u>\$ 871,549</u>
				Add: unamortized premiums	53,880
				Total on Statement of Net Position	<u>\$ 15,067,777</u>
Governmental activities:					
General obligation bonds					
City Hall/Civic Center/ Salt Storage - Series 2011A	\$ 1,235,000	\$ -	\$ (50,000)	\$ 1,185,000	\$ 50,000
N. Main Street & Various Street Reconstruction Projects - Series 2011A	470,000	-	(30,000)	440,000	30,000
Real Estate Acquisition - Series 2011B	<u>630,000</u>	<u>-</u>	<u>(60,000)</u>	<u>570,000</u>	<u>60,000</u>
Total GO bonds	<u>2,335,000</u>	<u>-</u>	<u>(140,000)</u>	<u>2,195,000</u>	<u>140,000</u>
Other long-term liabilities					
Compensated absences	1,440,190	111,588	(68,715)	1,483,063	46,165
Capital lease	134,662	-	(74,952)	59,710	45,283
Pollution remediation	<u>63,714</u>	<u>36,286</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total governmental activities	<u>\$ 3,973,566</u>	<u>\$ 147,874</u>	<u>\$ (283,667)</u>	3,837,773	<u>\$ 331,448</u>
				Add: unamortized premiums	70,891
				Total on Statement of Net Position	<u>\$ 3,908,664</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 24.28 percent of net revenues and 9.23 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$10,342,700. Principal and interest paid for the current year were \$819,651, total net revenues were \$3,375,845 and total revenues were \$8,883,674.

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

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

On March 23, 2011, the City issued \$3,315,000 in Series 2011A Various Purpose General Obligation Bonds. In business-type activities, \$915,000 in bonds was used to retire bond anticipation notes maturing on March 25, 2011 and \$600,000 in bonds was used for the Frank/Applegrove waterline. In governmental activities, \$1,300,000 in bonds will be used for the City Hall Roof/Civic Center Roof and salt storage and \$500,000 in bonds will be used for North Main Street and various street reconstruction projects. At December 31, 2012, there were \$641,042 in unspent bond proceeds in the governmental activities.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

The pollution remediation obligation is for the clean up of polluted lands due to improper disposal of street sweeping clippings as directed by the Ohio Environmental Protection Agency. The estimated liability is \$100,000; to be paid from the street, construction, maintenance and repair fund (a nonmajor governmental fund). The City's pollution remediation obligation for this project was prepared by a contractor hired to perform the services. The liability has the potential to be increased or reduced depending on if further pollution is discovered. The City does not anticipate any recoveries that may reduce the liability.

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

Principal and interest requirements to retire the outstanding debt at December 31, 2012, are as follows:

Year Ending <u>December 31,</u>	Ohio Public Works Commission			OWDA Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 81,032	\$ -	\$ 81,032	\$ 530,517	\$ 293,521	\$ 824,038
2014	81,032	-	81,032	549,891	274,149	824,040
2015	81,032	-	81,032	569,972	254,066	824,038
2016	81,032	-	81,032	590,788	233,255	824,043
2017	81,032	-	81,032	612,367	211,671	824,038
2018 - 2022	405,160	-	405,160	3,414,183	706,007	4,120,190
2023 - 2027	405,164	-	405,164	1,954,484	117,621	2,072,105
2028 - 2032	125,905	-	125,905	28,715	1,493	30,208
2033 - 2037	69,850	-	69,850	-	-	-
2038	13,958	-	13,958	-	-	-
Total	<u>\$ 1,425,197</u>	<u>\$ -</u>	<u>\$ 1,425,197</u>	<u>\$ 8,250,917</u>	<u>\$ 2,091,783</u>	<u>\$ 10,342,700</u>

Year Ending <u>December 31,</u>	Series 2007 Water System General Obligation Bonds			Series 2011A Raw Waterline		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 200,000	\$ 139,377	\$ 339,377	\$ 35,000	\$ 35,512	\$ 70,512
2014	190,000	131,377	321,377	35,000	34,813	69,813
2015	200,000	123,777	323,777	35,000	34,113	69,113
2016	210,000	115,777	325,777	35,000	33,238	68,238
2017	220,000	107,377	327,377	40,000	32,275	72,275
2018 - 2022	1,260,000	395,687	1,655,687	210,000	141,675	351,675
2023 - 2027	1,180,000	123,029	1,303,029	255,000	93,125	348,125
2028 - 2030	-	-	-	190,000	21,175	211,175
Total	<u>\$ 3,460,000</u>	<u>\$ 1,136,401</u>	<u>\$ 4,596,401</u>	<u>\$ 835,000</u>	<u>\$ 425,926</u>	<u>\$ 1,260,926</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Series 2011A Frank/Applegrove Waterline			Total Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 25,000	\$ 23,263	\$ 48,263	\$ 260,000	\$ 198,152
2014	25,000	22,762	47,762	250,000	188,952	438,952
2015	25,000	22,263	47,263	260,000	180,153	440,153
2016	25,000	21,637	46,637	270,000	170,652	440,652
2017	25,000	20,950	45,950	285,000	160,602	445,602
2018 - 2022	135,000	92,362	227,362	1,605,000	629,724	2,234,724
2023 - 2027	165,000	60,750	225,750	1,600,000	276,904	1,876,904
2028 - 2030	<u>125,000</u>	<u>14,025</u>	<u>139,025</u>	<u>315,000</u>	<u>35,200</u>	<u>350,200</u>
Total	<u>\$ 550,000</u>	<u>\$ 278,012</u>	<u>\$ 828,012</u>	<u>\$ 4,845,000</u>	<u>\$ 1,840,339</u>	<u>\$ 6,685,339</u>

Year Ending December 31,	Series 2011A - City Hall Roof/ Civic Center Roof/Salt Storage			Series 2011A - N. Main Street and Various Street Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 50,000	\$ 50,450	\$ 100,450	\$ 30,000	\$ 15,813
2014	50,000	49,450	99,450	30,000	15,212	45,212
2015	50,000	48,450	98,450	30,000	14,613	44,613
2016	50,000	47,200	97,200	30,000	13,863	43,863
2017	55,000	45,825	100,825	30,000	13,037	43,037
2018 - 2022	295,000	201,763	496,763	170,000	49,524	219,524
2023 - 2027	365,000	132,750	497,750	120,000	12,000	132,000
2028 - 2030	<u>270,000</u>	<u>30,249</u>	<u>300,249</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,185,000</u>	<u>\$ 606,137</u>	<u>\$ 1,791,137</u>	<u>\$ 440,000</u>	<u>\$ 134,062</u>	<u>\$ 574,062</u>

Year Ending December 31,	Series 2011B Real Estate Acquisition			Total Governmental General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 60,000	\$ 27,550	\$ 87,550	\$ 140,000	\$ 93,813
2014	65,000	25,450	90,450	145,000	90,112	235,112
2015	65,000	23,175	88,175	145,000	86,238	231,238
2016	70,000	20,900	90,900	150,000	81,963	231,963
2017	70,000	17,050	87,050	155,000	75,912	230,912
2018 - 2022	240,000	26,950	266,950	705,000	278,237	983,237
2023 - 2027	-	-	-	485,000	144,750	629,750
2028 - 2030	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,000</u>	<u>30,249</u>	<u>300,249</u>
Total	<u>\$ 570,000</u>	<u>\$ 141,075</u>	<u>\$ 711,075</u>	<u>\$ 2,195,000</u>	<u>\$ 881,274</u>	<u>\$ 3,076,274</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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, 2012, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$11,925,000.

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, 2012, the City's total debt margin was \$37,393,078 and the unvoted debt margin was \$18,541,612.

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 to</u>	<u>Transfer from</u>					<u>Total</u>
	<u>General</u>	Emergency Medical Services Levy	Nonmajor funds	Water	Sewer	
Major funds						
General fund	\$ -	\$ 16,000	\$ 17,000	\$ 50,000	\$ 25,000	\$ 108,000
Emergency medical services levy	260,000	-	-	-	-	260,000
Capital improvement	1,542,122	-	-	-	-	1,542,122
Nonmajor funds						
Fire operating levy	515,000	-	-	-	-	515,000
Street construction	240,000	-	-	-	-	240,000
Total	<u>\$2,557,122</u>	<u>\$ 16,000</u>	<u>\$ 17,000</u>	<u>\$ 50,000</u>	<u>\$ 25,000</u>	<u>\$2,665,122</u>

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - INTERFUND ACTIVITY - (Continued)

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental funds and business-type activities are presented as transfers on the Statement of Activities and include capital contribution activity between governmental funds and business-type activities as described in Note 2.Q. The transfers from various funds into the general fund are to fund future termination payments.

- B.** Interfund loans receivable/payable consisted of the following at December 31, 2012, as reported on the fund statement:

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

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

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

- C.** Interfund balances at December 31, 2012 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 20,445</u>

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances related to due to/due from other funds at December 31, 2012 are reported on the Statement of Net Position.

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);

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (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 assigned, committed or unassigned fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	<u>General Fund</u>	Emergency Medical Services <u>Levy Fund</u>
Budget basis	\$ (627,521)	\$ 203,678
Net adjustment for revenue accruals	27,889	11,073
Net adjustment for expenditure accruals	(11,659)	26,315
Funds budgeted elsewhere	471,386	-
Adjustment for encumbrances	<u>64,626</u>	<u>-</u>
GAAP basis	<u>\$ (75,279)</u>	<u>\$ 241,066</u>

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

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 6,652	\$ 9,335	\$ -	\$ 4,923	\$ 20,910
Prepays	12,817	1,877	-	9,880	24,574
Total nonspendable	<u>19,469</u>	<u>11,212</u>	<u>-</u>	<u>14,803</u>	<u>45,484</u>
Restricted:					
Capital improvements	-	-	292,577	202,578	495,155
Security of persons and property police	-	-	-	41,628	41,628
Public health and welfare	-	157,137	-	1,160	158,297
Computer systems	-	-	-	12,430	12,430
Transportation	-	-	-	879,673	879,673
Utility services	-	-	-	504,304	504,304
General trust	-	-	-	48,884	48,884
Mayor's court	-	-	-	13,957	13,957
Total restricted	<u>-</u>	<u>157,137</u>	<u>292,577</u>	<u>1,704,614</u>	<u>2,154,328</u>
Committed:					
Capital improvements	-	-	3,249,558	-	3,249,558
Income tax	1,162,418	-	-	-	1,162,418
CIC escrow	557,000	-	-	-	557,000
Compensated absences	590,912	-	-	-	590,912
Total committed	<u>2,310,330</u>	<u>-</u>	<u>3,249,558</u>	<u>-</u>	<u>5,559,888</u>
Assigned:					
General government	44,833	-	-	-	44,833
Community environment	10,192	-	-	-	10,192
Security of persons and property police	1,126	-	-	-	1,126
Subsequent year appropriation	1,399,360	-	-	-	1,399,360
Total assigned	<u>1,455,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,455,511</u>
Unassigned (deficit)	<u>872,443</u>	<u>-</u>	<u>-</u>	<u>(189,231)</u>	<u>683,212</u>
Total fund balances	<u>\$ 4,657,753</u>	<u>\$ 168,349</u>	<u>\$ 3,542,135</u>	<u>\$ 1,530,186</u>	<u>\$ 9,898,423</u>

CITY OF NORTH CANTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 2012. 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 \$102,395 to the Health District in 2012. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

NOTE 21 - LITIGATION

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 22 - NORTH CANTON COMMUNITY IMPROVEMENT CORPORATION

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

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

Summary of Significant Accounting Policies

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

The CIC's significant accounting policies are described below.

A. Basis of Accounting

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

B. Cash

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

C. Capital Assets and Depreciation

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

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

D. Net Position

Net position represents the difference between assets plus deferred outflows less liabilities plus deferred inflows. 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, 2012, the carrying amount of the CIC's deposits was \$330,660. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2012, \$80,660 of the bank balance of \$330,660 was exposed to custodial credit risk as described below while \$250,000 was covered by the Federal Deposit Insurance Corporation.

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

CITY OF NORTH CANTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Capital Assets

Capital asset activity for the year ended December 31, 2012, was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/12</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	(17,680)	(4,420)	-	(22,100)
Equipment	(33,300)	(11,100)	-	(44,400)
<i>Total accumulated depreciation</i>	<u>(50,980)</u>	<u>(15,520)</u>	<u>-</u>	<u>(66,500)</u>
Total capital assets, net	<u>\$ 508,659</u>	<u>\$ (15,520)</u>	<u>\$ -</u>	<u>\$ 493,139</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, 2012, the CIC has received \$943,000 under this funding mechanism.

Litigation

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

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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

GENERAL FUND

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

Major Special Revenue 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 Improvements Fund

The capital improvements capital projects 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 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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 795,000	\$ 795,000	\$ 762,296	\$ (32,704)
Municipal income taxes	4,394,500	4,394,500	4,394,500	-
Charges for services	287,000	287,000	290,394	3,394
Licenses and permits	170,000	170,000	261,986	91,986
Fines and forfeitures	50,500	50,500	99,221	48,721
Intergovernmental	727,000	727,000	1,727,797	1,000,797
Interest.	40,000	40,000	14,974	(25,026)
Rentals.	244,200	244,200	202,902	(41,298)
Other	30,000	30,000	659	(29,341)
Total revenues.	<u>6,738,200</u>	<u>6,738,200</u>	<u>7,754,729</u>	<u>1,016,529</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Personal services	104,100	101,500	98,017	3,483
Contract services	7,700	10,300	7,256	3,044
Materials and supplies.	700	700	551	149
Total mayor	<u>112,500</u>	<u>112,500</u>	<u>105,824</u>	<u>6,676</u>
Director of Administration:				
Personal services	129,235	129,265	120,856	8,409
Contract services	16,594	16,164	10,315	5,849
Materials and supplies.	1,500	1,500	1,117	383
Capital outlay	1,500	1,500	200	1,300
Total director of administration	<u>148,829</u>	<u>148,429</u>	<u>132,488</u>	<u>15,941</u>
Director of Finance:				
Personal services	157,000	159,907	149,620	10,287
Contract services	51,360	48,888	37,166	11,722
Materials and supplies.	3,700	3,700	1,577	2,123
Capital outlay	1,500	1,500	1,000	500
Total director of finance.	<u>213,560</u>	<u>213,995</u>	<u>189,363</u>	<u>24,632</u>
Electronic Data Processing:				
Contract services	10,650	11,996	10,787	1,209
Materials and supplies.	100	75	-	75
Capital outlay	3,000	1,679	1,000	679
Total electronic data processing.	<u>13,750</u>	<u>13,750</u>	<u>11,787</u>	<u>1,963</u>
Director of Law:				
Personal services	49,947	50,618	48,112	2,506
Contract services	84,877	104,502	88,833	15,669
Materials and supplies.	3,300	3,190	3,133	57
Capital outlay	1,000	375	274	101
Total director of law	<u>139,124</u>	<u>158,685</u>	<u>140,352</u>	<u>18,333</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
City Council:				
Personal services	\$ 146,717	\$ 150,341	\$ 145,471	\$ 4,870
Contract services	49,651	44,596	35,374	9,222
Materials and supplies.	2,100	2,351	1,941	410
Capital outlay	2,200	2,200	200	2,000
Total city council	<u>200,668</u>	<u>199,488</u>	<u>182,986</u>	<u>16,502</u>
Civil Service Commission:				
Personal services	8,009	8,009	6,357	1,652
Contract services	19,800	19,800	6,556	13,244
Materials and supplies.	250	250	37	213
Total civil service commission	<u>28,059</u>	<u>28,059</u>	<u>12,950</u>	<u>15,109</u>
City Hall Maintenance:				
Contract services	109,196	104,388	87,195	17,193
Materials and supplies.	3,600	3,600	3,372	228
Capital outlay	120	120	-	120
Total city hall maintenance.	<u>112,916</u>	<u>108,108</u>	<u>90,567</u>	<u>17,541</u>
Department of Engineering:				
Personal services	236,400	236,451	193,042	43,409
Contract services	127,286	115,427	74,871	40,556
Materials and supplies.	11,616	12,550	11,841	709
Capital outlay	9,000	15,600	15,493	107
Total department of engineering	<u>384,302</u>	<u>380,028</u>	<u>295,247</u>	<u>84,781</u>
Other General Government:				
Personal services	81,000	66,582	66,578	4
Contract services	254,368	177,860	108,257	69,603
Capital outlay	1,300	900	263	637
Other.	108,500	108,500	78,476	30,024
Total other general government	<u>445,168</u>	<u>353,842</u>	<u>253,574</u>	<u>100,268</u>
Total General Government	<u>1,798,876</u>	<u>1,716,884</u>	<u>1,415,138</u>	<u>301,746</u>
Security of Persons and Property:				
Police:				
Personal services	2,789,200	2,786,208	2,648,351	137,857
Contract services	334,282	349,473	297,829	51,644
Materials and supplies.	102,680	101,980	95,070	6,910
Capital outlay	26,900	26,900	25,847	1,053
Total police	<u>3,253,062</u>	<u>3,264,561</u>	<u>3,067,097</u>	<u>197,464</u>
Total Security of Persons and Property.	<u>3,253,062</u>	<u>3,264,561</u>	<u>3,067,097</u>	<u>197,464</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Health and Welfare:				
County Health Department:				
Contract services	\$ 105,555	\$ 105,555	\$ 102,395	\$ 3,160
Total county health department	105,555	105,555	102,395	3,160
Total Public Health and Welfare	105,555	105,555	102,395	3,160
Community Environment:				
Permits and Inspections:				
Personal services	274,400	278,123	230,946	47,177
Contract services	30,458	30,603	24,934	5,669
Materials and supplies.	7,349	7,256	4,714	2,542
Capital outlay	3,700	4,900	4,900	-
Total permits and inspections.	315,907	320,882	265,494	55,388
Planning Commission:				
Contract services	2,970	3,080	1,438	1,642
Materials and supplies.	400	290	141	149
Total planning commission	3,370	3,370	1,579	1,791
Zoning and Building:				
Contract services	-	50	17	33
Materials and supplies.	50	-	-	-
Total zoning and building	50	50	17	33
Economic Development:				
Personal services	-	533	533	-
Contract services	87,904	83,272	77,572	5,700
Materials and supplies.	2,443	2,150	2,141	9
Capital outlay	1,850	1,300	1,300	-
Total economic development.	92,197	87,255	81,546	5,709
Total Community Environment.	411,524	411,557	348,636	62,921
Leisure Time Activities:				
Dogwood Shelter:				
Contract services	14,250	14,250	12,932	1,318
Total dogwood shelter	14,250	14,250	12,932	1,318
Swimming Pool:				
Personal services	135,800	136,799	135,076	1,723
Contract services	48,300	51,091	42,503	8,588
Materials and supplies.	46,672	42,882	40,246	2,636
Capital outlay	1,900	1,900	1,900	-
Total swimming pool	232,672	232,672	219,725	12,947
Parks Department:				
Personal services	212,750	212,750	162,661	50,089
Contract services	103,409	104,601	98,103	6,498
Materials and supplies.	27,101	27,101	24,343	2,758
Total parks department.	343,260	344,452	285,107	59,345

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civic Center:				
Personal services	\$ 8,510	\$ 5,510	\$ 7	\$ 5,503
Contract services	49,190	56,139	44,327	11,812
Materials and supplies.	3,123	2,483	2,336	147
Capital outlay	5,000	-	-	-
Total civic center	<u>65,823</u>	<u>64,132</u>	<u>46,670</u>	<u>17,462</u>
Recreation Department:				
Personal services	109,050	109,050	98,476	10,574
Contract services	7,650	7,800	6,352	1,448
Materials and supplies.	13,460	12,829	11,707	1,122
Total recreation department.	<u>130,160</u>	<u>129,679</u>	<u>116,535</u>	<u>13,144</u>
Recreation Program:				
Contract services	8,600	8,400	6,243	2,157
Total recreation program	<u>8,600</u>	<u>8,400</u>	<u>6,243</u>	<u>2,157</u>
Total Leisure Time Activities.	<u>794,765</u>	<u>793,585</u>	<u>687,212</u>	<u>106,373</u>
Debt Service:				
Principal retirement	60,000	60,000	60,000	-
Interest and fiscal charges	29,650	29,650	29,650	-
Total debt service.	<u>89,650</u>	<u>89,650</u>	<u>89,650</u>	<u>-</u>
Total expenditures	<u>6,453,432</u>	<u>6,381,792</u>	<u>5,710,128</u>	<u>671,664</u>
Excess of revenues over expenditures.	<u>284,768</u>	<u>356,408</u>	<u>2,044,601</u>	<u>1,688,193</u>
Other financing source (uses):				
Advances in	163,000	163,000	-	(163,000)
Transfers out	(2,835,122)	(2,895,122)	(2,672,122)	223,000
Total other financing sources (uses).	<u>(2,672,122)</u>	<u>(2,732,122)</u>	<u>(2,672,122)</u>	<u>60,000</u>
Net change in fund balance	(2,387,354)	(2,375,714)	(627,521)	1,748,193
Fund balance at beginning of year	2,418,062	2,418,062	2,418,062	-
Prior year encumbrances appropriated	103,059	103,059	103,059	-
Fund balance at end of year	<u>\$ 133,767</u>	<u>\$ 145,407</u>	<u>\$ 1,893,600</u>	<u>\$ 1,748,193</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 650,000	\$ 650,000	\$ 636,322	\$ (13,678)
Charges for services	463,000	463,000	508,462	45,462
Intergovernmental	246,570	246,570	261,698	15,128
Other	-	-	64,680	64,680
Total revenues	<u>1,359,570</u>	<u>1,359,570</u>	<u>1,471,162</u>	<u>111,592</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Personal services	1,248,300	1,224,641	1,164,645	59,996
Contract services	155,191	169,414	144,062	25,352
Materials and supplies.	34,500	40,200	38,569	1,631
Capital outlay	160,600	164,232	164,208	24
Total expenditures.	<u>1,598,591</u>	<u>1,598,487</u>	<u>1,511,484</u>	<u>87,003</u>
Excess expenditures over revenues	<u>(239,021)</u>	<u>(238,917)</u>	<u>(40,322)</u>	<u>198,595</u>
Other financing sources (uses):				
Transfers in	260,000	260,000	260,000	-
Transfers out	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>-</u>
Total other financing sources (uses). . .	<u>244,000</u>	<u>244,000</u>	<u>244,000</u>	<u>-</u>
Net change in fund balance	4,979	5,083	203,678	198,595
Fund balance (deficit) at beginning of year .	(3,204)	(3,204)	(3,204)	-
Prior year encumbrances appropriated .	<u>491</u>	<u>491</u>	<u>491</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,266</u>	<u>\$ 2,370</u>	<u>\$ 200,965</u>	<u>\$ 198,595</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ -
Intergovernmental	5,479,630	3,772,379	2,532,348	(1,240,031)
Total revenues	<u>6,585,130</u>	<u>4,877,879</u>	<u>3,637,848</u>	<u>(1,240,031)</u>
Expenditures:				
Capital Outlay:				
Contract services	6,219,090	5,305,097	4,489,452	815,645
Capital outlay	1,918,092	1,922,369	1,255,179	667,190
Total capital outlay	<u>8,137,182</u>	<u>7,227,466</u>	<u>5,744,631</u>	<u>1,482,835</u>
Debt service:				
Principal retirement	174,762	174,762	154,952	19,810
Interest and fiscal charges	72,334	72,334	72,334	-
Total debt service	<u>247,096</u>	<u>247,096</u>	<u>227,286</u>	<u>19,810</u>
Total expenditures	<u>8,384,278</u>	<u>7,474,562</u>	<u>5,971,917</u>	<u>1,502,645</u>
Excess of expenditures over revenues . .	<u>(1,799,148)</u>	<u>(2,596,683)</u>	<u>(2,334,069)</u>	<u>262,614</u>
Other financing sources:				
Transfers in	1,542,122	1,542,122	1,542,122	-
Total other financing sources	<u>1,542,122</u>	<u>1,542,122</u>	<u>1,542,122</u>	<u>-</u>
Net change in fund balance	(257,026)	(1,054,561)	(791,947)	262,614
Fund balance at beginning of year	2,418,241	2,418,241	2,418,241	-
Prior year encumbrances appropriated .	698,272	698,272	698,272	-
Fund balance at end of year	<u>\$ 2,859,487</u>	<u>\$ 2,061,952</u>	<u>\$ 2,324,566</u>	<u>\$ 262,614</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,900,000	\$ 5,900,000	\$ 6,045,639	\$ 145,639
Tap-in fees	30,000	30,000	43,295	13,295
Other.	20,000	20,000	44,508	24,508
Total operating revenues.	5,950,000	5,950,000	6,133,442	183,442
Operating expenses:				
Personal services.	1,791,470	1,709,735	1,653,515	56,220
Contract services	1,653,549	1,697,986	1,456,079	241,907
Materials and supplies	686,569	692,307	600,602	91,705
Capital outlay	2,783,617	2,672,094	1,680,790	991,304
Other.	49,808	166,371	82,103	84,268
Total operating expenses.	6,965,013	6,938,493	5,473,089	1,465,404
Operating income (loss)	(1,015,013)	(988,493)	660,353	1,648,846
Nonoperating revenues (expenses):				
OPWC loan proceeds	514,665	514,665	193,429	(321,236)
Debt service:				
Principal retirement	(840,094)	(840,094)	(821,364)	18,730
Interest and fiscal charges.	(513,076)	(513,103)	(513,103)	-
Total nonoperating revenues (expenses).	(838,505)	(838,532)	(1,141,038)	(302,506)
Loss before capital contributions and transfers	(1,853,518)	(1,827,025)	(480,685)	1,346,340
Capital contributions	239,671	239,671	-	(239,671)
Transfers out.	(50,000)	(50,000)	(50,000)	-
Net change in fund equity	(1,663,847)	(1,637,354)	(530,685)	1,106,669
Fund equity at beginning of year.	3,085,604	3,085,604	3,085,604	-
Prior year encumbrances appropriated	794,437	794,437	794,437	-
Fund equity at end of year	\$ 2,216,194	\$ 2,242,687	\$ 3,349,356	\$ 1,106,669

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 2,700,000	\$ 2,700,000	\$ 2,734,216	\$ 34,216
Tap-in fees	23,000	23,000	47,271	24,271
Other	5,000	5,000	12,143	7,143
Total operating revenues	<u>2,728,000</u>	<u>2,728,000</u>	<u>2,793,630</u>	<u>65,630</u>
Operating expenses:				
Personal services	520,028	523,398	431,599	91,799
Contract services	1,879,580	1,882,542	1,652,061	230,481
Materials and supplies	22,892	21,150	14,187	6,963
Capital outlay	1,573,773	1,563,773	885,981	677,792
Total operating expenses	<u>3,996,273</u>	<u>3,990,863</u>	<u>2,983,828</u>	<u>1,007,035</u>
Operating loss	<u>(1,268,273)</u>	<u>(1,262,863)</u>	<u>(190,198)</u>	<u>1,072,665</u>
Nonoperating revenues (expenses):				
OWDA loan proceeds	856,497	856,497	299,354	(557,143)
Debt service:				
Principal retirement	(17,751)	(17,751)	(4,022)	13,729
Interest and fiscal charges	(7,602)	(7,602)	(3,523)	4,079
Total nonoperating revenues (expenses)	<u>831,144</u>	<u>831,144</u>	<u>291,809</u>	<u>(539,335)</u>
Income (loss) before transfers	(437,129)	(431,719)	101,611	533,330
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Change in net assets	(462,129)	(456,719)	76,611	533,330
Fund equity at beginning of year	1,660,803	1,660,803	1,660,803	-
Prior year encumbrances appropriated	<u>69,308</u>	<u>69,308</u>	<u>69,308</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,267,982</u>	<u>\$ 1,273,392</u>	<u>\$ 1,806,722</u>	<u>\$ 533,330</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GARBAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 850,000	\$ 850,000	\$ 880,012	\$ 30,012
Total operating revenues	850,000	850,000	880,012	30,012
Operating expenses:				
Personal services	99,150	104,436	94,529	9,907
Contract services	844,112	840,137	823,049	17,088
Materials and supplies	54,062	51,639	24,307	27,332
Total operating expenses	997,324	996,212	941,885	54,327
Operating loss	(147,324)	(146,212)	(61,873)	84,339
Nonoperating revenues:				
Intergovernmental	55,000	55,000	40,172	(14,828)
Total nonoperating revenues	55,000	55,000	40,172	(14,828)
Net change in fund equity	(92,324)	(91,212)	(21,701)	69,511
Fund equity at beginning of year	267,591	267,591	267,591	-
Prior year encumbrances appropriated . . .	6,324	6,324	6,324	-
Fund equity at end of year	\$ 181,591	\$ 182,703	\$ 252,214	\$ 69,511

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.

Hoover District Improvements Fund

This fund accounts for revenues that are restricted for the redevelopment of the Hoover District Site.

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,465,298	\$ 202,578	\$ 1,667,876
Cash and cash equivalents:			
In segregated accounts	84,632	-	84,632
Receivables:			
Property taxes	785,021	-	785,021
Accounts	7,613	-	7,613
Intergovernmental	405,377	-	405,377
Materials and supplies inventory	4,923	-	4,923
Prepayments	9,880	-	9,880
Total assets	<u>\$ 2,762,744</u>	<u>\$ 202,578</u>	<u>\$ 2,965,322</u>
Liabilities:			
Accounts payable	\$ 33,853	\$ -	\$ 33,853
Contracts payable	-	2,736	2,736
Accrued wages and benefits payable	43,737	-	43,737
Intergovernmental payable	40,875	-	40,875
Interfund loan payable	-	163,000	163,000
Due to other funds	-	20,445	20,445
Total liabilities	<u>118,465</u>	<u>186,181</u>	<u>304,646</u>
Deferred Inflows of Resources:			
Property taxes levied for the next fiscal year	766,596	-	766,596
Delinquent property tax revenue not available	18,425	-	18,425
Other nonexchange transactions not available	345,469	-	345,469
Total deferred inflows of resources	<u>1,130,490</u>	<u>-</u>	<u>1,130,490</u>
Fund Balances:			
Nonspendable	14,803	-	14,803
Restricted	1,502,036	202,578	1,704,614
Unassigned (deficit)	(3,050)	(186,181)	(189,231)
Total fund balances	<u>1,513,789</u>	<u>16,397</u>	<u>1,530,186</u>
Total liabilities and fund balance	<u>\$ 2,762,744</u>	<u>\$ 202,578</u>	<u>\$ 2,965,322</u>

CITY OF NORTH CANTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Other Governmental Funds
Revenues:			
Property taxes	\$ 765,085	\$ -	\$ 765,085
Fines and forfeitures	155,368	-	155,368
Intergovernmental	978,872	356,742	1,335,614
Interest	8	-	8
Contributions and donations	62,514	-	62,514
Other	21,741	-	21,741
Total revenues	<u>1,983,588</u>	<u>356,742</u>	<u>2,340,330</u>
Expenditures:			
Current:			
General government	135,600	-	135,600
Security of persons and property:			
Police	7,325	-	7,325
Fire	617,881	-	617,881
Public health and welfare	24,959	-	24,959
Transportation	1,584,937	-	1,584,937
Basic utility services	337,522	-	337,522
Capital outlay	-	300,322	300,322
Total expenditures	<u>2,708,224</u>	<u>300,322</u>	<u>3,008,546</u>
Excess (deficiency) of expenditures over (under) revenues.	<u>(724,636)</u>	<u>56,420</u>	<u>(668,216)</u>
Other financing sources (uses):			
Sale of capital assets	6,000	-	6,000
Transfers in.	755,000	-	755,000
Transfers out	<u>(17,000)</u>	-	<u>(17,000)</u>
Total other financing sources (uses)	<u>744,000</u>	-	<u>744,000</u>
Net change in fund balances	19,364	56,420	75,784
Fund balances (deficit) at beginning of year . .	<u>1,494,425</u>	<u>(40,023)</u>	<u>1,454,402</u>
Fund balances at end of year	<u>\$ 1,513,789</u>	<u>\$ 16,397</u>	<u>\$ 1,530,186</u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Assets:				
Equity in pooled cash and investments	\$ 49,953	\$ 12,561	\$ 11,822	\$ 456,447
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
Receivables:				
Property taxes	157,023	-	-	-
Accounts	113	25	125	-
Intergovernmental	11,702	-	-	346,821
Materials and supplies inventory	-	-	-	4,923
Prepayments	4,699	-	-	4,901
Total assets	<u>\$ 223,490</u>	<u>\$ 12,586</u>	<u>\$ 11,947</u>	<u>\$ 813,092</u>
Liabilities:				
Accounts payable	\$ 3,876	\$ 156	\$ -	\$ 14,585
Accrued wages and benefits	22,208	-	-	21,529
Intergovernmental payable	27,032	-	-	13,843
Total liabilities	<u>53,116</u>	<u>156</u>	<u>-</u>	<u>49,957</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	153,338	-	-	-
Delinquent property tax revenue not available	3,685	-	-	-
Other nonexchange transactions not available	11,702	-	-	286,913
Total deferred inflows of resources	<u>168,725</u>	<u>-</u>	<u>-</u>	<u>286,913</u>
Fund Balances:				
Nonspendable	4,699	-	-	9,824
Restricted	-	12,430	11,947	466,398
Unassigned (deficit)	(3,050)	-	-	-
Total fund balances	<u>1,649</u>	<u>12,430</u>	<u>11,947</u>	<u>476,222</u>
Total liabilities and fund balance	<u>\$ 223,490</u>	<u>\$ 12,586</u>	<u>\$ 11,947</u>	<u>\$ 813,092</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 519,540	\$ 411,495	\$ 1,780	\$ -	\$ -
-	-	-	41,534	29,141
313,999	313,999	-	-	-
-	-	-	7,350	-
23,427	23,427	-	-	-
-	-	-	-	-
272	8	-	-	-
<u>\$ 857,238</u>	<u>\$ 748,929</u>	<u>\$ 1,780</u>	<u>\$ 48,884</u>	<u>\$ 29,141</u>
\$ 15,236	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
<u>15,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
306,629	306,629	-	-	-
7,370	7,370	-	-	-
23,427	23,427	-	-	-
<u>337,426</u>	<u>337,426</u>	<u>-</u>	<u>-</u>	<u>-</u>
272	8	-	-	-
504,304	411,495	1,780	48,884	29,141
-	-	-	-	-
<u>504,576</u>	<u>411,503</u>	<u>1,780</u>	<u>48,884</u>	<u>29,141</u>
<u>\$ 857,238</u>	<u>\$ 748,929</u>	<u>\$ 1,780</u>	<u>\$ 48,884</u>	<u>\$ 29,141</u>

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CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2012

	Continuing Professional Education	Community Disaster Relief	Mayor's Court	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 540	\$ 1,160	\$ -	\$ 1,465,298
Cash and cash equivalents:				
In segregated accounts	-	-	13,957	84,632
Receivables:				
Property taxes.	-	-	-	785,021
Accounts	-	-	-	7,613
Intergovernmental.	-	-	-	405,377
Materials and supplies inventory	-	-	-	4,923
Prepayments	-	-	-	9,880
Total assets	<u>\$ 540</u>	<u>\$ 1,160</u>	<u>\$ 13,957</u>	<u>\$ 2,762,744</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ 33,853
Accrued wages and benefits	-	-	-	43,737
Intergovernmental payable	-	-	-	40,875
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,465</u>
Deferred Inflows of Resources:				
Property taxes levied for the next fiscal year	-	-	-	766,596
Delinquent property tax revenue not available.	-	-	-	18,425
Other nonexchange transactions not available	-	-	-	345,469
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,130,490</u>
Fund Balances:				
Nonspendable	-	-	-	14,803
Restricted	540	1,160	13,957	1,502,036
Unassigned (deficit)	-	-	-	(3,050)
Total fund balances	<u>540</u>	<u>1,160</u>	<u>13,957</u>	<u>1,513,789</u>
Total liabilities and fund balance.	<u>\$ 540</u>	<u>\$ 1,160</u>	<u>\$ 13,957</u>	<u>\$ 2,762,744</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, 2012

	Fire Operating Levy	Computer	Enforcement and Education	Street Construction, Maintenance and Repair
Revenues:				
Property taxes	\$ 82,653	\$ -	\$ -	\$ -
Fines and forfeitures	-	4,797	1,639	-
Intergovernmental	34,573	-	-	735,350
Interest	-	-	-	-
Contributions and donations	-	-	-	-
Other	226	-	-	21,180
Total revenues	<u>117,452</u>	<u>4,797</u>	<u>1,639</u>	<u>756,530</u>
 Expenditures:				
Current:				
General government	-	8,201	-	-
Security of persons and property:				
Police	-	-	716	-
Fire	614,823	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	969,156
Basic utility services	-	-	-	-
Total expenditures	<u>614,823</u>	<u>8,201</u>	<u>716</u>	<u>969,156</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(497,371)</u>	<u>(3,404)</u>	<u>923</u>	<u>(212,626)</u>
 Other financing sources (uses):				
Sale of capital assets	6,000	-	-	-
Transfers in	515,000	-	-	240,000
Transfers out	(7,000)	-	-	(10,000)
Total other financing sources (uses)	<u>514,000</u>	<u>-</u>	<u>-</u>	<u>230,000</u>
 Net change in fund balances	16,629	(3,404)	923	17,374
 Fund balances (deficit) at beginning of year	<u>(14,980)</u>	<u>15,834</u>	<u>11,024</u>	<u>458,848</u>
 Fund balances at end of year	<u>\$ 1,649</u>	<u>\$ 12,430</u>	<u>\$ 11,947</u>	<u>\$ 476,222</u>

Storm Sewer Levy	Street Levy	Municipal Road	General Trust	Law Enforcement Trust
\$ 343,763	\$ 338,669	\$ -	\$ -	\$ -
-	-	-	-	9,424
49,871	49,078	110,000	-	-
-	-	-	-	-
-	-	-	61,354	-
335	-	-	-	-
<u>393,969</u>	<u>387,747</u>	<u>110,000</u>	<u>61,354</u>	<u>9,424</u>
-	-	-	-	-
-	-	-	404	6,205
-	-	-	3,058	-
-	-	-	24,959	-
-	500,309	115,472	-	-
337,522	-	-	-	-
<u>337,522</u>	<u>500,309</u>	<u>115,472</u>	<u>28,421</u>	<u>6,205</u>
<u>56,447</u>	<u>(112,562)</u>	<u>(5,472)</u>	<u>32,933</u>	<u>3,219</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
56,447	(112,562)	(5,472)	32,933	3,219
448,129	524,065	7,252	15,951	25,922
<u>\$ 504,576</u>	<u>\$ 411,503</u>	<u>\$ 1,780</u>	<u>\$ 48,884</u>	<u>\$ 29,141</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, 2012

	Continuing Professional Education	Community Disaster Relief	Mayor's Court	Total Nonmajor Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 765,085
Fines and forfeitures	-	-	139,508	155,368
Intergovernmental	-	-	-	978,872
Interest	-	-	8	8
Contributions and donations	-	1,160	-	62,514
Other	-	-	-	21,741
Total revenues	-	1,160	139,516	1,983,588
Expenditures:				
Current:				
General government	-	-	127,399	135,600
Security of persons and property:				
Police	-	-	-	7,325
Fire	-	-	-	617,881
Public health and welfare	-	-	-	24,959
Transportation	-	-	-	1,584,937
Basic utility services	-	-	-	337,522
Total expenditures	-	-	127,399	2,708,224
Excess (deficiency) of revenues over (under) expenditures	-	1,160	12,117	(724,636)
Other financing sources (uses):				
Sale of capital assets	-	-	-	6,000
Transfers in	-	-	-	755,000
Transfers out	-	-	-	(17,000)
Total other financing sources (uses)	-	-	-	744,000
Net change in fund balances	-	1,160	12,117	19,364
Fund balances (deficit) at beginning of year	540	-	1,840	1,494,425
Fund balances at end of year	\$ 540	\$ 1,160	\$ 13,957	\$ 1,513,789

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 88,000	\$ 88,000	\$ 82,653	\$ (5,347)
Intergovernmental	12,000	12,000	34,573	22,573
Other	-	-	113	113
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>117,339</u>	<u>17,339</u>
Expenditures:				
Current:				
Security of Person and Property:				
Fire:				
Personal services	507,450	569,224	493,732	75,492
Contract services	105,388	103,013	94,764	8,249
Materials and supplies.	27,500	27,900	27,518	382
Capital outlay	1,000	1,000	1,000	-
Total expenditures.	<u>641,338</u>	<u>701,137</u>	<u>617,014</u>	<u>84,123</u>
Excess of expenditures over revenues . . .	<u>(541,338)</u>	<u>(601,137)</u>	<u>(499,675)</u>	<u>101,462</u>
Other financing sources (uses):				
Proceeds from sale of bonds	-	-	6,000	6,000
Transfers in	515,000	575,000	515,000	(60,000)
Transfers out	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Total other financing sources (uses). . .	<u>508,000</u>	<u>568,000</u>	<u>514,000</u>	<u>(54,000)</u>
Net change in fund balance	(33,338)	(33,137)	14,325	47,462
Fund balance at beginning of year	33,760	33,760	33,760	-
Prior year encumbrances appropriated .	1,188	1,188	1,188	-
Fund balance at end of year	<u>\$ 1,610</u>	<u>\$ 1,811</u>	<u>\$ 49,273</u>	<u>\$ 47,462</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 4,772	\$ (2,228)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>4,772</u>	<u>(2,228)</u>
Expenditures:				
Current:				
General Government:				
Computer:				
Contract services	7,500	9,200	7,537	1,663
Materials and supplies.	900	900	677	223
Capital outlay	8,103	6,403	-	6,403
Total expenditures.	<u>16,503</u>	<u>16,503</u>	<u>8,214</u>	<u>8,289</u>
Net change in fund balance	(9,503)	(9,503)	(3,442)	6,061
Fund balance at beginning of year	<u>16,003</u>	<u>16,003</u>	<u>16,003</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ 12,561</u>	<u>\$ 6,061</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,800	\$ 1,800	\$ 1,514	\$ (286)
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>1,514</u>	<u>(286)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	6,000	6,000	499	5,501
Materials and supplies.	2,000	2,000	217	1,783
Capital outlay	3,024	3,024	-	3,024
Total expenditures.	<u>11,024</u>	<u>11,024</u>	<u>716</u>	<u>10,308</u>
Net change in fund balance	(9,224)	(9,224)	798	10,022
Fund balance at beginning of year	<u>11,024</u>	<u>11,024</u>	<u>11,024</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 11,822</u>	<u>\$ 10,022</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 699,000	\$ 699,000	\$ 743,348	\$ 44,348
Other	5,000	5,000	21,180	16,180
Total revenues	<u>704,000</u>	<u>704,000</u>	<u>764,528</u>	<u>60,528</u>
Expenditures:				
Current:				
Transportation:				
Personal services	545,800	536,300	306,026	230,274
Contract services	263,782	178,080	155,043	23,037
Materials and supplies.	378,533	393,033	376,570	16,463
Capital outlay	63,000	143,000	40,443	102,557
Total expenditures.	<u>1,251,115</u>	<u>1,250,413</u>	<u>878,082</u>	<u>372,331</u>
Excess expenditures over revenues	<u>(547,115)</u>	<u>(546,413)</u>	<u>(113,554)</u>	<u>432,859</u>
Other financing sources (uses):				
Transfers in	240,000	240,000	240,000	-
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses).	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>	<u>-</u>
Net change in fund balance	(317,115)	(316,413)	116,446	432,859
Fund balance at beginning of year	328,583	328,583	328,583	-
Prior year encumbrances appropriated	11,418	11,418	11,418	-
Fund balance at end of year	<u>\$ 22,886</u>	<u>\$ 23,588</u>	<u>\$ 456,447</u>	<u>\$ 432,859</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 307,000	\$ 307,000	\$ 343,763	\$ 36,763
Intergovernmental	49,500	49,500	49,871	371
Other	-	-	335	335
Total revenues	<u>356,500</u>	<u>356,500</u>	<u>393,969</u>	<u>37,469</u>
Expenditures:				
Current:				
Basic Utility Services:				
Storm Sewers:				
Personal services	55,000	55,000	55,000	-
Contract services	672,596	669,436	449,273	220,163
Materials and supplies.	20,000	20,000	6,559	13,441
Capital outlay	27,000	14,000	7,000	7,000
Total expenditures.	<u>774,596</u>	<u>758,436</u>	<u>517,832</u>	<u>240,604</u>
Net change in fund balance	(418,096)	(401,936)	(123,863)	278,073
Fund balance at beginning of year	323,001	323,001	323,001	-
Prior year encumbrances appropriated .	<u>143,096</u>	<u>143,096</u>	<u>143,096</u>	<u>-</u>
Fund balance at end of year	<u>\$ 48,001</u>	<u>\$ 64,161</u>	<u>\$ 342,234</u>	<u>\$ 278,073</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 355,000	\$ 355,000	\$ 338,669	\$ (16,331)
Intergovernmental	48,600	48,600	49,078	478
Total revenues	<u>403,600</u>	<u>403,600</u>	<u>387,747</u>	<u>(15,853)</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Personal services	55,000	55,000	55,000	-
Contract services	628,591	628,591	537,110	91,481
Materials and supplies.	31,849	31,849	1,849	30,000
Capital outlay	57,000	57,000	7,000	50,000
Total expenditures.	<u>772,440</u>	<u>772,440</u>	<u>600,959</u>	<u>171,481</u>
Net change in fund balance	(368,840)	(368,840)	(213,212)	155,628
Fund balance at beginning of year	370,074	370,074	370,074	-
Prior year encumbrances appropriated .	<u>157,343</u>	<u>157,343</u>	<u>157,343</u>	<u>-</u>
Fund balance at end of year	<u>\$ 158,577</u>	<u>\$ 158,577</u>	<u>\$ 314,205</u>	<u>\$ 155,628</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 110,000	\$ -
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Expenditures:				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Contract services	117,252	117,252	115,472	1,780
Total expenditures.	<u>117,252</u>	<u>117,252</u>	<u>115,472</u>	<u>1,780</u>
Net change in fund balance	(7,252)	(7,252)	(5,472)	1,780
Fund balance at beginning of year	<u>7,252</u>	<u>7,252</u>	<u>7,252</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,780</u>	<u>\$ 1,780</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 15,600	\$ 42,172	\$ 54,004	\$ 11,832
Total revenues	<u>15,600</u>	<u>42,172</u>	<u>54,004</u>	<u>11,832</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Contract services	3,500	3,500	-	3,500
Total General Government	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Security of Persons and Property:				
Police:				
Contract services	7,500	7,500	405	7,095
Total police	<u>7,500</u>	<u>7,500</u>	<u>405</u>	<u>7,095</u>
Fire:				
Contract services	3,057	3,057	3,057	-
Total fire	<u>3,057</u>	<u>3,057</u>	<u>3,057</u>	<u>-</u>
Total Security of Persons and Property.	<u>10,557</u>	<u>10,557</u>	<u>3,462</u>	<u>7,095</u>
Public Health and Welfare:				
E.M.S.:				
Contract services	587	27,158	25,207	1,951
Total E.M.S.	<u>587</u>	<u>27,158</u>	<u>25,207</u>	<u>1,951</u>
Total Public Health and Welfare.	<u>587</u>	<u>27,158</u>	<u>25,207</u>	<u>1,951</u>
Leisure Time Activities:				
Park Department:				
Contract services	1,555	1,556	-	1,556
Total park department	<u>1,555</u>	<u>1,556</u>	<u>-</u>	<u>1,556</u>
Total Leisure Time Activities.	<u>1,555</u>	<u>1,556</u>	<u>-</u>	<u>1,556</u>
Total expenditures	<u>16,199</u>	<u>42,771</u>	<u>28,669</u>	<u>14,102</u>
Net change in fund balance	(599)	(599)	25,335	25,934
Fund balance at beginning of year	<u>16,199</u>	<u>16,199</u>	<u>16,199</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,600</u>	<u>\$ 15,600</u>	<u>\$ 41,534</u>	<u>\$ 25,934</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, 2012

	<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	\$ 10,000	\$ 10,000	\$ 9,424	\$ (576)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>9,424</u>	<u>(576)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Materials and supplies	12,708	12,458	6,455	6,003
Total expenditures	<u>12,708</u>	<u>12,458</u>	<u>6,455</u>	<u>6,003</u>
Net change in fund balance	(2,708)	(2,458)	2,969	5,427
Fund balance at beginning of year	25,269	25,269	25,269	-
Prior year encumbrances appropriated .	<u>903</u>	<u>903</u>	<u>903</u>	<u>-</u>
Fund balance at end of year	<u>\$ 23,464</u>	<u>\$ 23,714</u>	<u>\$ 29,141</u>	<u>\$ 5,427</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Contract services	540	540	-	540
Total expenditures	<u>540</u>	<u>540</u>	<u>-</u>	<u>540</u>
Net change in fund balance	(540)	(540)	-	540
Fund balance at beginning of year	<u>540</u>	<u>540</u>	<u>540</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540</u>	<u>\$ 540</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, 2012

	<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	\$ 600	\$ 600	\$ 1,160	\$ 560
Total revenues	<u>600</u>	<u>600</u>	<u>1,160</u>	<u>560</u>
Expenditures:				
Current:				
General Government:				
Income Tax Division:				
Contract services	600	600	-	600
Total expenditures	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Net change in fund balance	-	-	1,160	1,160
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,160</u>	<u>\$ 1,160</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 45,000	\$ 45,000	\$ 686,098	\$ 641,098
Other	-	-	(358)	(358)
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>685,740</u>	<u>640,740</u>
Expenditures:				
Current:				
General Government:				
Personal services	143,000	146,577	140,986	5,591
Contract services	56,878	68,735	53,572	15,163
Materials and supplies.	5,200	4,124	3,646	478
Capital outlay	10,000	5,623	4,373	1,250
Other.	<u>155,000</u>	<u>145,000</u>	<u>135,652</u>	<u>9,348</u>
Total General Government.	<u>370,078</u>	<u>370,059</u>	<u>338,229</u>	<u>31,830</u>
Total expenditures	<u>370,078</u>	<u>370,059</u>	<u>338,229</u>	<u>31,830</u>
Excess expenditures over revenues	<u>(325,078)</u>	<u>(325,059)</u>	<u>347,511</u>	<u>672,570</u>
Other financing sources (uses):				
Transfers in	163,000	163,000	-	(163,000)
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>158,000</u>	<u>158,000</u>	<u>(5,000)</u>	<u>(163,000)</u>
Net change in fund balance	(167,078)	(167,059)	342,511	509,570
Fund balance at beginning of year	812,103	812,103	812,103	-
Prior year encumbrances appropriated	<u>10,378</u>	<u>10,378</u>	<u>10,378</u>	<u>-</u>
Fund balance at end of year	<u>\$ 655,403</u>	<u>\$ 655,422</u>	<u>\$ 1,164,992</u>	<u>\$ 509,570</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General Government:				
Personal services	\$ 143,927	\$ 143,927	\$ 1,842	\$ 142,085
Total General Government.	<u>143,927</u>	<u>143,927</u>	<u>1,842</u>	<u>142,085</u>
Security of Persons and Property:				
Police:				
Personal services	27,000	27,000	-	27,000
Total Police	<u>27,000</u>	<u>27,000</u>	<u>-</u>	<u>27,000</u>
Fire:				
Personal services	24,000	24,000	-	24,000
Total Fire	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Total Security of Persons and Property .	<u>51,000</u>	<u>51,000</u>	<u>-</u>	<u>51,000</u>
Public Health and Welfare:				
Personal services	31,000	31,000	-	31,000
Total Public Health and Welfare	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>31,000</u>
Community Environment:				
Personal services	1,000	1,000	-	1,000
Total Community Environment.	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Basic Utilities Services:				
Personal services	114,467	114,467	52,578	61,889
Total Basic Utility Services.	<u>114,467</u>	<u>114,467</u>	<u>52,578</u>	<u>61,889</u>
Leisure Time Activities:				
Personal services	44,246	44,246	-	44,246
Total Leisure Time Activities.	<u>44,246</u>	<u>44,246</u>	<u>-</u>	<u>44,246</u>
Transportation:				
Personal services	31,692	31,692	-	31,692
Total Transportation	<u>31,692</u>	<u>31,692</u>	<u>-</u>	<u>31,692</u>
Total expenditures	<u>417,332</u>	<u>417,332</u>	<u>54,420</u>	<u>362,912</u>
Excess expenditures over revenues	<u>(417,332)</u>	<u>(417,332)</u>	<u>(54,420)</u>	<u>362,912</u>
Other financing sources:				
Transfers in	228,000	228,000	228,000	-
Total other financing sources.	<u>228,000</u>	<u>228,000</u>	<u>228,000</u>	<u>-</u>
Net change in fund balance	(189,332)	(189,332)	173,580	362,912
Fund balance at beginning of year	<u>417,332</u>	<u>417,332</u>	<u>417,332</u>	<u>-</u>
Fund balance at end of year	<u>\$ 228,000</u>	<u>\$ 228,000</u>	<u>\$ 590,912</u>	<u>\$ 362,912</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 3,000	\$ -	\$ -	\$ -
Total revenues	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Community Environment:				
Personal services	100,000	100,000	100,000	-
Total Community Environment.	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(97,000)	(100,000)	(100,000)	-
Fund balance at beginning of year	<u>657,000</u>	<u>657,000</u>	<u>657,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 560,000</u>	<u>\$ 557,000</u>	<u>\$ 557,000</u>	<u>\$ -</u>

CITY OF NORTH CANTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Issue II</u>	<u>Hoover District Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Equity in pooled cash and investments.	\$ 202,578	\$ -	\$ 202,578
Total assets.	<u>\$ 202,578</u>	<u>\$ -</u>	<u>\$ 202,578</u>
Liabilities:			
Contracts payable	\$ -	\$ 2,736	\$ 2,736
Interfund loans payable.	-	163,000	163,000
Due to other funds.	-	20,445	20,445
Total liabilities	<u>-</u>	<u>186,181</u>	<u>186,181</u>
Fund Balances:			
Restricted	202,578	-	202,578
Unassigned (deficit).	-	(186,181)	(186,181)
Total fund balances (deficit).	<u>202,578</u>	<u>(186,181)</u>	<u>16,397</u>
Total liabilities and fund balance.	<u>\$ 202,578</u>	<u>\$ -</u>	<u>\$ 202,578</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, 2012

	<u>Issue II</u>	<u>Hoover District Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Intergovernmental	\$ 180,811	\$ 175,931	\$ 356,742
Total revenues	<u>180,811</u>	<u>175,931</u>	<u>356,742</u>
Expenditures:			
Capital outlay	<u>142,254</u>	<u>158,068</u>	<u>300,322</u>
Total expenditures	<u>142,254</u>	<u>158,068</u>	<u>300,322</u>
Excess of revenues over expenditures.	<u>38,557</u>	<u>17,863</u>	<u>56,420</u>
Net change in fund balances	38,557	17,863	56,420
Fund balances (deficit) at beginning of year . .	<u>164,021</u>	<u>(204,044)</u>	<u>(40,023)</u>
Fund balances (deficit) at end of year	<u><u>\$ 202,578</u></u>	<u><u>\$ (186,181)</u></u>	<u><u>\$ 16,397</u></u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ISSUE II FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 813,179	\$ 813,179	\$ 180,811	\$ (632,368)
Total revenues	<u>813,179</u>	<u>813,179</u>	<u>180,811</u>	<u>(632,368)</u>
Expenditures:				
Capital Outlay:				
Contract services	861,429	142,254	142,254	-
Total expenditures	<u>861,429</u>	<u>142,254</u>	<u>142,254</u>	<u>-</u>
Net change in fund balance	(48,250)	670,925	38,557	(632,368)
Fund balance at beginning of year	76,758	76,758	76,758	-
Prior year encumbrances appropriated .	<u>87,263</u>	<u>87,263</u>	<u>87,263</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 115,771</u>	<u>\$ 834,946</u>	<u>\$ 202,578</u>	<u>\$ (632,368)</u>

CITY OF NORTH CANTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HOOVER DISTRICT IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,107,000	\$ 507,000	\$ 175,931	\$ (331,069)
Contributions and donations.	-	-	-	-
Total revenues	<u>3,107,000</u>	<u>507,000</u>	<u>175,931</u>	<u>(331,069)</u>
Expenditures:				
Economic Development:				
Contract services	<u>2,903,896</u>	<u>173,773</u>	<u>158,974</u>	<u>14,799</u>
Total expenditures	<u>2,903,896</u>	<u>173,773</u>	<u>158,974</u>	<u>14,799</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>203,104</u>	<u>333,227</u>	<u>16,957</u>	<u>(316,270)</u>
Other financing uses:				
Advance out	<u>(163,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses.	<u>(163,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	40,104	333,227	16,957	(316,270)
Fund balance (deficit) at beginning of year.	(361,700)	(361,700)	(361,700)	-
Prior year encumbrances appropriated .	<u>321,598</u>	<u>321,598</u>	<u>321,598</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ 2</u>	<u>\$ 293,125</u>	<u>\$ (23,145)</u>	<u>\$ (316,270)</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, 2012

	<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	\$ 1,105,000	\$ 1,105,000	\$ 1,255,483	\$ 150,483
Other	-	-	1,587	1,587
Total operating revenues	<u>1,105,000</u>	<u>1,105,000</u>	<u>1,257,070</u>	<u>152,070</u>
Operating Expenses:				
Contract services	240,100	238,261	224,662	13,599
Claims	1,060,000	1,061,839	1,013,204	48,635
Total operating expenses	<u>1,300,100</u>	<u>1,300,100</u>	<u>1,237,866</u>	<u>62,234</u>
Operating loss/change in net assets. . . .	(195,100)	(195,100)	19,204	214,304
Fund equity at beginning of year	<u>702,977</u>	<u>702,977</u>	<u>702,977</u>	<u>-</u>
Fund equity at end of year	<u>\$ 507,877</u>	<u>\$ 507,877</u>	<u>\$ 722,181</u>	<u>\$ 214,304</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, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Deposits and Fees				
Assets:				
Cash and cash equivalents in segregated accounts.	\$ 121,508	\$ 150,817	\$ 171,128	\$ 101,197
Total assets.	<u>\$ 121,508</u>	<u>\$ 150,817</u>	<u>\$ 171,128</u>	<u>\$ 101,197</u>
Liabilities:				
Deposits held and due to others	\$ 121,508	\$ 150,817	\$ 171,128	\$ 101,197
Total liabilities	<u>\$ 121,508</u>	<u>\$ 150,817</u>	<u>\$ 171,128</u>	<u>\$ 101,197</u>

STATISTICAL SECTION

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CITY OF NORTH CANTON, OHIO

**STATISTICAL SECTION
TABLE CONTENTS**

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

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

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

CITY OF NORTH CANTON, OHIO

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

	<u>2012</u>	<u>2011 (2)</u>	<u>2010</u>	<u>2009</u>
Governmental Activities				
Net investment in capital assets	\$ 30,162,804	\$ 28,206,677	\$ 28,683,552	\$ 28,598,354
Restricted for:				
Capital projects	202,578	164,021	1,843,983	1,057,592
Street construction, maintenance and repair	-	-	1,134,308	1,042,924
Emergency medical services	-	-	190,534	190,303
Fire operations	-	-	133,317	95,270
Computer systems	12,430	15,834	22,113	15,472
Security of persons and property - police	41,628	95,411	-	-
Security of persons and property - fire	17,036	-	-	-
Public health and welfare	296,690	-	-	-
Transportation	1,207,215	1,304,606	-	-
Basic utilities	535,373	479,041	-	-
General trust	48,884	15,951	-	-
Mayors Court	13,957	1,840	-	-
Storm sewer	-	-	535,073	483,356
Donations and supplies	-	-	16,830	32,363
Other purposes	-	-	27,933	36,808
Unrestricted	7,644,922	6,461,011	1,311,616	2,053,244
Total governmental activities net position	<u>\$ 40,183,517</u>	<u>\$ 36,744,392</u>	<u>\$ 33,899,259</u>	<u>\$ 33,605,686</u>
Business-type Activities				
Net investment in capital assets	\$ 26,042,734	\$ 25,897,087	\$ 25,702,585	\$ 25,353,521
Unrestricted	7,523,687	6,580,867	5,699,657	4,524,526
Total business-type activities net position	<u>\$ 33,566,421</u>	<u>\$ 32,477,954</u>	<u>\$ 31,402,242</u>	<u>\$ 29,878,047</u>
Total Primary Government				
Net investment in capital assets	\$ 56,205,538	\$ 54,103,764	\$ 54,386,137	\$ 53,951,875
Restricted	2,375,791	2,076,704	3,904,091	2,954,088
Unrestricted	15,168,609	13,041,878	7,011,273	6,577,770
Total primary government net position	<u>\$ 73,749,938</u>	<u>\$ 69,222,346</u>	<u>\$ 65,301,501</u>	<u>\$ 63,483,733</u>

Source: City financial records.

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

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

2008	2007 (1)	2006	2005	2004	2003
\$ 28,494,366	\$ 27,680,040	\$ 26,870,342	\$ 22,671,549	\$ 22,785,936	\$ 21,759,290
976,112	2,364,897	1,859,062	2,926,256	1,560,922	2,246,120
774,996	651,009	854,455	211,489	280,980	305,021
128,653	235,207	205,388	28,623	124,284	2,924
44,003	-	17,550	22,563	52,635	3,535
34,987	14,502	13,719	29,538	27,848	23,557
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
524,203	526,185	349,624	99,180	79,103	92,479
17,062	35,054	36,864	31,479	30,354	30,181
17,822	6,858	6,614	7,844	9,552	7,914
3,252,531	3,245,584	5,070,626	5,151,595	6,033,820	7,321,637
<u>\$ 34,264,735</u>	<u>\$ 34,759,336</u>	<u>\$ 35,284,244</u>	<u>\$ 31,180,116</u>	<u>\$ 30,985,434</u>	<u>\$ 31,792,658</u>
\$ 24,501,565	\$ 24,165,821	\$ 22,808,223	\$ 22,540,242	\$ 19,996,103	\$ 18,375,752
4,781,693	3,842,872	4,053,862	2,862,283	2,894,243	2,945,175
<u>\$ 29,283,258</u>	<u>\$ 28,008,693</u>	<u>\$ 26,862,085</u>	<u>\$ 25,402,525</u>	<u>\$ 22,890,346</u>	<u>\$ 21,320,927</u>
\$ 52,995,931	\$ 51,845,861	\$ 49,678,565	\$ 45,211,791	\$ 42,782,039	\$ 40,135,042
2,517,838	3,833,712	3,343,276	3,356,972	2,165,678	2,711,731
8,034,224	7,088,456	9,124,488	8,013,878	8,928,063	10,266,812
<u>\$ 63,547,993</u>	<u>\$ 62,768,029</u>	<u>\$ 62,146,329</u>	<u>\$ 56,582,641</u>	<u>\$ 53,875,780</u>	<u>\$ 53,113,585</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 381,444	\$ 316,780	\$ 306,383	\$ 361,766
Security of persons and property:				
Police	11,298	23,934	14,976	22,274
Fire	-	-	340	-
Public health and welfare	498,983	528,999	458,502	416,579
Community environment	261,986	194,781	178,145	193,024
Leisure time activities	355,269	376,177	384,118	329,340
Subtotal - charges for services	<u>1,508,980</u>	<u>1,440,671</u>	<u>1,342,464</u>	<u>1,322,983</u>
Operating grants and contributions				
General government	8	6	6	-
Security of persons and property:				
Police	10,296	3,818	-	3,146
Fire	29,619	92,010	6	289
Public health and welfare	286,753	24	50,211	3,330
Transportation	869,781	740,998	905,023	681,889
Leisure time activities	-	198	-	350
Economic development	-	-	-	4,197,409
Basic utility services	335	-	29,995	448,424
Subtotal - operating grants and contributions	<u>1,196,792</u>	<u>837,054</u>	<u>985,241</u>	<u>5,334,837</u>
Capital grants and contributions				
Security of persons and property:				
Fire	-	-	-	-
Transportation	3,102,193	1,089,922	762,392	491,915
Leisure time activities	-	-	-	-
Subtotal - capital grants and contributions	<u>3,102,193</u>	<u>1,089,922</u>	<u>762,392</u>	<u>491,915</u>
Total governmental activities program revenues	<u>5,807,965</u>	<u>3,367,647</u>	<u>3,090,097</u>	<u>7,149,735</u>
Business-type activities:				
Charges for services:				
Water	6,051,273	5,891,652	5,898,393	5,885,354
Sewer	2,773,669	2,729,854	2,431,111	2,286,131
Garbage	881,780	845,184	811,940	812,774
Subtotal - charges for services	<u>9,706,722</u>	<u>9,466,690</u>	<u>9,141,444</u>	<u>8,984,259</u>
Operating grants and contributions:				
Garbage	39,998	38,498	51,768	49,802
Subtotal - operating grants and contributions	<u>39,998</u>	<u>38,498</u>	<u>51,768</u>	<u>49,802</u>
Capital grants and contributions:				
Water	-	-	240,000	65,702
Sewer	-	-	359,520	-
Subtotal - capital grants and contributions	<u>-</u>	<u>-</u>	<u>599,520</u>	<u>65,702</u>
Total business-type activities program revenues	<u>9,746,720</u>	<u>9,505,188</u>	<u>9,792,732</u>	<u>9,099,763</u>
Total primary government	<u>\$ 15,554,685</u>	<u>\$ 12,872,835</u>	<u>\$ 12,882,829</u>	<u>\$ 16,249,498</u>

2008	2007	2006	2005	2004	2003
\$ 236,634	\$ 206,652	\$ 196,809	\$ 250,259	\$ 173,109	\$ 183,565
8,006	7,213	9,779	11,741	8,136	10,158
-	-	-	-	-	-
231,002	352,106	311,999	314,046	233,047	98,081
154,156	119,756	131,988	104,782	108,151	123,536
389,748	375,713	379,916	376,381	310,922	310,183
<u>1,019,546</u>	<u>1,061,440</u>	<u>1,030,491</u>	<u>1,057,209</u>	<u>833,365</u>	<u>725,523</u>
42,885	-	-	3,750	-	-
8,948	722	16,964	22,463	18,595	13,082
2,459	17,468	3,300	8,568	3,043	500
266	33,246	7,000	4,000	10,699	4,301
841,285	712,773	539,001	517,377	500,117	537,318
501	-	-	-	-	-
-	-	-	-	-	-
-	54,906	-	-	-	-
<u>896,344</u>	<u>819,115</u>	<u>566,265</u>	<u>556,158</u>	<u>532,454</u>	<u>555,201</u>
-	-	36,536	-	46,019	-
36,818	1,220,785	3,037,809	150,425	154,015	170,000
32,245	-	-	-	-	-
<u>69,063</u>	<u>1,220,785</u>	<u>3,074,345</u>	<u>150,425</u>	<u>200,034</u>	<u>170,000</u>
<u>1,984,953</u>	<u>3,101,340</u>	<u>4,671,101</u>	<u>1,763,792</u>	<u>1,565,853</u>	<u>1,450,724</u>
5,949,012	5,740,648	5,181,984	4,760,279	3,893,098	3,745,362
2,167,750	2,063,478	2,239,988	2,060,530	1,963,871	1,760,248
759,547	708,666	634,144	558,940	553,006	547,304
<u>8,876,309</u>	<u>8,512,792</u>	<u>8,056,116</u>	<u>7,379,749</u>	<u>6,409,975</u>	<u>6,052,914</u>
<u>63,655</u>	<u>61,800</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
<u>63,655</u>	<u>61,800</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
188,670	588,162	513,604	1,015,828	867,300	760,702
-	42,215	308,369	623,350	-	168,634
<u>188,670</u>	<u>630,377</u>	<u>821,973</u>	<u>1,639,178</u>	<u>867,300</u>	<u>929,336</u>
9,128,634	9,204,969	8,938,089	9,078,927	7,337,275	7,042,250
<u>\$ 11,113,587</u>	<u>\$ 12,306,309</u>	<u>\$ 13,609,190</u>	<u>\$ 10,842,719</u>	<u>\$ 8,903,128</u>	<u>\$ 8,492,974</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
Expenses:				
Governmental Activities				
General government	\$ 1,914,208	\$ 1,882,729	\$ 1,958,753	\$ 2,154,096
Security of persons and property:				
Police	3,184,475	3,027,294	3,269,935	3,271,884
Fire	731,977	797,998	623,594	750,783
Other	-	-	-	-
Public health and welfare	1,690,461	1,657,395	1,537,536	1,567,495
Transportation	3,333,527	2,210,572	2,420,679	2,629,812
Community environment	416,531	404,088	456,226	503,388
Leisure time activities	791,895	808,252	903,568	909,636
Economic development	-	-	207,434	4,100,754
Basic utility services	542,450	672,814	406,544	401,269
Intergovernmental	-	-	-	-
Interest and fiscal charges	94,829	171,435	20,525	22,707
Total governmental activities expenses	<u>12,700,353</u>	<u>11,632,577</u>	<u>11,804,794</u>	<u>16,311,824</u>
Business-type activities:				
Water	\$ 5,349,166	\$ 5,236,367	\$ 5,176,387	\$ 5,660,450
Sewer	2,432,758	2,306,528	2,256,669	2,017,112
Garbage	860,061	856,923	879,774	974,743
Total business-type activities expenses	<u>8,641,985</u>	<u>8,399,818</u>	<u>8,312,830</u>	<u>8,652,305</u>
Total primary government program expenses	<u>\$ 21,342,338</u>	<u>\$ 20,032,395</u>	<u>\$ 20,117,624</u>	<u>\$ 24,964,129</u>
Net (Expense) Revenue				
Governmental activities	(6,892,388)	(8,264,930)	(8,714,697)	(9,162,089)
Business-type activities	1,104,735	1,105,370	1,479,902	447,458
Total primary government net expense	<u>\$ (5,787,653)</u>	<u>\$ (7,159,560)</u>	<u>\$ (7,234,795)</u>	<u>\$ (8,714,631)</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 2,235,205	\$ 2,253,710	\$ 2,040,584	\$ 2,299,022	\$ 2,320,121	\$ 1,743,780
3,049,396	3,587,425	3,026,053	3,038,460	2,989,872	2,731,740
705,273	819,062	693,324	602,558	698,556	619,487
-	-	-	-	-	114,293
1,476,085	1,703,059	1,311,606	1,290,268	1,265,192	1,216,486
2,575,379	3,213,072	1,075,130	1,988,890	2,392,977	3,791,505
619,805	547,013	380,145	397,328	312,279	302,185
965,725	1,356,650	1,207,578	1,190,514	1,100,428	1,086,524
-	-	-	-	-	-
566,496	558,990	1,164,581	287,468	323,784	408,540
-	-	100,000	100,000	-	-
55,072	184,341	136,057	83,215	40,583	13,344
<u>12,248,436</u>	<u>14,223,322</u>	<u>11,135,058</u>	<u>11,277,723</u>	<u>11,443,792</u>	<u>12,027,884</u>
\$ 5,106,672	\$ 5,349,070	\$ 4,485,688	\$ 4,062,394	\$ 3,291,706	\$ 3,845,882
1,946,158	2,031,424	2,296,527	1,960,523	1,998,674	2,008,828
742,158	789,005	676,949	584,994	571,971	605,023
<u>7,794,988</u>	<u>8,169,499</u>	<u>7,459,164</u>	<u>6,607,911</u>	<u>5,862,351</u>	<u>6,459,733</u>
<u>\$ 20,043,424</u>	<u>\$ 22,392,821</u>	<u>\$ 18,594,222</u>	<u>\$ 17,885,634</u>	<u>\$ 17,306,143</u>	<u>\$ 18,487,617</u>
(10,263,483)	(11,121,982)	(6,463,957)	(9,513,931)	(9,877,939)	(10,577,160)
<u>1,333,646</u>	<u>1,035,470</u>	<u>1,478,925</u>	<u>2,471,016</u>	<u>1,474,924</u>	<u>582,517</u>
<u>\$ (8,929,837)</u>	<u>\$ (10,086,512)</u>	<u>\$ (4,985,032)</u>	<u>\$ (7,042,915)</u>	<u>\$ (8,403,015)</u>	<u>\$ (9,994,643)</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 764,213	\$ 764,958	\$ 782,658	\$ 797,287
Fire operating levy	84,705	84,094	84,225	82,972
Emergency medical services levy	642,001	631,196	159,739	148,236
Storm sewer levy	344,947	349,384	327,430	323,509
Street levy	339,593	353,000	366,943	323,509
Municipal income taxes levied for:				
General purposes	5,098,669	4,871,528	4,342,052	4,331,485
Capital improvement	1,124,278	944,577	1,274,696	1,166,334
Grants and entitlements not restricted to				
Specific programs	1,839,867	2,958,944	1,606,528	1,418,091
Interest	16,185	7,767	11,782	23,936
Gain on sale of capital assets	-	-	-	-
Miscellaneous	2,055	69,615	37,139	35,012
Transfers	75,000	75,000	15,078	(147,331)
Total governmental activities	<u>10,331,513</u>	<u>11,110,063</u>	<u>9,008,270</u>	<u>8,503,040</u>
Business-type activities				
Interest	\$ -	\$ -	\$ -	\$ -
Gain on sale of capital assets	-	-	-	-
Miscellaneous	58,732	45,342	59,371	-
Transfers	<u>(75,000)</u>	<u>(75,000)</u>	<u>(15,078)</u>	<u>147,331</u>
Total business-type activities	<u>(16,268)</u>	<u>(29,658)</u>	<u>44,293</u>	<u>147,331</u>
Total primary government	<u>\$ 10,315,245</u>	<u>\$ 11,080,405</u>	<u>\$ 9,052,563</u>	<u>\$ 8,650,371</u>
Change in Net Position				
Governmental activities	\$ 3,439,125	\$ 2,845,133	\$ 293,573	\$ (659,049)
Business-type activities	<u>1,088,467</u>	<u>1,075,712</u>	<u>1,524,195</u>	<u>594,789</u>
Total primary government	<u>\$ 4,527,592</u>	<u>\$ 3,920,845</u>	<u>\$ 1,817,768</u>	<u>\$ (64,260)</u>

Source: City financial records.

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 836,437	\$ 846,147	\$ 825,186	\$ 780,276	\$ 791,294	\$ 738,731
83,655	93,144	96,955	91,580	94,888	98,558
149,878	169,256	176,194	166,613	173,177	180,248
323,116	341,288	355,276	97,410	102,581	109,187
323,116	341,288	355,276	97,410	102,581	109,187
4,465,795	4,591,652	5,085,423	4,013,121	6,072,113	5,545,734
1,106,163	1,254,058	1,178,141	2,576,293	-	-
2,041,947	2,199,383	1,803,539	1,551,328	1,405,706	1,011,055
269,837	606,217	537,976	295,629	190,782	201,285
-	82,873	-	-	-	-
109,857	33,134	110,979	38,953	137,593	65,061
59,081	38,634	43,140	-	-	-
<u>9,768,882</u>	<u>10,597,074</u>	<u>10,568,085</u>	<u>9,708,613</u>	<u>9,070,715</u>	<u>8,059,046</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,317	\$ 4,951
-	16,339	-	11,286	-	-
-	133,433	23,775	29,877	89,178	31,534
<u>(59,081)</u>	<u>(38,634)</u>	<u>(43,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(59,081)</u>	<u>111,138</u>	<u>(19,365)</u>	<u>41,163</u>	<u>94,495</u>	<u>36,485</u>
<u>\$ 9,709,801</u>	<u>\$ 10,708,212</u>	<u>\$ 10,548,720</u>	<u>\$ 9,749,776</u>	<u>\$ 9,165,210</u>	<u>\$ 8,095,531</u>
\$ (494,601)	\$ (524,908)	\$ 4,104,128	\$ 194,682	\$ (807,224)	\$ (2,518,114)
1,274,565	1,146,608	1,459,560	2,512,179	1,569,419	619,002
<u>\$ 779,964</u>	<u>\$ 621,700</u>	<u>\$ 5,563,688</u>	<u>\$ 2,706,861</u>	<u>\$ 762,195</u>	<u>\$ (1,899,112)</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>Restated 2010</u>	<u>2009</u>
General Fund				
Nonspendable	\$ 19,469	\$ 24,826	\$ -	\$ -
Committed	2,310,330	1,839,023	-	-
Assigned	1,455,511	2,365,977	-	-
Unassigned	872,443	503,206	-	-
Reserved	-	-	106,491	108,772
Unreserved	-	-	1,917,072	2,199,198
Total general fund	<u>\$ 4,657,753</u>	<u>\$ 4,733,032</u>	<u>\$ 2,023,563</u>	<u>\$ 2,307,970</u>
All Other Governmental Funds				
Nonspendable	\$ 26,015	\$ 84,851	\$ -	\$ -
Restricted	2,154,328	2,683,823	-	-
Committed	3,249,558	1,951,833	-	-
Unassigned (deficit)	(189,231)	(303,360)	-	-
Reserved	-	-	2,192,721	737,856
Unreserved, reported in:				
Special revenue funds	-	-	1,093,839	1,522,698
Capital projects funds	-	-	(256,225)	(436,156)
Total all other governmental funds	<u>\$ 5,240,670</u>	<u>\$ 4,417,147</u>	<u>\$ 3,030,335</u>	<u>\$ 1,824,398</u>
Total governmental funds	<u>\$ 9,898,423</u>	<u>\$ 9,150,179</u>	<u>\$ 5,053,898</u>	<u>\$ 4,132,368</u>

Source: City financial records.

The City implemented GASB 54 in 2011.

2008	Restated 2007	2006	2005	2004	2003
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
81,670	59,073	27,388	13,292	58,705	38,997
<u>3,055,386</u>	<u>3,620,768</u>	<u>4,811,853</u>	<u>5,254,767</u>	<u>8,247,016</u>	<u>7,400,788</u>
<u>\$ 3,137,056</u>	<u>\$ 3,679,841</u>	<u>\$ 4,839,241</u>	<u>\$ 5,268,059</u>	<u>\$ 8,305,721</u>	<u>\$ 7,439,785</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
899,423	952,745	2,154,751	2,997,278	365,087	697,752
1,133,862	1,059,744	1,032,842	379,908	654,623	387,022
<u>192,097</u>	<u>666,448</u>	<u>(1,125,401)</u>	<u>(1,694,856)</u>	<u>1,212,427</u>	<u>1,655,263</u>
<u>\$ 2,225,382</u>	<u>\$ 2,678,937</u>	<u>\$ 2,062,192</u>	<u>\$ 1,682,330</u>	<u>\$ 2,232,137</u>	<u>\$ 2,740,037</u>
<u>\$ 5,362,438</u>	<u>\$ 6,358,778</u>	<u>\$ 6,901,433</u>	<u>\$ 6,950,389</u>	<u>\$ 10,537,858</u>	<u>\$ 10,179,822</u>

CITY OF NORTH CANTON, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues				
Taxes	\$ 8,385,266	\$ 8,025,579	\$ 7,292,004	\$ 7,176,340
Charges for services	809,929	768,067	748,250	720,470
Licenses and permits	261,986	194,781	178,145	193,024
Fines and forfeitures	262,870	178,961	168,102	215,144
Intergovernmental	5,707,775	4,991,646	4,189,234	5,184,081
Interest	13,135	7,773	11,788	28,898
Rentals	215,402	243,282	257,595	277,537
Contributions and donations	62,514	3,500	52,292	1,415,992
Ambulance fees	-	-	-	-
Other	87,254	79,090	44,185	42,410
Total revenues	<u>15,806,131</u>	<u>14,492,679</u>	<u>12,941,595</u>	<u>15,253,896</u>
Expenditures				
Current:				
General government	1,810,943	1,832,330	1,841,185	2,028,118
Security of persons and property:				
Police	3,102,962	3,195,293	3,283,034	3,094,169
Fire	617,881	721,363	577,900	580,697
Public health and welfare	1,612,523	1,600,747	1,474,212	1,487,863
Transportation	1,584,937	1,191,111	1,494,494	1,206,706
Community environment	437,425	422,242	463,094	455,515
Leisure time activities	684,494	764,555	781,696	817,514
Basic utility services	347,093	482,492	432,980	904,835
Economic development	-	-	207,434	4,100,754
Settlement agreement	-	-	-	-
Capital outlay	4,623,693	2,269,727	1,523,078	1,570,678
Debt service:				
Principal retirement	214,952	401,315	282,274	249,111
Interest and fiscal charges	101,984	83,223	20,403	28,006
Bond issuance costs	-	86,340	-	-
Total expenditures	<u>15,138,887</u>	<u>13,050,738</u>	<u>12,381,784</u>	<u>16,523,966</u>
Excess (deficiency) of revenues over (under) expenditures	667,244	1,441,941	559,811	(1,270,070)
Other Financing Sources (Uses)				
Sale of capital assets	6,000	-	41,594	-
Notes issued	-	-	-	-
Current refunding	-	-	-	-
Bond issuance	-	2,500,000	-	-
Premium on bond issuance	-	79,340	-	-
Inception of capital lease	-	-	255,125	-
Transfers in	2,665,122	952,692	1,993,035	2,140,000
Transfers out	(2,590,122)	(877,692)	(1,928,035)	(2,100,000)
Total other financing sources (uses)	<u>81,000</u>	<u>2,654,340</u>	<u>361,719</u>	<u>40,000</u>
Net change in fund balances	<u>\$ 748,244</u>	<u>\$ 4,096,281</u>	<u>\$ 921,530</u>	<u>\$ (1,230,070)</u>
Capital expenditures	\$ 4,085,424	\$ 2,256,845	\$ 1,923,064	\$ 1,908,358
Debt service as a percentage of noncapital expenditures	2.87%	4.49%	2.89%	1.90%

Source: City financial records.

2008	Restated 2007	2006	2005	2004	2003
\$ 7,298,228	\$ 7,629,826	\$ 8,105,152	\$ 7,362,787	\$ 7,306,072	\$ 6,885,984
418,432	291,477	277,741	481,565	310,922	310,183
154,156	117,981	132,200	-	108,151	123,536
108,903	103,838	96,561	164,104	179,365	193,723
2,777,801	4,395,082	5,397,544	1,806,389	2,171,045	1,750,283
289,131	576,917	549,893	304,147	162,281	181,586
202,932	208,767	212,202	96,054	-	-
82,644	-	-	6,250	-	-
-	337,602	311,999	314,046	233,047	98,081
123,852	33,134	110,979	38,953	137,593	65,036
<u>11,456,079</u>	<u>13,694,624</u>	<u>15,194,271</u>	<u>10,574,295</u>	<u>10,608,476</u>	<u>9,608,412</u>
2,149,856	1,731,013	1,775,064	2,112,916	1,985,704	5,775,155
3,038,698	2,950,401	2,898,587	2,914,728	2,773,795	2,571,194
578,707	582,303	590,204	532,590	527,577	494,508
1,416,316	1,337,240	1,225,749	1,255,865	1,191,434	1,159,512
1,515,298	1,700,177	1,158,714	1,330,351	1,285,060	1,339,514
589,150	499,427	500,264	493,027	323,573	286,643
941,185	1,079,086	1,070,913	1,043,587	947,010	949,013
460,158	213,207	176,012	116,710	130,038	114,688
-	-	-	-	-	-
-	-	558,315	1,500,000	-	359,336
1,460,150	3,736,296	4,566,756	2,978,281	2,873,416	3,429,899
287,196	552,414	644,661	2,213	-	-
61,445	189,890	121,128	78,017	12,833	13,344
-	-	-	-	-	-
<u>12,498,159</u>	<u>14,571,454</u>	<u>15,286,367</u>	<u>14,358,285</u>	<u>12,050,440</u>	<u>16,607,099</u>
(1,042,080)	(876,830)	(92,096)	(3,783,990)	(1,441,964)	(6,998,687)
-	84,000	-	50,521	-	27,429
-	-	1,200,000	1,800,000	1,800,000	-
-	-	(1,200,000)	(1,800,000)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,087,721	-	146,000	-	-
1,936,060	3,039,119	2,572,880	1,515,000	3,895,000	4,380,000
(1,890,320)	(2,984,799)	(2,529,740)	(1,515,000)	(3,895,000)	(4,380,000)
<u>45,740</u>	<u>1,226,041</u>	<u>43,140</u>	<u>196,521</u>	<u>1,800,000</u>	<u>27,429</u>
<u>\$ (996,340)</u>	<u>\$ 349,211</u>	<u>\$ (48,956)</u>	<u>\$ (3,587,469)</u>	<u>\$ 358,036</u>	<u>\$ (6,971,258)</u>
\$ 1,709,755	\$ 1,896,914	\$ 5,149,276	\$ 3,226,978	\$ 2,322,247	\$ 5,872,469
3.23%	5.86%	7.55%	0.72%	0.13%	0.12%

CITY OF NORTH CANTON, OHIO

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated actual value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed value	Esimated actual value
2012	\$ 294,910,260	\$ 74,675,700	\$ 1,055,959,886	\$ 7,443,350	\$ 8,458,352
2011	294,828,710	75,981,140	1,059,456,714	7,086,110	8,052,398
2010	295,352,930	76,190,710	1,061,553,257	7,086,110	8,052,398
2009	306,412,350	76,848,090	1,095,029,829	6,213,470	7,060,761
2008	304,274,660	83,600,100	1,108,213,600	5,829,460	6,624,386
2007	300,242,990	82,856,980	1,094,571,343	9,468,540	10,759,705
2006	282,557,950	70,647,520	1,009,158,486	9,822,620	11,162,068
2005	277,423,330	73,768,930	1,003,406,457	10,739,360	12,203,818
2004	271,203,360	72,036,110	980,684,200	10,721,710	12,183,761
2003	238,943,530	69,795,160	882,110,543	10,576,570	12,018,830

Source: County Auditor.

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

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

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

Tangible Personal Property

<u>General Business</u>		<u>Total</u>			
<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Ratio</u>	<u>Total Direct Tax Rate</u>
\$0	\$0	\$ 377,029,310	\$ 1,064,418,238	35.42%	\$ 7.40
0	0	377,895,960	1,067,509,112	35.40%	7.40
0	0	378,629,750	1,069,605,655	35.40%	5.90
1,083,510	8,668,080	390,557,420	1,110,758,670	35.16%	5.90
8,547,249	68,377,992	402,251,469	1,183,215,978	34.00%	5.90
16,973,399	135,787,192	409,541,909	1,241,118,240	33.00%	5.90
23,869,790	127,305,547	386,897,880	1,147,626,101	33.71%	5.90
25,771,993	103,087,972	387,703,613	1,118,698,247	34.66%	5.90
31,315,868	125,263,472	385,277,048	1,118,131,433	34.46%	5.90
33,454,806	133,819,224	352,770,066	1,027,948,597	34.32%	5.90

CITY OF NORTH CANTON, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</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	1.0000	1.0000
1983 Fire	0.5000	0.5000	0.5000	0.5000
Total Voted Millage	<u>5.0000</u>	<u>5.0000</u>	<u>3.5000</u>	<u>3.5000</u>
Total Millage	<u>\$ 7.4000</u>	<u>\$ 7.4000</u>	<u>\$ 5.9000</u>	<u>\$ 5.9000</u>
Overlapping Rates By Taxing District				
North Canton City School District				
Residential/Agricultural Real	\$ 38.9173	\$ 45.4133	\$ 38.8841	\$ 34.0290
Commercial/Industrial and Public Utility Real	47.0395	53.7905	46.5217	42.0846
General Business and Public Utility	76.0000	83.4000	76.0000	72.3000
Stark County				
Residential/Agricultural Real	8.9180	8.7993	8.9134	6.9852
Commercial/Industrial and Public Utility Real	9.5912	9.5912	9.4212	7.8365
General Business and Public Utility	11.5000	11.5000	11.5000	10.1000
Plain Township				
Residential/Agricultural Real	0.1000	0.1000	0.1000	0.1000
Commercial/Industrial and Public Utility Real	0.1000	0.1000	0.1000	0.1000
General Business and Public Utility	0.1000	0.1000	0.1000	0.1000
Special Taxing Districts (1)				
Residential/Agricultural Real	1.7797	1.7797	2.0555	0.7673
Commercial/Industrial and Public Utility Real	1.8370	1.8370	1.8344	0.8249
General Business and Public Utility	2.0000	2.0000	1.3818	1.0000

Source: County Auditor

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

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

The City has no charter millage.

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

(1) North Canton Library, Stark County Park District

2008	2007	2006	2005	2004	2003
\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000	\$ 2.4000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000

\$ 34.5888	\$ 34.7169	\$ 29.6110	\$ 29.6110	\$ 29.8692	\$ 29.8252
39.7213	39.3218	37.7864	37.7864	37.7094	37.3465
72.8000	72.8000	65.8000	65.8000	65.8000	65.5000

3.9848	6.9848	7.3694	7.3694	7.7612	7.8060
7.6556	7.4909	8.3378	8.3378	9.2125	9.2372
10.1000	10.1000	10.1000	10.1000	11.5000	11.5000

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

0.7677	0.6712	0.7232	0.7232	0.7315	0.7355
0.7974	0.7090	0.8281	0.8281	0.8276	0.8286
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

CITY OF NORTH CANTON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2012	\$ 2,453,472	\$ 2,409,800	98.22%	\$ 52,325	\$ 2,462,125
2011	2,461,163	2,400,180	97.52%	80,727	2,480,907
2010	1,887,486	1,837,223	97.34%	39,215	1,876,438
2009	1,908,956	1,865,586	97.73%	72,493	1,938,079
2008	1,963,272	1,895,920	96.57%	42,201	1,938,121
2007	2,004,956	1,958,900	97.70%	33,875	1,992,775
2006	1,984,367	1,932,148	97.37%	45,467	1,977,615
2005	1,440,031	1,404,479	97.53%	28,300	1,432,779
2004	1,456,096	1,414,519	97.14%	21,076	1,435,595
2003	1,389,753	1,343,805	96.69%	27,305	1,371,110

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>
100.35%	\$ 90,405	3.68%
100.80%	79,766	3.24%
99.41%	99,510	5.27%
101.53%	64,992	3.40%
98.72%	69,768	3.55%
99.39%	40,556	2.02%
99.66%	6,752	0.34%
99.50%	7,252	0.50%
98.59%	20,501	1.41%
98.66%	18,643	1.34%

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

2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
McKinley Development Leasing Co. Ltd.	\$ 5,723,110	1	1.55%
Versailles Gardens, Ltd.	4,899,730	2	1.33%
Albrecht Incorporated	2,548,410	3	0.69%
Waterford at St. Luke	2,197,220	4	0.59%
Potsdamer Platz, LLC	2,170,010	5	0.59%
Maple Street Commerce LLC	2,054,290	6	0.56%
Berlin Commons, Ltd.	1,980,190	7	0.54%
Williamsburg Apartments, Ltd.	1,883,350	8	0.51%
Euro Development, Ltd.	1,379,300	9	0.37%
CETA Group Limited Partnership	1,085,010	10	0.29%
Total	\$ 25,920,620		7.02%
Total Assessed Valuation	\$ 369,585,960		

2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Maytag Corporation - Hoover Company	\$ 9,426,270	1	3.05%
Versailles Gardens	4,000,690	2	1.30%
McKinley Development Leasing Co. Ltd.	3,331,290	3	1.08%
First Friends Church of Canton	2,716,920	4	0.88%
Albrecht Incorporated	2,203,010	5	0.71%
Potsdamer Platz LLC	2,175,640	6	0.70%
Waterford at Saint Luke	2,029,980	7	0.66%
Berlin Commons Ltd.	1,810,040	8	0.59%
Willamsburg Apartments Ltd.	1,597,480	9	0.52%
CETA Group Limited Partnership	1,404,100	10	0.45%
Total	\$ 30,695,420		9.94%
Total Assessed Valuation	\$ 308,738,690		

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
2012	1.50%	\$ 6,174,122	\$ 4,233,577	68.57%	\$ 493,972	8.00%	\$ 1,446,572	23.43%
2011	1.50%	\$ 5,942,112	\$ 3,970,865	66.83%	\$ 524,170	8.82%	\$ 1,447,077	24.35%
2010	1.50%	\$ 5,367,101	\$ 3,719,256	69.30%	\$ 309,501	5.77%	\$ 1,338,344	24.94%
2009	1.50%	5,460,640	3,531,379	64.67%	290,707	5.32%	1,638,554	30.01%
2008	1.50%	5,656,592	3,850,815	68.08%	326,172	5.77%	1,352,921	23.92%
2007	1.50%	6,400,520	4,404,728	68.82%	359,862	5.62%	1,635,930	25.56%
2006	1.50%	6,377,273	4,274,631	67.03%	502,516	7.88%	1,600,126	25.09%
2005	1.50%	6,553,223	4,793,884	73.15%	370,626	5.66%	1,388,713	21.19%
2004	1.50%	6,223,014	4,522,215	72.67%	401,058	6.44%	1,299,741	20.89%
2003	1.50%	6,261,167	4,616,733	73.74%	343,013	5.48%	1,301,421	20.79%

Source: The City of North Canton Income Tax Department.

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

CITY OF NORTH CANTON, OHIO

**LEGAL DEBT MARGIN
LAST TEN YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Assessed Property Value	\$ 377,029,310	\$ 377,895,960	\$ 378,629,750	\$ 389,904,030
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>39,588,078</u>	<u>39,679,076</u>	<u>39,756,124</u>	<u>40,939,923</u>
Debt Outstanding				
Various Improvement Note	-	-	-	-
Governmental General Obligation Bonds	2,195,000	2,335,000	-	-
Water System Bonds	4,845,000	5,080,000	3,815,000	3,985,000
Water Notes	-	-	915,000	-
Sewer Notes	-	-	-	-
OPWC Loans	1,917,980	1,506,229	1,448,320	1,323,932
OWDA Loans	8,250,917	8,760,422	9,255,783	9,686,773
Total gross indebtedness	<u>17,208,897</u>	<u>17,681,651</u>	<u>15,434,103</u>	<u>14,995,705</u>
Less:				
Water System Bonds	4,845,000	5,080,000	3,815,000	3,985,000
Water Notes	-	-	915,000	-
Sewer Notes	-	-	-	-
OPWC Loans	1,917,980	1,506,229	1,448,320	1,323,932
OWDA Loans	8,250,917	8,760,422	9,255,783	9,686,773
Total net debt applicable to debt limit	<u>2,195,000</u>	<u>2,335,000</u>	<u>-</u>	<u>-</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 37,393,078</u>	<u>\$ 37,344,076</u>	<u>\$ 39,756,124</u>	<u>\$ 40,939,923</u>
Legal debt margin as a percentage of the debt limit	94.46%	94.12%	100.00%	100.00%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>20,736,612</u>	<u>20,784,278</u>	<u>20,824,636</u>	<u>21,444,722</u>
Total gross indebtedness	17,208,897	17,681,651	15,434,103	14,995,705
Less:				
Water System Bonds	4,845,000	5,080,000	3,815,000	3,985,000
Water Notes	-	-	915,000	-
Sewer Notes	-	-	-	-
OPWC Loans	1,917,980	1,506,229	1,448,320	1,323,932
OWDA Loans	8,250,917	8,760,422	9,255,783	9,686,773
Net debt within 5 1/2 % limitations	<u>2,195,000</u>	<u>2,335,000</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 18,541,612</u>	<u>\$ 18,449,278</u>	<u>\$ 20,824,636</u>	<u>\$ 21,444,722</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	89.41%	88.77%	100.00%	100.00%

Source: City financial records.

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

2008	Restated 2007	2006	2005	2004	2003
<u>\$ 394,082,950</u>	<u>\$ 409,541,909</u>	<u>\$ 386,897,880</u>	<u>\$ 387,703,613</u>	<u>\$ 385,277,048</u>	<u>\$ 352,770,066</u>
<u>41,378,710</u>	<u>43,001,900</u>	<u>40,624,277</u>	<u>40,708,879</u>	<u>40,454,090</u>	<u>37,040,857</u>
-	750,000	1,000,000	1,500,000	-	-
-	-	-	-	-	-
4,145,000	4,300,000	-	-	-	-
-	-	4,300,000	3,000,000	2,850,000	1,875,000
-	175,000	350,000	548,000	-	-
1,388,947	1,020,904	-	-	-	-
<u>10,263,181</u>	<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>
<u>15,797,128</u>	<u>17,059,104</u>	<u>16,959,281</u>	<u>15,681,475</u>	<u>12,054,935</u>	<u>6,373,059</u>
4,145,000	4,300,000	-	-	-	-
-	-	4,300,000	3,000,000	2,850,000	1,875,000
-	175,000	350,000	548,000	-	-
1,388,947	1,020,904	-	-	-	-
<u>10,263,181</u>	<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>
-	750,000	1,000,000	1,500,000	-	-
<u>\$ 41,378,710</u>	<u>\$ 42,251,900</u>	<u>\$ 39,624,277</u>	<u>\$ 39,208,879</u>	<u>\$ 40,454,090</u>	<u>\$ 37,040,857</u>
100.00%	98.26%	97.54%	96.32%	100.00%	100.00%
<u>21,674,562</u>	<u>22,524,805</u>	<u>21,279,383</u>	<u>21,323,699</u>	<u>21,190,238</u>	<u>19,402,354</u>
15,797,128	17,059,104	16,959,281	15,681,475	12,054,935	6,373,059
4,145,000	4,300,000	-	-	-	-
-	-	4,300,000	3,000,000	2,850,000	1,875,000
-	175,000	350,000	548,000	-	-
1,388,947	1,020,904	-	-	-	-
<u>10,263,181</u>	<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>	<u>4,498,059</u>
-	750,000	1,000,000	1,500,000	-	-
<u>\$ 21,674,562</u>	<u>\$ 21,774,805</u>	<u>\$ 20,279,383</u>	<u>\$ 19,823,699</u>	<u>\$ 21,190,238</u>	<u>\$ 19,402,354</u>
100.00%	96.67%	95.30%	92.97%	100.00%	100.00%

CITY OF NORTH CANTON, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases	Bonds Payable	Notes/ Bonds Payable	OWDA Loans	OPWC Loans			
2012	\$ -	\$ 59,710	\$ 2,195,000	\$ 4,845,000	\$ 8,250,917	\$ 1,917,980	\$ 17,268,607	3.49%	\$ 989
2011	\$ -	\$ 134,662	\$ 2,335,000	\$ 5,080,000	\$ 8,760,422	\$ 1,506,229	\$ 17,816,313	3.57%	\$ 1,012
2010	-	370,977	-	4,730,000	9,255,783	1,448,320	15,805,080	3.19%	904
2009	-	398,126	-	3,985,000	9,686,773	1,323,932	15,393,831	3.91%	940
2008	-	647,237	-	4,145,000	10,263,181	1,388,947	16,444,365	4.18%	1,005
2007	750,000	934,433	-	4,475,000	10,813,200	1,020,904	17,993,537	4.57%	1,099
2006	2,500,000	99,126	-	4,650,000	11,309,281	-	18,558,407	4.72%	1,134
2005	3,300,000	143,787	-	3,548,000	10,633,475	-	17,625,262	4.48%	1,077
2004	1,800,000	-	-	2,850,000	9,204,935	-	13,854,935	3.52%	846
2003	2,100,000	-	-	1,875,000	4,498,059	-	8,473,059	2.15%	518

Source: City financial records.

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

CITY OF NORTH CANTON, OHIO

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012**

<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	\$ 2,254,710	100.00%	\$ 2,254,710
	<u>2,254,710</u>		<u>2,254,710</u>
Overlapping debt:			
North Canton City School District	22,365,000	47.05%	10,522,733
Jackson Local School District	53,479,973	0.32%	171,136
Plain Local School District	48,860,000	6.64%	3,244,304
Stark County	5,852,973	5.52%	323,084
	<u>130,557,946</u>		<u>14,261,257</u>
Total direct and overlapping debt	<u>\$ 132,812,656</u>		<u>\$ 16,515,967</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 SIX YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2012	\$ 6,097,862	\$ 3,380,373	\$ 2,717,489	\$ 505,332	\$ 306,623	3.35
2011	5,929,810	3,004,923	2,924,887	593,050	324,435	3.19
2010	5,948,192	3,052,742	2,895,450	601,017	347,933	3.05
2009	5,885,354	3,480,388	2,404,966	576,449	372,500	2.53
2008	5,949,012	2,946,896	3,002,116	550,019	395,994	3.17
2007	5,872,497	3,192,233	2,680,264	522,394	339,805	3.11

(1) Operating expenses do not include depreciation.

Source: Office of the City Finance Director.

Note: Information prior to 2007 is unavailable.

CITY OF NORTH CANTON, OHIO

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
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)
2012	17,465	\$ 495,167,680	\$ 28,352	\$ 47,300	43.4	35.8%
2011	17,610	499,278,720	28,352	47,300	43.4	35.8%
2010	17,488	495,819,776	28,352	47,300	43.4	35.8%
2009	16,369	393,592,605	24,045	42,013	42.3	33.6%
2008	16,369	393,592,605	24,045	42,013	42.3	33.6%
2007	16,369	393,592,605	24,045	42,013	42.3	33.6%
2006	16,369	393,592,605	24,045	42,013	42.3	33.6%
2005	16,369	393,592,605	24,045	42,013	42.3	33.6%
2004	16,369	393,592,605	24,045	42,013	42.3	33.6%
2003	16,369	393,592,605	24,045	42,013	42.3	33.6%

(1) Source: U.S. Census

(a) Years 2003 through 2010 Federal Census and Years 2011-2012 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

School Enrollment (2)	Stark County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value
4,566	8.7%	\$ 151,100	\$ 377,029,310
4,738	7.9%	177,900	377,895,960
4,735	11.1%	136,436	378,629,750
4,853	13.5%	132,314	390,557,420
4,937	8.0%	147,498	402,251,469
4,932	5.9%	153,833	409,541,909
5,008	5.8%	148,683	386,897,880
4,963	6.4%	151,889	387,703,613
4,980	6.6%	152,500	385,277,048
4,933	6.5%	140,266	352,770,066

CITY OF NORTH CANTON, OHIO

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

		2012
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
Myers Control Power LLC	Design Building Mfg.	6
Mullinax Ford	Car Dealer	7
Aultman Hospital Association	Medical Center	8
Stark County	County Government	9
Tamarkin Company	Insurance Call Center	10

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

Source: Income Tax Department

Note: Information prior to 2006 was unavailable.

CITY OF NORTH CANTON, OHIO

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

Employer	2012		
	Employees	Rank	Percentage of Total City Employment
Walsh University	1,608	1	8.98%
North Canton Board of Education	988	2	5.52%
Lagacy Staffing LLC	530	3	2.96%
St. Lukes Home for the Aged	401	4	2.24%
Miracle Solutions Inc.	391	5	2.18%
YMCA of Central Stark County	334	6	1.86%
BMCH, Inc	269	7	1.50%
Northeast Professional Home Care	260	8	1.45%
City of North Canton	259	9	1.45%
Aultman Hospital	246	10	1.37%
Total	5,286		29.51%
Total City Employment	17,910		

Employer	2006		
	Employees (1)	Rank	Percentage of Total
Whirlpool Corporation	1,266	1	10.24%
Walsh University	1,110	2	8.98%
North Canton Board of Education	986	3	7.97%
St. Lukes Home for the Aged	469	4	3.79%
North Canton Medical Foundation	321	5	2.60%
City of North Canton	254	6	2.05%
Fred W. Albrecht Grocery	200	7	1.62%
Aultman Hospital Association	184	8	1.49%
Tamarkin Company	181	9	1.46%
Southern Ohio College LLC	176	10	1.42%
Total	5,147		41.62%
Total City Employment	12,364		

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

Note: Information prior to 2006 was unavailable.

CITY OF NORTH CANTON, OHIO

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

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Council	4.50	4.50	4.50	6.00	5.50	5.50	5.50	5.50	5.50	5.50
Mayor's office	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Law	1.00	1.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Finance	4.00	4.00	3.00	3.00	3.00	3.50	4.00	4.00	4.00	4.00
Tax	1.00	1.00	2.00	3.00	3.00	2.50	3.00	3.00	3.00	3.50
Administration	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City hall maintenance	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50
Engineer	6.00	6.00	5.50	5.50	5.50	5.00	5.50	6.50	5.50	5.00
Security of Persons and Property										
Police - administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Police - officers	25.00	25.00	27.00	26.00	25.00	24.00	25.00	26.50	26.50	26.50
Police - crossing guards	4.50	6.00	6.00	6.00	6.00	6.50	7.50	6.00	6.00	6.00
Dispatchers/Chief Dispatcher	7.00	7.00	8.00	8.00	8.50	8.00	7.50	7.50	8.00	8.50
Fire Inspectors	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Fire Fighters	10.00	11.00	11.50	9.50	11.00	12.00	12.00	12.00	13.00	13.00
Public Health Services										
Emergency Medical Services	23.50	24.00	26.00	21.00	22.00	21.50	21.50	23.00	22.50	21.00
Leisure Time Activities										
Municipal Pool	20.50	22.00	21.50	20.50	19.50	18.00	19.00	18.00	18.50	17.00
Civic Center	1.00	2.00	2.00	3.00	2.00	3.00	3.00	3.50	2.50	2.50
Recreation	2.00	1.50	2.50	2.50	3.50	2.50	2.00	2.00	2.50	2.00
Park Maintenance	6.00	7.00	6.00	5.50	8.00	5.50	6.50	6.50	6.50	6.50
Community Development										
Permits & Inspections	4.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00
Economic Development	0.50	0.50	1.00	1.00	2.00	1.50	1.50	1.00	0.00	0.00
Transportation										
Street M&R	4.50	9.00	8.50	8.50	8.50	11.00	10.00	12.00	12.50	12.00
Basic Utility Services										
Water Administration	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50	4.00
Water Distribution		6.00	8.00	7.00	5.50	7.50	8.00	7.50	7.50	7.50
Water Treatment Plant	9.00	10.00	10.00	12.00	11.00	12.00	13.00	12.00	12.00	12.00
Sewer Collection	2.00	2.00	3.50	4.00	3.00	4.00	4.00	4.00	4.00	4.00
Total	147.00	165.50	172.50	167.50	168.50	170.00	176.00	178.50	178.50	174.50

Source: City Payroll Department W2 Audit Listing

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

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CITY OF NORTH CANTON, OHIO

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

Function/Program	2012	2011	2010	2009
General Government				
Square footage occupied	31,517	31,517	31,517	31,517
Vehicles	9	10	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	11	11
Emergency Medical Service				
Stations	1	1	1	1
Square footage of building	8,970	8,970	8,970	8,970
Vehicles	5	5	6	6
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	8	8
Vehicles	12	11	11	11
Public Service Department				
Streets (miles)	97.50	97.50	95.46	95.46
Vehicles	17	15	18	18
Water Department				
Water lines (miles)	144.97	144.00	129.80	129.80
Square footage of water treatment plant	32,125	32,125	32,125	32,125
Vehicles	19	17	17	17
Wastewater				
Sanitary sewers (miles)	74.64	74.64	64.39	64.39
Storm sewers (miles)	72.59	72.59	49.42	49.42
Vehicles	6	15	9	9

Source: City of North Canton departments

2008	2007	2006	2005	2004	2003
31,517 10	31,517 10	31,517 8	31,517 9	31,517 9	31,517 8
1 11,960 13	1 11,960 14	1 11,960 13	1 11,960 13	1 11,960 13	1 11,960 13
1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 11	1 8,989 10
1 8,970 6	1 8,970 5	1 8,970 6	1 8,970 6	1 8,970 5	1 8,970 5
11 1 11 7 8 11	11 1 11 7 7 11	13 1 11 8 7 11	12 1 11 8 6 11	12 1 11 8 6 11	12 1 11 8 6 11
95.46 18	95.46 18	95.46 18	95.46 18	93.70 18	93.70 18
129.80 32,125 17	129.80 32,125 17	127.93 32,125 17	127.34 26,925 17	126.27 20,640 16	124.90 20,640 16
64.39 49.42 9	64.39 49.42 9	64.06 48.3 9	63.70 47.41 9	62.48 47.41 9	62.30 47.30 9

CITY OF NORTH CANTON, OHIO

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

Function/Program	2012	2011	2010	2009
General Government				
Number of ordinances passed	111	111	110	123
Number of planning commission agenda items	15	8	12	2
Number of zoning board of appeals agenda items	6	1	10	3
Number of checks/vouchers issued	3,289	3,356	3,419	4,113
Interest earnings for fiscal year (cash basis)	\$14,974	\$32,364	\$47,819	\$81,158
General fund receipts (cash basis in thousands)	\$7,755	\$9,161	\$7,888	\$8,425
General fund expenditures (cash basis in thousands)	\$8,382	\$7,382	\$9,235	\$9,406
General fund cash balances (in thousands)	\$1,894	\$2,418	\$1,567	\$2,826
Income Tax Department				
Number of individual returns	4,260	7,267	7,471	7,742
Number of business returns	1,305	1,231	1,184	1,109
Annual number of reconciliation of withholding processed	1,426	1,144	1,397	1,503
Building Department Indicators				
Construction permits issued	664	1,327	776	786
Estimated value of construction	\$ 12,102,168	\$ 5,754,751	\$ 7,534,618	\$ 11,462,310
Inspections conducted	663	712	1,054	1,124
Security of Persons & Property				
Police				
Total calls for services	26,503	28,172	28,107	29,225
Traffic violations	1,805	1,139	1,175	1,495
Motor vehicle accidents	558	527	516	513
Written warnings	3,706	1,891	1,983	-
Total criminal arrests	404	504	399	504
Fire/Emergency Medical Services				
EMS calls	2,223	2,377	2,075	1,948
EMS transports	1,502	1,509	1,416	1,251
Ambulance billing collections	\$501,956	\$489,060	\$458,753	\$461,009
Fire calls	470	493	406	424
Fire safety inspections	1,527	1,694	1,655	1,543
Leisure Time Activities				
Recreation				
Swimming pool memberships	2,079	2,404	2,247	2,387
Civic center rentals	90	254	255	303
Dogwood shelter rentals	154	159	248	261
Transportation				
Asphalt resurfacing (miles)	5.16	3.75	3.12	2.58
Asphalt usage for pothole repairs (tons)	511.73	413.85	672.13	358.37
Salt usage (tons)	2,800	5,200	6,400	6,250
Cost of salt purchased	\$310,960	\$359,814	\$325,248	\$237,641
Water Department				
Average daily gallons sold per consumer	167	178	277	132
Number of customers	9,063	9,044	8,900	8,876
Annual water collections	\$6,051,273	\$5,874,591	\$5,832,610	\$5,819,610
Water main breaks	23	18	14	19
Number of wells	9	7	9	8
Gallons of water treated (millions of gallons)	1,106	1,211	1,163	1,210
Wastewater Department				
Residential sewer rate (flat monthly rate)	\$25.41	\$25.41	\$25.41	\$21.00
Number of customers	6,308	6,310	6,305	6,204

Source: City of North Canton departments

2008	2007	2006	2005	2004	2003
122	147	141	218	162	156
15	15	21	32	15	44
11	12	18	22	15	13
3,390	3,711	3,825	4,052	3,944	3,906
\$360,120	\$543,994	\$463,016	\$319,590	\$206,055	\$339,932
\$9,031	\$9,321	\$9,500	\$7,417	\$10,771	\$10,703
\$9,961	\$7,744	\$9,915	\$9,926	\$12,230	\$14,443
\$3,713	\$4,578	\$4,695	\$5,107	\$7,540	\$8,954
7,852	8,312	8,385	8,288	8,090	8,008
1,187	1,319	1,270	1,239	1,202	1,154
1,529	1,523	1,519	1,536	1,532	1,127
703	305	381	455	489	484
\$ 17,559,237	\$19,254,219	\$ 25,389,738	\$ 19,587,769	\$ 22,572,034	\$ 27,442,926
1,114	1,895	771	782	980	1,097
29,459	31,274	31,276	32,295	33,863	35,205
1,418	1,297	1,628	2,006	2,221	2,117
525	604	561	614	677	653
-	-	-	-	-	-
392	398	482	483	468	434
2,080	1,635	1,612	1,824	1,760	1,866
1,284	1,503	1,069	1,062	1,110	1,269
\$269,287	\$337,602	\$311,999	\$314,046	\$233,047	\$98,081
537	434	412	425	456	445
1,410	1,223	1,087	629	909	384
2,729	3,107	3,375	2,887	2,694	2,406
337	318	208	201	262	261
252	228	260	273	247	238
2.7	1.80	2.66	5.54	5.32	4.20
530.75	410	184	350	326	530
6,752	4,250	2,282	4,135	6,486	7,650
\$282,216	\$188,992	\$121,505	\$235,051	\$181,329	\$220,015
321	340.81	332.85	292.14	289.13	298.50
8,947	8,794	8,699	8,544	8,540	8,213
\$5,759,068	\$5,583,161	\$5,031,926	\$4,587,520	\$3,729,072	\$3,655,815
31	59	33	32	50	65
8	8	7	7	6	6
1,321	1,307	1,170	1,156	1,124	1,112
\$21.00	\$19.00	\$19.00	\$18.00	\$18.00	\$15.00
6,284	6,283	6,251	6,197	6,175	5,890

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Dave Yost • Auditor of State

CITY OF NORTH CANTON

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 16, 2013**