

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Richard A. Mallonn II • Auditor, City of Canton



For The Year Ended December 31, 2013

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

RICHARD A MALLONN II
CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

**CITY OF CANTON
STARK COUNTY, OHIO
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CITY OF CANTON, OHIO



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June 27, 2014

To Council Members and Citizens of the City of Canton:

The Comprehensive Annual Financial Report (CAFR) of the City of Canton as of December 31, 2013 is hereby submitted. This letter and the following report represent the City's continuing commitment to excellence in financial reporting. The purpose of this letter is to acquaint the reader with the CAFR. Responsibility for both the accuracy of the data, 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 is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2013, have been audited by the Auditor of State Dave Yost's Office. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation, as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

Accounting principles generally accepted in the United States of America (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 on page 5 of this report.

City Organization and Background

The City is located in and is the County Seat of Stark County in northeastern Ohio, approximately 58 miles southeast of Cleveland, 23 miles south of Akron, and 94 miles west of Pittsburgh, Pennsylvania. It was incorporated as a village in 1828, and became a city in 1854.

The City's 2013 population of 72,683 placed it as the largest city in the County and the eighth largest in the State.

The City operates under and is governed by the mayor-council form of government. The City operates as a Statutory Municipal Corporation as defined by the Ohio Revised Code.

The City's legislative authority is vested in a twelve-member Council of whom three are elected at-large and nine are elected from their respective ward, for a term of two years. The presiding officer is the President of Council, who is elected at-large by the voters for a two-year term. The President of Council is called upon to vote on legislation in order to break a tie vote. The Council affixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating business and trades, and other municipal purposes. The Council affirms, by resolution, the individuals appointed by the Mayor to serve on the various boards and commissions for the City. The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The other elected officials are the City Auditor, the City Treasurer and the Law Director, each elected to a four-year term.

The Mayor appoints the directors of City departments other than the Income Tax Department. The major officials appointed by the Mayor are the Directors of Public Service and Public Safety, the Fire Chief, the Police Chief and the City Engineer. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council, Auditor, Treasurer, and Law Director and their respective officers and employees. The City Treasurer appoints the Director of Income Tax who serves at his pleasure.

The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council.

Appointed and elected officials, except the members of Council, serve full-time.

City Services

General Government Functions: The City provides police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation. Funding for these operations is derived primarily from taxes in addition to small amounts of revenue generated from user fees. These operations could not be sustained without a steady flow of tax revenue.

Proprietary Operations: The City operates Water, Sewer and Refuse Departments. The revenue generated from all three departments was sufficient to meet all expenses in 2013.

Reporting Entity

The City has reviewed its reporting entity definition to ensure conformance with the Governmental Accounting Standards Board (GASB) Statement No. 14 "*The Financial Reporting Entity*", as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*", and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and 34*". In defining the City for financial reporting purposes, management has identified all agencies, departments and organizations making up the City of Canton the primary government and its potential component units. The City presents the Canton Community Improvement Corporation (CCIC) as a discretely presented component unit.

Neither the Canton City School District, Plain Local School District, Osnauburg School District, or Canton Local School District has been included in the accompanying financial statements. These districts serve the citizens of Canton; however, the boards are not appointed by the City, nor are they fiscally dependent on the City.

The City is associated with the Stark Area Regional Transit Authority, the Stark Council of Governments and the Stark County Regional Planning Commission as jointly governed organizations. Canton Tomorrow, Inc. and the Downtown Canton Special Improvement District are disclosed as joint ventures and the Joint Recreation District as a related organization.

Financial Information

Accounting Policies and Budgetary Control

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the alternative Tax Budget, the Certificate of Estimated Resources and the Appropriations Ordinance: all are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the account level split between salary and non-salary line items within each department within each fund. Any budgetary modifications at this level or above may only be made by resolution of the City Council. Budgetary control at this level provides some flexibility in moving appropriations within their account groups to meet expenses.

The City's fully automated financial system also maintains budgetary control through its purchase order/encumbrance feature. The purchase order, required before making purchases, creates the encumbrance against the current budget. Request for purchase orders, which would result in an overrun of budget, are not honored until additional appropriations are made available through Council ordinance. This procedure is followed when money is available to allow an increase in appropriations. If no money is available, the requisition is canceled.

The City Auditor monitors all expenditures for accuracy, appropriateness and compliance. The City Auditor monitors expenditures to encumbrances to assure that each obligation incurred was entered into after the appropriate purchase order was issued. The City Auditor will exercise his discretion to issue "then and now certificates" for obligations incurred prior to obtaining a purchase order. This certificate is authorized by the Ohio Revised Code for obligations that do not exceed three thousand dollars. This certificate simply stated means: "then" meaning at the time the obligation was made and "now" meaning as of the date of the certificate there were sufficient appropriations free from prior obligations necessary to meet this obligation in question. The City Auditor requires an ordinance from Council authorizing a "Moral Obligation", for obligations incurred prior to obtaining a purchase order that exceeds this authority.

The City Auditor continually monitors the encumbrances and expenditures against the budget appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over cash balances less carry over encumbrances at year end, the County Auditor arrives at and issues the Certificate of Estimated Resources for the City. The City Auditor submits amendments to the Certificate of Estimated Resources to the

Internal Accounting and Reporting Control

As part of its continuing commitment to excellence in financial reporting, the City utilizes a computerized financial accounting and reporting system. Enhancements to present internal accounting controls and procedures are continually evaluated by the City Auditor. The City Auditor oversees the appropriateness of internal control, develops procedures to enhance internal control and consults with outside auditors to insure the City remains at a sound financial level of operation.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss resulting from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed using the concept of reasonable assurance. This concept recognizes the cost of a control should not exceed the benefits likely to be derived from its implementation, and the evaluation of costs and benefits should require estimates and judgments by management. We believe the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Local Economy

Nine commercial banks and savings and loan associations are located in the City. One daily newspaper serves the City. The City is within the broadcast area of eight television stations and thirty AM and FM radio stations. Time Warner Cable and AT&T provide cable TV services.

The City is home to a number of steel industrial manufacturers and suppliers. The City has benefited from the consistent financial success of the Timken Company. The City continues to benefit from the diversity of its business base including: Nationwide Insurance, M K Morse Company, Fresh Mark Incorporated, Ironrock Capital Incorporated, Republic Engineered Products, Republic Storage Systems, Incorporated, and Sunoco Phoenix to name a few. The continued success of these companies and others is essential in order to create a climate for financial stability.

In 2008, the Canton City School District completed its Design for the Future Program. The \$176 million seven-year project included nine new elementary buildings, one new middle school, and major renovations to almost all of the District's other buildings. Also, in 2007, site work was completed on the \$35 million renovation project at the Timken High School Regional Campus. The Campus consists of six buildings and encompasses a ten-block area in the City's Downtown. It includes two outdoor amphitheaters, a student run restaurant, a satellite branch of the Stark State College of Technology, an Early College High School program, and a vocational high school program that offers a wide variety of career options. The City believes these major public works have dramatically improved the condition of the School District's facilities and will enhance the City's ability to attract families to the area. No significant improvements were made in 2013; however, the possibility of a \$10-15 million dollar renovation of the District's Fawcett stadium is likely in 2014 and/or 2015. Fawcett stadium serves as the football facility for the District High Schools, area colleges, and the annual Pro Football Hall of Fame Game held annually in accordance with the Hall of Fame which sits adjacent to the stadium.

Malone University, a private four-year college, is located in the City. Mount Union College and Walsh University, private four-year schools, Stark State College of Technology, a public two-year school, and a branch of Kent State University and Ashland University also are located in the County. Within commuting distance are several public and private two-year and four-year colleges and universities, including Kent State University in Kent and a branch of Kent State University in Tuscarawas County, Cleveland State University, Cuyahoga Community College, John Carroll University, Baldwin-Wallace College and Case Western Reserve University in the Cleveland metropolitan area, the University of Akron in Akron, the College of Wooster in Wooster, Hiram College in Hiram, Youngstown State University in Youngstown, and Lake College and Lakeland Community College in Lake County.

The City is served by two acute care hospitals located in the City: Aultman Hospital (808 beds) and Mercy Medical Center (476 beds), and two additional acute care hospitals located in the County: Alliance Community Hospital (204 beds) and Affinity Medical Center (266 beds). Massillon Psychiatric Center, a 157-bed public adult psychiatric hospital operated by the State, is also located in the County. In 2006, Aultman Hospital completed a three year \$80 million dollar expansion project, the largest in its history. The project included a new four-story 320,000 square foot addition that houses a new Aultman Heart Program, Emergency/Trauma Program, Women's Program (including Labor & Delivery) and the Neonatal Intensive Care Unit. In 2009, Mercy Medical Center unveiled its new state of the art 24-unit Mercy Intensive Care Unit. The \$20.5 million project was started in 2007 and also includes an expansion of the surgery center parking garage and relocation of the hospital's helipad to the roof of the new structure. Both Aultman Hospital and Mercy Medical Center continue to play a pivotal role in the financial stability of the City of Canton.

The Canton Park System maintains 61 parks and covers approximately 812 acres. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium. In 2013, the citizens of Canton voted in a park levy that will begin generating approximately \$2.4 million dollars annually to assist with the maintenance and capital investment into the City's 61 parks.

The City's cultural assets include the Canton Art Institute, the Symphony Orchestra Association, the Canton Civic Opera Association and the Players Guild, all of which are housed in the Cultural Center (Center) for the Arts and host a variety of exhibits, musical and dramatic performances and other cultural events each year. The Center, a gift of the Timken Foundation, is a building complex located on 8-1/2 acres in the center of the City, which cost \$13,000,000 to build in 1971. Adjacent to the center is the City-owned auditorium, an air-conditioned arena-type facility with a seating capacity of 6,000. The Cultural Center and the auditorium accommodate conventions. The City's greater metropolitan area has approximately 37 hotels and motels with over 1,950 rooms with plans and construction for three additional hotels convening in 2013 of which one is located within the City along the interstate 77 corridor.

The City's downtown is home to the National First Ladies Library housed in the former home of one time first lady Ida Saxton McKinley. The library presents a history of all the United States first ladies. In 2002, the Library added a \$5.5 million education and research center in the former National City Bank building located nearby the Saxton House. The renovations to the 110-year-old building were paid for through private donations and federal grants. The six story research center houses a 91-seat theater, meeting and exhibit rooms, research and reference materials and office space for the library personnel.

Also located in the City's downtown area is the main branch of the Stark County District Library. The library's main branch, 10 satellite branches, 2 bookmobiles and 2 kidmobiles serve 151,000 library cardholders from throughout the county. Holdings number more than 885,000 items and annual circulation for 2013 was 3.8 million items. The collection includes books, audio-visual materials and periodicals. In addition, the Library provides programs and classes for all ages, computer and Internet access, inter-library loans, reference and genealogy services, traveling collections and outreach services to shut-ins, nursing homes and housing units. It is one of the nine largest library systems in Ohio and serves 12 local school districts.

The City is the home of the National Professional Football Hall of Fame, which attracts more than 200,000 visitors annually. In December 2010, the Hall of Fame's Board of Trustees announced plans for a major expansion and renovation to the museum. The project, called *Future 50 Project*, was the largest in the Hall of Fame's history, costing \$27 million and taking almost two years to complete. The museum building itself was expanded from 83,000 square feet to 115,000 square feet. The largest piece of the expansion was used for a Pro Football Research and Preservation Center. Also 38,000 square feet of existing gallery was renovated, which included a new lobby and visitor orientation theater. A new museum-quality environmental control system was installed to better ensure the safety of the museum's artifacts. The grounds surrounding the Hall of Fame were improved to provide space for special events, rental opportunities and additional parking. The Hall of Fame completed the facility improvements in time to celebrate the museum's 50th anniversary and in time for the Class of 2013's induction ceremonies held on August 3, 2013.

In 2006, the Pro Football Hall of Fame and the Canton City School District began a joint campaign to raise money to renovate the District owned Fawcett Stadium. The stadium is the home for two high schools, two colleges, the annual Hall of Fame game, the Hall of Fame Enshrinement Ceremonies, Ohio High School State Football Championship Games, on a rotational basis, and numerous other events throughout the year. Money raised will be used for a multi-year project that will include structural repairs, a new west end scoreboard and video board, restroom renovations, north stands concourse expansion, a new press box and an outdoor plaza designed to connect the museum and stadium. Sufficient funds were raised in 2006 to install the new scoreboard and to begin structural repairs, which were completed in 2007. In 2008, the north stands restroom renovation was completed and ground was broken on a new \$3.2 million dollar press box. The press box was completed in June of 2009. The events held at the stadium each year dramatically increase tourism to the area. Fundraising efforts are ongoing to raise the resources needed to complete the stadium's structural repairs. The renovation work is being done to ensure the future viability and sustainability of these events in the region.

The City is an industrial rail center served by the Norfolk & Southern Railway Company, Conrail, the Wheeling and Lake Erie Railway Company and CSX. 147 motor freight truck lines and local cartage haulers serve the Canton-Massillon MSA. Rail passenger service is available through the cities of Akron and Alliance by Amtrak. In 2003, Canton became a stop on the Cuyahoga Valley Scenic Railroad. The rail system is owned by the National Park Service and provides weekend excursions between Canton and Akron. Greyhound and other independent bus lines provide more complete passenger transportation.

The Stark Area Regional Transit Authority (SARTA), a separate political subdivision, provides daily public transportation in and around the City. The bus service initially was only a citywide service, but became a countywide system with the passage of a .25 percent county sales tax in 1997. The sales tax, renewed in 2002, 2006 and 2011, serves as the primary revenue source for SARTA. In addition to the sales tax, SARTA operations are supported, in part, from payments for contract services, State and Federal operating grants, and rider fares.

Interstate 77 (north-south) and two U.S. highways (U.S. 30 and 62) serve the City. The City is served by four state routes (S.R. 800, 43, 153 and 687).

The Akron-Canton Regional Airport (Airport), a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,900 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport has six airlines offering nonstop service and had 1,723,956 customers in 2013, the 2nd highest year on record, a 6.2% decrease from the Airport's all time high set in 2012. In late 2006, the Airport completed its 5-year \$60 million STAR Expansion Project which included extending runways, a new baggage claim area, a new food court, a new security screening area, enlarged gathering space, additional parking, and a terminal gate renovation that will allow the Airport to handle up to 1.6 million passengers annually. In 2007, the Airport invested \$10 million in a new deicing facility. In 2008, the Airport announced its new 10-year \$110 million capital improvement plan called CAK 2018. The plan includes a runway extension and border patrol facility to allow for international flights, expanded aircraft parking, expanded auto parking, a wider entrance road, expanded ticket wing, expanded security screening area, a new aircraft rescue and fire fighting maintenance facility, expand the concourse to allow for three more gates, and partner with the nearby City of Green for a new Industrial Park. The runway extension portion of the project was completed in 2010. The new aircraft rescue, border patrol facility, expanded parking lot, and expanded security-screening area were completed in 2011. In 2012, CAK completed the Firefighting Maintenance Facility (ARFF) and continued to add additional parking. Future improvements include expanding the new concourse \$3.65 million, an expanded ticket wing \$2.5 million, and widening of the entrance road \$5.0 million.

Long-Term Financial Planning

The City has experienced a decrease in overall revenue, excluding other financing sources, for the general fund of \$1,451,121 on a non-GAAP budgetary basis. The City as a whole experienced an increase in GAAP-basis revenue (total of all program revenues and general revenues from the statement of activities) of \$355,713 from 2012. This provides the City with the third straight year of revenue growth. The City's income tax revenue grew by \$1,601,478, yet property taxes and other taxes declined by \$1,295,866 and charges for service (program revenue) declined by \$3,141,165, offsetting the continued growth in income tax. The City expects stable income tax collections with modest growth expected at best. The City continues to feel the effects of federal reserves interest rate reductions in the fourth quarter of 2007 through 2012 have led to net decreases in general fund interest revenue of \$1,243,235 in 2008, \$595,900 in 2009, \$444,900 in 2010, \$141,433 in 2011, and an additional \$37,396 in 2012. Despite continued recovery since 2010 and throughout 2012 the City remains pessimistic with respect to the potential for a rebound in interest revenue in the immediate future. As a result, the City anticipates receiving less than \$60,000 in interest revenue in 2014. This would represent a total of 4.8% of the interest received in 2008 before the economic downturn. The immediate economic future is predicted to be stable with slight improvements expected in early 2014 with downward pressure from continued staff relocations to facilities outside of city limits from the likes of the Timken Company, U.S. Post Office, and Chesepeak Energy to name a few. The fact remains that these relocations continue to bode well for the regional economy and yet will provide downward pressure on City income tax collections. The City's unemployment rate changed from 6.9% at the end of 2012 to 6.3% at the end of 2013. The City must continue to control costs and reinforce the commitment to the painful steps taken to overcome the 2008 economic downturn. The City's sound financial position was achieved by freezing salaries, workforce reduction through attrition, negotiated health care cost sharing, and increased economic activity through strategic business recruitment.

The City had \$1,679,859 in cash, of which \$848,875 remained uncommitted of the \$15,580,000 in general revenue bonds issued in 2006 for the building of a new fire station, a new sewer collection facility, a new wade park, renovation of city buildings and reconstruction of existing recreational facilities. As of the release of this report the fire station is complete. A major expansion to Canton City Hall to expand operations for the Canton Municipal Court and City Council began in November of 2010. The City expansion was completed in early 2012. However, further evidence of the very difficult economic conditions of the City, is the decision at this point to scale back the size and scope of the projects outlined in the City's 2006 Recreational Bond Issuance. In January 2014, City Council entered into an agreement for the construction of the Water Park that has been postponed for the past seven years.

Relevant Financial Policies

During 2013, the City issued manuscript debt within the general fund to finance land reutilization projects; however, this balance is eliminated on a GAAP-basis (see Note 21.C). In 2013, the City's general fund cash reserves were adequate to meet the City's obligations.

During 2013, the City continued to make biweekly sick expense premium deposits into its compensated absences claim fund to help offset the cost of current and previous unfunded compensated absences. The City was not in a financial position to make additional lump sum contributions to the fund as had been done in some previous years. The City previously changed the premium calculation from 125% of the total cost of the sick leave accrued on biweekly payrolls to 105% for 2010. However, the premium returned to 125% January 1, 2011, remained 125% through 2013, and will continue throughout 2014. The City did not deposit additional contributions into the compensated absences claim fund in 2013 as it was able to do in 2012 by contributing an additional \$1 million from all operating funds in order to exponentially reduce the unfunded liability.

Major Initiatives

In 2013, the City did not complete any new annexations; however, the City continues to explore further annexation options.

A Downtown Special Improvement District (District) was formed in the City's central business area in 1997 by petition of a majority of the property owners. In March 1997, Canton City Council approved the petition and the District's articles of incorporation and initial services plan. The District has the authority to assess property owners for the cost of public services and improvements that specifically benefit properties and the District.

In 2004, the City chose to consolidate all of its previous community reinvestment areas into one area known as the Central Neighborhoods Community Reinvestment Area. The new area covers the City's central downtown business district, significant portions of the City's northeast and southeast quadrants, and portions of the southwest and northwest quadrants closest to the City's downtown. Residential properties in the Central Neighborhoods Community Reinvestment Area can receive 100 percent abatement per year for ten years on the increased value of all qualifying improvements, restoration or new construction. Commercial properties in the area can receive 100 percent abatement on the increased value of all qualifying, restoration and construction for the first 5 years and a 20 percent reduction per year over the remaining five-year period. The construction must be over \$50,000 for commercial projects and \$5,000 for residential projects to qualify.

In 2011, the City was awarded an additional \$1,233,756 in Neighborhood Stabilization (NSP3) funds. These funds have been used to target one hard hit area within the city. With this funding, \$987,000 will be invested in rehabilitating housing units for sale and rent. In addition, \$123,000 has been used to demolish blighted structures in the area. This City rehabilitation continued throughout 2013 of which \$263,655 went directly into rehabilitating neighborhoods.

In 2013, the City established two HUD Neighborhood Revitalization Strategy Areas – the Eastside and Central Area NRSA's. During 2013, the City expended a total of \$1.456 million in Federal Community Development Block Grant (CDBG) Program funds on NRSA activities, including housing rehabilitation and demolition, sidewalk repair and replacement, neighborhood clean-up projects, Southeast Community Center improvements, youth programs and services, and commercial building façade renovation. Project locations included the 7th Street NE/Sandal neighborhood, the Summit Neighborhood, Sherrick Road SE, and O'Jays Parkway NE neighborhoods.

The City received a \$3 million CORF grant in 2007 for remediation at the former Hercules site. Work at this site began to resume in 2012 after a delay due to the weak economy. The property will be transformed into a multi-use facility with a convention center, market rate housing, and business and retail space. This project has also received a state tax credit worth \$34 million. In the first quarter 2013 the City's legislators passed legislation reiterating its commitment to the project and authorizing a loan of up to \$3 million from City funds to further assist in the financing of the project.

The City is working now to prepare to apply for more CORF grants in the future.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2013, the City completed: \$1.99 million in projects (including Mill St. Bridge Replacement, Guilford Intersection Railroad Crossing and Trail, East Side Park Trail) and \$2.24 million of road resurfacing throughout the City. Engineering projects in various stages of planning, development, and construction include: 41ST St. Reconstruction, Mahoning Rd. Corridor, 12th St. Corridor, West Tuscarawas Corridor, 55th St NE Curb & Storm Sewer, 11th Street SE Realignment Project, Hamilton Ave NE Storm Sewer Project, 37th St. N.W. Rehab Project, and Walnut/Cherry Complete Streets Project.

During 2013, the City's Water Department completed various waterline extensions and improvements throughout the year adding an additional \$49,967 of value to the overall system. The Water Department also completed infrastructure work at its Northeast Plant totaling \$14.45million and began an electronic water meter replacement project estimated at \$15 million funded through OWDA.

In 2013, the City's Water Reclamation Department completed a \$2.3 million dollar infrastructure improvement on the Westside Interceptor Sanitary Sewer Project in 2013 and continued its progress in the \$92.0 million replacement of its Water Reclamation Facilities and membrane. The membrane purchase, installation, and corresponding construction, is estimated to continue until through 2018. Through the December 2013, the City had expended \$0.7 million of the \$92.0 million project.

Debt Administration

The gross indebtedness of the City at the end of 2012 was \$50,637,783. At the end of 2013, the gross indebtedness of the City was \$44,341,506. In 2013, the City continued drawing down from three pre-existing OWDA Loans. The first was for a long-term renovation project the City is undertaking at its Water Reclamation Facility. Proceeds from that loan totaled \$172,034. The project will take almost eight years to complete and is estimated to cost \$92 million to complete. The remaining two outstanding loans the City continued to draw from were for infrastructure and the water meter replacement project. The proceeds from the two loans totaled \$304,416. As of December 31, 2013, the City had \$784,140 and \$30,445,161 in outstanding OPWC and OWDA loans, respectively. The City also had \$3,000,414 in general obligation bonds outstanding in the enterprise funds and business-type activities and \$9,164,587 in general obligation bonds outstanding in the governmental activities. The City had \$767,833 in long-term SIB and Urban Redevelopment Loans outstanding as of December 31, 2013.

In 2013, Moody's Investor Services made no change to its stable outlook for the City. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City a negative outlook on general obligation bond issue. Fitch Rating Service also downgraded the City from AA- to A+ but said its outlook is stable. Neither Moody's Investor Services nor Fitch Rating Services adjusted these ratings in 2013. The general obligation indebtedness of the City is subject to two statutory debt limitations referred to as the "direct debt limitation" (by Ohio Revised Code Section 133.05). The total principal amount of voted and unvoted nonexempt net indebtedness of the City may not exceed 10.5 percent of its assessed value of real and personal property, and in addition, the net principal amount of unvoted nonexempt debt may not exceed 5.5 percent of the same total assessed value. The City's overall legal debt margin was \$64,752,651 and an unvoted debt margin of \$28,844,997 as of December 31, 2013.

Awards

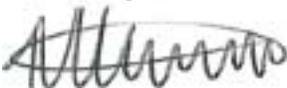
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2012. The Certificate of Achievement is the highest form of recognition for excellence in state and local government.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized financial report whose contents conform to program standards, as well as satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgements

Special recognition for the preparation of this report is made to contributing department heads, Treasurer's staff, my own Auditor's office staff and City Council for their continuing support and commitment to responsible fiscal reporting. Special acknowledgement is given to my administrative staff: Christine Bagley, Dwayne Knight, John Slebodnik and Gary Young for their continued dedication and commitment to sound financial reporting in the preparation of this report.

Sincerely,



Richard A Mallonn II
City Auditor



Government Finance Officers Association

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

Presented to

**City of Canton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

**CITY OF CANTON
STARK COUNTY, OHIO**

CITY OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2013

Mayor

William J. Healy II

Council Members

Allen Schulman, President

James Babcock
Richard Hart
Bill Smuckler
David Dougherty
Kevin Fisher
James E. Griffin

Gregory Hawk
Edmond Mack
John Mariol II
Frank Morris
Chris Smith
Thomas West

City Auditor

Richard A. Mallonn II

City Treasurer

Kim Perez

Law Director

Joseph Martuccio

Director of Income Tax

Cynthia Allensworth

Director of Public Service

William Bartos

Director of Public Safety

Andrea Perry

Fire Chief

Stephen J. Rich

Police Chief

Bruce Lawver

City Engineer

Dan Moeglin



CITY OF CANTON, OHIO

FINANCIAL
City of Canton, Ohio



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Canton
Stark County
218 Cleveland Ave. SW
Canton, Ohio 44702

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 discretely presented component unit and remaining fund information of City of Canton, Stark County, Ohio (the City), as of and for the year ended December 31, 2013, 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 discretely presented component unit and remaining fund information of City of Canton, Stark County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Special Revenue Community and Economic Development Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, 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 "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2014

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CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

The management's discussion and analysis (MD&A) of the City of Canton's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City's net position increased \$4.6 million as a result of this year's operations. Net position of the business-type activities increased by \$5.2 million, or 4.9 percent, and net position of governmental activities decreased by \$0.6 million, or 0.5 percent.
- General revenues accounted for \$55.7 million, or 67.7 percent, of total governmental activities revenue. Program specific revenues accounted for \$26.6 million, or 32.3 percent, of total governmental activities revenue.
- The City had \$82.9 million in expenses related to governmental activities; \$26.6 million of these expenses was offset by program specific charges for services and sales, grants or contributions. The remaining expenses of the governmental activities of \$56.3 million were partially offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$55.7 million. Expenses of the governmental activities exceeded revenues by \$0.6 million.
- The City's business-type activities consist of water, sewer and refuse operations. The City had \$31.5 million in expenses related to business-type activities. All of these expenses were offset by \$36.6 million of program specific charges for services and sales, grants or contributions. Program revenues were sufficient to cover expenses of the business-type activities in 2013. General revenues of the business-type activities were \$0.1 million for 2013. Overall, total revenues of the business-type activities exceeded expenses by \$5.2 million.
- The general fund had revenues of \$54.7 million in 2013. This represents a decrease of \$3.2 million from 2012 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$55.3 million in 2013, increased \$0.9 million from 2012. The net decrease in fund balance for the general fund was \$0.7 million, or 7.5 percent.
- The City received no rating change in 2013; Moody's maintains a stable outlook on the City's debt.
- The City was fortunate to post a second consecutive year of decreasing the unfunded compensated absence debt. The City's continued premiums of 125% of earned benefits and additional staff reductions lead to a one year decline of \$979,795 in 2013. The City's unfunded compensated absence debt went from \$6,764,391 at the end of 2012 to \$5,784,596 at the end of 2013.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. This annual financial report consists of a series of financial statements.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2013?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis 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 this position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental Activities: Most of the City's basic services are reported here, including the police, fire, street and highway maintenance, capital improvement, vehicle acquisition, parks and recreation, and general administrative. Income taxes, property taxes, undivided local government, ambulance user fees and state and federal grants finance most of these activities.

Business-Type Activities: The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, sewer and refuse operations are reported here.

The City's statement of net position and statement of activities can be found on pages 19 through 21 of this report.

Reporting the City's Most Significant Funds

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 other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes (Ex. parking deck fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (Ex. grants received from the U.S. Department of Housing and Urban Development). The analysis of the City's major governmental and proprietary funds begins on page 13.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be 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 governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the 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 a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, the community and economic development fund, the capital projects fund and the motor vehicles purchase fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 22 through 31 of this report.

Proprietary funds

When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as a statement of cash flows. We use internal service funds, health insurance, worker's compensation insurance, and compensated absences claim funds, (the other component of proprietary funds) to report activities that provide a service to the City's other programs and activities. The basic proprietary fund financial statements can be found on pages 32 through 35 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Private-purpose trust and agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 36 and 37 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements begin on page 39 of this report.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Government-Wide Financial Analysis

The table below (Table 1) provides a summary of the City's net position at December 31, 2013 and 2012.

Table 1
Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 50.4	\$ 54.0	\$ 42.4	\$ 39.3	\$ 92.8	\$ 93.3
Capital assets, net	107.8	107.3	104.1	105.0	211.9	212.3
Total assets	<u>\$ 158.2</u>	<u>\$ 161.3</u>	<u>\$ 146.5</u>	<u>\$ 144.3</u>	<u>\$ 304.7</u>	<u>\$ 305.6</u>
Liabilities						
Current and other liabilities	\$ 14.5	\$ 11.8	\$ 4.9	\$ 4.0	\$ 19.4	\$ 15.8
Long-term liabilities:						
Due in more than one year	13.9	19.1	30.4	34.4	44.3	53.5
Deferred inflows of resources	1.9	1.9	-	-	1.9	1.9
Total liabilities and deferred inflows of resources	<u>30.3</u>	<u>32.8</u>	<u>35.3</u>	<u>38.4</u>	<u>65.6</u>	<u>71.2</u>
Net position						
Net investment in capital assets	99.2	96.5	70.6	68.4	169.8	164.9
Restricted	20.7	26.0	-	-	20.7	26.0
Unrestricted	8.0	6.0	40.6	37.5	48.6	43.5
Total net position	<u>\$ 127.9</u>	<u>\$ 128.5</u>	<u>\$ 111.2</u>	<u>\$ 105.9</u>	<u>\$ 239.1</u>	<u>\$ 234.4</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2013, the City's assets exceeded liabilities and deferred inflows of resources by \$239.1 million. At year-end, net position was \$127.9 million and \$111.2 million 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 net position. At year-end, capital assets, net represented 69.5 percent of total assets. Capital assets include land, construction in progress, buildings and structures, vehicles, equipment and infrastructure. The net investment in capital assets at December 31, 2013, was \$99.2 million and \$70.6 million 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 are not used to liquidate these liabilities.

As of December 31, 2013, 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 net position, \$20.7 million represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$48.6 million may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

The table below (Table 2) shows the changes in net position for fiscal year 2013 and 2012.

Table 2
Change in Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services and sales	\$ 13.2	\$ 16.0	\$ 34.6	\$ 35.1	\$ 47.8	\$ 51.1
Operating grants and contributions	9.4	7.0	0.1	0.1	9.5	7.1
Capital grants and contributions	4.0	0.8	1.9	1.9	5.9	2.7
Total program revenues	<u>26.6</u>	<u>23.8</u>	<u>36.6</u>	<u>37.1</u>	<u>63.2</u>	<u>60.9</u>
General revenues:						
City income taxes	45.8	44.3	-	-	45.8	44.3
Property taxes	2.5	3.8	-	-	2.5	3.8
Intergovernmental (grants and entitlements)	5.3	8.2	-	-	5.3	8.2
Interest and investment earnings	0.1	0.1	-	-	0.1	0.1
Other	2.0	1.5	0.1	-	2.1	1.5
Total general revenues	<u>55.7</u>	<u>57.9</u>	<u>0.1</u>	<u>-</u>	<u>55.8</u>	<u>57.9</u>
Total revenues	<u>82.3</u>	<u>81.7</u>	<u>36.7</u>	<u>37.1</u>	<u>119.0</u>	<u>118.8</u>
Expenses						
Program expenses:						
General government	16.6	18.3	-	-	16.6	18.3
Security of persons and property	37.2	37.4	-	-	37.2	37.4
Public health	5.9	5.9	-	-	5.9	5.9
Transportation	13.3	12.7	-	-	13.3	12.7
Community environment	6.0	5.1	-	-	6.0	5.1
Leisure time activities	3.3	2.1	-	-	3.3	2.1
Interest and fiscal charges	0.6	0.6	-	-	0.6	0.6
Water	-	-	13.1	12.7	13.1	12.7
Sewer	-	-	12.5	12.7	12.5	12.7
Refuse	-	-	5.9	5.3	5.9	5.3
Total program expenses	<u>82.9</u>	<u>82.1</u>	<u>31.5</u>	<u>30.7</u>	<u>114.4</u>	<u>112.8</u>
Increase (decrease) in net position	(0.6)	(0.4)	5.2	6.4	4.6	6.0
Net position at beginning of year	128.5	128.9	106.0	99.6	234.5	228.5
Net position at end of year	<u>\$ 127.9</u>	<u>\$ 128.5</u>	<u>\$ 111.2</u>	<u>\$ 106.0</u>	<u>\$ 239.1</u>	<u>\$ 234.5</u>

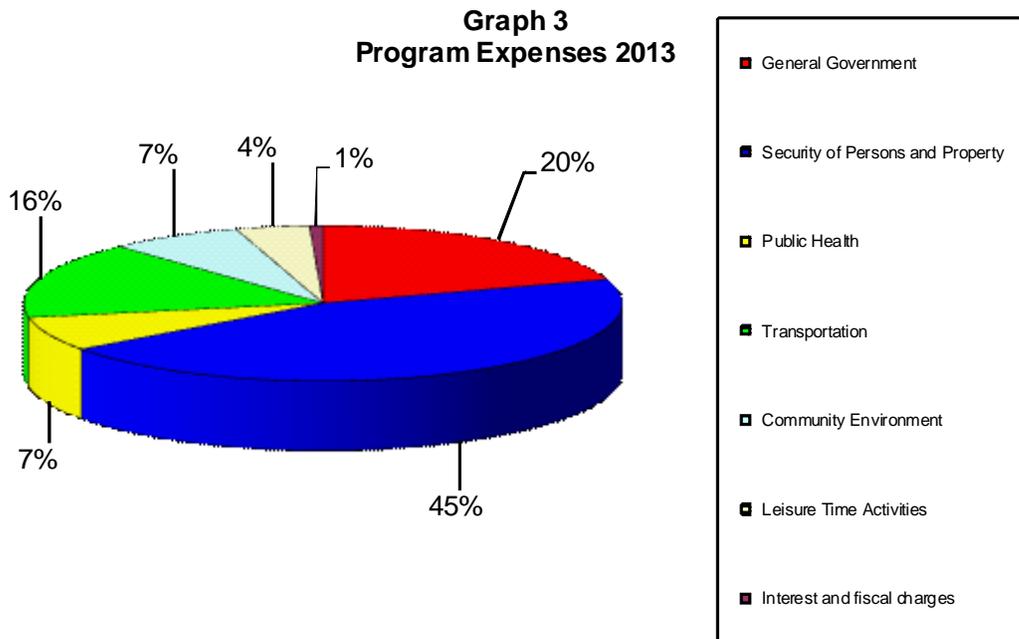
**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

Governmental Activities

The 2.0 percent income tax is the largest revenue source for the City. Designated by ordinance, the capital projects fund receives 20 percent of net income tax received. In addition, the motor vehicle purchase fund receives 5 percent of net income tax received. The remaining 75 percent is allocated to the general fund and is used for such things as police and fire protection, street maintenance, and other purposes determined by council.

When looking at sources of income to support governmental activities, it should be noted that charges for services are only 16.1 percent of governmental activities revenue. Revenues provided by sources other than city residents in the form of operating grants and contributions, capital grants and contributions and grants and entitlements not restricted to specific programs comprise another 22.7 percent. The remaining revenues are primarily generated locally through property (3.0 percent) and income taxes (55.8 percent).

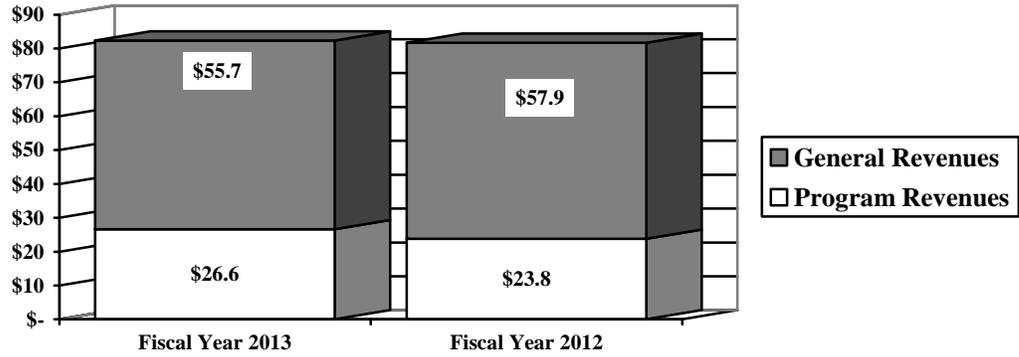
Graph 3 represents the cost of each of the City's governmental programs: security of persons and property, general government, transportation, public health, leisure time activities, community environment, and interest and fiscal charges. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. The increase in the net cost demonstrates the inability to recover the increased cost of the program under the current revenue policies. As indicated by governmental program expenses, citizen's safety, health, and well-being is emphasized.



**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

The graph below compares the City's general revenues (which includes property taxes, income taxes and unrestricted grants and entitlements) and program revenues for fiscal year 2013 and 2012.

**Graph 4
Governmental Activities – General and Program Revenues (In Millions)**



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.

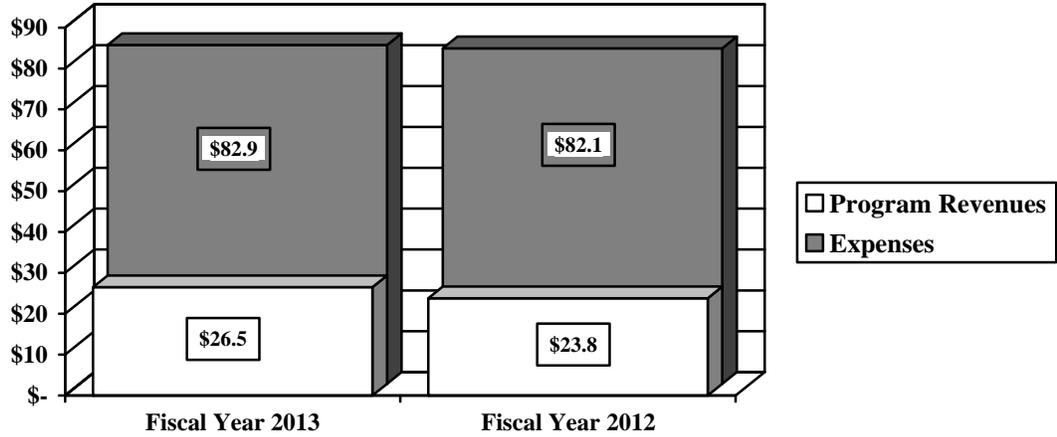
**Table 5
Governmental Activities (In Millions)**

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
Program expenses:				
General government	\$ 16.6	\$ 9.2	\$ 18.2	\$ 7.9
Security of persons and property	37.2	31.1	37.4	31.8
Public health	5.9	3.3	5.9	2.4
Transportation	13.3	7.6	12.8	12.5
Community environment	6.0	1.8	5.1	1.1
Leisure time activities	3.3	2.8	2.1	2.0
Interest and fiscal charges	0.6	0.5	0.6	0.6
Total	\$ 82.9	\$ 56.3	\$ 82.1	\$ 58.3

The dependence upon general revenues for governmental activities is apparent, with 68 percent of expenses supported through taxes and other general revenues.

**CITY OF CANTON
STARK COUNTY, OHIO**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Graph 6
Governmental Activities – Program Revenues vs. Total Expenses (In Millions)

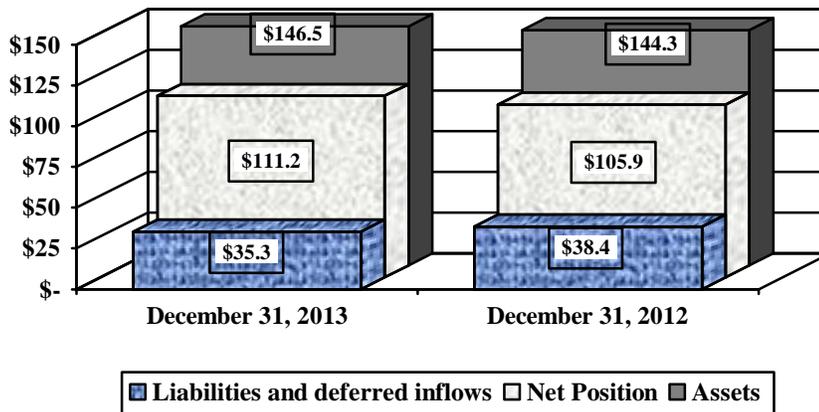


Business-Type Activities

The net position of the business-type activities, include the water, sewer and refuse enterprise funds. For a description of these funds, see the accompanying notes to the basic financial statements. These programs had program revenues of \$36.6 million and general revenues of \$0.1 million which were sufficient to support the total expenses of \$31.5 million. Total revenues exceeded total expenses by \$5.2 million in 2013.

The graph below shows the business-type activities assets, liabilities and deferred inflows and net position at year-end.

Graph 7
Net Position of Business - Type Activities (In Millions)



The basic financial statements for the major funds are included in this report. Because the focus on business-type activities is a cost of service measurement or capital maintenance, we have included an assessment of the capital asset balances for the business-type activities in Graph 10 which is located on page 17.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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. Unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end. The City's governmental funds (as presented on the balance sheet on pages 22 and 23) reported a combined fund balance of \$23.7 million which is \$0.6 lower than last year's total of \$24.3 million. The schedule below indicates the fund balances as of December 31, 2013 and 2012 (as restated – see Note 3.B to the basic financial statements) for the governmental funds.

Table 8

	Fund Balances (In Millions)		
	12/31/13	Restated 12/31/12	Increase (Decrease)
Major funds:			
General	\$ 8.4	\$ 9.1	\$ (0.7)
Community and economic development	2.3	2.3	-
Capital projects	3.2	3.5	(0.3)
Motor vehicle purchase	1.5	1.0	0.5
Nonmajor governmental funds	8.3	8.4	(0.1)
Total	\$ 23.7	\$ 24.3	\$ (0.6)

General Fund

Fund balance of the general fund decreased \$0.7 million from 2012 (as restated – see Note 3.B) primarily due to an increase of \$1.1 million in income tax revenue which was offset by decreases in property and other local tax revenue, charges for services revenue, and other revenues of \$0.8 million, \$1.3 million and \$2.1 million, respectively. Expenditures of the general fund increased \$1.0 million primarily in the areas of security of persons and property and leisure time activities. Included in the general fund expenditures is the annual premium based contributions into the City's compensated absence claim fund of \$2.1 million. In 2004, as part of cost cutting measures, the City established the compensated absences claim fund. This fund is receiving biweekly premiums from all other funds presently paying a salary. The money set aside will be used to pay for the salaries of employees using sick leave and cover the cost of benefits paid to employees at the point of termination. The success of this fund is obvious. The City, in recent years, had reversed the early success seen upon creation of the fund. The debt escalated back up to \$8.8 million at the end of 2011 as compared to a low of \$4.7 million in 2007. In 2012 and 2013, the City was able to commit additional resources from operating funds in addition to the established premiums coupled with continued staff reductions led to an unfunded debt obligation of \$5.8 million by the end of 2013, thus reducing the unfunded debt by \$2.1 million in one year. The City must continue to evaluate the effects of any increase in both employee wages and the number City of employees in order to continue to maintain stable reserves and expect continued reduction in the overall unfunded debt of the compensated absence fund. The City expects to experience an increase in wages during 2014 due to across the board wage increases of 2% and the hiring of 18 police officers and 18 firefighters in early April 2014.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Community and Economic Development Fund

Fund balance of the community and economic development fund remained consistent with prior year. Revenues increased \$0.6 million from \$4.6 million in 2012 to \$5.2 million in 2013 primarily due to increased operating grants. Expenditures increased \$0.6 million from \$4.7 million in 2012 to \$5.3 million in 2013 due to increased community environment projects funded by the increase in operating grants.

Capital Projects Fund

Fund balance of the capital projects fund decreased \$0.3 million from \$3.5 million at December 31, 2012 to \$3.2 million at December 31, 2013. Revenues increased \$0.3 million from \$8.7 million in 2012 to \$9.0 million in 2013 primarily due to an increase in income tax collections. Expenditures increased \$0.6 million from \$8.7 million in 2012 to \$9.3 million in 2013 primarily in the area of capital outlays.

Motor Vehicle Purchase Fund

Fund balance of the motor vehicle purchase fund increased \$0.5 million from \$1.0 million at December 31, 2012 to \$1.5 million at December 31, 2013. Revenues increased \$0.2 million from \$2.2 million in 2012 to \$2.4 million in 2013 due to increased income tax collections and capital grants. Expenditures decreased \$0.2 million from \$2.0 million in 2012 to \$1.8 million in 2013 primarily in the areas of capital outlays and service principal payments.

Nonmajor Governmental Funds

Fund balance of the nonmajor governmental funds decreased \$0.2 million from \$8.5 million at December 31, 2012 (as restated – see Note 3.B) to \$8.3 million at December 31, 2013. Revenues increased \$2.4 million from \$9.7 million in 2012 to \$12.1 million in 2013 due to increase in capital grants of approximately \$2.1 million. Expenditures increased \$0.5 million from \$11.9 million in 2012 to \$12.4 million in 2013 primarily in the areas of security of persons and property and capital outlays.

General Fund Budgeting Highlights

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Alternative Tax Budget, the Certificate of Estimated Resources and the Appropriation Ordinance: all are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the account level split between salary and non-salary line items. Any budgetary modifications above account group level may only be made by resolution of City Council.

The City's fully automated financial system also maintains budgetary control through its requisition/purchase order/encumbrance feature. Department requisitions, which if processed, would result in an overrun of budget are placed into suspense and can only be authorized when additional appropriations are made available through Council ordinance or departmental transfer. The security of the financial system prohibits commitments in excess of appropriations. Requisitions not completed are removed at the close of each month. Requisitions meeting the required criteria are processed by the City Auditor resulting in the required purchase order. The purchase order provides for the reserved encumbrance against the current budget.

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
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The City Auditor continually monitors the encumbrances and expenditures against the budgeted appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over balances less carry over encumbrances at year-end, the County Auditor arrives at and issues the Certificate of Estimated Resources for the City. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's certificate.

The City's general fund variance from original estimated revenues increased by \$1.3 million, increasing the overall General Fund estimated revenues to \$54.1 million as indicated starting on page 29. This change represents 2.4 percent of total revenue and included increases in revenue estimates of \$1.0 million in various assorted taxes and \$0.3 million in intergovernmental revenue. The actual revenue, excluding other financing sources, exceeded final budgeted revenue by \$1.4 million. The general fund variance from original budgeted expenditures, excluding other financing uses, to final budgeted expenditures, excluding other financing uses, was \$2.5 million; this increased the overall general fund final budgeted expenditures to \$61.4 million. The increase was primarily due to \$2.0 million of community environment expenditures included in the final budget related to manuscript debt proceeds received and expended in 2013. The actual expenditures, excluding other financing uses, were less than the final budgeted expenditures by \$2.5 million. The actual expenditures of \$58.8 million approximately equaled the original budgeted expenditures. Final budgeted other financing sources increased \$2.0 million over the original budgeted other financing sources due to proceeds from the issuance of manuscript debt which are included in the final budget but not in the original budget.

Financial Analysis of the Proprietary Funds

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 and internal balances due to governmental activities for internal service activities. The only interfund activity 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 water operating fund and the sewer operating fund had net position increases of \$2.0 million and \$3.3 million, respectively. The refuse operating fund had a decrease in net position of \$49,693. The water operating fund experienced an increase in operating revenue of 2.6 percent while the sewer operating fund experienced a decrease in operating revenue of 4.0 percent, respectively, from the prior year. The water operating fund had an increase in operating expenses of 7.9 percent from the prior year while the sewer operating fund had a decrease in operating expenses of 1.4 percent from the prior year. The Refuse Fund's operating revenue decreased \$0.3 million from 2012 while expenses increased \$0.6 million. These two factors caused the refuse operating fund to report a decrease in net position of \$49,693 in 2013 versus an increase in net position of \$0.8 million in 2012.

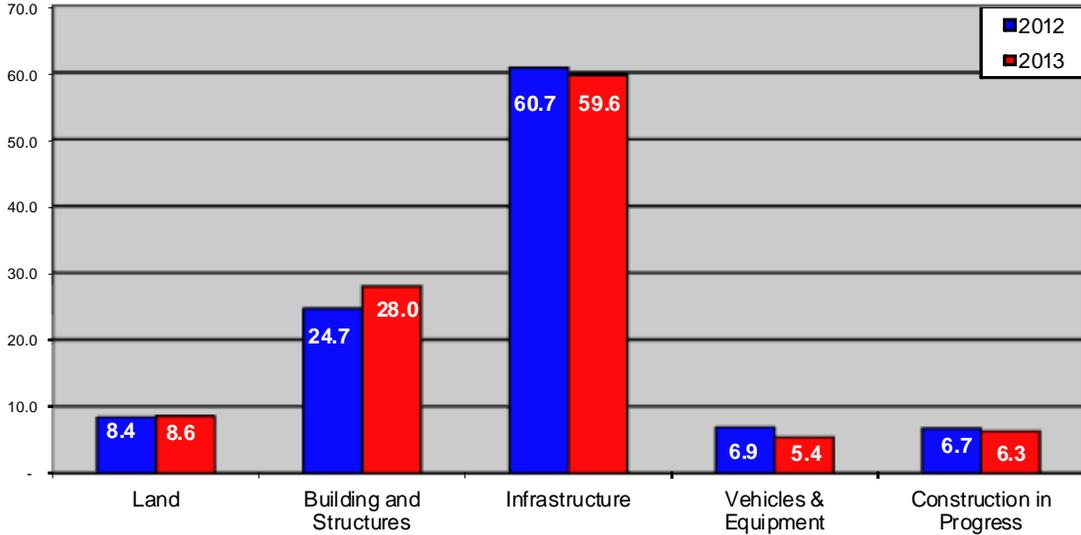
CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the City had \$211.9 million invested in a variety of capital assets, including police and fire equipment, land, buildings, park facilities, roads, bridges, and water and sewer lines (see following graphs). This amount represents a net decrease from prior year. Major additions for the governmental activities include both projects completed in 2013 and removed from construction in progress as well as projects that remain construction in progress at December 31, 2013. These projects include ongoing major road and storm sewer projects, park equipment additions and renovations, and a major street lighting upgrade.

**CITY OF CANTON
STARK COUNTY, OHIO**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

**Graph 9
Governmental Capital Assets-Net of Depreciation
(Dollar Value in Millions)**

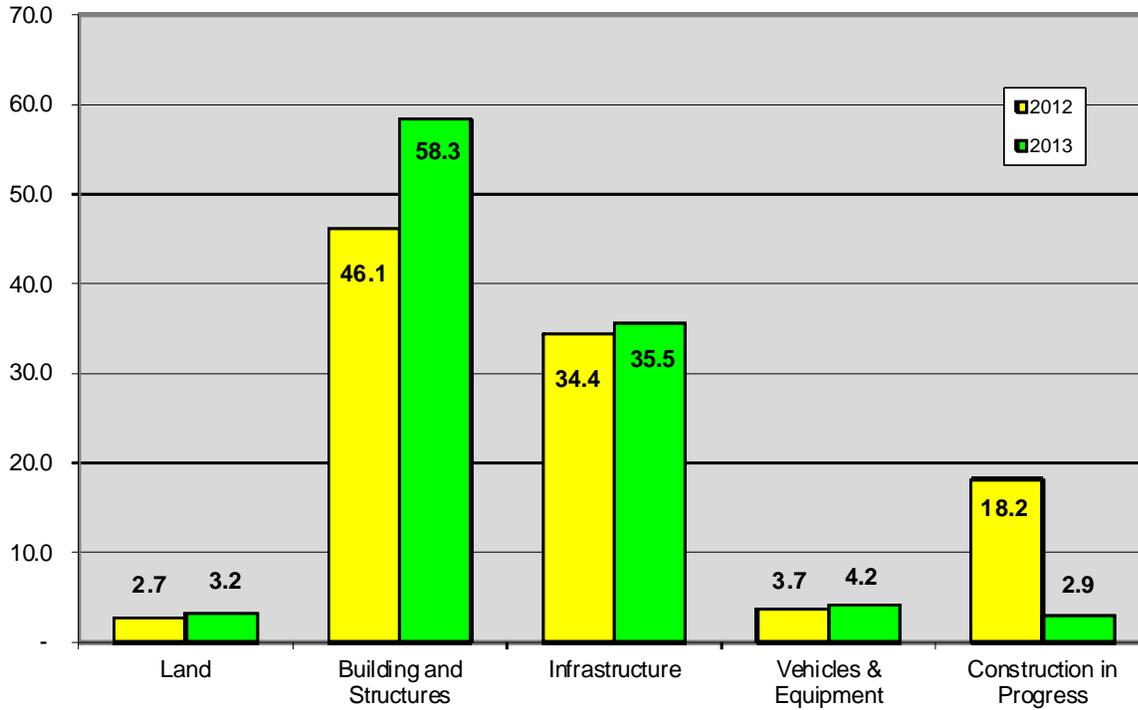


Additions to Business-Type Activities included additional water and sewer line construction, the continuation of a major renovation project at the City's Water Reclamation Plant, and ongoing restoration work at two of the City's water plants.

The City's 2014 capital budget anticipates a spending level of \$10.3 million for capital projects. The City will continue to spend the small balance remaining of the \$15,850,000 generated from the sale of general obligation bonds during 2006 to put the final touches on the construction of the new fire station, additional building improvements to renovate City Hall, improve infrastructure, and continue in its efforts to construct a scaled back version of a community water park for the youth of the City. The water park plans have been greatly reduced since its inception in 2006. In fact, in 2009, 2010, and 2011 the City used a portion of the unspent portion of the 2006 issuance, dedicated for both Mallonn Park and the water park, to retire the corresponding years principal and interest due on the aforementioned bonds. In early 2014, the City entered into contracts for a scaled down version of the water park. More detailed information about the City's capital assets is presented in Note 7 to the basic financial statements.

**CITY OF CANTON
STARK COUNTY, OHIO**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

**Graph 10
Business-Type Capital Assets - Net of Depreciation
(Dollar Value in Millions)**



Debt

At December 31, 2013, the City had \$9.2 million in governmental activities general obligation bonds.

Table 11
General Obligation Bond Debt Outstanding at Year End

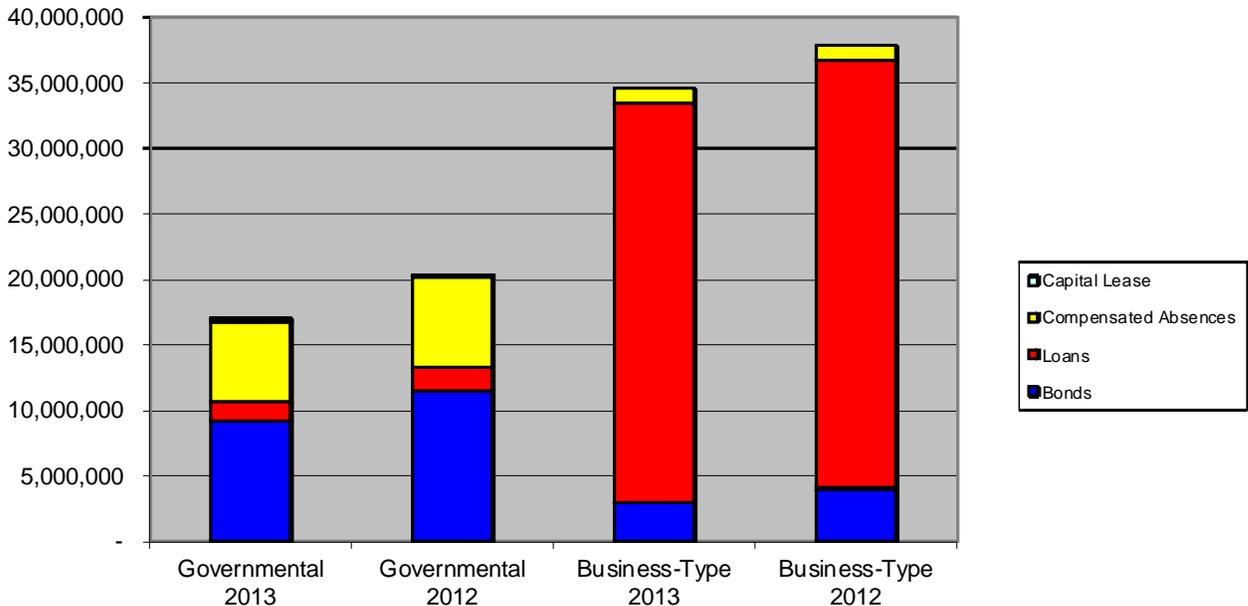
	Governmental Activities	
	2013	2012
Unvoted General Obligation Bonds:		
2009 Refunding Bonds	\$ 4,885,000	\$ 5,765,000
2006 Various Purpose	4,279,587	5,775,165
Total Unvoted General Obligation Bonds:	<u>\$ 9,164,587</u>	<u>\$ 11,540,165</u>

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

The City's overall legal debt margin was \$66.3 million as of December 31, 2013. The City's unvoted legal debt margin was \$30.3 million as of December 31, 2013.

At December 31, 2013, the City had outstanding long-term debt obligations in the amount of \$17.0 million down from \$20.4 million in 2012 for the governmental activities this represents a 16.7 percent decrease. The City's business-type activities debt obligation as of December 31, 2013 was \$34.6 million down from \$37.8 million in 2012 this represents a decrease of 8.5 percent. The breakout on debt is presented in the graph below.

**Graph 12
Total Debt Outstanding by Type**



The City issued \$1,500,000 in judgment bond anticipation notes on June 25, 2013. The notes bear an interest rate of 1% and will mature on June 24, 2014. The note was issued to refinance a portion of the 2012 judgement bond anticipation notes which matured on June 26, 2013.

In 2013, no adjustments were made to the City's credit rating; however, in 2012 Moody's Investor Services confirmed the City's rating of A1 and changed its negative outlook to stable. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City negative outlook on a general obligation bond issue. Fitch Rating service did not evaluate the City in 2013; however, Fitch had previously downgraded the City from AA- to A+ but said its outlook is stable. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 10 to the basic financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Richard A. Mallonn II-City Auditor, City of Canton, 218 Cleveland Ave., Canton, Ohio 44702. (Phone 330-489-3226 or Fax 330-580-2067).

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets:				
Equity in pooled cash and cash equivalents	\$ 22,617,244	\$ 31,278,786	\$ 53,896,030	\$ 4,651
Cash with fiscal agent	3,019	-	3,019	-
Receivables:				
Accounts	2,215,858	8,490,872	10,706,730	-
Accrued interest	277	-	277	-
Income taxes	7,735,721	-	7,735,721	-
Property taxes	2,643,881	-	2,643,881	-
Due from other governments	13,368,731	406,986	13,775,717	1,166
Loans receivable	1,462,476	-	1,462,476	-
Materials and supplies inventory	335,780	2,270,955	2,606,735	-
Internal balance	59,195	(59,195)	-	-
Capital assets:				
Land and construction in progress	14,842,308	6,116,579	20,958,887	701,061
Depreciable capital assets, net	92,959,723	97,966,886	190,926,609	2,027,020
Total capital assets, net	<u>107,802,031</u>	<u>104,083,465</u>	<u>211,885,496</u>	<u>2,728,081</u>
Total assets	<u>158,244,213</u>	<u>146,471,869</u>	<u>304,716,082</u>	<u>2,733,898</u>
Liabilities:				
Accounts payable	2,953,938	1,240,377	4,194,315	148
Accrued wages and benefits payable	1,846,759	474,017	2,320,776	4,462
Due to other governments	1,287,045	86,507	1,373,552	61,053
Retainage payable	87,529	-	87,529	-
Accrued interest payable	42,692	10,001	52,693	-
Note payable	1,500,000	-	1,500,000	-
Claims payable	2,642,891	-	2,642,891	-
Long-term liabilities:				
Due within one year	4,152,128	3,146,262	7,298,390	-
Due in more than one year	13,947,316	30,354,072	44,301,388	-
Total liabilities	<u>28,460,298</u>	<u>35,311,236</u>	<u>63,771,534</u>	<u>65,663</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,870,054	-	1,870,054	-
Total deferred inflows of resources	<u>1,870,054</u>	<u>-</u>	<u>1,870,054</u>	<u>-</u>
Net position:				
Net investment in capital assets	99,188,330	70,583,131	169,771,461	2,728,081
Restricted for:				
Community development programs	9,718,004	-	9,718,004	-
Street construction, maintenance, and repair	2,292,271	-	2,292,271	-
Public health service programs	2,721,336	-	2,721,336	-
Safety and security programs and supplies	1,160,485	-	1,160,485	-
Court programs	1,227,565	-	1,227,565	-
City-owned parking decks	18,298	-	18,298	-
Other purposes	174,412	-	174,412	-
Debt service	19,617	-	19,617	-
Capital projects	3,338,007	-	3,338,007	-
Unrestricted (deficit)	<u>8,055,536</u>	<u>40,577,502</u>	<u>48,633,038</u>	<u>(59,846)</u>
Total net position	<u>\$ 127,913,861</u>	<u>\$ 111,160,633</u>	<u>\$ 239,074,494</u>	<u>\$ 2,668,235</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
<i>Governmental activities:</i>				
General government.	\$ 16,648,538	\$ 7,236,882	\$ 224,645	\$ 17,042
Security of persons and property	37,209,092	4,598,652	1,351,851	129,219
Public health	5,948,698	906,439	1,743,628	-
Transportation.	13,253,789	10,616	1,886,131	3,760,777
Community environment	6,012,767	446,027	3,738,642	-
Leisure time activities.	3,329,290	29,550	416,907	49,405
Interest and fiscal charges.	542,745	-	-	-
Total governmental activities	<u>82,944,919</u>	<u>13,228,166</u>	<u>9,361,804</u>	<u>3,956,443</u>
<i>Business-type activities:</i>				
Water	13,029,402	14,919,158	-	13,800
Sewer	12,516,730	13,914,466	1,470	1,930,158
Refuse.	5,924,125	5,801,598	65,556	-
Total business-type activities.	<u>31,470,257</u>	<u>34,635,222</u>	<u>67,026</u>	<u>1,943,958</u>
Total primary government	<u>\$ 114,415,176</u>	<u>\$ 47,863,388</u>	<u>\$ 9,428,830</u>	<u>\$ 5,900,401</u>
Component Unit:				
CCIC	<u>\$ 591,642</u>	<u>\$ -</u>	<u>\$ 284,079</u>	<u>\$ -</u>

General revenues:

Municipal income taxes levied for:

- General purposes
- Capital outlay
- Property and other taxes
- Payment in lieu of taxes.
- Grants and entitlements not restricted to specific programs. . .
- Interest and investment earnings
- Miscellaneous

Total general revenues.

Change in net position.

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	CCIC
\$ (9,169,969)	\$ -	\$ (9,169,969)	\$ -
(31,129,370)	-	(31,129,370)	-
(3,298,631)	-	(3,298,631)	-
(7,596,265)	-	(7,596,265)	-
(1,828,098)	-	(1,828,098)	-
(2,833,428)	-	(2,833,428)	-
(542,745)	-	(542,745)	-
<u>(56,398,506)</u>	<u>-</u>	<u>(56,398,506)</u>	<u>-</u>
-	1,903,556	1,903,556	-
-	3,329,364	3,329,364	-
-	(56,971)	(56,971)	-
<u>-</u>	<u>5,175,949</u>	<u>5,175,949</u>	<u>-</u>
<u>(56,398,506)</u>	<u>5,175,949</u>	<u>(51,222,557)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(307,563)</u>
34,713,104	-	34,713,104	-
11,199,701	-	11,199,701	-
2,473,315	-	2,473,315	-
35,312	-	35,312	-
5,356,271	-	5,356,271	-
58,749	1	58,750	606
<u>1,964,459</u>	<u>50,847</u>	<u>2,015,306</u>	<u>2,133</u>
<u>55,800,911</u>	<u>50,848</u>	<u>55,851,759</u>	<u>2,739</u>
(597,595)	5,226,797	4,629,202	(304,824)
<u>128,511,456</u>	<u>105,933,836</u>	<u>234,445,292</u>	<u>2,973,059</u>
<u>\$ 127,913,861</u>	<u>\$ 111,160,633</u>	<u>\$ 239,074,494</u>	<u>\$ 2,668,235</u>

CITY OF CANTON
STARK COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	<u>General</u>	<u>Community and Economic Development</u>	<u>Capital Projects</u>	<u>Motor Vehicle Purchase</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 5,763,696	\$ 314,418	\$ 2,328,383	\$ 1,570,475
Cash with fiscal agent.	-	-	-	-
Receivables:				
Accounts	1,140,861	894,116	-	-
Accrued interest	220	-	-	-
Municipal income taxes	5,801,791	-	1,547,144	386,786
Property and other taxes	2,643,881	-	-	-
Due from other funds.	95,789	-	-	-
Due from other governments.	3,941,301	7,383,879	-	-
Loans receivable	-	1,462,476	-	-
Materials and supplies inventory.	294,433	-	-	-
Total assets.	<u>\$ 19,681,972</u>	<u>\$ 10,054,889</u>	<u>\$ 3,875,527</u>	<u>\$ 1,957,261</u>
Liabilities:				
Accounts payable.	\$ 906,461	\$ 321,523	\$ 275,846	\$ 386,499
Accrued wages and benefits payable.	1,488,906	1,490	58,920	-
Due to other funds	166,704	66,362	5,226	-
Due to other governments	357,938	1,978	10,738	-
Retainage payable	-	-	-	-
Note payable	1,500,000	-	-	-
Total liabilities	<u>4,420,009</u>	<u>391,353</u>	<u>350,730</u>	<u>386,499</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,870,054	-	-	-
Delinquent property tax revenue not available	616,801	-	-	-
Income tax revenue not available.	1,077,992	-	287,464	71,866
Other nonexchange transactions not available	2,441,412	6,519,300	-	-
Charges for services revenue not available	799,212	882,705	-	-
Miscellaneous revenue not available	71,678	-	-	-
Total deferred inflows of resources.	<u>6,877,149</u>	<u>7,402,005</u>	<u>287,464</u>	<u>71,866</u>
Fund balances:				
Nonspendable.	382,303	-	-	-
Restricted	-	2,261,531	-	1,498,896
Committed	950,255	-	3,237,333	-
Assigned	550,226	-	-	-
Unassigned (deficit).	6,502,030	-	-	-
Total fund balances	<u>8,384,814</u>	<u>2,261,531</u>	<u>3,237,333</u>	<u>1,498,896</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 19,681,972</u>	<u>\$ 10,054,889</u>	<u>\$ 3,875,527</u>	<u>\$ 1,957,261</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,137,418	\$ 18,114,390
3,019	3,019
18,782	2,053,759
57	277
-	7,735,721
-	2,643,881
74,745	170,534
2,037,395	13,362,575
-	1,462,476
41,347	335,780
\$ 10,312,763	\$ 45,882,412
\$ 622,163	\$ 2,512,492
201,783	1,751,099
21,146	259,438
135,860	506,514
87,529	87,529
-	1,500,000
1,068,481	6,617,072
-	1,870,054
-	616,801
-	1,437,322
955,826	9,916,538
5,434	1,687,351
5,670	77,348
966,930	15,605,414
41,347	423,650
8,270,770	12,031,197
158,347	4,345,935
-	550,226
(193,112)	6,308,918
8,277,352	23,659,926
\$ 10,312,763	\$ 45,882,412

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CITY OF CANTON
STARK COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013

Total governmental fund balances		\$	23,659,926
<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.			107,802,031
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	616,801	
Income taxes receivable		1,437,322	
Accounts receivable		1,764,699	
Intergovernmental receivable		9,916,538	
Total		13,735,360	13,735,360
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, including an internal balance of \$18,314, are included in governmental activities on the statement of net position.			(6,399,592)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(42,692)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(9,164,587)	
Loans payable		(1,497,214)	
Capital lease obligations		(179,371)	
Total		(10,841,172)	(10,841,172)
Net position of governmental activities		\$	127,913,861

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General</u>	<u>Community and Economic Development</u>	<u>Capital Projects</u>	<u>Motor Vehicle Purchase</u>
Revenues:				
Property and other taxes	\$ 2,574,747	\$ -	\$ -	\$ -
Municipal income taxes	34,719,885	-	8,961,569	2,240,393
Charges for services	9,515,236	121,024	-	-
Licenses, permits, and fees.	1,300,868	-	-	-
Fines and forfeitures	160,169	-	-	-
Intergovernmental	5,240,922	-	-	-
Interest and investment income	51,196	-	-	-
Rental income	9,161	5,149	-	-
Contributions and donations	-	-	-	-
Operating grants	485,658	4,843,380	-	-
Capital grants	-	-	14,529	92,250
Payment in lieu of taxes	-	-	-	-
Other.	599,975	211,659	1,804	-
Total revenues	<u>54,657,817</u>	<u>5,181,212</u>	<u>8,977,902</u>	<u>2,332,643</u>
Expenditures:				
Current:				
General government	14,877,348	-	-	-
Security of persons and property.	33,240,286	-	-	-
Public health.	2,558,908	-	-	-
Transportation	1,250,431	-	-	-
Community environment.	282,099	5,250,216	-	-
Leisure time activities	2,550,305	-	-	-
Capital outlay	-	-	6,666,362	1,799,436
Debt service:				
Principal retirement	420,000	-	2,210,218	18,236
Interest and fiscal charges	116,856	-	378,120	-
Total expenditures	<u>55,296,233</u>	<u>5,250,216</u>	<u>9,254,700</u>	<u>1,817,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(638,416)</u>	<u>(69,004)</u>	<u>(276,798)</u>	<u>514,971</u>
Other financing sources (uses):				
Sale of assets.	-	2,901	9,219	25,853
Transfers in	-	-	-	-
Transfers (out).	(40,000)	-	-	-
Total other financing sources (uses)	<u>(40,000)</u>	<u>2,901</u>	<u>9,219</u>	<u>25,853</u>
Net change in fund balances.	(678,416)	(66,103)	(267,579)	540,824
Fund balances at beginning of year (restated)	<u>9,063,230</u>	<u>2,327,634</u>	<u>3,504,912</u>	<u>958,072</u>
Fund balances at end of year	<u>\$ 8,384,814</u>	<u>\$ 2,261,531</u>	<u>\$ 3,237,333</u>	<u>\$ 1,498,896</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,574,747
-	45,921,847
1,338,268	10,974,528
209,954	1,510,822
950,103	1,110,272
3,080,126	8,321,048
7,553	58,749
37,054	51,364
50,525	50,525
3,520,681	8,849,719
2,830,259	2,937,038
35,312	35,312
89,204	902,642
<u>12,149,039</u>	<u>83,298,613</u>
995,729	15,873,077
2,062,738	35,303,024
3,197,732	5,756,640
2,476,114	3,726,545
465,928	5,998,243
79,266	2,629,571
3,066,824	11,532,622
32,881	2,681,335
5,077	500,053
<u>12,382,289</u>	<u>84,001,110</u>
<u>(233,250)</u>	<u>(702,497)</u>
-	37,973
40,000	40,000
-	(40,000)
<u>40,000</u>	<u>37,973</u>
(193,250)	(664,524)
8,470,602	24,324,450
<u>\$ 8,277,352</u>	<u>\$ 23,659,926</u>

CITY OF CANTON
STARK COUNTY, 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, 2013

Net change in fund balances - total governmental funds \$ (664,524)

Amounts reported for governmental activities in the statement of activities are different because:

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	\$ 8,456,439	
Current year depreciation	(7,905,474)	
Total		550,965

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (82,075)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property and other taxes	(101,432)	
Municipal income taxes	(9,042)	
Intergovernmental revenue	92,456	
Operating grants	(2,595,673)	
Charges for services	(415,445)	
Fines and forfeitures	(3,375)	
Miscellaneous	48,044	
Total		(2,984,467)

Repayment of bond, loan, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

General obligation bond principal payments	2,375,578	
Loan principal payments	287,521	
Capital lease principal payments	18,236	
		2,681,335

Repayment of legal claims is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 11,500

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. (42,692)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds, including an internal balance of \$18,314, is reported with the governmental activities on the government-wide statement of net position.

(67,637)

Change in net position of governmental activities \$ (597,595)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, 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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				(Negative)
Revenues:				
Property and other taxes	\$ 2,051,000	\$ 2,651,000	\$ 2,574,747	\$ (76,253)
Municipal income taxes	33,269,971	33,666,370	34,876,272	1,209,902
Charges for services	9,935,313	9,835,313	9,627,291	(208,022)
Licenses, permits, and fees	1,263,700	1,263,700	1,302,410	38,710
Fines and forfeitures.	218,500	218,500	162,797	(55,703)
Intergovernmental	5,575,300	5,825,300	5,729,417	(95,883)
Interest and investment income	70,000	52,000	51,631	(369)
Rental income	7,494	7,494	9,161	1,667
Operating grants	45,000	45,000	471,470	426,470
Other.	362,500	525,200	713,995	188,795
Total revenues	<u>52,798,778</u>	<u>54,089,877</u>	<u>55,519,191</u>	<u>1,429,314</u>
Expenditures:				
Current:				
General government:				
Service director support administration	840,975	805,359	671,704	133,655
Service director	279,973	279,973	248,461	31,512
Purchase administration	483,662	444,662	437,053	7,609
Annexation.	11,991	11,991	8,115	3,876
Building and maintenance	1,134,103	1,134,104	1,087,203	46,901
Income tax administration	1,408,821	1,408,721	1,298,895	109,826
Mayor administration	412,390	412,390	395,198	17,192
Human resources.	139,825	139,825	124,135	15,690
Council.	657,833	657,833	595,758	62,075
Judges	2,100,818	2,100,817	2,044,398	56,419
Clerk of Courts.	1,563,713	1,543,713	1,418,604	125,109
Law department	1,827,572	1,848,172	1,679,691	168,481
Auditor's office.	1,785,920	1,805,920	1,735,336	70,584
Treasurer's office.	433,580	433,580	335,958	97,622
Civil service	324,630	334,630	321,267	13,363
Zoning board.	8,537	8,537	8,397	140
Department of Motor Vehicles.	2,068,332	2,245,832	2,005,802	240,030
Management information systems	1,116,420	1,149,920	1,093,756	56,164
Total general government	<u>16,599,095</u>	<u>16,765,979</u>	<u>15,509,731</u>	<u>1,256,248</u>
Security of persons and property:				
Safety director	184,576	184,576	165,613	18,963
Code enforcement	996,246	996,246	899,383	96,863
Safety director school police administration	127,483	140,483	138,742	1,741
Central communication.	1,753,592	1,740,592	1,680,781	59,811
Police.	15,945,413	16,192,013	15,786,493	405,520
Fire	14,772,169	14,823,669	14,559,562	264,107
Traffic engineer/parking meters.	125,533	145,533	144,768	765
Total security of persons and property	<u>33,905,012</u>	<u>34,223,112</u>	<u>33,375,342</u>	<u>847,770</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health:				
Administration	911,973	1,021,933	895,769	126,164
Nurses	981,208	862,328	846,931	15,397
Lab.	310,452	281,952	275,487	6,465
Environmental health administration	496,949	535,974	532,733	3,241
Total public health	<u>2,700,582</u>	<u>2,702,187</u>	<u>2,550,920</u>	<u>151,267</u>
Transportation:				
Engineering - daily operations.	50,891	54,891	52,312	2,579
Street department	1,622,409	1,447,409	1,441,639	5,770
Total transportation	<u>1,673,300</u>	<u>1,502,300</u>	<u>1,493,951</u>	<u>8,349</u>
Community environment:				
Community development administration.	-	33,000	27,641	5,359
Community Improvement Corporation.	250,000	425,000	425,000	-
Land reutilization.	-	2,000,000	1,765,993	234,007
Total community environment	<u>250,000</u>	<u>2,458,000</u>	<u>2,218,634</u>	<u>239,366</u>
Leisure time activities:				
Park administration.	1,095,748	1,095,748	1,065,637	30,111
Baseball.	13,950	13,950	13,950	-
Civic Center administration	468,350	468,350	466,178	2,172
Total leisure time activities.	<u>1,578,048</u>	<u>1,578,048</u>	<u>1,545,765</u>	<u>32,283</u>
Debt service:				
Principal retirement	2,020,000	2,020,000	2,020,000	-
Interest and fiscal charges	116,900	116,900	116,856	44
Total debt service.	<u>2,136,900</u>	<u>2,136,900</u>	<u>2,136,856</u>	<u>44</u>
Total expenditures	<u>58,842,937</u>	<u>61,366,526</u>	<u>58,831,199</u>	<u>2,535,327</u>
Excess of expenditures over revenues	<u>(6,044,159)</u>	<u>(7,276,649)</u>	<u>(3,312,008)</u>	<u>3,964,641</u>
Other financing sources (uses):				
Proceeds from issuance of notes.	1,500,000	1,500,000	1,500,000	-
Proceeds from issuance of manuscript debt	-	2,000,000	2,000,000	-
Transfers (out)	(40,000)	(40,000)	(40,000)	-
Advances in	-	-	35,616	35,616
Advances (out).	(55,000)	(90,616)	(35,616)	55,000
Total other financing sources (uses).	<u>1,405,000</u>	<u>3,369,384</u>	<u>3,460,000</u>	<u>90,616</u>
Net change in fund balances.	(4,639,159)	(3,907,265)	147,992	4,055,257
Fund balances at beginning of year	4,467,432	4,467,432	4,467,432	-
Prior year encumbrances appropriated.	1,167,504	1,167,504	1,167,504	-
Fund balances at end of year	<u>\$ 995,777</u>	<u>\$ 1,727,671</u>	<u>\$ 5,782,928</u>	<u>\$ 4,055,257</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY AND ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ -	\$ -	\$ 126,889	\$ 126,889
Rental income.	-	-	5,149	5,149
Operating grants	8,487,811	8,487,811	4,537,666	(3,950,145)
Other	-	68,141	438,071	369,930
Total revenues	<u>8,487,811</u>	<u>8,555,952</u>	<u>5,107,775</u>	<u>(3,448,177)</u>
Expenditures:				
Current:				
Community environment:				
Youth development	307,814	307,814	267,143	40,671
Community development administration	7,921,244	7,288,568	6,451,742	836,826
Federal stimulus funding	386,505	368,530	355,945	12,585
Hamilton Avenue project	8,220	8,220	8,220	-
Energy efficiency conservation	50,659	70,139	70,139	-
Community development demolition	369,009	369,009	289,623	79,386
Fair housing administration.	76,022	76,022	53,841	22,181
Economic development grants/loans	303,916	303,916	300,000	3,916
Total expenditures	<u>9,423,389</u>	<u>8,792,218</u>	<u>7,796,653</u>	<u>995,565</u>
Excess of expenditures over revenues	<u>(935,578)</u>	<u>(236,266)</u>	<u>(2,688,878)</u>	<u>(2,452,612)</u>
Other financing sources:				
Sale of assets	-	-	2,901	2,901
Total other financing sources.	<u>-</u>	<u>-</u>	<u>2,901</u>	<u>2,901</u>
Net change in fund balances	(935,578)	(236,266)	(2,685,977)	(2,449,711)
Fund balances (deficit) at beginning of year.	(2,178,142)	(2,178,142)	(2,178,142)	-
Prior year encumbrances appropriated	2,569,873	2,569,873	2,569,873	-
Fund balances (deficit) at end of year	<u>\$ (543,847)</u>	<u>\$ 155,465</u>	<u>\$ (2,294,246)</u>	<u>\$ (2,449,711)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents.	\$ 11,009,209	\$ 18,170,468	\$ 2,099,109	\$ 31,278,786	\$ 4,502,854
Receivables:					
Accounts	3,605,011	2,755,127	2,130,734	8,490,872	162,099
Due from other funds.	-	-	-	-	129,785
Due from other governments	-	388,449	18,537	406,986	6,156
Materials and supplies inventory	1,401,650	869,305	-	2,270,955	-
Total current assets	<u>16,015,870</u>	<u>22,183,349</u>	<u>4,248,380</u>	<u>42,447,599</u>	<u>4,800,894</u>
Non-current assets:					
Capital assets:					
Land and construction in progress	3,712,941	2,403,638	-	6,116,579	-
Depreciable capital assets, net	56,911,193	39,199,822	1,855,871	97,966,886	-
Total capital assets, net.	<u>60,624,134</u>	<u>41,603,460</u>	<u>1,855,871</u>	<u>104,083,465</u>	<u>-</u>
Total assets.	<u>76,640,004</u>	<u>63,786,809</u>	<u>6,104,251</u>	<u>146,531,064</u>	<u>4,800,894</u>
Liabilities:					
Current liabilities:					
Accounts payable.	172,341	934,335	133,701	1,240,377	441,446
Accrued wages and benefits payable	209,133	162,151	102,733	474,017	95,660
Due to other funds	15,881	5,869	19,131	40,881	-
Due to other governments	45,582	25,052	15,873	86,507	780,531
Accrued interest payable	7,702	2,299	-	10,001	-
General obligation bonds payable	841,107	251,077	-	1,092,184	-
OWDA loans payable	1,201,489	840,884	-	2,042,373	-
OPWC loans payable.	6,310	5,395	-	11,705	-
Compensated absences payable	-	-	-	-	1,214,500
Claims payable.	-	-	-	-	1,603,311
Total current liabilities	<u>2,499,545</u>	<u>2,227,062</u>	<u>271,438</u>	<u>4,998,045</u>	<u>4,135,448</u>
Non-current liabilities:					
General obligation bonds payable	1,469,557	438,673	-	1,908,230	-
OWDA loans payable	22,045,641	6,309,714	-	28,355,355	-
OPWC loans payable	47,327	43,160	-	90,487	-
Compensated absences payable	-	-	-	-	6,043,772
Claims payable.	-	-	-	-	1,039,580
Total non-current liabilities.	<u>23,562,525</u>	<u>6,791,547</u>	<u>-</u>	<u>30,354,072</u>	<u>7,083,352</u>
Total liabilities.	<u>26,062,070</u>	<u>9,018,609</u>	<u>271,438</u>	<u>35,352,117</u>	<u>11,218,800</u>
Net position:					
Net investment in capital assets.	35,012,703	33,714,557	1,855,871	70,583,131	-
Unrestricted (deficit)	15,565,231	21,053,643	3,976,942	40,595,816	(6,417,906)
Total net position (deficit).	<u>\$ 50,577,934</u>	<u>\$ 54,768,200</u>	<u>\$ 5,832,813</u>	<u>111,178,947</u>	<u>\$ (6,417,906)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(18,314)	
Net position of business-type activities				<u>\$ 111,160,633</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		
Operating revenues:					
Charges for services	\$ 14,842,993	\$ 13,735,804	\$ 5,801,598	\$ 34,380,395	\$ 14,079,352
Rental income	76,165	500	-	76,665	-
Other	47,540	178,162	2,335	228,037	1,013,773
Total operating revenues	<u>14,966,698</u>	<u>13,914,466</u>	<u>5,803,933</u>	<u>34,685,097</u>	<u>15,093,125</u>
Operating expenses:					
Personal services	6,268,095	5,055,708	3,412,406	14,736,209	655,470
Contract services	2,814,235	3,331,904	1,942,297	8,088,436	1,160,454
Materials and supplies	1,605,955	1,160,360	292,695	3,059,010	4,497
Benefit claim expenses	-	-	-	-	1,901,354
Insurance claims and expenses	33,551	52,604	7,071	93,226	11,456,881
Depreciation	1,821,531	2,578,989	251,133	4,651,653	-
Other	51,943	38,425	14,552	104,920	420
Total operating expenses	<u>12,595,310</u>	<u>12,217,990</u>	<u>5,920,154</u>	<u>30,733,454</u>	<u>15,179,076</u>
Operating income (loss)	<u>2,371,388</u>	<u>1,696,476</u>	<u>(116,221)</u>	<u>3,951,643</u>	<u>(85,951)</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(425,270)	(273,564)	-	(698,834)	-
Interest income	1	-	-	1	-
Gain (loss) on disposal of capital assets	(745)	(18,910)	972	(18,683)	-
Operating grants	-	1,470	65,556	67,026	-
Total nonoperating revenues (expenses)	<u>(426,014)</u>	<u>(291,004)</u>	<u>66,528</u>	<u>(650,490)</u>	<u>-</u>
Income (loss) before capital contributions	1,945,374	1,405,472	(49,693)	3,301,153	(85,951)
Capital contributions	13,800	1,930,158	-	1,943,958	-
Change in net position	1,959,174	3,335,630	(49,693)	5,245,111	(85,951)
Net position (deficit) at beginning of year	<u>48,618,760</u>	<u>51,432,570</u>	<u>5,882,506</u>		<u>(6,331,955)</u>
Net position (deficit) at end of year	<u>\$ 50,577,934</u>	<u>\$ 54,768,200</u>	<u>\$ 5,832,813</u>		<u>\$ (6,417,906)</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(18,314)	
Change in net position of business-type activities				<u>\$ 5,226,797</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	
Cash flows from operating activities:					
Cash received from charges for services.	\$ 14,524,850	\$ 13,787,680	\$ 6,020,623	\$ 34,333,153	\$ 14,187,408
Cash received from other operations.	113,439	138,154	2,335	253,928	1,335,214
Cash payments for personal services.	(6,235,817)	(5,032,521)	(3,390,545)	(14,658,883)	(550,234)
Cash payments for contractual services	(2,985,771)	(2,949,869)	(1,917,519)	(7,853,159)	(1,089,661)
Cash payments for materials and supplies	(1,602,642)	(921,077)	(280,712)	(2,804,431)	(4,497)
Cash payments for claims	(33,551)	(52,604)	(7,071)	(93,226)	-
Cash payments for insurance claims	-	-	-	-	(11,002,385)
Cash payments for benefits claims	-	-	-	-	(2,642,220)
Cash payments for other expenses	(45,416)	(35,963)	(14,628)	(96,007)	(420)
Net cash provided by operating activities	<u>3,735,092</u>	<u>4,933,800</u>	<u>412,483</u>	<u>9,081,375</u>	<u>233,205</u>
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies.	-	1,470	72,859	74,329	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,470</u>	<u>72,859</u>	<u>74,329</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(1,154,881)	(2,257,605)	(473,711)	(3,886,197)	-
Capital contributions	-	1,923,482	-	1,923,482	-
Proceeds from sale of capital assets.	15,755	58	972	16,785	-
Proceeds of loans	314,842	172,034	-	486,876	-
Principal paid on bonds.	(807,780)	(241,128)	-	(1,048,908)	-
Interest paid on bonds.	(124,738)	(37,235)	-	(161,973)	-
Principal paid on OPWC loans	(6,310)	(5,395)	-	(11,705)	-
Principal paid on OWDA loans.	(1,219,848)	(1,365,540)	-	(2,585,388)	-
Interest paid on OWDA loans	(292,830)	(234,030)	-	(526,860)	-
Net cash used in capital and related financing activities	<u>(3,275,790)</u>	<u>(2,045,359)</u>	<u>(472,739)</u>	<u>(5,793,888)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received.	1	-	-	1	-
Net cash provided by investing activities	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Net increase in cash and cash equivalents.	459,303	2,889,911	12,603	3,361,817	233,205
Cash and cash equivalents at beginning of year. . .	10,549,906	15,280,557	2,086,506	27,916,969	4,269,649
Cash and cash equivalents at end of year	<u>\$ 11,009,209</u>	<u>\$ 18,170,468</u>	<u>\$ 2,099,109</u>	<u>\$ 31,278,786</u>	<u>\$ 4,502,854</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Refuse Operating Fund</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 2,371,388	\$ 1,696,476	\$ (116,221)	\$ 3,951,643	\$ (85,951)
Adjustments:					
Depreciation	1,821,531	2,578,989	251,133	4,651,653	-
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable.	(317,954)	(57,043)	219,025	(155,972)	384,251
Decrease in due from other funds	-	-	-	-	51,402
Decrease in materials and supplies inventory	31,565	259,235	-	290,800	-
Decrease (increase) in due from other governments	424	69,474	-	69,898	(6,156)
Increase (decrease) in accounts payable	(192,945)	363,686	21,775	192,516	87,995
Increase in accrued wages and benefits	20,616	19,141	18,149	57,906	12,715
Increase in due to other funds	7,628	445	15,437	23,510	-
Increase (decrease) in due to other governments	(2,934)	3,397	3,185	3,648	75,319
(Decrease) in unearned revenue.	(4,227)	-	-	(4,227)	-
(Decrease) in compensated absences payable.	-	-	-	-	(740,866)
Increase in claims payable	-	-	-	-	454,496
Net cash provided by operating activities.	<u>\$ 3,735,092</u>	<u>\$ 4,933,800</u>	<u>\$ 412,483</u>	<u>\$ 9,081,375</u>	<u>\$ 233,205</u>

Non-Cash Transactions:

As of December 31, 2013, the water operating fund, sewer operating fund, and refuse operating fund had purchased \$104,934, \$86,843, and \$26,569 in capital assets on account, respectively.

As of December 31, 2012, the water operating fund and sewer operating fund had purchased \$248,040 and \$161,740 in capital assets on account, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	Private-Purpose Trust	
	Hartford Houtz	Agency
Assets:		
Equity in pooled cash and cash equivalents.	\$ -	\$ 1,264,900
Cash and cash equivalents in segregated accounts	32,659	129,467
Investments in segregated accounts	105,275	-
Receivables:		
Accounts	-	26,960
Total assets	\$ 137,934	\$ 1,421,327
Liabilities:		
Due to other governments.	\$ -	\$ 114,272
Undistributed assets	-	129,467
Deposits held and due to others	-	1,177,588
Total liabilities	-	\$ 1,421,327
Net position:		
Held in trust for individuals.	137,934	
Total net position	\$ 137,934	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Private-Purpose Trust
	Hartford Houtz
Additions:	
Investment income.	\$ 3,597
Deductions:	
Net decrease in fair market value of investments	5,529
Distributions	1,119
Total deductions.	6,648
Change in net position.	(3,051)
Net position at beginning of year.	140,985
Net position at end of year	\$ 137,934

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Canton (the “City”) is a municipal corporation incorporated under the laws of the State of Ohio. The City operates under a Mayor-Council form of government. The Mayor and Council are elected. The City provides police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services to the citizens of the City.

Reporting Entity

The City’s reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. A primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government of the City includes City departments and agencies that provide the following services: police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water, sewer and sanitation.

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; or (2) the City is legally entitled to or can otherwise access the organization’s resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the 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 that are fiscally dependent on the City in that 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 government’s financial statements incomplete or misleading. Based upon the application of these criteria, the City has one component unit, the Canton Community Improvement Corporation (CCIC). The City has the voting majority on the CCIC’s Board with no other subdivisions having any representation, and the CCIC is completely dependent on the City for financial support. The City reports the financial status of the CCIC as a discretely presented component unit in its basic financial statements. A complete copy of the CCIC financial statements can be obtained by contacting the City’s Community and Economic Development Department. See Note 18 for detail.

The City is associated with the Stark Area Regional Transit Authority, the Stark Council of Governments and the Stark County Regional Planning Commission as jointly governed organizations; Canton Tomorrow Inc., and the Downtown Canton Special Improvement District as joint ventures; and the Joint Recreation District as a related organization. See Notes 15, 16 and 17 for detail.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

The most 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 activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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 are 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 function is self-financing or draws from the general revenues of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The only exception is for contributions from the City's Water, Sewer and Refuse Departments to the City's Motor Vehicle Department, Computer Department, and the City's vehicle self insurance fund. Activities of these three divisions are included with the governmental activities, thus any contributions and corresponding expenses from other governmental funds are eliminated. This activity remains in the business-type activities in order to not distort the direct costs and program revenues reported for all of the functions involved.

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

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

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

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

Community and economic development fund - To account for HUD community and economic development block grant money used for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

Capital projects fund - To account for the City's capital projects and expenditures of 20 percent of the net income tax receipts.

Motor vehicle purchase fund - To account for the purchase and maintenance of the City's vehicles and expenditures of 5 percent of the net income tax receipts.

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 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 following are the City's major enterprise funds:

Water operating fund - The water operating enterprise fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City, and surrounding communities.

Sewer operating fund - The sewer operating enterprise fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City, and several surrounding communities.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

Refuse operating fund - The refuse operating enterprise fund accounts for the provision of trash collection to the residents and commercial users located in the City.

Internal Service Funds - Internal service funds 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. The City's internal service funds report on a self-insurance program for employee medical benefits, compensated absences, and the City's retrospective rating worker's compensation benefits.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private-purpose trust fund established to account for monies donated to assist the poor of the City. The agency funds account for building permit fees collected on behalf of the State, municipal court collections that are distributed to various local governments, and the collection of payroll and employee deductions to be distributed to other governmental agencies. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of 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 and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty 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 property taxes is recognized in the year for which the taxes are levied (see Note 5.A). Revenue from income taxes is recognized in the period in which the income is earned (see Note 5.B). 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 nonexchange 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, delinquent property tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, and fees.

Deferred Inflows of Resources - Deferred inflows of resources arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations, have been recorded as deferred inflows and resources. Property taxes, income taxes and special assessments due at December 31, 2013 but not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred inflows of resources on modified accrual only. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources.

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 CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

E. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The legal level of budgetary control, established by the appropriation ordinance, fixes spending authority at the account level split between salary and non-salary line items within each department within each fund. Any budgetary modifications at this level or above may only be made by resolution of the City Council. The appropriation ordinance may be amended during the year by action of Council, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

F. Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not re-appropriated.

G. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, except the private-purpose trust fund and funds requiring that interest proceeds follow the invested principal, are maintained in this pool. Individual fund integrity is maintained through the City's records.

The City utilizes financial institutions to service bonded debt as principal and interest come due. At year end, the balances in these accounts are presented as "cash with fiscal agent" on the City's financial statements.

The City has segregated bank and investment accounts for monies held separate from the City's central bank account related to the private-purpose trust fund and the municipal court agency fund. These monies are presented in the statement of fiduciary net position as "cash and cash equivalents in segregated accounts" and "investments in segregated accounts" since they are not required to be deposited into the City treasury.

During 2013, investments were limited to nonnegotiable certificates of deposit, municipal bond mutual funds, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

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 investments could be sold for on December 31, 2013.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2013 amounted to \$51,196, which includes \$43,969, assigned from other City funds.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

For purposes of the statement of cash flows and for presentation on the statement of net position and the balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

H. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City has no prepaid items.

J. 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 proprietary 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 retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, storm sewers, streets, streetlights, traffic signals, water lines and sewer lines. 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 enterprise capital assets is also capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City Engineer's interpretation of historical records of necessary improvements and replacement.

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and structures	10 to 45 years	10 to 45 years
Vehicles and equipment	10 to 15 years	10 to 15 years
Infrastructure	10 to 50 years	10 to 50 years

K. Interfund Balances

On fund financial statements, interfund loans are classified as “due to/from other funds” on the balance sheet. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, “*Accounting for 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 employer 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 eligible employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for unused earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City’s past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

M. 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 fund financial statements.

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

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

N. 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 category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually 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 loan receivable in the general fund.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. 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. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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 or 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 City Council.

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 used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed resources 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.

O. Net Position

Net position represents the difference between assets and liabilities and deferred inflows. Net position 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. Net position is reported as restricted when there is 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 City applies restricted resources first when an expense is incurred for the purposes for which both restricted and unrestricted net position is available.

P. 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 charges for services for water services, sewer treatment, refuse collection, the workers compensation, health insurance, and compensated absences claims internal service funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Q. Contributions of Capital

Contributions of capital in 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, or from grants or outside contributions of resources restricted to capital acquisition and construction.

During 2013, the City recognized capital contributions of \$13,800 in the water operating fund and \$76,747 in the sewer operating fund. These contributions of capital consist of land donated to the City during 2013 and capital grant revenue from the State of Ohio for the West Side Interceptor Sanitary Sewer.

Additionally, the governmental activities received donated capital assets of \$970,000 in bridge infrastructure additions from Stark County and \$49,405 in equipment and facilities improvements to enhance City parks. These donated assets are reported as a component of capital grants and contributions on the statement of activities.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

R. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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 and after non-operating revenues/expenses in business-type activities. Interfund transfers are eliminated when reported in the entity wide financial statements for both the governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2013.

T. 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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2013, the City has implemented GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*" and GASB Statement No. 66, "*Technical Corrections-2012 - an amendment of GASB Statements No. 10 and No. 62*".

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the City.

GASB Statement No. 66 improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements; GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" and GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements*". The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the City.

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Prior Period Adjustment

During 2012, the City repaid \$658,649 due to the general fund from the fire grants and donations fund (a nonmajor governmental fund). The repayment of this balance was not reflected in the governmental fund financial statements for the fiscal year ended December 31, 2012. Fund balances at January 1, 2013 have been restated to eliminate the effects of this amount due from other funds in the general fund and due to other funds in the nonmajor governmental funds, as follows:

	<u>General</u>	<u>Community and Economic Development</u>	<u>Capital Projects</u>	<u>Motor Vehicle Purchase</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance at December 31, 2012	\$ 9,721,879	\$ 2,327,634	\$ 3,504,912	\$ 958,072	\$ 7,811,953	\$ 24,324,450
Removal of amounts due to/from other funds for balances repaid during 2012	<u>(658,649)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>658,649</u>	<u>-</u>
Restated fund balance at January 1, 2013	<u>\$ 9,063,230</u>	<u>\$ 2,327,634</u>	<u>\$ 3,504,912</u>	<u>\$ 958,072</u>	<u>\$ 8,470,602</u>	<u>\$ 24,324,450</u>

C. Deficit Fund Balances/Net Position

Fund balances/net position at December 31, 2013 included the following individual fund deficits:

	<u>Deficit Balance</u>
<u>Nonmajor Governmental Funds:</u>	
Clean Ohio Revitalization Fund	\$ 105,584
Walnut/Cherry Fund	87,528
 <u>Internal Service Funds:</u>	
Health Insurance Fund	840,990
Compensated Absences Claim Fund	5,759,638

The deficits in these funds are the result of adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the City treasury. Active 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.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Inactive deposits are public deposits that Council has identified as not required for use within the current 5-year period of designation of depositories. Inactive deposits must either 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 of 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.

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 with the City Auditor by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be invested in the following securities:

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 and 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 agreements 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 division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligation, 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.

Cash on Hand: At year end, the City had \$1,000 in undeposited cash on hand which is included on the financial statements as part of "equity in pooled cash and cash equivalents."

Cash with Fiscal Agent: At year end, the City had \$3,019 on deposit with financial institutions to service bonded debt as principal and interest come due. This account is maintained separate from the City's internal investment pool. The balance in this account is included in "deposits with financial institutions" below.

Cash and Cash Equivalents in Segregated Accounts: At year end, the City had \$129,467 deposited with a financial institution for monies related to the municipal court agency fund. In addition, the City had \$32,659 of nonnegotiable certificates of deposit held in trust by financial institutions for the private-purpose trust fund. These accounts are maintained separate from the City's internal investment pool. The balances in these accounts are included in "deposits with financial institutions" below.

Investments in Segregated Accounts: At year end, the City had \$105,275 in municipal bond mutual funds held in trust for the private-purpose trust fund. The mutual funds are maintained separate from the City's internal investment pool. The balances of the mutual funds are included in "investments" below.

A. Deposits with Financial Institutions

At December 31, 2013, the carrying amount of all City deposits, including \$24,529,501 in money market accounts and \$5,032,659 in nonnegotiable certificates of deposit, was \$51,624,275. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2013, \$51,777,627 of the City's bank balance of \$53,192,772 was exposed to custodial risk as discussed below, while \$1,415,145 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 CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2013, the City had the following investments and maturity:

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturity 6 months or less</u>
Municipal bond mutual funds	\$ 105,275	\$ 105,275
STAR Ohio	<u>3,700,800</u>	<u>3,700,800</u>
Total	<u>\$ 3,806,075</u>	<u>\$ 3,806,075</u>

Credit Risk: The City has monies invested in STAR Ohio. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Standard & Poor's has assigned Star Ohio AAAM money market rating. The municipal bond mutual funds are also rated AAAM by Standard & Poor's. The City has no policy further restricting credit risk beyond the statutory guidelines, which limit investment choices.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the City Auditor or qualified trustee.

The following table includes the percentage of each investment type held by the City at December 31, 2013:

<u>Investment type</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
Municipal bond mutual funds	\$ 105,275	2.77%
STAR Ohio	<u>3,700,800</u>	<u>97.23%</u>
Total	<u>\$ 3,806,075</u>	<u>100.00%</u>

**CITY OF CANTON
STARK COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statements as of December 31, 2013:

Cash and investments per note:

Carrying amount of deposits	\$ 51,624,275
Investments	3,806,075
Cash on hand	<u>1,000</u>
Total	<u><u>\$ 55,431,350</u></u>

Cash, cash equivalents, and investments per statement of net position:

Governmental activities	\$ 22,620,263
Business-type activities	31,278,786
Fiduciary funds	<u>1,532,301</u>
Total	<u><u>\$ 55,431,350</u></u>

NOTE 5 - RECEIVABLES

Receivables at December 31, 2013, consisted of taxes, accounts (billings for user charged services), loans and intergovernmental receivables. All of these receivables, except loans receivable, are considered fully collectible.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one-year amount to \$686,958 in the general fund, \$882,705 in the community and economic development fund, and \$5,434 in the debt service fund (a nonmajor governmental fund). Special assessments are reported among accounts receivable on the statement of net position and the balance sheet and charges for services revenue on the statement of activities and the statement of revenues, expenditures, and changes in fund balance.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 5 - RECEIVABLES - (Continued)

A. 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. 2013 public utility property taxes became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Auditor collects property taxes on behalf of all taxing districts in the County, including the City of 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, 2013 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 2013 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 reported as a deferred inflow of resources.

The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2013, for all City operations applied to taxable property in the following taxing districts within the City limits was \$3.40 for District 2 - Canton City School District, \$2.00 for District 3 - Plain Local School District, \$2.60 for District 4 - Canton Local School District, and \$2.30 for District 90 - Osnaburg Local School District. The assessed values of real and public utility property upon which 2013 property tax receipts were based are as follows:

Real property	\$	669,817,400
Real and personal public utility		<u>48,335,690</u>
Total assessed value	\$	<u><u>718,153,090</u></u>

B. Income Taxes

The City levies a municipal income tax of two percent on all salaries, wages, commissions and compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality up to a maximum of 85 percent of the two percent levied by the City.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 5 - RECEIVABLES - (Continued)

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 75 percent to the general fund, 20 percent to the capital projects fund and 5 percent to the motor vehicle purchase fund. The allocation to the motor vehicle purchase fund is the only allocation that was actually voted upon and approved by the voters of the City. This requires the fund balance for the motor vehicle purchase fund to be reported as restricted as seen on page 80.

C. Due From Other Governments

A summary of intergovernmental receivables follows:

	Amounts
Governmental activities	
Local government and local government revenue assistance	\$ 2,440,902
Hotel tax	23,950
Charges for services	264,258
Fines and forfeitures	48,584
License, permits and fees	734
Casino revenue	1,117,087
Gasoline and excise tax	1,047,216
Motor vehicle tax	155,175
Grants	8,270,825
Total governmental activities	13,368,731
Business-type activities	
Grants	18,537
Principal	388,449
Total business-type activities	406,986
Grand total	\$ 13,775,717

D. Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$1,462,476. The loans receivable represent the principal owed to the City for Community Development Block Grants. The loans bear interest at annual rates between 0 and 11 percent. The loans will be repaid over periods up to 20 years.

**CITY OF CANTON
STARK COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 6 - RISK MANAGEMENT

A. Workers' Compensation

Since 1989, the City has participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan. Under the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in 2013 are \$200,000 per claim.

A minimum premium for fixed costs is charged by the Ohio Bureau of Workers' Compensation. A maximum premium, the employer's experience-rated premium multiplied by the maximum percentage selected by the employer, may be charged back to the City for a ten-year evaluation period per claim. For the policy year 2013, the City selected Tier 1 which calls for no claim limit and a 150 percent maximum premium limit.

The claims liability of \$1,564,167 reported in the workers compensation internal service fund at December 31, 2013, is estimated by the third-party administrators and is based on the requirements of GASB 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 claim 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 claims activity for the past two years are as follows:

Year	Balance Beginning of Year	Claims Incurred	Claim Payments	Balance End of Year
2012	\$ 1,621,467	\$ 1,356,472	\$ 1,599,880	\$ 1,378,059
2013	1,378,059	1,854,302	1,668,194	1,564,167

B. Property and Liability

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. The City contracts with Affiliated FM Insurance Company for commercial property coverage, which has a \$435,000,000 limit and a \$100,000 deductible. The City also contracts with Cincinnati Insurance Company through Leonard Insurance Services Agency Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible. The City contracts with Ohio Plan Risk Management, Inc. through Hylant Administrative Services for automobile combined coverage, which has a \$6,000,000 limit and a \$125,000 deductible. The City also contracts with Ohio Plan Risk Management, Inc. for liability coverages, which includes general liability, public officials liability and law enforcement liability. Each of these coverages has a \$6,000,000 annual limit per claim and a \$8,000,000 per year aggregate with a \$125,000 deductible.

The City's elected officials are bonded for their respective terms. In addition, several specific employees (i.e., court bailiffs) are bonded where required by Ohio Revised Code.

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

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 6 - RISK MANAGEMENT - (Continued)

C. Medical

The City has elected to provide employees' major medical, hospitalization, prescription and dental and vision coverage 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. The City purchases stop-loss coverage of \$150,000 specific per family. The third party administrators, Aultcare and Anthem Blue Cross, review all claims, which are then paid by the City.

The claims liability of \$1,078,724 reported in the Health Insurance Internal Service Fund at December 31, 2013, is estimated by the third-party administrators and is based on the requirements of GASB 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 report 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 amount for the last two years follow:

Year	Balance Beginning of Year	Claims Incurred	Claim Payments	Balance End of Year
2012	\$ 1,093,521	\$ 8,456,238	\$ 8,739,423	\$ 810,336
2013	810,336	9,602,579	9,334,191	1,078,724

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**CITY OF CANTON
STARK COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance 12/31/12	Additions	Deductions	Balance 12/31/13
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 8,408,117	\$ 157,931	\$ -	\$ 8,566,048
Construction in progress	6,728,449	4,863,178	(5,315,367)	6,276,260
Total capital assets, not being depreciated	<u>15,136,566</u>	<u>5,021,109</u>	<u>(5,315,367)</u>	<u>14,842,308</u>
Capital assets, being depreciated:				
Buildings and structures	47,245,624	4,505,040	(184,500)	51,566,164
Vehicles and equipment	31,124,032	223,397	(786,589)	30,560,840
Infrastructure	368,536,287	4,022,260	(144,011)	372,414,536
Total capital assets, being depreciated	<u>446,905,943</u>	<u>8,750,697</u>	<u>(1,115,100)</u>	<u>454,541,540</u>
Less accumulated depreciation:				
Buildings and structures	(22,563,446)	(1,232,788)	184,500	(23,611,734)
Vehicles and equipment	(24,263,318)	(1,593,074)	739,364	(25,117,028)
Infrastructure	(307,882,604)	(5,079,612)	109,161	(312,853,055)
Total accumulated depreciation	<u>(354,709,368)</u>	<u>(7,905,474)</u>	<u>1,033,025</u>	<u>(361,581,817)</u>
Total capital assets, being depreciated, net	<u>92,196,575</u>	<u>845,223</u>	<u>(82,075)</u>	<u>92,959,723</u>
Governmental activities capital assets, net	<u>\$ 107,333,141</u>	<u>\$ 5,866,332</u>	<u>\$ (5,397,442)</u>	<u>\$ 107,802,031</u>

(Continued)

Depreciation expense was charged to governmental functions as follows:

General government	\$ 530,691
Security of persons and property	1,248,543
Public health	112,941
Transportation	5,317,546
Community environment	13,664
Leisure time activities	682,089
Total depreciation expense	<u>\$ 7,905,474</u>

**CITY OF CANTON
STARK COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 7 - CAPITAL ASSETS - (Continued)

	Balance 12/31/12	Additions	Deductions	Balance 12/31/13
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 2,739,539	\$ 466,575	\$ -	\$ 3,206,114
Construction in progress	18,150,474	2,009,103	(17,249,112)	2,910,465
Total capital assets, not being depreciated	<u>20,890,013</u>	<u>2,475,678</u>	<u>(17,249,112)</u>	<u>6,116,579</u>
Capital assets, being depreciated:				
Buildings and structures	104,309,598	14,592,690	(969,456)	117,932,832
Vehicles and equipment	12,213,866	1,219,214	(220,811)	13,212,269
Infrastructure	156,417,090	2,679,293	-	159,096,383
Total capital assets, being depreciated	<u>272,940,554</u>	<u>18,491,197</u>	<u>(1,190,267)</u>	<u>290,241,484</u>
Less accumulated depreciation:				
Buildings and structures	(58,156,902)	(2,467,394)	951,688	(59,672,608)
Vehicles and equipment	(8,521,789)	(672,116)	203,111	(8,990,794)
Infrastructure	(122,099,053)	(1,512,143)	-	(123,611,196)
Total accumulated depreciation	<u>(188,777,744)</u>	<u>(4,651,653)</u>	<u>1,154,799</u>	<u>(192,274,598)</u>
Total capital assets, being depreciated, net	<u>84,162,810</u>	<u>13,839,544</u>	<u>(35,468)</u>	<u>97,966,886</u>
Business-type activities capital assets, net	<u>\$ 105,052,823</u>	<u>\$ 16,315,222</u>	<u>\$ (17,284,580)</u>	<u>\$ 104,083,465</u>

Depreciation expense was charged to the enterprise funds as follows:

Water operating	\$ 1,821,531
Sewer operating	2,578,989
Refuse operating	251,133
Total depreciation expense	<u>\$ 4,651,653</u>

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 8 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements, City ordinances and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Twelve days of vacation may be carried forward into the next year.

Employees may bank up to 75 days earned vacation time toward retirement, payable at retirement or termination. No more than 15 days of earned vacation may be banked in any one-year in minimum increments of five days. In March 2003, the City eliminated banked vacation for individuals in management and non-bargaining classifications. In lieu of, or in addition to banking vacation, an employee may request to receive cash payment for unused vacation of no more than 10 days per year in minimum increments of five days calculated at 90 percent of the current rate of pay. Employees must declare their desire to receive cash payment no later than October 1 of each year. Payment shall be made on the first regular pay day in November of each year. Approval of the cash payment is within the sole discretion of the appointing authority.

Employees earn sick leave at the rate 4.6 hours per 80 hours worked. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid 100 percent to a maximum of 150 days (175 for those employees of bargaining unit 3449 and retiring in their 30th year) or 1,200 hours of accumulated, unused sick leave. Firefighters and police can be paid 100 percent to a maximum of 188.5 days or 1,500 hours.

In 2004, the City established a compensated absences claim fund for the purpose of depositing sick expense premiums from the employees' labor fund distribution to pay both current and previous unfunded compensated absences. The expense associated with current and future obligations is being charged as a direct claim against the compensated absences claim fund. The premium supporting the fund is included in the personal service charge for each fund. Prior to 2009, and the collapse of the City of Canton operational income, the premium was equal to 125% of the total cost of the sick leave accrued on biweekly payrolls. In an attempt to maintain an adequate workforce in light of this revenue decline, the premium was reduced to 105% of the total cost of the sick leave accrued on a biweekly payroll for 2009 and 2010. The premium reset to 125% effective January 1, 2011 and remained unchanged for 2012, 2013.

NOTE 9 - LONG-TERM OBLIGATIONS

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The City's most recent general obligation bond issuance was in 2009 for \$8,575,000. The purpose of the issuance was to refund two previous issuances, a 1998 pension refunding bond and a 1999 various purpose bond. At the time, the refinancing resulted in an economic gain of \$729,829 for the City.

The remainder of the City's general obligation bonds currently outstanding is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental activities, 2009 various purpose improvement refunding	3.0-4.0%	\$ 8,575,000
Governmental activities, 2006 various purpose	4.00%	13,650,000
Business-type activities, 2006 various purpose/refunding	4.00%	9,570,000
		<u>\$ 31,795,000</u>

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 2,467,817	\$ 357,483	\$ 1,092,184	\$ 120,017
2015	2,554,541	267,871	1,135,459	76,329
2016	2,077,229	165,689	772,771	30,911
2017	1,015,000	82,600	-	-
2018	1,050,000	42,000	-	-
Total	\$ 9,164,587	\$ 915,643	\$ 3,000,414	\$ 227,257

The City has annual debt requirements for the following loans, both related to governmental activities. A State Infrastructure Bank (SIB) loan was entered into in 1998 for the Market Avenue Streetscape project. The interest rate for this loan was 4% for the period 1998 through 2008 and changed to is 3% effective in 2009. The original issue amount of the SIB loan was \$1,179,031. Also, a State of Ohio Urban Redevelopment loan was issued in 2000, with an interest rate of 4% and an original issue amount of \$1,650,916 and was used to build the Millennium Parking Deck. Both loans were issued as part of the City's continuing effort to improve its downtown business district.

Annual debt service requirements to maturity for the SIB loan and the Urban Redevelopment loan are as follows:

Year Ending December 31	State Infrastructure Bank Loan		Urban Redevelopment Loan (Millenium Parking Deck)	
	Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2014	\$ 80,548	\$ 14,852	\$ 142,591	\$ 12,363
2015	83,187	12,213	148,294	6,303
2016	85,913	9,487	-	-
2017	88,728	6,672	-	-
2018	91,635	3,765	-	-
2019	46,937	763	-	-
Total	\$ 476,948	\$ 47,752	\$ 290,885	\$ 18,666

Ohio Public Works Commission (OPWC) Loans

The City entered into various loan agreements with the OPWC for the purpose of improving the water pollution control system, improving storm sewer operations and installing water lines. These are interest free loans. The City has pledged future revenues, net of certain operating expenses, in the water operating fund and sewer operating fund to repay the loans used for the Harrisburg waterline (water) and the Harmont pump station (sewer). The debt is payable from net revenues and is payable through 2029. Annual principal payments on the debt issues are expected to require 0.2 percent of net revenues for water and 0.1 percent of net revenues for sewer. The total principal remaining to be paid on the debt is \$53,637 for water and \$48,555 for sewer. Principal paid for the current year and total net revenues were \$6,310 and \$4,192,919, respectively, for water and \$5,395 and \$4,275,465, respectively, for sewer.

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a list of outstanding debt with the OPWC:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental activities, 35th St. N.E. storm sewer reconstruction	0.00%	\$ 380,812
Governmental activities, Market Ave North sewer replacement	0.00%	300,000
Governmental activities, 30th St. N.E. storm sewer improvement	0.00%	494,000
Business-type activities, Harrisburg waterline	0.00%	63,102
Business-type activities, Harmont Ave pump station	0.00%	107,900
		\$ 1,345,814

Annual debt service requirements to maturity for OPWC loans are as follows:

Ohio Public Works Commission Loans

Year Ending December 31	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 65,087	\$ -	\$ 11,705	\$ -
2015	65,087	-	11,705	-
2016	65,087	-	11,705	-
2017	65,087	-	11,705	-
2018	52,394	-	11,705	-
2019 - 2023	198,500	-	43,667	-
2024 - 2028	146,000	-	-	-
2029	24,706	-	-	-
Total	\$ 681,948	\$ -	\$ 102,192	\$ -

Ohio Water Development Authority (OWDA) Loans

The City entered into various loan agreements with the OWDA for the purpose of improving and expanding both the water and the water pollution control operations. The City has pledged future revenues, net of certain operating expenses, to repay these loans in the water operating fund and sewer operating fund. The debt is payable from net revenues and is payable through 2031. Annual principal and interest payments on the debt issues are expected to require 36.1 percent of net revenues for water and 26.1 percent of net revenues for sewer. The total principal and interest remaining to be paid on the debt is \$29,286,170 for water and \$5,900,452 for sewer. Principal and interest paid for the current year and total net revenues were \$1,512,678 and \$4,192,919, respectively, for water and \$1,599,570 and \$4,275,465, respectively, for sewer.

The City has entered into an agreement with the City of North Canton and the Stark County Board of Commissioners whereby, these entities will reimburse the City for a portion of its Sewer OWDA debt service payments based upon assigned percentage of design capacity of thirty-nine million gallons per day in the advanced secondary treatment facilities (known as the Water Reclamation Facility). The agreement is amended as design capacity needs change for the parties involved. For 2013, the assigned percentages were 50.85% for the City, 47.00% for Stark County and 2.15% for the City of North Canton. In accordance with the agreement, reimbursements to the City will not be due more often than the City's repayments under the OWDA loan debt service schedules. The City is obligated to make all debt service payments on the OWDA loans and subsequently bills the City of North Canton and Stark County for their assigned percentage of Sewer OWDA loans debt service as stipulated in the agreements.

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The OWDA loans outstanding were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental activities, Harmont Ave NE improvement	3.25%	\$ 60,100
Business-type activities, Plain Township water line extension (55th St)	4.74%	1,653,459
Business-type activities, Lake Local School water line	4.64%	1,980,974
Business-type activities, Lawrence Chester water main extension	5.01%	250,606
Business-type activities, Osnaburg water main extension	3.62%	1,402,001
Business-type activities, Sugarcreek water plant improvement	3.25%	3,365,682
Business-type activities, NW water plant improvement	3.52%	7,094,093
Business-type activities, NE water plant improvement	5.39%	14,903,080
Business-type activities, water meter planning and design	3.99%	276,189
Business-type activities, water pollution system	2.64%	14,230,181
Business-type activities, discharge line (J.L.)	3.81%	835,606
Business-type activities, WRF phosphorus/nitrogen removal project	3.20%	2,802,000
		<u>\$ 48,853,971</u>

Annual debt service requirements to maturity for OWDA loans are as follows:

Ohio Water Development Authority Loans

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 2,213	\$ 1,524	\$ 2,042,373	\$ 836,293
2015	2,286	1,451	2,087,843	774,741
2016	2,360	1,376	2,150,969	711,615
2017	2,438	1,299	2,216,128	646,455
2018	2,518	1,219	2,283,390	579,193
2019 - 2023	13,880	4,803	8,024,016	2,008,884
2024 - 2028	16,310	2,375	6,793,754	938,304
2029 - 2031	5,428	178	2,965,803	126,859
Total	<u>\$ 47,433</u>	<u>\$ 14,225</u>	<u>\$ 28,564,276</u>	<u>\$ 6,622,344</u>

During 2013, the water reclamation phosphorus project, the water meter planning and design project and the NE water plant improvement project received OWDA loan proceeds. As of the end of the audit period, the final amount borrowed for these two loans had not been determined and no final reconciliation has been completed by OWDA. Due to these issues, no payment schedules were available for either of these loans. Consequently, these loans were not included in the yearly schedule shown above nor were they used in calculating the amount due within one year in the schedule that follows.

**CITY OF CANTON
STARK COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2013 were as follows:

	Outstanding			Outstanding		Due Within
	12/31/12	Additions	Reductions	12/31/13	One Year	
<i>Business-type activities</i>						
OPWC loans:						
Water operations:						
2012 Harrisburg water line 0%	\$ 59,947	\$ -	\$ (6,310)	\$ 53,637	\$ 6,310	
Sewer operations:						
2003 Harmont pump station 0%	53,950	-	(5,395)	48,555	5,395	
Total OPWC loans	113,897	-	(11,705)	102,192	11,705	
OWDA loans:						
Water operations:						
2001 Plain Township water line ext. (55th St) 4.74%	976,579	-	(83,556)	893,023	87,564	
2002 Lake School water 4.64%	1,214,242	-	(98,375)	1,115,867	102,481	
2003 Lawrence water main extension 5.01%	45,931	-	(30,241)	15,690	15,690	
2007 Osnaburg water main extension 3.62%	1,115,069	-	(60,544)	1,054,525	61,820	
2007 SC water plant improvements 3.25%	2,556,398	-	(145,711)	2,410,687	132,537	
2008 NW water plant improvements 3.52%	4,727,907	-	(41,063)	4,686,844	222,587	
2009 NE water plant improvements 5.39%	13,526,436	215,053	(760,358)	12,981,131	578,810	
2013 water meter planning and design 3.99%	-	89,363	-	89,363	-	
Sewer operations:						
1997 water pollution system 2.64%	5,858,711	-	(771,742)	5,086,969	792,523	
1999 discharge line (J.L.) 3.81%	367,923	-	(48,383)	319,540	48,361	
2010 phosphorus/nitrogen removal project 3.20%	2,117,470	172,034	(545,415)	1,744,089	-	
Total OWDA loans	32,506,666	476,450	(2,585,388)	30,397,728	2,042,373	
General obligation bonds:						
Water operations:						
2006 refunding bonds 4.0%	3,118,444	-	(807,780)	2,310,664	841,107	
Sewer operations:						
2006 various purpose 4.0%	930,878	-	(241,128)	689,750	251,077	
Total general obligation bonds	4,049,322	-	(1,048,908)	3,000,414	1,092,184	
Compensated absences	1,167,192	116,415	(200,429)	1,083,178	197,775	
Total business-type activities	37,837,077	592,865	(3,846,430)	34,583,512	3,344,037	

Continued

**CITY OF CANTON
STARK COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

	Outstanding 12/31/12	Additions	Reductions	Outstanding 12/31/13	Due Within One Year
<i>Governmental activities</i>					
General obligation bonds:					
2009 pension refunding bonds 3.0%-4.0%	2,735,000	-	(420,000)	2,315,000	430,000
2009 refunding bonds 3.0%-4.0%	3,030,000	-	(460,000)	2,570,000	480,000
2006 various purpose 4.0%	5,775,165	-	(1,495,578)	4,279,587	1,557,817
Total general obligation bonds	<u>11,540,165</u>	<u>-</u>	<u>(2,375,578)</u>	<u>9,164,587</u>	<u>2,467,817</u>
1998 SIB loan 3.0%	560,565	-	(83,617)	476,948	80,548
2000 legal claims	11,500	-	(11,500)	-	-
2000 Millenium parking deck loan 4.0%	427,992	-	(137,107)	290,885	142,591
OWDA loan:					
2010 Harmont Ave sewer extension 3.25%	49,143	-	(1,710)	47,433	2,213
OPWC loans:					
2003 35th St NE storm sewer 0%	139,635	-	(25,387)	114,248	25,387
2004 Market Ave sewer 0%	187,500	-	(15,000)	172,500	15,000
2009 30th St NE storm sewer 0%	419,900	-	(24,700)	395,200	24,700
Total OPWC loans	<u>747,035</u>	<u>-</u>	<u>(65,087)</u>	<u>681,948</u>	<u>65,087</u>
Compensated absences	6,831,946	357,788	(1,014,640)	6,175,094	1,016,726
Capital leases	197,607	-	(18,236)	179,371	179,371
<i>Total governmental activities</i>	<u>20,365,953</u>	<u>357,788</u>	<u>(3,707,475)</u>	<u>17,016,266</u>	<u>3,954,353</u>
Totals	<u>\$ 58,203,030</u>	<u>\$ 950,653</u>	<u>\$ (7,553,905)</u>	<u>\$ 51,599,778</u>	<u>\$ 7,298,390</u>

The above schedule of long-term obligations differs from liabilities reported on the government-wide statement of net position as a result of the compensated absences payable associated with the business-type activities being included with the long-term liabilities of the governmental activities. The compensated absences claim internal service fund is responsible for the payment of both the governmental and business-type compensated absences liabilities. Since governmental activities are the primary user of the internal service funds, GAAP requires that the long-term liabilities of the internal service fund be reported among the governmental activities. A reconciliation of the schedule of long-term obligations to the statement of net position at December 31, 2013 were as follows:

	Governmental Activities	Business-Type Activities	Total
Long-term obligations per schedule above	\$ 17,016,266	\$ 34,583,512	\$ 51,599,778
Consolidation of compensated absences claim internal service fund into governmental activities	<u>1,083,178</u>	<u>(1,083,178)</u>	<u>-</u>
Long-term liabilities on government-wide statement of net position	<u>\$ 18,099,444</u>	<u>\$ 33,500,334</u>	<u>\$ 51,599,778</u>

Of the \$1,083,178 of business-type compensated absences to be paid from the compensated absences claim internal service fund (which is consolidated with the governmental activities on the statement of net position), \$197,775 is due within one year.

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The City's overall legal debt margin was \$64,752,651 and an unvoted debt margin of \$28,844,997 at December 31, 2013.

NOTE 10 - CAPITAL LEASES

In 2013, the City did not enter into any new capital lease agreements. The City currently has a capital lease outstanding for a fire truck, which is capitalized. The following is a schedule of the future minimum lease payments for all of the City's previous capital leases and the present value of the minimum lease payments as of December 31, 2013.

Year Ending	Governmental Activities
2014	\$ 208,957
Total minimum lease payments	208,957
Less: amount representing interest	(29,586)
Present value of minimum lease payments	\$ 179,371

NOTE 11 - NOTES PAYABLE

The following is a summary of note transactions for the year ended December 31, 2013 reflected in the general fund on the fund financial statements and in the governmental activities on the government-wide financial statements:

	Balance 12/31/2012	Issued	Retired	Balance 12/31/2013
Notes Payable	\$ 1,600,000	\$ 1,500,000	\$ (1,600,000)	\$ 1,500,000

The above mentioned, note is backed by the full faith and credit of the City and will mature on June 24, 2014. The note was issued at a 1% interest rate resulting in a \$15,000 interest payment due upon maturity. The note was issued in anticipation of a long-term bond financing. The purpose of the issuance was to refinance a previously issued note used to pay for the settlement of a civil suit in which the City agreed to pay the plaintiff \$1,800,000.

**CITY OF CANTON
STARK COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 12 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget (non-GAAP basis) and actual presented for the general fund and major special revenue 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 GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).
4. Unreported cash (cash on hand) represents amounts received but not included on the budget basis operating statements. These amounts are included on the GAAP basis operating statement.
5. Proceeds from manuscript debt are an other financing source (budget) as opposed to a balance sheet transaction (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and the community and economic development fund.

Net Change in Fund Balance

	General Fund	Community and Economic Development Fund
	<u> </u>	<u> </u>
Budget basis	\$ 147,992	\$ (2,685,977)
Net adjustment for revenue accruals	(861,374)	73,437
Net adjustment for expenditure accruals	1,675,602	(60,562)
Net adjustment for other financing sources (uses) accruals	(3,500,000)	-
Encumbrances	<u>1,859,364</u>	<u>2,606,999</u>
GAAP basis	<u>\$ (678,416)</u>	<u>\$ (66,103)</u>

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and contribution rates were consistent across all three plans. The 2013 member contribution rates were 10.00% for members. The City's contribution rate for 2013 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2013 was 13.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2013 was 13.00%. The City's required contributions to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$4,181,348, \$4,421,799, and \$4,120,588, respectively; 94.46% has been contributed for 2013 and 100% has been contributed for 2012 and 2011. The remaining 2013 pension liability has been reported as "due to other governments" in the payroll clearing agency fund.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - From January 1, 2013 through July 1, 2013, plan members were required to contribute 10.00% of their annual covered salary. From July 2, 2013 through December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, the City was required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - PENSION PLANS - (Continued)

For 2013, the portion of the City's contributions to fund pension obligations was 14.81% for January 1, 2013 through May 31, 2013 and 16.65% for June 1, 2013 through December 31, 2013 for police officers and 19.31% for January 1, 2013 through May 31, 2013 and 21.15% for June 1, 2013 through December 31, 2013 for firefighters. The City's required contributions to OP&F for police officers and firefighters were \$1,781,676 and \$2,123,929, respectively, for the year ended December 31, 2013, \$1,766,663 and \$2,188,878, respectively, for the year ended December 31, 2012, and \$1,928,444 and \$2,257,140, respectively, for the year ended December 31, 2011. The full amount has been contributed for 2012 and 2011. 77.36% has been contributed for police and 77.67% has been contributed for firefighters for 2013. The remaining 2013 pension liability has been reported as "due to other governments" in the payroll clearing agency fund.

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2013, 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 2013 was 1.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2013 was 1.00%.

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

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$298,668, \$1,263,370, and \$1,179,912, respectively; 94.46% has been contributed for 2013 and 100% has been contributed for 2012 and 2011. The remaining 2013 post-employment health care benefits liability has been reported as "due to other governments" in the payroll clearing agency fund.

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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 through May 31, 2013 and 2.85% of covered payroll from June 1, 2013 through December 31, 2013. 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).

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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 allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$663,702, \$1,226,340 and \$1,301,498, respectively. The full amount has been contributed for 2012 and 2011. 77.36% has been contributed for police and 77.67% has been contributed for firefighters for 2013. The remaining 2013 pension liability has been reported as "due to other governments" in the payroll clearing agency fund.

NOTE 15 - JOINT VENTURES

Canton Tomorrow, Inc.

The City participates in Canton Tomorrow, Inc., formed under Chapter 1702 of the Ohio Revised Code. Of the 26 member board, the City appoints three members. The degree of control exercised by any participating government is limited to its representation on the board. Canton Tomorrow, Inc., was formed to serve as a catalyst to bring together the vision, initiative and action necessary for the continuing revitalization of the City. Continued existence of Canton Tomorrow, Inc. is dependent on the City's continued participation, despite its minimal contribution to the overall budget; however, the City does not have an equity interest in Canton Tomorrow, Inc. (Agency). The Agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. Canton Tomorrow Inc.'s funding comes from a grant given by the City through the Canton Community Improvement Corporation to the Canton Regional Chamber of Commerce. In 2013, the grant was for \$175,000 paid in October 2013 and the Chamber of Commerce is responsible for dividing it up amongst its various agencies like Canton Tomorrow, Inc. Complete financial statements can be obtained from Canton Tomorrow, Inc.

Downtown Canton Special Improvement District

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 13 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The District was created for the purpose of developing and implementing plans for public improvements and public services. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. In 2013, the City contributed \$181,167 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

NOTE 16 - RELATED ORGANIZATION

Joint Recreation District

The City appoints three of the five members of the Joint Recreation District (District) Board. The District manages recreational activities at sites within the City at facilities owned by either the City or Canton City Schools. The District hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the District nor is the District financially dependent on the City. The District serves as its own budgeting, taxing and debt issuance authority. The City did not make any contributions during 2013. Complete financial statements can be obtained from the Canton Recreation Department.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Stark Area Regional Transit Authority

The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon and Alliance. A nine-member board of trustees oversees the operation of the Authority whose purpose is to provide a low cost mass transportation system for Stark County. The City appoints three of the nine members. Each member's control over the operation of the Authority is limited to its representation on the Board. The Board exercises total authority for the day-to-day operations of the Authority, which include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Authority's liabilities. The City made no monetary contributions to assist in the operational expenses of the Authority during 2013. Complete financial statements may be obtained from the Stark Area Regional Transit Authority.

Stark Council of Governments

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities and villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is dependent on the City's continued participation; however, the City does not have an equity interest in the agency. The agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. The City contributed \$367,122 from the general fund for 2013 for the operation of SCOG, which represents 48.25 percent of total contributions. Complete financial statements may be obtained from the Stark Council of Governments.

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the State. The commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 88-member board, the City appoints 5 members.

The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2013, the City contributed \$12,075 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT

The component unit column in the government-wide financial statements identifies the financial data of the City's component unit, the Canton Community Improvement Corporation (CCIC). It is reported separately to emphasize that it is legally separate from the City. A summary of the CCIC more significant accounting policies and activities are disclosed below.

Canton Community Improvement Corporation

The CCIC is a legally separate, not-for-profit, community improvement corporation, as authorized under Chapter 1724 of the Ohio Revised Code. The seven-member board is comprised of the following; the City's Mayor, three appointed or elected officials, chosen by the Mayor, and three recommended by the Mayor and approved by the other three board members. The CCIC was organized for the purpose of advancing, encouraging, and promoting the industrial, economic, and commercial and civic development of the community. The City's Community and Economic Development Department, as authorized by City Council, provides an annual grant to pay for all operational costs associated with the CCIC. Complete financial statements can be obtained from the Canton Community Improvement Corporation.

A. Summary of Significant Accounting Policies

The financial statements of CCIC have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Restricted Cash - CCIC received a grant award for economic development. Terms of the grant require specific uses of the funds.

Community Development Loans - CCIC issues loans to various businesses for the purpose of assisting the establishment of a new business enterprise in the City of Canton and/or continuing or expanding existing business activity.

Capital Assets – Capital assets represent land and buildings donated to or transferred to CCIC by the City of Canton to be used in future economic development projects as well as land currently being utilized for an economic development project. The land and buildings have been recorded at their fair value as of the date of the contribution, or at cost if purchased. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Grant Revenue – Grant revenue is derived from a grant passed through the City of Canton. The grant funds received provide economic development loans and façade improvement grants, as well as administrative expenses of CCIC. Grant revenue is recognized to the extent that expenses eligible for reimbursement under the grant agreement have been incurred during the period.

Federal Income Tax – CCIC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

In-Kind Contributions – City of Canton employees perform services for CCIC. This portion of salaries and related fringe benefits for these services are paid by the City of Canton. The estimated fair value of in-kind contribution is reported as revenue and an expense in the period in which the services are used. CCIC also benefited from the Board of Directors’ time to attend board meetings. The estimated fair value of these members’ contributions is not reflected in these statements since it is not susceptible to objective valuation. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. CCIC had no in-kind contributions in 2013.

Net Position – Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the statement of net position. CCIC’s net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations. CCIC had no restricted net position as of December 31, 2013.

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.

B. Change in Accounting Principles

For 2013, CCIC has implemented GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”. 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. The implementation of GASB Statement No. 65 had no material effect on the financial statements of CCIC.

C. Cash and Investments

At December 31, 2013, the bank balance of CCIC was \$4,651. The entire bank balance was covered by the Federal Deposit Insurance Corporation. CCIC has not experienced any losses on this account and management of CCIC believes it is not exposed to any significant credit risk.

At December 31, 2013, CCIC had no investments.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2013, is as follows:

	Balance 12/31/12	Additions	Deductions	Balance 12/31/13
Capital assets, not being depreciated:				
Land	\$ 42,900	\$ -	\$ (1,200)	\$ 41,700
Land improvements	-	172,400	-	172,400
Land held for future use	585,761	-	(98,800)	486,961
Construction in progress	206,969	-	(206,969)	-
Total capital assets, not being depreciated	<u>835,630</u>	<u>172,400</u>	<u>(306,969)</u>	<u>701,061</u>
Capital assets, being depreciated				
Buildings	2,353,300	-	(180,800)	2,172,500
Building improvements	-	34,569	-	34,569
Total capital assets, being depreciated	<u>2,353,300</u>	<u>34,569</u>	<u>(180,800)</u>	<u>2,207,069</u>
Less accumulated depreciation				
Buildings	(228,845)	(54,300)	103,960	(179,185)
Building improvements	-	(864)	-	(864)
Total accumulated depreciation	<u>(228,845)</u>	<u>(55,164)</u>	<u>103,960</u>	<u>(180,049)</u>
Total capital assets, being depreciated, net	<u>2,124,455</u>	<u>(20,595)</u>	<u>(76,840)</u>	<u>2,027,020</u>
Governmental activities total capital assets, net	<u>\$ 2,960,085</u>	<u>\$ 151,805</u>	<u>\$ (383,809)</u>	<u>\$ 2,728,081</u>

E. Community Development Loans

CCIC awards loans through the Community Development Block Grant program provided by the City of Canton. If the business has been awarded a Performance Loan and has maintained all of the terms and conditions of the agreement, CCIC shall forgive and cancel the unpaid balance for the specified time stated in the agreement. For all loan types, the borrowers must meet certain criteria documented in the loan agreements for receiving these funds. Jobs must be created as a result of the loan. Fifty-one percent or more of the new employees must be in the low to moderate income category. The City of Canton retains the loans and is responsible for the collection of these loans; these loans are therefore not recorded in the financial statements of CCIC.

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

F. Commitments

In 2013, there were no loans or grants committed to or approved by the Board of Directors

G. In-Kind Contributions, Donated Facilities and Services

The City of Canton provides CCIC with office space and various office services without charge. The value of the donated facilities is not recognized in the financial statements because no objective basis is available to measure the value of the donated facilities. No in-kind wages were received from the City of Canton in 2013.

NOTE 19 - CONTINGENCIES

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City.

B. Litigation

The City is a party to various other legal proceedings. The City management is of the opinion that ultimate disposition of those subsequent pending claims and legal proceedings will likely not have a material adverse effect, if any, on the financial condition of the City. However any pending litigation that could be successful against the City would in all likelihood not exceed a maximum exposure of \$250,000.

NOTE 20 - 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:

	Encumbrances as of 12/31/13
Major Funds	
General Fund	\$ 1,100,641
Community and Economic Development Fund	2,324,868
Capital Project Fund	1,271,350
Motor Vehicle Purchase Fund	806,589
Nonmajor Governmental Funds	6,400,283
<i>Total</i>	\$ 11,903,731

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 20 - COMMITMENTS - (Continued)

As of December 31, 2013, the City had significant contractual commitments as follows:

Company	Project	Amount Remaining On Contract
Brownfield Restoration	Canton Drop Forge Remediation Project	\$ 204,929
Cormony Development Corp.	Remediation at Hercules Factory Project	1,626,585
CT Consultants	Water Reclamation Facility Phosphorus Project	172,034
JR Coleman	Mahoning Road Corridor Improvement Project	134,994
ME Company	12Th St N.W. Corridor Project	477,576
Smith-Wejedlik	12Th ST N Corridor Project	120,275
URS Corporation	11Th St Improvement Project	244,833
Utility Truck Equipment	Trafic Signal Truck	132,230
Bennet and Williams Environmental	Water Protection Analysis Project	388,446
CIC	Grant/Administrative Contract	141,180
Burgess and Niple	Water Meter Replacement	260,782
Cenweld Corporation	Dump Truck	110,000
Jack Doheny Supplies Ohio Inc.	Elgin Street Sweeper	185,103
Lockhart Construction	41st St NW Storm Sewer Improvement	576,722
OVIO USA LLL	Water Reclamation Facility Membrane	28,795,081
<i>Total</i>		<u>\$ 33,570,770</u>

NOTE 21 - INTERFUND BALANCES AND TRANSFERS

A. Interfund Balances

	Due From Other Funds (Receivable)			Total
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	
<u>Due To Other Funds (Payable)</u>				
General fund	\$ -	\$ 74,745	\$ 91,959	\$ 166,704
Community and economic development fund	66,362	-	-	66,362
Capital projects fund	-	-	5,226	5,226
Water operating fund	-	-	15,882	15,882
Sewer operating fund	-	-	5,868	5,868
Refuse operating fund	14,910	-	4,221	19,131
Nonmajor governmental funds	14,517	-	6,629	21,146
Total	<u>\$ 95,789</u>	<u>\$ 74,745</u>	<u>\$ 129,785</u>	<u>\$ 300,319</u>

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 21 - INTERFUND BALANCES AND TRANSFERS - (Continued)

At December 31, 2013, the \$66,362 due from the community and economic development fund to the general fund is for a grant advance that was needed for cash flow purposes to meet the bi-weekly payroll obligation while observing HUD regulations related to hold federal cash on deposit. The \$14,910 due from the refuse operating fund to the general fund, the \$14,517 due from the nonmajor governmental funds to the general fund, and the \$74,745 due from the general fund to the nonmajor governmental funds represents various transactions made on behalf of other funds, the reimbursements for which were outstanding at December 31, 2013. The \$129,785 due to the internal service funds represents outstanding premium obligations due to the compensated absences claim fund. All of the above mentioned obligations should be satisfied using the appropriate grant and program revenues associated with each fund.

Balances due among the governmental activities and internal service funds are eliminated on the government-wide statement of net position. Balances due from the enterprise funds to the governmental activities and internal service funds are reported on the statement of net position as a component of internal balance.

B. Transfers

Interfund transfers for the year ended December 31, 2013, consisted of the following:

Transfer to	Transfer From	
	General Fund	Total
Nonmajor Governmental	\$ 40,000	\$ 40,000
<i>Total</i>	\$ 40,000	\$ 40,000

Transfers are used to move resources from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

C. Manuscript Debt

During 2013, the general fund issued \$2,000,000 in manuscript notes which were purchased by the land reutilization and note fund. The manuscript notes bear an interest rate of 1.0 percent and mature on May 31, 2014. On a GAAP basis, manuscript debt is reported as an interfund loan receivable in the issuing fund and an interfund loan payable in the purchasing fund. In accordance with GASB Statements No. 54, the land reutilization and note fund is considered part of the City's general fund for financial reporting purposes. As such, the interfund balance is eliminated in the general fund for reporting on the balance sheet and for reporting in the governmental activities statement of net position.

CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 22 - FUND BALANCES

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

Fund Balances	General Fund	Community and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>						
Materials & supplies	\$ 294,433	\$ -	\$ -	\$ -	\$ 41,347	\$ 335,780
Unclaimed monies	87,870	-	-	-	-	87,870
<i>Total nonspendable</i>	<u>382,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,347</u>	<u>423,650</u>
<i>Restricted for:</i>						
Road improvements	-	-	-	-	1,562,255	1,562,255
Community development grants & programs	-	2,261,531	-	-	79,764	2,341,295
Public health service grants & programs	-	-	-	-	2,572,590	2,572,590
Police department grants, donations & programs	-	-	-	-	1,087,626	1,087,626
Fire department grants, donations & programs	-	-	-	-	8,851	8,851
Judicial system grants & programs	-	-	-	-	1,186,268	1,186,268
Park donations	-	-	-	-	41,159	41,159
Cornerstone parking deck operations	-	-	-	-	18,298	18,298
Youth development donations & programs	-	-	-	-	5,330	5,330
Employee recognition program	-	-	-	-	143	143
Debt service payments	-	-	-	-	14,183	14,183
Infrastructure improvements	-	-	-	-	883,422	883,422
Recreational facility improvements	-	-	-	-	526,322	526,322
Construction projects	-	-	-	-	268,228	268,228
City hall renovations	-	-	-	-	1,744	1,744
Canton merchandising	-	-	-	-	14,587	14,587
Motor vehicle purchases	-	-	-	1,498,896	-	1,498,896
<i>Total restricted</i>	<u>\$ -</u>	<u>\$ 2,261,531</u>	<u>\$ -</u>	<u>\$ 1,498,896</u>	<u>\$ 8,270,770</u>	<u>\$ 12,031,197</u>

**CITY OF CANTON
STARK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 22 - FUND BALANCES - (Continued)

Fund Balances	General Fund	Community and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i>Committed to:</i>						
Police legal						
claim settlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle self-insurance	506,999	-	-	-	-	506,999
Motor vehicle						
maintenance	438,920	-	-	-	-	438,920
Information systems	4,336	-	-	-	-	4,336
Park department						
operations	-	-	-	-	69,435	69,435
Capital improvements	-	-	3,237,333	-	-	3,237,333
Other purposes	-	-	-	-	88,912	88,912
<i>Total committed</i>	<u>950,255</u>	<u>-</u>	<u>3,237,333</u>	<u>-</u>	<u>158,347</u>	<u>4,345,935</u>
<i>Assigned to:</i>						
General government						
operations	143,111	-	-	-	-	143,111
Security of persons and						
property programs	94,773	-	-	-	-	94,773
Public health programs	24,593	-	-	-	-	24,593
Transportation projects	50,170	-	-	-	-	50,170
Community environment						
projects	133,202	-	-	-	-	133,202
Leisure time activities	12,468	-	-	-	-	12,468
Income tax department						
operations	91,909	-	-	-	-	91,909
<i>Total assigned</i>	<u>550,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,226</u>
Unassigned (deficit)	6,502,030	-	-	-	(193,112)	6,308,918
Total fund balances	<u>\$ 8,384,814</u>	<u>\$ 2,261,531</u>	<u>\$ 3,237,333</u>	<u>\$ 1,498,896</u>	<u>\$ 8,277,352</u>	<u>\$ 23,659,926</u>

NOTE 23 – SIGNIFICANT SUBSEQUENT EVENTS

On April 22, 2014, the City retired \$2,000,000 in manuscript notes (see Note 21.C) and issued new manuscript notes in the amount of \$1,800,000. The interest rate on the new manuscript notes is 1 percent and they mature April 22, 2015.

On June 23, 2014, the City retired the \$1,500,000 in notes outstanding at December 31, 2013 (see Note 11) and issued new notes in the amount of \$1,400,000.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Major Governmental Funds

General Fund

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

Community and Economic Development Fund

The community and economic development fund is a major special revenue fund that accounts for HUD community and economic development block grant money used for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

Capital Projects Fund

The capital projects fund is a major capital projects fund that accounts for the City's capital projects and expenditures of 20 percent of net income tax receipts.

Motor Vehicle Purchase Fund

The motor vehicle purchase fund is a major capital projects fund that accounts for the purchase and maintenance of the City's vehicles and expenditures of 5 percent of net income tax receipts.

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The following are the nonmajor special revenue funds which the City of Canton operates:

Street Construction, Maintenance and Repair Fund

Required by the Ohio Revised Code to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

State Highway Fund

Required by the Ohio Revised Code to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Municipal Road Fund

To account for County grant money used for various street projects approved through the county's municipal road fund.

Cornerstone Parking Deck Fund

To account for parking fees collected at City owned parking facilities.

Mills Industrial Park TIF Fund

To account for tax incremental financing (TIF) revenues associated with the Mills Industrial Park.

Gervasi 1700, LLC TIF Fund

To account for tax incremental financing (TIF) revenues associated with Gervasi 1700, LLC.

Lesh Rd./30th St. TIF Fund

To account for tax incremental financing (TIF) revenues associated with the City's Lesh Rd./3th St. TIF agreement.

Health Services Fund

To account for State and Federal grant funds used for various health education, prevention, and treatment programs in the City.

Crime Lab Fund

To account for monies received for the operational costs of the City's crime lab.

Court Computer Fund

To account for monies used to maintain court computer systems.

Court Funds

To account for special revenues received from Canton Municipal Court fines. These include the court capital improvement special projects, legal research, court GPS cost, and ignition interlock/alcohol monitoring funds.

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

Law Department Dispute Resolution Fund

To provide for the receipt of fees charged for discretionary public services provided to resolve various types of disputes.

SARTA Area Improvement Fund

To account for contributions and donations for Stark Area Regional Transit Authority (SARTA) operations and improvements.

Park Department Fund

To account for park donations and operational fees charged by the department.

Youth Development Fund

To account for grant monies used for summer youth employment programs.

Federal Forfeiture Fund

To account for the proceeds from seizures in federal cases.

Enforcement and Education Fund

To account for fines which are used for educating the public on the dangers of driving while under the influence of alcohol and the laws governing the operation of a motor vehicle while under the influence of alcohol.

Indigent Driver Alcohol Treatment Fund

To account for fines collected by the municipal court from persons whose driver's license or permit was suspended for driving under the influence of alcohol. By order of the court, this fund will provide for the cost of rehabilitation for those deemed to be indigent.

Law Enforcement Trust Fund

To account for monies received from the sale or disposition of seized contraband. Expenditures from this fund are made for law enforcement purposes.

Municipal Probation Services Fund

To account for fines and forfeitures used for various probation projects.

Misdemeanor Community Sanction Grant Fund

To account for grant dollars from the Department of Rehabilitation and Correction to be used to meet the needs of low level offenders, divert additional offenders from prison and enhance public safety

Prisoner Housing Fund

To account for fines collected used for the housing and/or treatment of indigent offenders.

Local Law Enforcement Block Grant Fund

To account for block grant monies used for law enforcement purposes.

Supplementary Police Forces Funds

To account for the receipts and expenditures of the Canton police youth corp fund and Canton auxiliary police funds.

Police Funds

To account for the receipt and expenditure of various grants and donations received by the City's police department. These include the D.A.R.E. program fund, safe neighborhood heroes grant fund, police grants and donations fund, 2009 cops hiring recovery program fund, Byrne memorial recovery act fund, 2010 local solicitation Byrne grant fund, police EMS training and equipment grant fund, and the cops hiring program fund.

Fire Funds

To account for the receipts and expenditures of various grants and donations received by the City's fire department. These include the fire grants and donation fund, the EMS training and equipment grant fund, and the firefighter assistance grant fund.

Clean Ohio Revitalization Fund

To account for the receipts and expenditures associated with the Clean Ohio Revitalization Grant received by the City for asbestos abatement projects.

Canton Merchandising Fund

To account for the receipts and expenditures associated with activity resulting from the sale of various City of Canton merchandise.

**CITY OF CANTON, OHIO
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

Other

Other funds operated by the City are subsidized in part by local, state and Federal monies as well as miscellaneous sources. These include the employee recognition, city hall plaza, recycle ohio grant, guardrail/attenuator replacement, southeast community center, Thurman Munson Memorial Stadium donation, and clerk of courts administration funds.

Nonmajor Debt Service Funds

To account for the accumulation of resources for, and the payment of, general obligation debt principal and interest.

General Obligation Bond Retirement Fund

To account for the accumulation of resources to pay principal and interest on general obligation debt.

Special Assessment Bond Retirement Fund

To account for the collection of special assessments levied against properties for the payment of special assessment bonds and related interest costs. No budgetary schedule is presented for this fund as no revenues or expenditures were budgeted in 2013.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary or nonexpendable trust funds.

2006 City Infrastructure Bond Fund

To account for the portions of a 2006 City bond issue spent for roadway, storm sewer, and other infrastructure improvements.

2006 Recreational Bond Fund

To account for the portions of a 2006 City bond issue spent for a water park, baseball field upgrades and other recreational facility improvements.

2006 Construction/Reconstruction Bond Fund

To account for the portions of a 2006 City bond issue for building renovations and construction being done throughout the City.

2006 Judges Facilities/City Hall Renovation Bond Fund

To account for the portions of a 2006 City bond issue spent on a renovation project being undertaken at City Hall.

12th St. N Corridor Project Fund

To account for all costs associated with the 12th St. NW project. This fund was budgeted for 2013 but had no balances or activity during the year.

55th St. NE Storm Sewer Project Fund

To account for all costs associated with the 55th St. NE storm sewer project. This fund had no balances at December 31, 2013, therefore it is not presented on the combining balance sheet of nonmajor capital projects funds.

Mahoning Rd. Corridor Project Fund

To account for all costs associated with the Mahoning Rd. project.

Walnut/Cherry Fund

To account for all costs associated with the Walnut Cherry Road project

11th St. NW Improvement Project Fund

To account for all costs associated with the 11th St NW road project. This fund was budgeted for 2013 but had no balances or GAAP-basis activity during the year.

41st St. NW Roadway Reconstruction Project

To account for all costs associated with the 41st St. NW roadway reconstruction project. This fund was budgeted for 2013 but had no balances or GAAP-basis activity during the year.

Railroad Crossing/Traffic Signal Upgrade Fund

To account for costs associated with railroad crossing and traffic signal upgrades. This fund was budgeted for 2013 but had no balances or GAAP-basis activity during the year.

Harrisburg Rd. Resurfacing Project

To account for all costs associated with the Harrisburg Rd. resurfacing project. This fund was budgeted for 2013 but had no balances or GAAP-basis activity during the year.

CITY OF CANTON
STARK COUNTY, 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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other taxes	\$ 2,651,000	\$ 2,574,747	\$ (76,253)
Municipal income taxes	33,666,370	34,876,272	1,209,902
Charges for services	9,835,313	9,627,291	(208,022)
Licenses, permits, and fees	1,263,700	1,302,410	38,710
Fines and forfeitures	218,500	162,797	(55,703)
Intergovernmental	5,825,300	5,729,417	(95,883)
Interest and investment income	52,000	51,631	(369)
Rental income	7,494	9,161	1,667
Operating grants	45,000	471,470	426,470
Other	525,200	713,995	188,795
Total revenues	54,089,877	55,519,191	1,429,314
Expenditures:			
Current:			
General government:			
<i>Service Director - Support Administration:</i>			
Materials and supplies	4,500	1,721	2,779
Contractual services	687,025	567,460	119,565
Other	113,834	102,523	11,311
Total Service Director - Support Administration	805,359	671,704	133,655
<i>Service Director - Service Director Administration:</i>			
Personal services	109,140	89,860	19,280
Materials and supplies	1,680	1,626	54
Contractual services	11,803	10,483	1,320
Other	157,350	146,492	10,858
Total Service Director - Service Director Administration	279,973	248,461	31,512
<i>Service Director - Purchase Administration:</i>			
Personal services	224,241	222,979	1,262
Materials and supplies	217,501	211,444	6,057
Contractual services	1,500	1,471	29
Capital outlay	1,020	1,019	1
Other	400	140	260
Total Service Director - Purchase Administration	444,662	437,053	7,609
<i>Service Director - Annexation:</i>			
Personal services	9,591	6,515	3,076
Contractual services	2,400	1,600	800
Total Service Director - Annexation	11,991	8,115	3,876
<i>Building and Maintenance - Other Building:</i>			
Personal services	662,985	627,252	35,733
Materials and supplies	58,098	53,792	4,306
Contractual services	407,021	402,470	4,551
Capital outlay	3,700	2,472	1,228
Other	2,300	1,217	1,083
Total Building and Maintenance - Other Building	1,134,104	1,087,203	46,901
<i>Income Tax - Income Tax Administration:</i>			
Personal services	918,924	853,752	65,172
Materials and supplies	111,503	94,514	16,989
Contractual services	128,494	107,191	21,303
Capital outlay	91,730	88,348	3,382
Other	158,070	155,090	2,980
Total Income Tax - Income Tax Administration	1,408,721	1,298,895	109,826

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Mayor - Administration:</i>			
Personal services	363,594	353,954	9,640
Materials and supplies	6,580	4,900	1,680
Contractual services	31,744	29,116	2,628
Other	10,472	7,228	3,244
<i>Total Mayor - Administration</i>	<u>412,390</u>	<u>395,198</u>	<u>17,192</u>
<i>Mayor - Human Resources Administration:</i>			
Personal services	114,127	106,736	7,391
Materials and supplies	1,515	1,405	110
Contractual services	23,383	15,748	7,635
Other	800	246	554
<i>Total Mayor - Human Resources Administration</i>	<u>139,825</u>	<u>124,135</u>	<u>15,690</u>
<i>Council - Council Administration:</i>			
Personal services	593,599	559,493	34,106
Materials and supplies	2,032	1,163	869
Contractual services	62,152	35,102	27,050
Other	50	-	50
<i>Total Council - Council Administration</i>	<u>657,833</u>	<u>595,758</u>	<u>62,075</u>
<i>Courts/Judge - Judge Administration:</i>			
Personal services	1,988,231	1,965,025	23,206
Materials and supplies	43,246	34,960	8,286
Contractual services	67,438	42,763	24,675
Capital outlay	1,902	1,650	252
<i>Total Courts/Judge - Judge Administration</i>	<u>2,100,817</u>	<u>2,044,398</u>	<u>56,419</u>
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	1,406,567	1,330,888	75,679
Materials and supplies	61,355	32,756	28,599
Contractual services	67,791	51,791	16,000
Capital outlay	2,300	2,295	5
Other	5,700	874	4,826
<i>Total Courts/Clerk - Clerk of Courts Administration</i>	<u>1,543,713</u>	<u>1,418,604</u>	<u>125,109</u>
<i>Law Director - Law Administration:</i>			
Personal services	1,487,946	1,476,806	11,140
Materials and supplies	16,518	15,932	586
Contractual services	138,472	75,690	62,782
Other	205,236	111,263	93,973
<i>Total Law Director - Law Administration</i>	<u>1,848,172</u>	<u>1,679,691</u>	<u>168,481</u>
<i>Auditor - Auditor Administrations:</i>			
Personal services	1,089,914	1,063,232	26,682
Materials and supplies	18,776	18,664	112
Contractual services	21,738	14,932	6,806
Other	166,645	141,372	25,273
<i>Total Auditor - Auditor Administration</i>	<u>1,297,073</u>	<u>1,238,200</u>	<u>58,873</u>
<i>Auditor - Legally Binding Expenses:</i>			
Materials and supplies	717	716	1
Contractual services	427,495	417,167	10,328
Other	80,635	79,253	1,382
<i>Total Auditor - Legally Binding Expenses</i>	<u>508,847</u>	<u>497,136</u>	<u>11,711</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Treasurer - Administration & Operations:</i>			
Personal services	228,555	210,392	18,163
Materials and supplies	2,009	1,534	475
Contractual services	8,716	6,479	2,237
Capital outlay	4,050	4,050	-
Other	190,250	113,503	76,747
<i>Total Treasurer - Administration & Operations.</i>	<u>433,580</u>	<u>335,958</u>	<u>97,622</u>
<i>Board of Commission - Civil Service:</i>			
Personal services	268,740	264,416	4,324
Materials and supplies	6,350	5,403	947
Contractual services	57,555	49,664	7,891
Capital outlay	1,129	1,129	-
Other	856	655	201
<i>Total Board of Commission - Civil Service</i>	<u>334,630</u>	<u>321,267</u>	<u>13,363</u>
<i>Board of Commission - Zoning Board:</i>			
Personal services	8,537	8,397	140
<i>Total Board of Commission - Zoning Board</i>	<u>8,537</u>	<u>8,397</u>	<u>140</u>
<i>Motor Vehicle - Administration:</i>			
Personal services	204,185	200,804	3,381
Materials and supplies	21	21	-
Contractual services	142,091	141,220	871
Other	15	15	-
<i>Total Motor Vehicle - Administration</i>	<u>346,312</u>	<u>342,060</u>	<u>4,252</u>
<i>Motor Vehicle - Service and Repair:</i>			
Personal services	739,539	739,388	151
Materials and supplies	1,047,924	817,884	230,040
Contractual services	104,089	99,563	4,526
Capital outlay	2,268	1,683	585
Other	5,700	5,224	476
<i>Total Motor Vehicle - Service and Repair</i>	<u>1,899,520</u>	<u>1,663,742</u>	<u>235,778</u>
<i>Management Information Systems:</i>			
Personal services	1,001,625	953,071	48,554
Materials and supplies	23,425	23,323	102
Contractual services	119,926	112,534	7,392
Capital outlay	4,528	4,463	65
Other	416	365	51
<i>Total Management Information Systems</i>	<u>1,149,920</u>	<u>1,093,756</u>	<u>56,164</u>
<i>Total general government</i>	<u>16,765,979</u>	<u>15,509,731</u>	<u>1,256,248</u>
<i>Security of persons and property:</i>			
<i>Safety Director - Safety Director Administration:</i>			
Personal services	159,626	141,834	17,792
Materials and supplies	956	750	206
Contractual services	17,870	17,718	152
Capital outlay	2,580	2,579	1
Other	3,544	2,732	812
<i>Total Safety Director - Safety Director Administration.</i>	<u>184,576</u>	<u>165,613</u>	<u>18,963</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Safety Director - Code Enforcement Administration:</i>			
Personal services	857,572	787,389	70,183
Materials and supplies	28,333	26,320	2,013
Contractual services	88,887	80,701	8,186
Capital outlay	14,668	-	14,668
Other	6,786	4,973	1,813
<i>Total Safety Director - Code Enforcement Administration</i>	<u>996,246</u>	<u>899,383</u>	<u>96,863</u>
<i>Safety Director - School Police Administration:</i>			
Personal services	140,483	138,742	1,741
<i>Total Safety Director - School Police Administration</i>	<u>140,483</u>	<u>138,742</u>	<u>1,741</u>
<i>Safety Director - Central Communication Administration:</i>			
Personal services	1,626,731	1,581,342	45,389
Materials and supplies	4,366	3,521	845
Contractual services	68,995	56,864	12,131
Other	40,500	39,054	1,446
<i>Total Safety Director - Central Communication Administration</i>	<u>1,740,592</u>	<u>1,680,781</u>	<u>59,811</u>
<i>Police Administration:</i>			
Personal services	15,065,306	14,717,532	347,774
Materials and supplies	391,237	384,513	6,724
Contractual services	689,025	642,873	46,152
Capital outlay	18,753	14,061	4,692
Other	27,692	27,514	178
<i>Total Police Administration</i>	<u>16,192,013</u>	<u>15,786,493</u>	<u>405,520</u>
<i>Fire Administration:</i>			
Personal services	13,897,056	13,655,278	241,778
Materials and supplies	361,046	359,258	1,788
Contractual services	524,729	506,524	18,205
Capital outlay	2,800	2,793	7
Other	38,038	35,709	2,329
<i>Total Fire Administration</i>	<u>14,823,669</u>	<u>14,559,562</u>	<u>264,107</u>
<i>Traffic Administration:</i>			
Personal services	128,031	127,367	664
Materials and supplies	12,789	12,698	91
Contractual services	3,308	3,308	-
Other	1,405	1,395	10
<i>Total Traffic Administration</i>	<u>145,533</u>	<u>144,768</u>	<u>765</u>
<i>Total security of persons and property</i>	<u>34,223,112</u>	<u>33,375,342</u>	<u>847,770</u>
Public health:			
<i>Health - Administration:</i>			
Personal services	491,916	491,106	810
Materials and supplies	50,941	42,003	8,938
Contractual services	140,133	122,153	17,980
Capital outlay	3,876	2,915	961
Other	335,067	237,592	97,475
<i>Total Health - Administration</i>	<u>1,021,933</u>	<u>895,769</u>	<u>126,164</u>
<i>Health - Nurses:</i>			
Personal services	786,508	784,847	1,661
Materials and supplies	59,009	50,257	8,752
Contractual services	10,248	6,282	3,966
Capital outlay	1,458	1,458	-
Other	5,105	4,087	1,018
<i>Total Health - Nurses</i>	<u>862,328</u>	<u>846,931</u>	<u>15,397</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Health - Lab:</i>			
Personal services	216,610	215,993	617
Materials and supplies	40,401	39,628	773
Contractual services	21,556	19,027	2,529
Capital outlay.	3,349	803	2,546
Other	36	36	-
Total Health - Lab	281,952	275,487	6,465
<i>Health - Environmental Health Administration:</i>			
Personal services	521,791	521,503	288
Materials and supplies	3,023	2,260	763
Contractual services	8,159	6,504	1,655
Capital outlay.	1,656	1,124	532
Other	1,345	1,342	3
Total Health - Environmental Health Administration	535,974	532,733	3,241
Total public health	2,702,187	2,550,920	151,267
<i>Transportation:</i>			
<i>Engineering - Daily Operations:</i>			
Personal services	52,398	51,329	1,069
Materials and supplies	392	372	20
Contractual services	2,101	611	1,490
Total Engineering - Daily Operations	54,891	52,312	2,579
<i>Street - Maintenance:</i>			
Personal services	321,183	317,029	4,154
Materials and supplies	179,377	178,993	384
Contractual services	943,729	942,497	1,232
Other	3,120	3,120	-
Total Street - Maintenance	1,447,409	1,441,639	5,770
Total transportation	1,502,300	1,493,951	8,349
<i>Community environment:</i>			
<i>Community Development - Community Development Administration:</i>			
Personal services.	33,000	27,641	5,359
Total Community Development - Community Development Administration	33,000	27,641	5,359
<i>Community Improvement Corporation:</i>			
Other	425,000	425,000	-
Total Community Improvement Corporation	425,000	425,000	-
<i>Land Reutilization:</i>			
Contractual services	2,000,000	1,765,993	234,007
Total Land Reutilization	2,000,000	1,765,993	234,007
Total community environment	2,458,000	2,218,634	239,366
<i>Leisure time activities:</i>			
<i>Park Division - Park Administration:</i>			
Personal services	951,447	925,065	26,382
Materials and supplies	78,358	76,640	1,718
Contractual services	62,581	60,609	1,972
Other	3,362	3,323	39
Total Park Division - Park Administration	1,095,748	1,065,637	30,111

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Mayor - Baseball:</i>			
Contractual services	13,950	13,950	-
Total Mayor - Baseball	13,950	13,950	-
<i>Civic Center - Civic Center Administration:</i>			
Materials and supplies	300	300	-
Contractual services	468,050	465,878	2,172
Total Civic Center - Civic Center Administration	468,350	466,178	2,172
Total leisure time activities	1,578,048	1,545,765	32,283
<i>Debt service:</i>			
<i>Principal retirement:</i>			
Various purpose loans	1,600,000	1,600,000	-
General obligation various improvement bonds	420,000	420,000	-
Total principal retirement	2,020,000	2,020,000	-
<i>Interest and fiscal charges:</i>			
Various purpose loans	16,000	15,956	44
General obligation various improvement bonds	100,900	100,900	-
Total interest and fiscal charges	116,900	116,856	44
Total debt service	2,136,900	2,136,856	44
Total expenditures	61,366,526	58,831,199	2,535,327
Excess of expenditures over revenues	(7,276,649)	(3,312,008)	3,964,641
<i>Other financing sources (uses):</i>			
Proceeds from sale of notes	1,500,000	1,500,000	-
Proceeds from issuance of manuscript debt	2,000,000	2,000,000	-
Transfers out	(40,000)	(40,000)	-
Advances in	-	35,616	35,616
Advances (out)	(90,616)	(35,616)	55,000
Total other financing sources (uses)	3,369,384	3,460,000	90,616
Net change in fund balance	(3,907,265)	147,992	4,055,257
Fund balance at beginning of year	4,467,432	4,467,432	-
Prior year encumbrances appropriated	1,167,504	1,167,504	-
Fund balance at end of year	\$ 1,727,671	\$ 5,782,928	\$ 4,055,257

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY AND ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 126,889	\$ 126,889
Operating grants	8,487,811	4,537,666	(3,950,145)
Rental income	-	5,149	5,149
Other	68,141	438,071	369,930
<i>Total revenues</i>	<u>8,555,952</u>	<u>5,107,775</u>	<u>(3,448,177)</u>
Expenditures:			
Current:			
Community environment:			
<i>Youth Development Administration:</i>			
Personal services	176,260	139,719	36,541
Materials and supplies	192	-	192
Contractual services	131,262	127,324	3,938
Other	100	100	-
<i>Total Youth Development Administration</i>	<u>307,814</u>	<u>267,143</u>	<u>40,671</u>
<i>Community Development Administration:</i>			
Personal services	969,842	822,239	147,603
Materials and supplies	11,818	8,222	3,596
Contractual services	288,424	222,980	65,444
Capital outlay	417,494	11,854	405,640
Other	5,600,990	5,386,447	214,543
<i>Total Community Development Administration</i>	<u>7,288,568</u>	<u>6,451,742</u>	<u>836,826</u>
<i>Federal Stimulus Funding:</i>			
Personal services	41,597	41,506	91
Materials and supplies	179	179	-
Contractual services	41,588	32,095	9,493
Capital outlay	-	-	-
Other	285,166	282,165	3,001
<i>Total Federal Stimulus Funding</i>	<u>368,530</u>	<u>355,945</u>	<u>12,585</u>
<i>Hamilton Ave. Storm Sewer:</i>			
Personal services	8,220	8,220	-
<i>Total Hamilton Ave. Storm Sewer</i>	<u>8,220</u>	<u>8,220</u>	<u>-</u>
<i>Energy Efficiency Conservation:</i>			
Materials and supplies	19,480	19,480	-
Capital outlay	50,659	50,659	-
<i>Total Energy Efficiency Conservation</i>	<u>70,139</u>	<u>70,139</u>	<u>-</u>
<i>Community Development Demolition:</i>			
Personal services	2,887	-	2,887
Contractual services	366,122	289,623	76,499
<i>Total Community Development Demolition</i>	<u>369,009</u>	<u>289,623</u>	<u>79,386</u>
<i>Fair Housing Administration:</i>			
Personal services	61,688	40,410	21,278
Materials and supplies	848	848	-
Contractual services	3,320	3,320	-
Capital outlay	1,471	1,219	252
Other	8,695	8,044	651
<i>Total Fair Housing Administration</i>	<u>76,022</u>	<u>53,841</u>	<u>22,181</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY AND ECONOMIC DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Economic Development Grants/Loans:</i>			
Other	303,916	300,000	3,916
<i>Total Economic Development Grants/Loans</i>	303,916	300,000	3,916
<i>Total expenditures</i>	8,792,218	7,796,653	995,565
Excess of expenditures over revenues	(236,266)	(2,688,878)	(2,452,612)
<i>Other financing sources:</i>			
Sale of assets	-	2,901	2,901
Net change in fund balance.	(236,266)	(2,685,977)	(2,449,711)
Fund balance (deficit) at beginning of year	(2,178,142)	(2,178,142)	-
Prior year encumbrances appropriated	2,569,873	2,569,873	-
Fund balance (deficit) at end of year.	\$ 155,465	\$ (2,294,246)	\$ (2,449,711)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 8,751,335	\$ 9,002,665	\$ 251,330
Capital grants	-	14,529	14,529
Other	-	12,504	12,504
<i>Total revenues</i>	<u>8,751,335</u>	<u>9,029,698</u>	<u>278,363</u>
Expenditures:			
Capital outlay:			
<i>Safety Director:</i>			
Police Department - Police Administration	24,197	14,741	9,456
Fire Department - Fire Administration.	207,152	206,392	760
<i>Total Safety Director</i>	<u>231,349</u>	<u>221,133</u>	<u>10,216</u>
<i>Traffic Divisions:</i>			
Traffic Signal	86,249	86,235	14
<i>Service Director:</i>			
Service Director Administration	706,034	697,758	8,276
Engineering Administration.	2,011,890	1,953,340	58,550
Engineering - 3rd St. SE Bridge Rehabilitation Project	118,217	118,217	-
Engineering - 38th St. NW & Guilford Ave.	50,571	50,571	-
Engineering - 16th St. NW Roadway Project	14,663	-	14,663
Engineering - Hamilton Ave. Storm Sewer Project	360,000	360,000	-
Engineering - 11th St. Improvement Project.	61,980	61,980	-
Engineering - East Side Park Trail & Bridge	44,028	44,028	-
Street Administration	315,019	315,019	-
Street Paving	3,039,826	2,833,956	205,870
Civic Center Administration.	-	-	-
Building Maintenance Administration.	167,166	136,396	30,770
Collection System Department	318,662	265,087	53,575
Engineering - 41st St. NW Storm Sewer Project.	73,000	73,000	-
Engineering - 55st St. NE Storm Sewer Project	337,600	337,600	-
Engineering - 12st St. N. Corridor Project.	194,500	194,500	-
<i>Total Service Director</i>	<u>7,813,156</u>	<u>7,441,452</u>	<u>371,704</u>
<i>Water:</i>			
37th St. Water Sewer Str. Improvement Project	3,576	3,576	-
<i>Health:</i>			
Health Administration.	1,931	-	1,931
<i>Park Division:</i>			
Park Administration.	49,797	42,740	7,057
<i>Management Information Systems:</i>			
Information Technology Manager.	355,669	354,159	1,510
<i>Council:</i>			
Council Administration	30,500	22,612	7,888
<i>Auditor:</i>			
Auditor Administration	160,305	160,020	285
Auditor Legally Binding Expenses.	153,399	153,399	-
<i>Total Auditor</i>	<u>313,704</u>	<u>313,419</u>	<u>285</u>
<i>Total capital outlay</i>	<u>8,885,931</u>	<u>8,485,326</u>	<u>400,605</u>

(continued)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service:			
<i>Principal retirement:</i>			
Various purpose loans	279,150	279,150	-
General obligation various improvement bonds	1,923,210	1,923,210	-
<i>Total principal retirement.</i>	<u>2,202,360</u>	<u>2,202,360</u>	<u>-</u>
<i>Interest and fiscal charges:</i>			
Various purpose loans	40,371	40,371	-
General obligation various improvement bonds	337,749	337,749	-
<i>Interest and fiscal charges</i>	<u>378,120</u>	<u>378,120</u>	<u>-</u>
<i>Total debt service</i>	<u>2,580,480</u>	<u>2,580,480</u>	<u>-</u>
<i>Total expenditures</i>	<u>11,466,411</u>	<u>11,065,806</u>	<u>400,605</u>
Excess of expenditures over revenues.	<u>(2,715,076)</u>	<u>(2,036,108)</u>	<u>678,968</u>
<i>Other financing sources:</i>			
Sale of assets	-	9,219	9,219
Net change in fund balance.	(2,715,076)	(2,026,889)	688,187
Fund balance at beginning of year	1,027,204	1,027,204	-
Prior year encumbrances appropriated	1,788,215	1,788,215	-
Fund balance at end of year.	<u>\$ 100,343</u>	<u>\$ 788,530</u>	<u>\$ 688,187</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE PURCHASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 2,203,898	\$ 2,250,666	\$ 46,768
Capital grants	92,000	92,250	250
<i>Total revenues</i>	<u>2,295,898</u>	<u>2,342,916</u>	<u>47,018</u>
Expenditures:			
Capital outlay:			
<i>Safety Director:</i>			
Code Enforcement Administration	12,130	12,130	-
Central Communication Administration	351,600	349,409	2,191
Police Department - Police Administration	632,802	632,577	225
Fire Department - Fire Administration	440,995	318,527	122,468
<i>Total Safety Director</i>	<u>1,437,527</u>	<u>1,312,643</u>	<u>124,884</u>
<i>Traffic Divisions:</i>			
Traffic Divisions - Engineer Administration	35,964	35,716	248
Traffic Divisions - Traffic Sign & Paint	5,237	5,237	-
Traffic Divisions - Traffic Signal	177,934	177,689	245
<i>Total Traffic Divisions</i>	<u>219,135</u>	<u>218,642</u>	<u>493</u>
<i>Service Director:</i>			
Engineer Administration	4,531	304	4,227
Street Administration	901,709	853,447	48,262
Building Maintenance Administration	1,162	1,162	-
<i>Total Service Director</i>	<u>907,402</u>	<u>854,913</u>	<u>52,489</u>
<i>Health:</i>			
Health Administration	27,045	3,045	24,000
Environmental Health Administration	3,647	3,647	-
<i>Total Health</i>	<u>30,692</u>	<u>6,692</u>	<u>24,000</u>
<i>Park Division:</i>			
Park Administration	27,113	27,113	-
<i>Total Park Division</i>	<u>27,113</u>	<u>27,113</u>	<u>-</u>
<i>Management Information Systems:</i>			
Information Technology Manager	975	975	-
<i>Total Management Information Systems</i>	<u>975</u>	<u>975</u>	<u>-</u>
<i>Judges:</i>			
Judge Administration	2,132	2,132	-
<i>Total Judges</i>	<u>2,132</u>	<u>2,132</u>	<u>-</u>
<i>Motor Vehicle Maintenance:</i>			
Service & Repair	17,000	17,000	-
<i>Total Motor Vehicle Maintenance</i>	<u>17,000</u>	<u>17,000</u>	<u>-</u>
<i>Total capital outlay</i>	<u>2,641,976</u>	<u>2,440,110</u>	<u>201,866</u>

(continued)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE PURCHASE FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service:			
<i>Principal retirement:</i>			
Capital lease	227,236	227,193	43
<i>Total expenditures</i>	<u>2,869,212</u>	<u>2,667,303</u>	<u>201,909</u>
Excess of expenditures over revenues	(573,314)	(324,387)	248,927
<i>Other financing sources:</i>			
Sale of assets.	-	25,853	25,853
Net change in fund balance	(573,314)	(298,534)	274,780
Fund balance at beginning of year.	627,467	627,467	-
Prior year encumbrances appropriated.	45,343	45,343	-
Fund balance at end of year.	<u>\$ 99,496</u>	<u>\$ 374,276</u>	<u>\$ 274,780</u>

**CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 6,446,308	\$ 11,164	\$ 1,679,946	\$ 8,137,418
Cash with fiscal agent	-	3,019	-	3,019
Receivables:				
Accounts	13,348	5,434	-	18,782
Accrued interest	50	-	7	57
Due from other funds	74,745	-	-	74,745
Due from other governments	1,822,282	-	215,113	2,037,395
Materials and supplies inventory	41,347	-	-	41,347
Total assets	<u>\$ 8,398,080</u>	<u>\$ 19,617</u>	<u>\$ 1,895,066</u>	<u>\$ 10,312,763</u>
Liabilities:				
Accounts payable	\$ 406,814	\$ -	\$ 215,349	\$ 622,163
Accrued wages and benefits payable	201,783	-	-	201,783
Due to other funds	21,146	-	-	21,146
Due to other governments.	135,860	-	-	135,860
Retainage payable.	-	-	87,529	87,529
Total liabilities	<u>765,603</u>	<u>-</u>	<u>302,878</u>	<u>1,068,481</u>
Deferred inflows of resources:				
Other nonexchange transactions not available	955,826	-	-	955,826
Charges for services revenue not available	-	5,434	-	5,434
Miscellaneous revenue not available	5,670	-	-	5,670
Total deferred inflows of resources.	<u>961,496</u>	<u>5,434</u>	<u>-</u>	<u>966,930</u>
Fund balances:				
Nonspendable.	41,347	-	-	41,347
Restricted.	6,576,871	14,183	1,679,716	8,270,770
Committed	158,347	-	-	158,347
Unassigned (deficit).	<u>(105,584)</u>	<u>-</u>	<u>(87,528)</u>	<u>(193,112)</u>
Total fund balances.	<u>6,670,981</u>	<u>14,183</u>	<u>1,592,188</u>	<u>8,277,352</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 8,398,080</u>	<u>\$ 19,617</u>	<u>\$ 1,895,066</u>	<u>\$ 10,312,763</u>

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**CITY OF CANTON
STARK COUNTY, OHIO**
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Charges for services	\$ 1,338,268	\$ -	\$ -	\$ 1,338,268
Licenses, permits, and fees	209,954	-	-	209,954
Fines and forfeitures	950,103	-	-	950,103
Intergovernmental.	3,080,126	-	-	3,080,126
Interest and investment income	713	5,106	1,734	7,553
Rental income.	37,054	-	-	37,054
Contributions and donations	50,525	-	-	50,525
Operating grants.	3,520,681	-	-	3,520,681
Capital grants	399,624	-	2,430,635	2,830,259
Payment in lieu of taxes.	35,312	-	-	35,312
Other	89,204	-	-	89,204
Total revenues.	<u>9,711,564</u>	<u>5,106</u>	<u>2,432,369</u>	<u>12,149,039</u>
Expenditures:				
Current:				
General government.	995,729	-	-	995,729
Security of persons and property	2,062,738	-	-	2,062,738
Public health	3,197,732	-	-	3,197,732
Transportation.	2,476,114	-	-	2,476,114
Community environment	465,928	-	-	465,928
Leisure time activities.	79,266	-	-	79,266
Capital outlay	-	-	3,066,824	3,066,824
Debt service:				
Principal retirement.	32,881	-	-	32,881
Interest and fiscal charges	5,077	-	-	5,077
Total expenditures	<u>9,315,465</u>	<u>-</u>	<u>3,066,824</u>	<u>12,382,289</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>396,099</u>	<u>5,106</u>	<u>(634,455)</u>	<u>(233,250)</u>
Other financing sources:				
Transfers in.	40,000	-	-	40,000
Total other financing sources.	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Net change in fund balances	436,099	5,106	(634,455)	(193,250)
Fund balances at beginning of year (restated).	<u>6,234,882</u>	<u>9,077</u>	<u>2,226,643</u>	<u>8,470,602</u>
Fund balances at end of year	<u>\$ 6,670,981</u>	<u>\$ 14,183</u>	<u>\$ 1,592,188</u>	<u>\$ 8,277,352</u>

**CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

DECEMBER 31, 2013

	Street Construction, Maintenance, and Repair	State Highway	Municipal Road	Cornerstone Parking Dock	Mills Industrial Park TIF
Assets:					
Equity in pooled cash and cash equivalents.	\$ 343,092	\$ 69,744	\$ 669,557	\$ 113,756	\$ 2,371
Accounts	-	-	-	-	-
Accrued interest.	-	-	-	-	-
Due from other funds.	49,586	4,020	-	-	-
Due from other governments	1,117,229	85,162	130,803	-	-
Materials and supplies inventory	29,594	-	-	-	-
Total assets	<u>\$ 1,539,501</u>	<u>\$ 158,926</u>	<u>\$ 800,360</u>	<u>\$ 113,756</u>	<u>\$ 2,371</u>
Liabilities:					
Accounts payable.	\$ 85,219	\$ 14,016	\$ -	\$ 12,300	\$ -
Accrued wages and benefits payable.	82,687	5,530	-	5,317	-
Due to other funds	5,128	307	-	1,194	-
Due to other governments	12,775	854	-	76,647	-
Total liabilities	<u>185,809</u>	<u>20,707</u>	<u>-</u>	<u>95,458</u>	<u>-</u>
Deferred inflows of resources:					
Other nonexchange transactions not available	647,890	52,532	-	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>647,890</u>	<u>52,532</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable.	29,594	-	-	-	-
Restricted.	676,208	85,687	800,360	18,298	2,371
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>705,802</u>	<u>85,687</u>	<u>800,360</u>	<u>18,298</u>	<u>2,371</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,539,501</u>	<u>\$ 158,926</u>	<u>\$ 800,360</u>	<u>\$ 113,756</u>	<u>\$ 2,371</u>

Gervasi 1700, LLC TIF	Lesh Rd./30th St. TIF	Health Services	Crime Lab	Court Computer	Court	Law Department Dispute Resolution	SARTA Area Improvement
\$ 5,547	\$ 21,846	\$ 2,690,854	\$ 70,577	\$ 443,917	\$ 347,337	\$ 1,039	\$ 50,000
-	-	-	-	-	1,841	-	-
-	-	-	-	-	-	-	-
-	-	226,196	2,162	17,695	26,538	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,547</u>	<u>\$ 21,846</u>	<u>\$ 2,917,050</u>	<u>\$ 72,739</u>	<u>\$ 461,612</u>	<u>\$ 375,716</u>	<u>\$ 1,039</u>	<u>\$ 50,000</u>
\$ -	\$ -	\$ 92,553	\$ -	\$ 3,331	\$ 2,554	\$ -	\$ -
-	-	64,358	-	2,700	5,033	-	-
-	-	-	-	-	-	-	-
-	-	38,803	-	417	778	-	-
-	-	195,714	-	6,448	8,365	-	-
-	-	148,746	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	148,746	-	-	-	-	-
-	-	-	-	-	-	-	-
5,547	21,846	2,572,590	72,739	455,164	367,351	1,039	50,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,547</u>	<u>21,846</u>	<u>2,572,590</u>	<u>72,739</u>	<u>455,164</u>	<u>367,351</u>	<u>1,039</u>	<u>50,000</u>
<u>\$ 5,547</u>	<u>\$ 21,846</u>	<u>\$ 2,917,050</u>	<u>\$ 72,739</u>	<u>\$ 461,612</u>	<u>\$ 375,716</u>	<u>\$ 1,039</u>	<u>\$ 50,000</u>

(Continued)

**CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

DECEMBER 31, 2013

	<u>Park Department</u>	<u>Youth Development</u>	<u>Federal Forfeiture</u>	<u>Enforcement and Education</u>	<u>Indigent Driver Alcohol Treatment</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 149,983	\$ 4,468	\$ 820,934	\$ 3,553	\$ 11,565
Accounts	87	-	3,000	-	-
Accrued interest.	-	-	2	-	-
Due from other funds.	-	-	-	-	-
Due from other governments	-	-	16,251	322	14,860
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 150,070</u>	<u>\$ 4,468</u>	<u>\$ 840,187</u>	<u>\$ 3,875</u>	<u>\$ 26,425</u>
Liabilities:					
Accounts payable.	\$ 6,489	\$ -	\$ 46,942	\$ 350	\$ 3,125
Accrued wages and benefits payable.	28,573	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	4,414	-	-	-	-
Total liabilities	<u>39,476</u>	<u>-</u>	<u>46,942</u>	<u>350</u>	<u>3,125</u>
Deferred inflows of resources:					
Other nonexchange transactions not available	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable.	-	-	-	-	-
Restricted.	41,159	4,468	793,245	3,525	23,300
Committed	69,435	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>110,594</u>	<u>4,468</u>	<u>793,245</u>	<u>3,525</u>	<u>23,300</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 150,070</u>	<u>\$ 4,468</u>	<u>\$ 840,187</u>	<u>\$ 3,875</u>	<u>\$ 26,425</u>

Law Enforcement Trust	Municipal Probation Services	Misdemeanor Community Sanction Grant	Prisoner Housing	Local Law Enforcement Block Grant	Supplementary Police Forces	Police Grants & Donations	Fire Grants & Donations
\$ 68,598	\$ 212,471	\$ 69,961	\$ 11,827	\$ 81,143	\$ 195	\$ 46,504	\$ 8,851
-	-	-	-	-	-	-	-
-	-	-	-	48	-	-	-
-	-	-	-	-	-	21,139	-
11,416	19,833	85,300	916	-	-	3,591	64,008
-	-	-	-	-	-	-	-
<u>\$ 80,014</u>	<u>\$ 232,304</u>	<u>\$ 155,261</u>	<u>\$ 12,743</u>	<u>\$ 81,191</u>	<u>\$ 195</u>	<u>\$ 71,234</u>	<u>\$ 72,859</u>
\$ -	\$ 4,246	\$ 5,241	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,781	3,804	-	-	-	-	-
-	-	-	-	14,517	-	-	-
-	584	588	-	-	-	-	-
-	8,611	9,633	-	14,517	-	-	-
-	-	42,650	-	-	-	-	64,008
-	-	-	-	-	-	-	-
-	-	42,650	-	-	-	-	64,008
-	-	-	-	-	-	-	-
80,014	223,693	102,978	12,743	66,674	195	71,234	8,851
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>80,014</u>	<u>223,693</u>	<u>102,978</u>	<u>12,743</u>	<u>66,674</u>	<u>195</u>	<u>71,234</u>	<u>8,851</u>
<u>\$ 80,014</u>	<u>\$ 232,304</u>	<u>\$ 155,261</u>	<u>\$ 12,743</u>	<u>\$ 81,191</u>	<u>\$ 195</u>	<u>\$ 71,234</u>	<u>\$ 72,859</u>

(Continued)

**CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

DECEMBER 31, 2013

	Clean Ohio Revitalization	Canton Merchandising	Other	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 24,738	\$ 14,713	\$ 87,167	\$ 6,446,308
Accounts	-	-	8,420	13,348
Accrued interest.	-	-	-	50
Due from other funds.	-	-	-	74,745
Due from other governments	-	-	-	1,822,282
Materials and supplies inventory	-	11,753	-	41,347
Total assets	\$ 24,738	\$ 26,466	\$ 95,587	\$ 8,398,080
Liabilities:				
Accounts payable.	\$ 130,322	\$ 126	\$ -	\$ 406,814
Accrued wages and benefits payable.	-	-	-	201,783
Due to other funds	-	-	-	21,146
Due to other governments	-	-	-	135,860
Total liabilities	130,322	126	-	765,603
Deferred inflows of resources:				
Other nonexchange transactions not available	-	-	-	955,826
Miscellaneous revenue not available	-	-	5,670	5,670
Total deferred inflows of resources	-	-	5,670	961,496
Fund balances:				
Nonspendable.	-	11,753	-	41,347
Restricted.	-	14,587	1,005	6,576,871
Committed	-	-	88,912	158,347
Unassigned (deficit)	(105,584)	-	-	(105,584)
Total fund balances (deficit)	(105,584)	26,340	89,917	6,670,981
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,738	\$ 26,466	\$ 95,587	\$ 8,398,080

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CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Street Construction, Maintenance, and Repair	State Highway	Municipal Road	Cornerstone Parking Deck	Mills Industrial Park TIF
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ 339,921	\$ -
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	2,880,018	200,108	-	-	-
Interest and investment income.	123	48	-	-	-
Rental income	-	-	-	7,504	-
Contributions and donations	-	-	-	-	-
Operating grants	-	-	-	-	-
Capital grants.	-	-	328,392	-	-
Payment in lieu of taxes	-	-	-	-	2,371
Other.	7,626	18	-	1,500	-
Total revenues	2,887,767	200,174	328,392	348,925	2,371
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	1,267,870	31,391	-	345,137	-
Public health	-	-	-	-	-
Transportation	1,751,651	265,938	419,164	-	-
Community environment.	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures.	3,019,521	297,329	419,164	345,137	-
Excess (deficiency) of revenues over (under) expenditures	(131,754)	(97,155)	(90,772)	3,788	2,371
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balance	(131,754)	(97,155)	(90,772)	3,788	2,371
Fund balances (deficit) at beginning of year (restated)	837,556	182,842	891,132	14,510	-
Fund balances (deficit) at end of year	\$ 705,802	\$ 85,687	\$ 800,360	\$ 18,298	\$ 2,371

<u>Gervasi 1700, LLC TIF</u>	<u>Lesh Rd./30th St. TIF</u>	<u>Health Service</u>	<u>Crime Lab</u>	<u>Court Computer</u>	<u>Court</u>	<u>Law Department Dispute Resolution</u>	<u>SARTA Area Improvement</u>
\$ -	\$ -	\$ 89,330	\$ 16,903	\$ 232,077	\$ 370,932	\$ 360	\$ -
-	-	209,954	-	-	-	-	-
-	-	-	-	-	6	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,925,171	-	-	-	-	50,000
-	-	-	-	-	-	-	-
11,095	21,846	-	-	-	-	-	-
-	-	-	-	3,488	85	-	-
<u>11,095</u>	<u>21,846</u>	<u>3,224,455</u>	<u>16,903</u>	<u>235,565</u>	<u>371,023</u>	<u>360</u>	<u>50,000</u>
-	-	-	-	270,799	329,163	360	-
-	-	-	-	-	-	-	-
5,548	-	3,197,732	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	32,881	-	-
-	-	-	-	-	5,077	-	-
<u>5,548</u>	<u>-</u>	<u>3,197,732</u>	<u>-</u>	<u>270,799</u>	<u>367,121</u>	<u>360</u>	<u>-</u>
<u>5,547</u>	<u>21,846</u>	<u>26,723</u>	<u>16,903</u>	<u>(35,234)</u>	<u>3,902</u>	<u>-</u>	<u>50,000</u>
-	-	40,000	-	-	-	-	-
-	-	40,000	-	-	-	-	-
<u>5,547</u>	<u>21,846</u>	<u>66,723</u>	<u>16,903</u>	<u>(35,234)</u>	<u>3,902</u>	<u>-</u>	<u>50,000</u>
-	-	2,505,867	55,836	490,398	363,449	1,039	-
<u>\$ 5,547</u>	<u>\$ 21,846</u>	<u>\$ 2,572,590</u>	<u>\$ 72,739</u>	<u>\$ 455,164</u>	<u>\$ 367,351</u>	<u>\$ 1,039</u>	<u>\$ 50,000</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Park Department</u>	<u>Youth Development</u>	<u>Federal Forfeiture</u>	<u>Enforcement and Education</u>	<u>Indigent Driver Alcohol Treatment</u>
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	821,330	6,760	48,517
Intergovernmental	-	-	-	-	-
Interest and investment income.	-	-	70	-	-
Rental income	29,550	-	-	-	-
Contributions and donations	525	-	-	-	-
Operating grants	-	-	-	-	-
Capital grants.	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Other.	7,037	-	4,873	663	-
Total revenues	<u>37,112</u>	<u>-</u>	<u>826,273</u>	<u>7,423</u>	<u>48,517</u>
Expenditures:					
Current:					
General government	-	-	-	-	60,373
Security of persons and property	-	-	221,233	10,526	-
Public health	-	-	-	-	-
Transportation	-	-	-	-	-
Community environment.	-	-	-	-	-
Leisure time activities	79,266	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures.	<u>79,266</u>	<u>-</u>	<u>221,233</u>	<u>10,526</u>	<u>60,373</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,154)</u>	<u>-</u>	<u>605,040</u>	<u>(3,103)</u>	<u>(11,856)</u>
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(42,154)	-	605,040	(3,103)	(11,856)
Fund balances (deficit) at beginning of year (restated)	<u>152,748</u>	<u>4,468</u>	<u>188,205</u>	<u>6,628</u>	<u>35,156</u>
Fund balances (deficit) at end of year	<u>\$ 110,594</u>	<u>\$ 4,468</u>	<u>\$ 793,245</u>	<u>\$ 3,525</u>	<u>\$ 23,300</u>

Law Enforcement Trust	Municipal Probation Services	Misdemeanor Community Sanction Grant	Prisoner Housing	Local Law Enforcement Block Grant	Supplementary Police Forces	Police Grants & Donations	Fire Grants & Donations
\$ -	\$ 288,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
62,267	-	-	11,223	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	361	-	111	-
-	-	-	-	-	-	-	-
-	-	170,601	-	-	-	47,369	2,500
-	-	-	-	71,232	-	-	-
-	-	-	-	-	-	-	-
2,070	469	-	-	-	-	37	-
<u>64,337</u>	<u>289,214</u>	<u>170,601</u>	<u>11,223</u>	<u>71,593</u>	<u>-</u>	<u>47,517</u>	<u>2,500</u>
-	191,449	135,393	5,000	-	-	-	-
59,436	-	-	-	91,678	2,225	30,707	2,535
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>59,436</u>	<u>191,449</u>	<u>135,393</u>	<u>5,000</u>	<u>91,678</u>	<u>2,225</u>	<u>30,707</u>	<u>2,535</u>
<u>4,901</u>	<u>97,765</u>	<u>35,208</u>	<u>6,223</u>	<u>(20,085)</u>	<u>(2,225)</u>	<u>16,810</u>	<u>(35)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>4,901</u>	<u>97,765</u>	<u>35,208</u>	<u>6,223</u>	<u>(20,085)</u>	<u>(2,225)</u>	<u>16,810</u>	<u>(35)</u>
<u>75,113</u>	<u>125,928</u>	<u>67,770</u>	<u>6,520</u>	<u>86,759</u>	<u>2,420</u>	<u>54,424</u>	<u>8,886</u>
<u>\$ 80,014</u>	<u>\$ 223,693</u>	<u>\$ 102,978</u>	<u>\$ 12,743</u>	<u>\$ 66,674</u>	<u>\$ 195</u>	<u>\$ 71,234</u>	<u>\$ 8,851</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

	Clean Ohio Revitalization	Canton Merchandising	Other	Total Nonmajor Special Revenue Funds
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 1,338,268
Licenses, permits, and fees	-	-	-	209,954
Fines and forfeitures	-	-	-	950,103
Intergovernmental	-	-	-	3,080,126
Interest and investment income.	-	-	-	713
Rental income	-	-	-	37,054
Contributions and donations	-	-	-	50,525
Operating grants	375,040	-	-	3,520,681
Capital grants.	-	-	-	399,624
Payment in lieu of taxes	-	-	-	35,312
Other.	-	3,983	57,355	89,204
Total revenues	375,040	3,983	57,355	9,711,564
Expenditures:				
Current:				
General government	-	3,192	-	995,729
Security of persons and property	-	-	-	2,062,738
Public health	-	-	-	3,197,732
Transportation	-	-	33,813	2,476,114
Community environment.	465,928	-	-	465,928
Leisure time activities	-	-	-	79,266
Debt service:				
Principal retirement	-	-	-	32,881
Interest and fiscal charges	-	-	-	5,077
Total expenditures.	465,928	3,192	33,813	9,315,465
Excess (deficiency) of revenues over (under) expenditures	(90,888)	791	23,542	396,099
Other financing sources:				
Transfers in	-	-	-	40,000
Total other financing sources	-	-	-	40,000
Net change in fund balance	(90,888)	791	23,542	436,099
Fund balances (deficit) at beginning of year (restated)	(14,696)	25,549	66,375	6,234,882
Fund balances (deficit) at end of year	\$ (105,584)	\$ 26,340	\$ 89,917	\$ 6,670,981

CITY OF CANTON
STARK COUNTY, 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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,875,000	\$ 2,824,055	\$ (50,945)
Interest and investment income	-	150	150
Other	-	9,126	9,126
<i>Total revenues</i>	<u>2,875,000</u>	<u>2,833,331</u>	<u>(41,669)</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Divisions - Traffic Engineer Administration:</i>			
Personal services	317,453	317,430	23
Materials and supplies	20,227	19,740	487
Contractual services	16,547	15,318	1,229
Capital outlay	587	587	-
Other	1,732	1,326	406
<i>Total Traffic Divisions - Traffic Engineer Administration</i>	<u>356,546</u>	<u>354,401</u>	<u>2,145</u>
<i>Traffic Divisions - Traffic Sign and Paint:</i>			
Personal services	299,931	255,818	44,113
Materials and supplies	70,836	70,142	694
Contractual services	54,935	53,245	1,690
Capital outlay	3,355	3,355	-
Other	1,050	1,049	1
<i>Total Traffic Divisions - Traffic Sign and Paint</i>	<u>430,107</u>	<u>383,609</u>	<u>46,498</u>
<i>Traffic Divisions - Traffic Signal:</i>			
Personal services	337,805	337,758	47
Materials and supplies	75,818	75,633	185
Contractual services	147,250	112,623	34,627
Capital outlay	126,757	126,757	-
Other	262	199	63
<i>Total Traffic Divisions - Traffic Signal</i>	<u>687,892</u>	<u>652,970</u>	<u>34,922</u>
<i>Total security of persons and property</i>	<u>1,474,545</u>	<u>1,390,980</u>	<u>83,565</u>
Transportation:			
<i>Street Maintenance:</i>			
Personal services	1,197,350	1,145,341	52,009
Materials and supplies	508,896	502,392	6,504
Contractual services	102,430	89,056	13,374
Capital outlay	45,467	43,474	1,993
Other	9,328	7,380	1,948
<i>Total Transportation</i>	<u>1,863,471</u>	<u>1,787,643</u>	<u>75,828</u>
<i>Total expenditures</i>	<u>3,338,016</u>	<u>3,178,623</u>	<u>159,393</u>
Net change in fund balance	(463,016)	(345,292)	117,724
Fund balance at beginning of year	333,270	333,270	-
Prior year encumbrances appropriated	129,824	129,824	-
Fund balance at end of year	<u>\$ 78</u>	<u>\$ 117,802</u>	<u>\$ 117,724</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 198,000	\$ 195,883	\$ (2,117)
Interest and investment income	-	59	59
Other	-	18	18
<i>Total revenues</i>	<u>198,000</u>	<u>195,960</u>	<u>(2,040)</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Divisions - Traffic Signal:</i>			
Contractual services	61,369	55,156	6,213
Transportation:			
<i>Street Maintenance:</i>			
Personal services	195,444	174,808	20,636
Materials and supplies	42,024	40,024	2,000
Contractual services	41,968	39,515	2,453
Other	500	-	500
<i>Total Transportation</i>	<u>279,936</u>	<u>254,347</u>	<u>25,589</u>
<i>Total expenditures</i>	<u>341,305</u>	<u>309,503</u>	<u>31,802</u>
Net change in fund balance	(143,305)	(113,543)	29,762
Fund balance at beginning of year	150,138	150,138	-
Prior year encumbrances appropriated	7,068	7,068	-
Fund balance at end of year	<u>\$ 13,901</u>	<u>\$ 43,663</u>	<u>\$ 29,762</u>

CITY OF CANTON
STARK COUNTY, 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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ -	\$ 197,589	\$ 197,589
<i>Total revenues</i>	<u>-</u>	<u>197,589</u>	<u>197,589</u>
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Engineering Administration:</i>			
Materials and supplies	54,282	54,282	-
Contractual services	261,895	173,279	88,616
Capital outlay	592,382	503,324	89,058
<i>Total Engineering - Engineering Administration</i>	<u>908,559</u>	<u>730,885</u>	<u>177,674</u>
 <i>30th St. N.E. Trunk Sewer Improvement:</i>			
Capital outlay	55,000	55,000	-
 <i>Walnut and Cherry Project:</i>			
Capital outlay	53,031	19,275	33,756
<i>Total expenditures</i>	<u>1,016,590</u>	<u>805,160</u>	<u>211,430</u>
Net change in fund balance	(1,016,590)	(607,571)	409,019
Fund balance at beginning of year	686,949	686,949	-
Prior year encumbrances appropriated	228,281	228,281	-
Fund balance (deficit) at end of year	<u>\$ (101,360)</u>	<u>\$ 307,659</u>	<u>\$ 409,019</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CORNERSTONE PARKING DECK FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 331,000	\$ 340,292	\$ 9,292
Rental income	13,000	7,504	(5,496)
Other	-	1,500	1,500
<i>Total revenues</i>	<u>344,000</u>	<u>349,296</u>	<u>5,296</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Division - Traffic Engineer Administration:</i>			
Personal services	170,510	169,701	809
Materials and supplies.	24,051	23,964	87
Contractual services.	161,351	156,115	5,236
Capital outlay	1,200	1,099	101
Other	1,172	635	537
<i>Total Traffic Division - Traffic Engineer Administration</i>	<u>358,284</u>	<u>351,514</u>	<u>6,770</u>
<i>Safety Director Administration:</i>			
Personal services	13,557	12,143	1,414
Materials and supplies.	3,006	1,537	1,469
Contractual services.	5,106	390	4,716
Other	863	863	-
<i>Total Safety Director Administration</i>	<u>22,532</u>	<u>14,933</u>	<u>7,599</u>
<i>Total expenditures</i>	<u>380,816</u>	<u>366,447</u>	<u>14,369</u>
Net change in fund balance.	(36,816)	(17,151)	19,665
Fund balance at beginning of year.	93,157	93,157	-
Prior year encumbrances appropriated	8,116	8,116	-
Fund balance at end of year	<u>\$ 64,457</u>	<u>\$ 84,122</u>	<u>\$ 19,665</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLS INDUSTRIAL PARK TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes.	\$ 2,371	\$ 2,371	\$ -
Net change in fund balance	2,371	2,371	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,371</u>	<u>\$ 2,371</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GERVASI 1700, LLC TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in lieu of taxes	\$ 11,095	\$ 11,095	\$ -
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Engineering Administration:</i>			
Capital outlay	5,548	5,548	-
Net change in fund balance	5,547	5,547	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year.	\$ 5,547	\$ 5,547	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LESH ROAD/30TH TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes.	\$ 21,846	\$ 21,846	\$ -
Net change in fund balance	21,846	21,846	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 21,846</u>	<u>\$ 21,846</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 56,826	\$ 89,909	\$ 33,083
Licenses, permits, and fees	241,700	209,954	(31,746)
Operating grants	3,615,063	2,978,290	(636,773)
Other	45,000	683	(44,317)
<i>Total revenues</i>	3,958,589	3,278,836	(679,753)
Expenditures:			
Current:			
Public health:			
<i>Health Administration:</i>			
Personal services	2,865,930	2,031,372	834,558
Materials and supplies	375,312	74,581	300,731
Contractual services	1,372,349	1,073,322	299,027
Capital outlay	56,368	50,522	5,846
Other	301,367	184,770	116,597
<i>Total expenditures</i>	4,971,326	3,414,567	1,556,759
Excess of expenditures over revenues	(1,012,737)	(135,731)	877,006
<i>Other financing sources:</i>			
Transfers in	-	40,000	40,000
Net change in fund balance	(1,012,737)	(95,731)	917,006
Fund balance at beginning of year	2,386,207	2,386,207	-
Prior year encumbrances appropriated	230,918	230,918	-
Fund balance at end of year	\$ 1,604,388	\$ 2,521,394	\$ 917,006

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CRIME LAB FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 10,000	\$ 16,312	\$ 6,312
Expenditures:			
Current:			
Security of persons and property:			
<i>Police - Crime Lab:</i>			
Other	<u>50,975</u>	<u>-</u>	<u>50,975</u>
Net change in fund balance.	(40,975)	16,312	57,287
Fund balance at beginning of year	<u>54,265</u>	<u>54,265</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 13,290</u></u>	<u><u>\$ 70,577</u></u>	<u><u>\$ 57,287</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMPUTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 260,000	\$ 230,542	\$ (29,458)
Other	5,000	3,488	(1,512)
<i>Total revenues</i>	265,000	234,030	(30,970)
Expenditures:			
Current:			
General government:			
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	218,745	148,162	70,583
Materials and supplies	69,597	37,862	31,735
Contractual services	132,579	91,217	41,362
Capital outlay	64,900	22,161	42,739
Other	15,000	-	15,000
<i>Total expenditures</i>	500,821	299,402	201,419
Net change in fund balance	(235,821)	(65,372)	170,449
Fund balance at beginning of year	458,478	458,478	-
Prior year encumbrances appropriated.	27,324	27,324	-
Fund balance at end of year.	\$ 249,981	\$ 420,430	\$ 170,449

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT CAPITAL IMPROVEMENT SPECIAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ 461,081	\$ 297,408	\$ (163,673)
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	273,466	248,960	24,506
Materials and supplies.	31,197	25,138	6,059
Contractual services.	116,677	51,798	64,879
Capital outlay	60,769	650	60,119
Other	21,150	13,016	8,134
<i>Total general government.</i>	<u>503,259</u>	<u>339,562</u>	<u>163,697</u>
Debt service:			
Principal retirement	32,881	32,881	-
Interest and fiscal charges	5,077	5,077	-
<i>Total debt service.</i>	<u>37,958</u>	<u>37,958</u>	<u>-</u>
<i>Total expenditures</i>	<u>541,217</u>	<u>377,520</u>	<u>163,697</u>
Net change in fund balance	(80,136)	(80,112)	24
Fund balance at beginning of year	73,025	73,025	-
Prior year encumbrances appropriated.	7,111	7,111	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 24</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LEGAL RESEARCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 50	\$ 93	\$ 43
Net change in fund balance	50	93	43
Fund balance at beginning of year	<u>610</u>	<u>610</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 660</u>	<u>\$ 703</u>	<u>\$ 43</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT GPS COST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 11,384	\$ 11,384	\$ -
Fund balance at end of year.	\$ 11,384	\$ 11,384	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 IGNITION INTERLOCK/ALCOHOL MONITORING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 60,000	\$ 73,233	\$ 13,233
Net change in fund balance	60,000	73,233	13,233
Fund balance at beginning of year	<u>249,979</u>	<u>249,979</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 309,979</u>	<u>\$ 323,212</u>	<u>\$ 13,233</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW DEPARTMENT DISPUTE RESOLUTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ 100	\$ 360	\$ 260
Expenditures:			
Current:			
General government:			
<i>Law Director - Administration:</i>			
Contractual services.	400	360	40
Net change in fund balance	(300)	-	300
Fund balance at beginning of year	1,039	1,039	-
Fund balance at end of year.	\$ 739	\$ 1,039	\$ 300

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SARTA AREA IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 50,000	\$ 50,000	\$ -
Net change in fund balance.	50,000	50,000	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 50,000	\$ 50,000	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARK DEPARTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Rental income	\$ 49,000	\$ 29,550	\$ (19,450)
Contributions and donations.	125	525	400
Other	600	6,950	6,350
<i>Total revenues</i>	49,725	37,025	(12,700)
Expenditures:			
Current:			
Leisure time activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and supplies.	85,477	4,239	81,238
Contractual services.	31,328	25,881	5,447
Capital outlay	1,903	1,903	-
Other	9,751	6,812	2,939
<i>Total expenditures</i>	128,459	38,835	89,624
Net change in fund balance	(78,734)	(1,810)	76,924
Fund balance at beginning of year	125,926	125,926	-
Prior year encumbrances appropriated.	9,014	9,014	-
Fund balance at end of year.	\$ 56,206	\$ 133,130	\$ 76,924

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 YOUTH DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 4,470	\$ 4,470	\$ -
Fund balance at end of year.	<u>\$ 4,470</u>	<u>\$ 4,470</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEDERAL FORFEITURE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 806,237	\$ 816,512	\$ 10,275
Investment income.	-	68	68
Other	-	1,873	1,873
<i>Total revenues</i>	806,237	818,453	12,216
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Personal services	30,000	2,308	27,692
Materials and supplies.	61,830	45,434	16,396
Contractual services.	60,319	44,049	16,270
Capital outlay	226,103	144,208	81,895
Other	12,060	4,304	7,756
<i>Total expenditures</i>	390,312	240,303	150,009
Net change in fund balance	415,925	578,150	162,225
Fund balance at beginning of year	168,162	168,162	-
Prior year encumbrances appropriated.	16,210	16,210	-
Fund balance at end of year.	\$ 600,297	\$ 762,522	\$ 162,225

CITY OF CANTON
STARK COUNTY, 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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 5,500	\$ 6,746	\$ 1,246
Other	-	663	663
<i>Total revenues</i>	5,500	7,409	1,909
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Other	11,469	10,833	636
Net change in fund balance	(5,969)	(3,424)	2,545
Fund balance at beginning of year	6,021	6,021	-
Prior year encumbrances appropriated	551	551	-
Fund balance at end of year	\$ 603	\$ 3,148	\$ 2,545

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVER ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 53,000	\$ 34,896	\$ (18,104)
Expenditures:			
Current:			
General government			
<i>Courts/Judge - Judge Administration:</i>			
Contractual services	82,000	63,938	18,062
Net change in fund balance	(29,000)	(29,042)	(42)
Fund balance at beginning of year	35,480	35,480	-
Prior year encumbrances appropriated.	2,002	2,002	-
Fund balance at end of year.	\$ 8,482	\$ 8,440	\$ (42)

CITY OF CANTON
STARK COUNTY, 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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 46,900	\$ 50,944	\$ 4,044
Other	-	2,070	2,070
<i>Total revenues</i>	46,900	53,014	6,114
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies	41,466	18,760	22,706
Contractual services.	57,900	49,066	8,834
Capital outlay	10,506	10,174	332
Other	1,000	360	640
<i>Total expenditures</i>	110,872	78,360	32,512
Net change in fund balance	(63,972)	(25,346)	38,626
Fund balance at beginning of year	69,403	69,403	-
Prior year encumbrances appropriated.	24,535	24,535	-
Fund balance at end of year.	\$ 29,966	\$ 68,592	\$ 38,626

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNICIPAL PROBATION SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 200,000	\$ 282,883	\$ 82,883
Other	-	842	842
<i>Total revenues</i>	200,000	283,725	83,725
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	190,237	139,459	50,778
Materials and supplies	11,529	10,353	1,176
Contractual services	37,887	34,151	3,736
Capital outlay	7,141	5,759	1,382
Other	10,950	6,753	4,197
<i>Total expenditures</i>	257,744	196,475	61,269
Net change in fund balance	(57,744)	87,250	144,994
Fund balance at beginning of year	118,480	118,480	-
Prior year encumbrances appropriated.	2,504	2,504	-
Fund balance at end of year.	\$ 63,240	\$ 208,234	\$ 144,994

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISDEMEANOR COMMUNITY SANCTION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 140,023	\$ 170,601	\$ 30,578
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	160,158	123,274	36,884
Materials and supplies	2,327	1,900	427
Contractual services	-	-	-
Capital outlay	-	-	-
Other	8,114	6,042	2,072
<i>Total expenditures</i>	170,599	131,216	39,383
Net change in fund balance	(30,576)	39,385	69,961
Fund balance at beginning of year	30,576	30,576	-
Fund balance at end of year	\$ -	\$ 69,961	\$ 69,961

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PRISONER HOUSING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 44,700	\$ 11,088	\$ (33,612)
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Contractual services	<u>50,000</u>	<u>5,000</u>	<u>45,000</u>
Net change in fund balance	(5,300)	6,088	11,388
Fund balance at beginning of year	3,740	3,740	-
Prior year encumbrances appropriated.	1,999	1,999	-
Fund balance at end of year.	<u>\$ 439</u>	<u>\$ 11,827</u>	<u>\$ 11,388</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 71,232	\$ 71,232	\$ -
Investment income	292	459	167
<i>Total revenues</i>	71,524	71,691	167
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies	10,000	-	10,000
Contractual services	56,460	9,240	47,220
Other.	89,735	85,366	4,369
<i>Police Administration</i>	156,195	94,606	61,589
<i>Federal Stimulus Funding for Police:</i>			
Other.	2,550	2,550	-
<i>Total expenditures</i>	158,745	97,156	61,589
<i>Other financing sources (uses):</i>			
Advances in	35,616	35,616	-
Advances (out)	(35,616)	(35,616)	-
<i>Total other financing sources (uses)</i>	-	-	-
Net change in fund balance	(87,221)	(25,465)	61,756
Fund balance at beginning of year.	81,723	81,723	-
Prior year encumbrances appropriated.	5,844	5,844	-
Fund balance at end of year.	\$ 346	\$ 62,102	\$ 61,756

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON POLICE YOUTH CORP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies	\$ 8	\$ -	\$ 8
Fund balance at beginning of year	8	8	-
Fund balance at end of year	\$ -	\$ 8	\$ 8

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON AUXILIARY POLICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 100	\$ -	\$ (100)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and supplies	925	816	109
Other	1,547	1,411	136
<i>Total expenditures</i>	2,472	2,227	245
Net change in fund balance	(2,372)	(2,227)	145
Fund balance at beginning of year	2,413	2,413	45
Fund balance at end of year	\$ 41	\$ 186	\$ 190

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 D.A.R.E. PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ -	\$ 37	\$ 37
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies.	7,468	2,484	4,984
Other	1,000	355	645
<i>Total expenditures</i>	8,468	2,839	5,629
Net change in fund balance	(8,468)	(2,802)	5,666
Fund balance at beginning of year	8,468	8,468	-
Fund balance at end of year.	\$ -	\$ 5,666	\$ 5,666

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFE NEIGHBORHOOD HEROES GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies.	\$ 1,000	\$ -	\$ 1,000
Net change in fund balance	(1,000)	-	1,000
Fund balance at beginning of year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE GRANTS AND DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies	\$ 5,735	\$ -	\$ 5,735
Capital outlay	4,000	-	4,000
<i>Total expenditures</i>	9,735	-	9,735
Fund balance at beginning of year	9,735	9,735	-
Fund balance at end of year	\$ -	\$ 9,735	\$ 9,735

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2009 COPS HIRING RECOVERY PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Federal Stimulus Funding for Police:</i>			
Other.	\$ 18,767	\$ 18,767	\$ -
Net change in fund balance	(18,767)	(18,767)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated.	18,767	18,767	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BYRNE MEMORIAL RECOVERY ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Federal Stimulus Funding for Police:</i>			
Other.	\$ 7,442	\$ -	\$ 7,442
Net change in fund balance	(7,442)	-	7,442
Fund balance at beginning of year	<u>7,442</u>	<u>7,442</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 7,442</u>	<u>\$ 7,442</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2010 LOCAL SOLICITATION BYRNE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ 182	\$ 203	\$ 21
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Other	27,868	27,868	-
Net change in fund balance.	(27,686)	(27,665)	21
Fund balance at beginning of year	27,686	27,686	-
Fund balance at end of year.	\$ -	\$ 21	\$ 21

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE EMS TRAINING AND EQUIPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 1,500	\$ 1,500	\$ -
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies	1,500	-	1,500
Net change in fund balance	-	1,500	1,500
Fund balance at beginning of year.	-	-	-
Fund balance at end of year	\$ -	\$ 1,500	\$ 1,500

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2012 COPS HIRING PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 21,139	\$ 21,139	\$ -
Net change in fund balance	21,139	21,139	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 21,139</u>	<u>\$ 21,139</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE GRANTS AND DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Materials and supplies.	\$ 501	\$ -	\$ 501
Net change in fund balance	(501)	-	501
Fund balance at beginning of year	501	501	-
Fund balance at end of year.	\$ -	\$ 501	\$ 501

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMS TRAINING AND EQUIPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 2,500	\$ 2,500	\$ -
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Materials and supplies	5,000	-	5,000
Capital outlay	3,755	1,634	2,121
Other	1,000	990	10
<i>Total expenditures</i>	9,755	2,624	7,131
Net change in fund balance	(7,255)	(124)	7,131
Fund balance at beginning of year	7,255	7,255	-
Fund balance at end of year	\$ -	\$ 7,131	\$ 7,131

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIREFIGHTER ASSISTANCE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 64,008	\$ -	\$ (64,008)
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Materials and supplies.	65,138	-	65,138
Net change in fund balance	(1,130)	-	1,130
Fund balance at beginning of year	1,130	1,130	-
Fund balance at end of year.	\$ -	\$ 1,130	\$ 1,130

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CLEAN OHIO REVITALIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 2,217,365	\$ 340,290	\$ (1,877,075)
Expenditures:			
Current:			
Community environment:			
<i>Community Development Administration:</i>			
Capital outlay	2,237,419	2,237,419	-
Net change in fund balance	(20,054)	(1,897,129)	(1,877,075)
Fund balance (deficit) at beginning of year	(2,217,365)	(2,217,365)	-
Prior year encumbrances appropriated	2,237,419	2,237,419	-
Fund balance (deficit) at end of year	\$ -	\$ (1,877,075)	\$ (1,877,075)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON MERCHANDISING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 1,011	\$ 3,983	\$ 2,972
Expenditures:			
Current:			
General government:			
<i>Council Administration:</i>			
Materials and supplies.	12,336	2,694	9,642
Contractual services.	500	500	-
<i>Total expenditures</i>	12,836	3,194	9,642
Net change in fund balance	(11,825)	789	12,614
Fund balance at beginning of year	13,640	13,640	-
Fund balance at end of year.	\$ 1,815	\$ 14,429	\$ 12,614

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMPLOYEE RECOGNITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
General government			
<i>Mayor Administration:</i>			
Contractual services	\$ 143	\$ -	\$ 143
<i>Total expenditures</i>	143	-	143
Net change in fund balance.	(143)	-	143
Fund balance at beginning of year	143	143	-
Fund balance at end of year	\$ -	\$ 143	\$ 143

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CITY HALL PLAZA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 173	\$ 173	\$ -
Fund balance at end of year	\$ 173	\$ 173	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECYCLE OHIO GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 7,515	\$ 7,515	\$ -
Fund balance at end of year.	<u>\$ 7,515</u>	<u>\$ 7,515</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GUARDRAIL/ATTENUATOR REPLACEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 27,367	\$ 56,609	\$ 29,242
Expenditures:			
Current:			
Transportation			
<i>Street Maintenance:</i>			
Capital outlay	<u>33,931</u>	<u>33,812</u>	<u>119</u>
Net change in fund balance	(6,564)	22,797	29,361
Fund balance at beginning of year	41,411	41,411	-
Prior year encumbrances appropriated	11,470	11,470	-
Fund balance at end of year	<u>\$ 46,317</u>	<u>\$ 75,678</u>	<u>\$ 29,361</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SOUTHEAST COMMUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year.	\$ 862	\$ 862	\$ -
Fund balance at end of year	\$ 862	\$ 862	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 THURMAN MUNSON MEMORIAL STADIUM DONATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 1,566	\$ 1,566	\$ -
Fund balance at end of year	\$ 1,566	\$ 1,566	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CLERK OF COURTS ADMINISTRATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 1,229	\$ 1,229	\$ -
Fund balance at end of year.	<u>\$ 1,229</u>	<u>\$ 1,229</u>	<u>\$ -</u>

**CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS**

DECEMBER 31, 2013

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 11,164	\$ -	\$ 11,164
Cash with fiscal agent.	3,019	-	3,019
Receivables:			
Accounts	-	5,434	5,434
Total assets.	<u>\$ 14,183</u>	<u>\$ 5,434</u>	<u>\$ 19,617</u>
Deferred inflows of resources:			
Charges for services revenue not available	\$ -	\$ 5,434	\$ 5,434
Total deferred inflows of resources.	-	5,434	5,434
Fund balances:			
Restricted	14,183	-	14,183
Total fund balances	14,183	-	14,183
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,183</u>	<u>\$ 5,434</u>	<u>\$ 19,617</u>

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General Obligation Bond Retirement</u>	<u>Special Assessment Bond Retirement</u>	<u>Total Non Major Debt Service</u>
Revenues:			
Interest and investment income	\$ 5,106	\$ -	\$ 5,106
Net change in fund balances	5,106	-	5,106
Fund balances at beginning of year.	<u>9,077</u>	<u>-</u>	<u>9,077</u>
Fund balances at end of year	<u>\$ 14,183</u>	<u>\$ -</u>	<u>\$ 14,183</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL OBLIGATION BOND RETIREMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest and investment income	\$ -	\$ 5,106	\$ 5,106
Net change in fund balance.	-	5,106	5,106
Fund balance at beginning of year	<u>6,058</u>	<u>6,058</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,058</u>	<u>\$ 11,164</u>	<u>\$ (5,106)</u>

**CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

DECEMBER 31, 2013

	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construction/ Reconstruction Bond	2006 Judges Facilities/ City Hall Renovation Bond
Assets:				
Equity in pooled cash and cash equivalents.	\$ 854,804	\$ 526,315	\$ 297,083	\$ 1,744
Receivables:				
Accrued interest	-	7	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 854,804</u>	<u>\$ 526,322</u>	<u>\$ 297,083</u>	<u>\$ 1,744</u>
Liabilities:				
Accounts payable	\$ 9,882	\$ -	\$ 28,855	\$ -
Retainage payable.	-	-	-	-
Total liabilities	<u>9,882</u>	<u>-</u>	<u>28,855</u>	<u>-</u>
Fund balances:				
Restricted	844,922	526,322	268,228	1,744
Unassigned (deficit).	-	-	-	-
Total fund balances (deficit)	<u>844,922</u>	<u>526,322</u>	<u>268,228</u>	<u>1,744</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 854,804</u>	<u>\$ 526,322</u>	<u>\$ 297,083</u>	<u>\$ 1,744</u>

55th St. NE Storm Sewer Project	Mahoning Rd. Corridor Project	Walnut/Cherry Avenue Project	11th St. NW Improvement Project	Totals Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,679,946
-	-	-	-	7
-	77,533	81,248	56,332	215,113
<u>\$ -</u>	<u>\$ 77,533</u>	<u>\$ 81,248</u>	<u>\$ 56,332</u>	<u>\$ 1,895,066</u>
\$ -	\$ 39,033	\$ 81,247	\$ 56,332	\$ 215,349
-	-	87,529	-	87,529
-	39,033	168,776	56,332	302,878
-	38,500	-	-	1,679,716
-	-	(87,528)	-	(87,528)
-	38,500	(87,528)	-	1,592,188
<u>\$ -</u>	<u>\$ 77,533</u>	<u>\$ 81,248</u>	<u>\$ 56,332</u>	<u>\$ 1,895,066</u>

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construction/ Reconstruction Bond	2006 Judges Facilities/ City Hall Renovation Bond
Revenues:				
Interest and investment income	\$ 1,269	\$ 176	\$ 289	\$ -
Capital grants	1,297	-	-	-
Total revenues	2,566	176	289	-
Expenditures:				
Capital outlay	538,842	-	49,616	-
Total expenditures	538,842	-	49,616	-
Excess (deficiency) of revenues over (under) expenditures.	(536,276)	176	(49,327)	-
Fund balances at beginning of year.	1,381,198	526,146	317,555	1,744
Fund balances (deficit) at end of year	\$ 844,922	\$ 526,322	\$ 268,228	\$ 1,744

55th St. NE Storm Sewer Project	Mahoning Rd. Corridor Project	Walnut/Cherry Avenue Project	11th St. NW Improvement Project	Total Major Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,734
242,172	379,399	1,710,656	97,111	2,430,635
<u>242,172</u>	<u>379,399</u>	<u>1,710,656</u>	<u>97,111</u>	<u>2,432,369</u>
242,172	340,899	1,798,184	97,111	3,066,824
<u>242,172</u>	<u>340,899</u>	<u>1,798,184</u>	<u>97,111</u>	<u>3,066,824</u>
-	38,500	(87,528)	-	(634,455)
-	-	-	-	2,226,643
<u>\$ -</u>	<u>\$ 38,500</u>	<u>\$ (87,528)</u>	<u>\$ -</u>	<u>\$ 1,592,188</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
2006 CITY INFRASTRUCTURE BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 3,532	\$ 3,532	\$ -
Interest and investment income	800	1,330	530
<i>Total revenues</i>	<u>4,332</u>	<u>4,862</u>	<u>530</u>
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering Administration	63,485	13,970	49,515
Engineering - 41st St. NW Storm Sewer Project	15,694	15,694	-
Engineering - 55th St. NE Storm Sewer Project	26,764	26,764	-
Engineering - 12th St. NW Bridge Replacement	258,377	258,377	-
Engineering - 12th St. N. Corridor Project	908,623	908,623	-
Engineering - Ford Project	83,720	83,720	-
Engineering - Mahoning Rd. Corridor Project	215,003	215,003	-
<i>Total expenditures</i>	<u>1,571,666</u>	<u>1,522,151</u>	<u>49,515</u>
Net change in fund balance.	(1,567,334)	(1,517,289)	50,045
Fund balance at beginning of year	49,415	49,415	-
Prior year encumbrances appropriated	1,522,151	1,522,151	-
Fund balance at end of year.	<u>\$ 4,232</u>	<u>\$ 54,277</u>	<u>\$ 50,045</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 RECREATIONAL BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest and investment income	\$ 100	\$ 202	\$ 102
Net change in fund balance.	100	202	102
Fund balance at beginning of year	<u>526,113</u>	<u>526,113</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 526,213</u>	<u>\$ 526,315</u>	<u>\$ 102</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 CONSTRUCTION/RECONSTRUCTION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ 50	\$ 290	\$ 240
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Service Director Administration	259,467	51,282	208,185
Net change in fund balance.	(259,417)	(50,992)	208,425
Fund balance at beginning of year	297,363	297,363	-
Prior year encumbrances appropriated	20,168	20,168	-
Fund balance at end of year.	\$ 58,114	\$ 266,539	\$ 208,425

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 JUDGES FACILITIES/CITY HALL RENOVATION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 1,744	\$ 1,744	\$ -
Fund balance at end of year	\$ 1,744	\$ 1,744	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 12TH ST. N. CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 536,748	\$ 242,172	\$ (294,576)
Expenditures:			
Capital outlay:			
<i>Engineering:</i>			
Engineering - 12th St. N. Corridor Project.	536,748	491,289	45,459
Net change in fund balance	-	(249,117)	(249,117)
Fund balance (deficit) at beginning of year.	(536,748)	(536,748)	-
Prior year encumbrances appropriated.	536,748	536,748	-
Fund balance (deficit) at end of year	\$ -	\$ (249,117)	\$ (249,117)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 55TH ST. NE STORM SEWER PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 482,000	\$ -	\$ (482,000)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 55th St. NE Storm Sewer Project	895,000	895,000	-
Excess of expenditures over revenues	(413,000)	(895,000)	(482,000)
<i>Other financing sources:</i>			
Proceeds from loans	413,000	-	(413,000)
Net change in fund balance	-	(895,000)	(895,000)
Fund balance at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ (895,000)	\$ (895,000)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MAHONING RD. CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 1,129,948	\$ 301,866	\$ (828,082)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Mahoning Rd. Corridor Project	1,129,948	1,053,184	76,764
Net change in fund balance	-	(751,318)	(751,318)
Fund balance (deficit) at beginning of year.	(923,065)	(923,065)	-
Prior year encumbrances appropriated.	923,065	923,065	-
Fund balance (deficit) at end of year	\$ -	\$ (751,318)	\$ (751,318)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WALNUT/CHERRY AVENUE PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 2,255,261	\$ 1,629,408	\$ (625,853)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Walnut/Cherry Project.	2,255,261	2,255,261	-
Net change in fund balance	-	(625,853)	(625,853)
Fund balance (deficit) at beginning of year	(1,500,000)	(1,500,000)	-
Prior year encumbrances appropriated	1,500,000	1,500,000	-
Fund balance (deficit) at end of year	\$ -	\$ (625,853)	\$ (625,853)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 11TH ST. NW IMPROVEMENT PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 247,920	\$ 40,779	\$ (207,141)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 11th St. Improvement Project	247,920	247,920	-
Net change in fund balance	-	(207,141)	(207,141)
Fund balance at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ (207,141)	\$ (207,141)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 41ST ST. NW ROADWAY RECONSTRUCTION PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Capital grants.	\$ 452,252	\$ -	\$ (452,252)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 41th St. NW Storm Sewer Project.	<u>452,252</u>	<u>393,568</u>	<u>58,684</u>
Net change in fund balance	-	(393,568)	(393,568)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (393,568)</u>	<u>\$ (393,568)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RAILROAD CROSSING/TRAFFIC SIGNAL UPGRADE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 200,000	\$ -	\$ (200,000)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Railroad Cross Traffic Signal Upgrade	200,000	-	200,000
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HARRISBURG RD. RESURFACING PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 150,000	\$ -	\$ (150,000)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Harrisburg Rd. Resurfacing Project	150,000	150,000	-
Net change in fund balance	-	(150,000)	(150,000)
Fund balance at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ (150,000)	\$ (150,000)

**CITY OF CANTON
STARK COUNTY, OHIO**

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.

Water Operating Fund

The water operating enterprise fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City, and surrounding communities.

Sewer Operating Fund

The sewer operating enterprise fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City, and several surrounding communities.

Refuse Operating Fund

The refuse operating enterprise fund accounts for the provision of trash collection to the residents and commercial users located in the City.

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 14,587,620	\$ 14,508,544	\$ (79,076)
Investment income	-	1	1
Rental income	64,900	76,165	11,265
Capital grants	493,903	-	(493,903)
Other	39,000	37,274	(1,726)
<i>Total revenues</i>	<u>15,185,423</u>	<u>14,621,984</u>	<u>(563,439)</u>
Expenses:			
Personal services	6,398,522	6,235,819	162,703
Materials and supplies	2,321,739	1,814,463	507,276
Contractual services	3,712,677	3,474,648	238,029
Capital outlay	2,266,980	1,711,105	555,875
Claims	46,500	33,551	12,949
Other	123,088	51,673	71,415
Debt service:			
Principal retirement	2,197,617	2,042,735	154,882
Interest and fiscal charges	964,467	417,568	546,899
<i>Total expenses</i>	<u>18,031,590</u>	<u>15,781,562</u>	<u>2,250,028</u>
Excess of expenses over revenues	<u>(2,846,167)</u>	<u>(1,159,578)</u>	<u>1,686,589</u>
<i>Other financing sources:</i>			
Sale of assets	20,000	15,755	(4,245)
Proceeds of loans	<u>3,208,563</u>	<u>314,842</u>	<u>(2,893,721)</u>
<i>Total other financing sources</i>	<u>3,228,563</u>	<u>330,597</u>	<u>(2,897,966)</u>
Net change in fund balance	382,396	(828,981)	(1,211,377)
Fund balance at beginning of year	9,064,063	9,064,063	-
Prior year encumbrances appropriated.	<u>1,458,176</u>	<u>1,458,176</u>	-
Fund balance at end of year	<u>\$ 10,904,635</u>	<u>\$ 9,693,258</u>	<u>\$ (1,211,377)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SEWER OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 13,707,000	\$ 13,793,618	\$ 86,618
Operating grants	-	1,470	1,470
Capital grants	94,239	1,923,482	1,829,243
Rental income	-	500	500
Other	840,000	137,654	(702,346)
<i>Total revenues</i>	<u>14,641,239</u>	<u>15,856,724</u>	<u>1,215,485</u>
Expenses:			
Personal services	5,438,791	5,032,528	406,263
Materials and supplies	1,480,253	1,102,646	377,607
Contractual services	5,562,868	4,323,495	1,239,373
Capital outlay	31,433,214	30,796,162	637,052
Claims	61,236	52,604	8,632
Other	121,313	44,240	77,073
Debt service:			
Principal retirement	2,268,256	1,610,252	658,004
Interest and fiscal charges	377,465	271,265	106,200
<i>Total expenses</i>	<u>46,743,396</u>	<u>43,233,192</u>	<u>3,510,204</u>
Excess of expenses over revenues	(32,102,157)	(27,376,468)	4,725,689
<i>Other financing sources:</i>			
Sale of assets	-	58	58
Proceeds of loans	28,795,081	70,984	(28,724,097)
<i>Total other financing sources</i>	<u>28,795,081</u>	<u>71,042</u>	<u>(28,724,039)</u>
Net change in fund balance	(3,307,076)	(27,305,426)	(23,998,350)
Fund balance at beginning of year	13,886,663	13,886,663	-
Prior year encumbrances appropriated.	1,360,707	1,360,707	-
Fund balance (deficit) at end of year	<u>\$ 11,940,294</u>	<u>\$(12,058,056)</u>	<u>\$(23,998,350)</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REFUSE OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 5,944,000	\$ 6,010,236	\$ 66,236
Operating grants	-	72,859	72,859
Other	-	2,335	2,335
<i>Total revenues</i>	<u>5,944,000</u>	<u>6,085,430</u>	<u>141,430</u>
Expenses:			
Personal services	3,985,284	3,390,545	594,739
Materials and supplies	323,664	308,805	14,859
Contractual services	2,114,727	1,899,631	215,096
Capital outlay	709,116	678,917	30,199
Claims	9,000	7,071	1,929
Other	32,076	18,172	13,904
<i>Total expenses</i>	<u>7,173,867</u>	<u>6,303,141</u>	<u>870,726</u>
Excess of expenses over revenues	<u>(1,229,867)</u>	<u>(217,711)</u>	<u>1,012,156</u>
<i>Other financing sources:</i>			
Sale of assets	-	972	972
Net change in fund balance	(1,229,867)	(216,739)	1,013,128
Fund balance at beginning of year	1,697,194	1,697,194	-
Prior year encumbrances appropriated.	367,830	367,830	-
Fund balance at end of year.	<u>\$ 835,157</u>	<u>\$ 1,848,285</u>	<u>\$ 1,013,128</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

Internal Service Funds

Internal Service Funds are established 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.

Workers' Compensation Retrospective Fund

To account for the charges to the operating funds on a percentage of payroll basis and the payment of premiums and claims under the retrospective rating plan as provided by the Ohio Bureau of Workers' Compensation.

Health Insurance Fund

To account for charges to the operating funds on a per employee basis for the health and hospitalization self insurance, eye and dental insurance and for payments to AFSCME for the unions' administered employees' eye and dental premiums. This fund also pays the salaries and fringe benefits of the employees responsible for administering and processing claims.

Compensated Absences Claim Fund

To account for charges to the operating funds on a per employee basis for the claims associated with and mandated by local and state fringe benefit provisions including accumulated sick time, continuing disability, banked vacation, and termination pay

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2013

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Compensated</u> <u>Absences</u> <u>Claim</u>	<u>Total</u> <u>Nonmajor</u> <u>Internal</u> <u>Service</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 2,513,281	\$ 515,897	\$ 1,473,676	\$ 4,502,854
Receivables:				
Accounts.	-	162,099	-	162,099
Due from other funds.	-	-	129,785	129,785
Due from other governments.	6,156	-	-	6,156
Total assets.	<u>2,519,437</u>	<u>677,996</u>	<u>1,603,461</u>	<u>4,800,894</u>
Liabilities:				
Current liabilities:				
Accounts payable.	4,054	437,392	-	441,446
Accrued wages and benefits payable	2,376	2,486	90,798	95,660
Due to other governments	766,118	384	14,029	780,531
Compensated absences payable	-	-	1,214,500	1,214,500
Claims payable.	524,587	1,078,724	-	1,603,311
Total current liabilities.	<u>1,297,135</u>	<u>1,518,986</u>	<u>1,319,327</u>	<u>4,135,448</u>
Non-current liabilities:				
Compensated absences payable	-	-	6,043,772	6,043,772
Claims payable	1,039,580	-	-	1,039,580
Total non-current liabilities	<u>1,039,580</u>	<u>-</u>	<u>6,043,772</u>	<u>7,083,352</u>
Total liabilities	<u>2,336,715</u>	<u>1,518,986</u>	<u>7,363,099</u>	<u>11,218,800</u>
Net position:				
Unrestricted (deficit)	<u>182,722</u>	<u>(840,990)</u>	<u>(5,759,638)</u>	<u>(6,417,906)</u>
Total net position (deficit).	<u>\$ 182,722</u>	<u>\$ (840,990)</u>	<u>\$ (5,759,638)</u>	<u>\$ (6,417,906)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Workers' Compensation	Health Insurance	Compensated Absences Claim	Total Nonmajor Internal Service
Operating revenues:				
Charges for services	\$ 1,205,823	\$ 9,645,807	\$ 3,227,722	\$ 14,079,352
Other	687,235	326,538	-	1,013,773
Total operating revenues.	<u>1,893,058</u>	<u>9,972,345</u>	<u>3,227,722</u>	<u>15,093,125</u>
Operating expenses:				
Personal services.	75,584	174,007	405,879	655,470
Contract services.	133,368	1,020,086	7,000	1,160,454
Materials and supplies	-	4,497	-	4,497
Benefit claims and expenses	-	-	1,901,354	1,901,354
Insurance claims and expenses.	1,854,302	9,602,579	-	11,456,881
Other.	320	100	-	420
Total operating expenses.	<u>2,063,574</u>	<u>10,801,269</u>	<u>2,314,233</u>	<u>15,179,076</u>
Operating income (loss) / change in net position . .	(170,516)	(828,924)	913,489	(85,951)
Net position (deficit) at beginning of year	<u>353,238</u>	<u>(12,066)</u>	<u>(6,673,127)</u>	<u>(6,331,955)</u>
Net position (deficit) at end of year	<u>\$ 182,722</u>	<u>\$ (840,990)</u>	<u>\$ (5,759,638)</u>	<u>\$ (6,417,906)</u>

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Compensated</u> <u>Absences</u> <u>Claim</u>	<u>Total</u> <u>Nonmajor</u> <u>Internal</u> <u>Service</u>
Cash flows from operating activities:				
Cash received from charges for services	\$ 1,205,823	\$ 9,702,461	\$ 3,279,124	\$ 14,187,408
Cash received from other operations	681,079	654,135	-	1,335,214
Cash payments for personal services	(75,513)	(83,746)	(390,975)	(550,234)
Cash payments for contractual services	(62,575)	(1,020,086)	(7,000)	(1,089,661)
Cash payments for materials and supplies	-	(4,497)	-	(4,497)
Cash payments for insurance claims	(1,668,194)	(9,334,191)	-	(11,002,385)
Cash payments for benefits claims	-	-	(2,642,220)	(2,642,220)
Cash payments for other expenses	(320)	(100)	-	(420)
Net cash provided by (used in) operating activities and net increase (decrease) in cash and cash equivalents	80,300	(86,024)	238,929	233,205
Cash and cash equivalents at beginning of year	2,432,981	601,921	1,234,747	4,269,649
Cash and cash equivalents at end of year	\$ 2,513,281	\$ 515,897	\$ 1,473,676	\$ 4,502,854
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (170,516)	\$ (828,924)	\$ 913,489	\$ (85,951)
Changes in assets and liabilities:				
Decrease in accounts receivable	-	384,251	-	384,251
Decrease in due from other funds	-	-	51,402	51,402
Increase in due from other governments	(6,156)	-	-	(6,156)
Increase (decrease) in accounts payable	(2,187)	90,182	-	87,995
Increase in accrued wages and benefits payable	52	59	12,604	12,715
Increase in due to other governments	72,999	20	2,300	75,319
(Decrease) in compensated absences payable	-	-	(740,866)	(740,866)
Increase in claims payable	186,108	268,388	-	454,496
Net cash provided by (used in) operating activities	\$ 80,300	\$ (86,024)	\$ 238,929	\$ 233,205

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORKERS' COMPENSATION RETROSPECTIVE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 1,100,000	\$ 1,205,823	\$ 105,823
Other	-	681,079	681,079
<i>Total revenues</i>	<u>1,100,000</u>	<u>1,886,902</u>	<u>786,902</u>
Expenses:			
Personal services	81,248	75,513	5,735
Materials and supplies	1,180	250	930
Contractual services	138,376	91,821	46,555
Insurance claims and expenses	1,800,000	1,668,189	131,811
Other	3,200	400	2,800
<i>Total expenses</i>	<u>2,024,004</u>	<u>1,836,173</u>	<u>187,831</u>
Net change in fund balance	(924,004)	50,729	974,733
Fund balance at beginning of year	2,424,801	2,424,801	-
Prior year encumbrances appropriated	8,175	8,175	-
Fund balance at end of year	<u>\$ 1,508,972</u>	<u>\$ 2,483,705</u>	<u>\$ 974,733</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 9,733,100	\$ 9,702,461	\$ (30,639)
Other	622,255	654,135	31,880
<i>Total revenues</i>	<u>10,355,355</u>	<u>10,356,596</u>	<u>1,241</u>
Expenses:			
Personal services	85,667	83,746	1,921
Materials and supplies	5,200	4,497	703
Contractual services	1,103,626	1,028,047	75,579
Insurance claims and expenses	9,760,200	9,334,195	426,005
Other	1,950	100	1,850
<i>Total expenses</i>	<u>10,956,643</u>	<u>10,450,585</u>	<u>506,058</u>
Net change in fund balance	(601,288)	(93,989)	507,299
Fund balance at beginning of year	580,977	580,977	-
Prior year encumbrances appropriated	20,948	20,948	-
Fund balance at end of year	<u>\$ 637</u>	<u>\$ 507,936</u>	<u>\$ 507,299</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMPENSATED ABSENCES CLAIM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 3,145,000	\$ 3,279,124	\$ 134,124
<i>Total revenues</i>	<u>3,145,000</u>	<u>3,279,124</u>	<u>134,124</u>
Expenses:			
Personal services	398,000	390,975	7,025
Contractual services	7,000	7,000	-
Benefit claim expenses	<u>2,853,000</u>	<u>2,642,223</u>	<u>210,777</u>
<i>Total expenses</i>	<u>3,258,000</u>	<u>3,040,198</u>	<u>217,802</u>
Net change in fund balance.	(113,000)	238,926	351,926
Fund balance at beginning of year	1,234,750	1,234,750	-
Fund balance at end of year	<u>\$ 1,121,750</u>	<u>\$ 1,473,676</u>	<u>\$ 351,926</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

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

Private-Purpose Trust Fund

Hartford Houtz Fund

To account for monies donated to be used to improve the health and education of children

Agency Funds

Agency funds are custodial in nature, and thus, do not recognize revenues or expenditures, only changes in assets and liabilities. These funds are used to record the collection and payment of refundable deposits, taxes collected for other governments, and municipal court.

Building Escrow Fund:

To account for receipts from insurance companies, under City and State statutes, necessary to ensure compliance with building codes after a structure fire. Disbursements are normally to property owners upon release from the code enforcement department.

Payroll Clearing Fund:

To account for payroll taxes and other related payroll deductions accumulated from the funds for distribution to other governmental units and private organizations.

Employee Buyout Incentive Fund:

To account for money being held and disbursed in conjunction with the City's 2002 Incentive Retirement Plan.

Auditor's Transfer Fund:

To account for and hold receipts from various entities until proper disbursement.

Municipal Court Fund:

To account for municipal court activities, including the civil division and trusteeship accounts not currently reflected on the City's records.

Building Department State Assessment Fund:

To account for assessments that are collected by the City on building projects on behalf of the state.

Downtown Special Improvement District Fund:

To keep track of property taxes collected by the City for a Special Improvement District. Once the City receives the money it is immediately reimbursed to the board of the district.

Vacant/Foreclosure Depository Fund:

This fund accounts for deposits held for vacant and foreclosed upon homes.

**CITY OF CANTON
STARK COUNTY, OHIO**
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Balance 12/31/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/13</u>
<i>Building Escrow:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 104,325	\$ 172,689	\$ 178,182	\$ 98,832
Total assets	<u>\$ 104,325</u>	<u>\$ 172,689</u>	<u>\$ 178,182</u>	<u>\$ 98,832</u>
Liabilities:				
Deposits held and due to others.	\$ 104,325	\$ 172,689	\$ 178,182	\$ 98,832
Total liabilities	<u>\$ 104,325</u>	<u>\$ 172,689</u>	<u>\$ 178,182</u>	<u>\$ 98,832</u>
<i>Payroll Clearing:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 818,390	\$ 13,200,853	\$ 13,904,971	\$ 114,272
Total assets	<u>\$ 818,390</u>	<u>\$ 13,200,853</u>	<u>\$ 13,904,971</u>	<u>\$ 114,272</u>
Liabilities:				
Due to other governments	\$ 818,390	\$ 13,200,853	\$ 13,904,971	\$ 114,272
Total liabilities	<u>\$ 818,390</u>	<u>\$ 13,200,853</u>	<u>\$ 13,904,971</u>	<u>\$ 114,272</u>
<i>Employee Buyout Incentive:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 22,454	\$ 153,405	\$ 171,966	\$ 3,893
Total assets	<u>\$ 22,454</u>	<u>\$ 153,405</u>	<u>\$ 171,966</u>	<u>\$ 3,893</u>
Liabilities:				
Deposits held and due to others.	\$ 22,454	\$ 153,405	\$ 171,966	\$ 3,893
Total liabilities	<u>\$ 22,454</u>	<u>\$ 153,405</u>	<u>\$ 171,966</u>	<u>\$ 3,893</u>
<i>Auditor's Transfer:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 102,855	\$ 92,881	\$ 128,291	\$ 67,445
Total assets	<u>\$ 102,855</u>	<u>\$ 92,881</u>	<u>\$ 128,291</u>	<u>\$ 67,445</u>
Liabilities:				
Deposits held and due to others	\$ 102,855	\$ 92,881	\$ 128,291	\$ 67,445
Total liabilities.	<u>\$ 102,855</u>	<u>\$ 92,881</u>	<u>\$ 128,291</u>	<u>\$ 67,445</u>
<i>Municipal Court:</i>				
Assets:				
Cash and cash equivalents in segregated accounts . .	\$ 55,137	\$ 7,976,335	\$ 7,902,005	\$ 129,467
Total assets	<u>\$ 55,137</u>	<u>\$ 7,976,335</u>	<u>\$ 7,902,005</u>	<u>\$ 129,467</u>
Liabilities:				
Undistributed assets.	\$ 55,137	\$ 7,976,335	\$ 7,902,005	\$ 129,467
Total liabilities	<u>\$ 55,137</u>	<u>\$ 7,976,335</u>	<u>\$ 7,902,005</u>	<u>\$ 129,467</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

Building Department State Assessment:

Assets:

Equity in pooled cash and cash equivalents.	\$ 897	\$ 8,483	\$ 8,922	\$ 458
Total assets	<u>\$ 897</u>	<u>\$ 8,483</u>	<u>\$ 8,922</u>	<u>\$ 458</u>

Liabilities:

Deposits held and due to others	\$ 897	\$ 8,483	\$ 8,922	\$ 458
Total liabilities.	<u>\$ 897</u>	<u>\$ 8,483</u>	<u>\$ 8,922</u>	<u>\$ 458</u>

Downtown Special Improvement District:

Assets:

Equity in pooled cash and cash equivalents	\$ -	\$ 181,167	\$ 181,167	\$ -
Receivables:				
Accounts.	-	26,960	-	26,960
Total assets	<u>\$ -</u>	<u>\$ 208,127</u>	<u>\$ 181,167</u>	<u>\$ 26,960</u>

Liabilities:

Deposits held and due to others	\$ -	\$ 208,127	\$ 181,167	\$ 26,960
Total liabilities.	<u>\$ -</u>	<u>\$ 208,127</u>	<u>\$ 181,167</u>	<u>\$ 26,960</u>

Vacant/Foreclosure Depository Fund:

Assets:

Equity in pooled cash and cash equivalents.	\$ -	\$ 980,000	\$ -	\$ 980,000
Total assets	<u>\$ -</u>	<u>\$ 980,000</u>	<u>\$ -</u>	<u>\$ 980,000</u>

Liabilities:

Deposits held and due to others.	\$ -	\$ 980,000	\$ -	\$ 980,000
Total liabilities	<u>\$ -</u>	<u>\$ 980,000</u>	<u>\$ -</u>	<u>\$ 980,000</u>

Total Agency Funds

Assets:

Equity in pooled cash and cash equivalents.	\$ 1,048,921	\$ 14,789,478	\$ 14,573,499	\$ 1,264,900
Cash and cash equivalents in segregated accounts . .	55,137	7,976,335	7,902,005	129,467
Receivables:				
Accounts.	-	26,960	-	26,960
Total assets	<u>\$ 1,104,058</u>	<u>\$ 22,792,773</u>	<u>\$ 22,475,504</u>	<u>\$ 1,421,327</u>

Liabilities:

Due to other governments	\$ 818,390	\$ 13,200,853	\$ 13,904,971	\$ 114,272
Undistributed assets.	55,137	7,976,335	7,902,005	129,467
Deposits held and due to others.	230,531	1,615,585	668,528	1,177,588
Total liabilities	<u>\$ 1,104,058</u>	<u>\$ 22,792,773</u>	<u>\$ 22,475,504</u>	<u>\$ 1,421,327</u>

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CITY OF CANTON, OHIO

**CITY OF CANTON
STARK COUNTY, OHIO
STATISTICAL SECTION**

This part of the City of Canton Ohio'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.	S1 - S10
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, municipal income taxes.	S11 - S12
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.	S13 - S21
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.	S22 - S23
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.	S24 - S28

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CITY OF CANTON
STARK COUNTY, OHIO
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2013	2012	2011	2010
Governmental Activities				
Net investment in capital assets	\$ 99,188,330	\$ 96,544,493	\$ 97,348,306	\$ 96,658,405
Restricted	20,669,995	25,988,085	30,727,668	34,583,408
Unrestricted	8,055,536	5,978,878	807,948	(4,901,157)
Total Governmental Activities Net Position	<u>\$ 127,913,861</u>	<u>\$ 128,511,456</u>	<u>\$ 128,883,922</u>	<u>\$ 126,340,656</u>
Business-Type Activities				
Net investment in capital assets	\$ 70,583,131	\$ 68,382,938	\$ 64,432,996	\$ 65,466,731
Unrestricted	40,577,502	37,550,898	35,129,231	31,989,581
Total Business-Type Activities Net Position	<u>\$ 111,160,633</u>	<u>\$ 105,933,836</u>	<u>\$ 99,562,227</u>	<u>\$ 97,456,312</u>
Primary Government				
Net investment in capital assets	\$ 169,771,461	\$ 164,927,431	\$ 161,781,302	\$ 162,125,136
Restricted	20,669,995	25,988,085	30,727,668	34,583,408
Unrestricted	48,633,038	43,529,776	35,937,179	27,088,424
Total Primary Government Net Position	<u>\$ 239,074,494</u>	<u>\$ 234,445,292</u>	<u>\$ 228,446,149</u>	<u>\$ 223,796,968</u>

Note: The City has implemented GASB Statements No. 63 & 65 in fiscal year 2012

Restated 2009	2008	2007	2006	2005	2004
\$ 93,997,414	\$ 94,910,241	\$ 93,469,817	\$ 75,027,928	\$ 82,872,262	\$ 83,624,341
38,133,687	32,898,704	34,630,751	20,993,547	25,406,034	23,251,676
(3,439,285)	1,897,801	2,288,255	23,324,075	1,934,685	6,550,811
<u>\$ 128,691,816</u>	<u>\$ 129,706,746</u>	<u>\$ 130,388,823</u>	<u>\$ 119,345,550</u>	<u>\$ 110,212,981</u>	<u>\$ 113,426,828</u>
\$ 65,271,828	\$ 63,926,597	\$ 61,597,239	\$ 56,337,077	\$ 58,415,826	\$ 54,636,994
24,386,522	22,651,308	21,120,626	24,712,950	23,029,865	21,479,727
<u>\$ 89,658,350</u>	<u>\$ 86,577,905</u>	<u>\$ 82,717,865</u>	<u>\$ 81,050,027</u>	<u>\$ 81,445,691</u>	<u>\$ 76,116,721</u>
\$ 159,269,242	\$ 158,836,838	\$ 155,067,056	\$ 131,365,005	\$ 141,288,088	\$ 138,261,335
38,133,687	32,898,704	34,630,751	20,993,547	25,406,034	23,251,676
20,947,237	24,549,109	23,408,881	48,037,025	24,964,550	28,030,538
<u>\$ 218,350,166</u>	<u>\$ 216,284,651</u>	<u>\$ 213,106,688</u>	<u>\$ 200,395,577</u>	<u>\$ 191,658,672</u>	<u>\$ 189,543,549</u>

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2013	2012	2011	2010
Expenses				
<i>Governmental activities:</i>				
General government	\$ 16,648,538	\$ 18,204,815	\$ 18,507,298	\$ 17,916,837
Security of persons and property	37,209,092	37,355,205	39,761,690	38,021,732
Public health	5,948,698	5,867,708	6,371,348	6,789,047
Transportation	13,253,789	12,752,256	12,218,799	12,594,651
Community environment	6,012,767	5,080,295	8,563,514	9,206,391
Leisure time activities	3,329,290	2,101,343	2,361,904	2,919,500
Interest and fiscal charges	542,745	573,423	791,471	815,188
<i>Total governmental activities expenses</i>	<u>82,944,919</u>	<u>81,935,045</u>	<u>88,576,024</u>	<u>88,263,346</u>
<i>Business-type activities:</i>				
Water	13,029,402	12,706,700	12,478,010	10,975,361
Sewer	12,516,730	12,705,127	13,239,984	11,135,229
Refuse	5,924,125	5,342,650	5,532,632	4,948,513
<i>Total business-type activities expenses</i>	<u>31,470,257</u>	<u>30,754,477</u>	<u>31,250,626</u>	<u>27,059,103</u>
Total Primary Government Expenses	<u>\$ 114,415,176</u>	<u>\$ 112,689,522</u>	<u>\$ 119,826,650</u>	<u>\$ 115,322,449</u>
Program Revenues				
<i>Governmental activities:</i>				
Charges for services:				
EMS charges	\$ 1,790,137	\$ 1,989,838	\$ 1,538,870	\$ 990,133
Leisure time activities	29,550	10,890	230,691	593,174
Licenses, permits, and fees	1,510,822	2,014,416	1,496,552	1,540,878
Municipal court revenue	3,401,332	3,458,555	3,561,424	4,091,161
Other activities	6,496,325	8,477,516	7,020,751	6,949,537
Operating grants and contributions	9,361,804	6,951,732	11,296,786	11,304,031
Capital grants and contributions	3,956,443	759,525	5,146,994	6,681,818
<i>Total governmental activities program revenues</i>	<u>26,546,413</u>	<u>23,662,472</u>	<u>30,292,068</u>	<u>32,150,732</u>
<i>Business-type activities:</i>				
Charges for services:				
Water	14,919,158	14,564,110	13,688,619	14,679,276
Sewer	13,914,466	14,487,135	13,232,669	13,061,066
Refuse	5,801,598	6,002,093	6,030,792	6,511,534
Operating grants and contributions	67,026	140,855	189,868	87,506
Capital grants and contributions	1,943,958	1,869,089	12,655	207,969
<i>Total business-type activities program revenues</i>	<u>36,646,206</u>	<u>37,063,282</u>	<u>33,154,603</u>	<u>34,547,351</u>
Total Primary Government Program Revenues	<u>\$ 63,192,619</u>	<u>\$ 60,725,754</u>	<u>\$ 63,446,671</u>	<u>\$ 66,698,083</u>

	2009	2008	2007	2006	2005	2004
\$	21,447,525	\$ 20,109,980	\$ 20,429,740	\$ 19,042,092	\$ 18,585,104	\$ 16,658,224
	39,741,822	39,952,807	37,157,956	33,635,452	33,732,631	31,987,242
	6,503,089	6,232,337	6,117,315	5,368,723	5,407,095	4,691,879
	14,551,954	11,010,239	11,773,016	10,159,315	14,339,105	17,253,856
	5,393,621	6,011,649	6,612,257	6,554,058	7,898,906	6,523,014
	2,943,691	2,986,053	3,041,931	2,873,234	2,880,704	2,470,793
	925,828	1,154,014	1,259,708	852,785	923,542	1,140,758
	<u>91,507,530</u>	<u>87,457,079</u>	<u>86,391,923</u>	<u>78,485,659</u>	<u>83,767,087</u>	<u>80,725,766</u>
	11,789,359	10,644,920	10,434,121	11,243,727	9,377,995	9,801,322
	11,586,485	10,344,713	11,688,039	10,560,129	9,934,130	10,472,024
	5,359,103	5,057,233	4,516,698	4,792,409	4,481,498	4,662,221
	<u>28,734,947</u>	<u>26,046,866</u>	<u>26,638,858</u>	<u>26,596,265</u>	<u>23,793,623</u>	<u>24,935,567</u>
\$	<u>120,242,477</u>	<u>\$ 113,503,945</u>	<u>\$ 113,030,781</u>	<u>\$ 105,081,924</u>	<u>\$ 107,560,710</u>	<u>\$ 105,661,333</u>
\$	370,403	\$ 2,474,214	\$ 1,985,989	\$ 1,784,536	\$ 2,371,411	\$ 1,395,186
	323,320	646,817	798,451	773,910	813,852	232,984
	1,544,394	1,548,478	905,168	1,019,509	1,141,214	1,534,574
	3,458,692	3,350,496	3,098,405	3,008,935	2,851,322	2,533,514
	7,094,576	6,922,471	8,568,936	5,832,267	3,818,855	6,276,902
	15,211,394	7,017,103	7,976,893	8,754,801	7,142,814	7,575,379
	4,334,246	3,743,113	5,061,069	761,444	1,424,710	2,527,019
	<u>32,337,025</u>	<u>25,702,692</u>	<u>28,394,911</u>	<u>21,935,402</u>	<u>19,564,178</u>	<u>22,075,558</u>
	11,602,884	12,452,723	12,210,478	11,829,857	11,494,324	11,184,797
	10,696,780	10,570,525	9,877,966	9,954,669	10,037,212	10,058,832
	5,360,417	4,778,453	4,316,457	4,287,009	4,141,408	4,158,393
	119,426	108,822	56,133	127,712	38,115	24,830
	2,942,090	1,939,593	1,308,396	895,234	1,083,890	1,492,713
	<u>30,721,597</u>	<u>29,850,116</u>	<u>27,769,430</u>	<u>27,094,481</u>	<u>26,794,949</u>	<u>26,919,565</u>
\$	<u>63,058,622</u>	<u>\$ 55,552,808</u>	<u>\$ 56,164,341</u>	<u>\$ 49,029,883</u>	<u>\$ 46,359,127</u>	<u>\$ 48,995,123</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2013	2012	2011	2010
Net (Expenses)/Revenues				
Governmental Activities	\$ (56,398,506)	\$ (58,272,573)	\$ (58,283,956)	\$ (56,112,614)
Business-Type Activities	5,175,949	6,308,805	1,903,977	7,488,248
Total Primary Government				
Net Expense	<u>\$ (51,222,557)</u>	<u>\$ (51,963,768)</u>	<u>\$ (56,379,979)</u>	<u>\$ (48,624,366)</u>
General Revenues and				
Other Changes in Net Position				
<i>Governmental activities:</i>				
Taxes:				
Municipal income taxes	\$ 45,912,805	\$ 44,311,327	\$ 42,597,239	\$ 38,633,612
Property and other taxes	2,473,315	3,769,181	2,691,214	3,711,729
Grants and entitlements not restricted to specific programs	5,356,271	8,245,851	9,021,156	8,796,360
Payment in lieu of taxes	35,312	-	-	-
Grants and contributions	-	-	-	-
Interest and investment earnings	58,749	56,735	88,038	235,190
Other	1,964,459	1,503,350	6,412,177	2,384,563
Proceeds on sale of capital assets	-	13,663	17,398	-
<i>Total governmental activities</i>	<u>55,800,911</u>	<u>57,900,107</u>	<u>60,827,222</u>	<u>53,761,454</u>
<i>Business-type activities:</i>				
Intergovernmental	-	-	-	-
Grants and contributions	-	-	-	-
Interest and investment earnings	1	3	15	55
Other	50,847	22,840	169,404	306,861
Proceeds on sale of capital assets	-	39,961	32,519	2,798
<i>Total business-type activities</i>	<u>50,848</u>	<u>62,804</u>	<u>201,938</u>	<u>309,714</u>
Total Primary Government	<u>\$ 55,851,759</u>	<u>\$ 57,962,911</u>	<u>\$ 61,029,160</u>	<u>\$ 54,071,168</u>
Change in Net Position				
Governmental activities	\$ (597,595)	\$ (372,466)	\$ 2,543,266	\$ (2,351,160)
Business-type activities	5,226,797	6,371,609	2,105,915	7,797,962
<i>Total Primary Government</i>	<u>\$ 4,629,202</u>	<u>\$ 5,999,143</u>	<u>\$ 4,649,181</u>	<u>\$ 5,446,802</u>

	2009		2008		2007		2006		2005		2004
\$	(59,170,505)	\$	(61,754,387)	\$	(57,997,012)	\$	(56,550,257)	\$	(64,202,909)	\$	(58,650,208)
	1,986,650		3,803,250		1,130,572		498,216		3,001,326		1,983,998
<u>\$</u>	<u>(57,183,855)</u>	<u>\$</u>	<u>(57,951,137)</u>	<u>\$</u>	<u>(56,866,440)</u>	<u>\$</u>	<u>(56,052,041)</u>	<u>\$</u>	<u>(61,201,583)</u>	<u>\$</u>	<u>(56,666,210)</u>

\$	40,915,298	\$	43,086,906	\$	47,092,829	\$	43,149,683	\$	41,779,236	\$	38,977,012
	3,619,130		4,475,101		4,097,125		3,602,511		3,711,731		3,209,850
	8,936,287		8,938,333		10,576,712		10,005,403		9,992,527		9,222,630
	-		-		-		-		-		-
	-		-		145,890		425,686		401,785		10,513
	662,192		1,592,671		3,187,667		2,048,038		1,289,382		654,913
	3,911,451		2,979,299		3,940,062		4,631,537		3,814,401		1,574,453
	111,217		-		-		148,468		-		-
	<u>58,155,575</u>		<u>61,072,310</u>		<u>69,040,285</u>		<u>64,011,326</u>		<u>60,989,062</u>		<u>53,649,371</u>

	-		-		-		33,167		33,167		17,992
	-		-		-		137,190		95,627		-
	196		40,203		144,713		17,416		10,792		7,264
	989,811		220,621		373,715		141,585		2,188,058		115,130
	8,731		6,786		18,838		24,254		-		9,625
	<u>998,738</u>		<u>267,610</u>		<u>537,266</u>		<u>353,612</u>		<u>2,327,644</u>		<u>150,011</u>
<u>\$</u>	<u>59,154,313</u>	<u>\$</u>	<u>61,339,920</u>	<u>\$</u>	<u>69,577,551</u>	<u>\$</u>	<u>64,364,938</u>	<u>\$</u>	<u>63,316,706</u>	<u>\$</u>	<u>53,799,382</u>

\$	(1,014,930)	\$	(682,077)	\$	11,043,273	\$	7,461,069	\$	(3,213,847)	\$	(5,000,837)
	2,985,388		4,070,860		1,667,838		851,828		5,328,970		2,134,009
<u>\$</u>	<u>1,970,458</u>	<u>\$</u>	<u>3,388,783</u>	<u>\$</u>	<u>12,711,111</u>	<u>\$</u>	<u>8,312,897</u>	<u>\$</u>	<u>2,115,123</u>	<u>\$</u>	<u>(2,866,828)</u>

CITY OF CANTON
STARK COUNTY, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2013	Restated 2012	2011	2010
General Fund				
Nonspendable	\$ 382,303	\$ 289,197	\$ 281,811	\$ 262,064
Restricted	-	89,191	62,514	50,320
Committed	950,255	1,081,844	711,295	620,913
Assigned	550,226	-	-	-
Unassigned	6,502,030	7,602,998	5,235,907	3,797,436
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 8,384,814</u>	<u>\$ 9,063,230</u>	<u>\$ 6,291,527</u>	<u>\$ 4,730,733</u>
All Other				
Governmental Funds				
Nonspendable	\$ 41,347	\$ 1,649,712	\$ 1,726,284	\$ 1,864,369
Restricted	12,031,197	9,947,224	11,534,643	16,648,605
Committed	3,395,680	3,670,094	3,693,165	2,744,056
Assigned	-	-	-	-
Unassigned (deficit)	(193,112)	(5,810)	(215,388)	-
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue				
Funds	-	-	-	-
Capital Projects				
Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Total All Other				
Governmental Funds	<u>\$ 15,275,112</u>	<u>\$ 15,261,220</u>	<u>\$ 16,738,704</u>	<u>\$ 21,257,030</u>

Note: Fund balance classifications beginning in 2009 reflect the City's implementation of GASB Statement No. 54.

Note: Amounts for 2012 have been resatted as decribed in Note 3.B. to the financial statements.

2009	2008	2007	2006	2005	2004
\$ 176,964	\$ -	\$ -	\$ -	\$ -	\$ -
281,200	-	-	-	-	-
808,009	-	-	-	-	-
-	-	-	-	-	-
3,406,438	-	-	-	-	-
-	748,509	838,116	1,044,522	1,009,423	908,877
-	6,947,380	8,358,711	8,067,957	9,662,068	8,292,671
<u>\$ 4,672,611</u>	<u>\$ 7,695,889</u>	<u>\$ 9,196,827</u>	<u>\$ 9,112,479</u>	<u>\$ 10,671,491</u>	<u>\$ 9,201,548</u>

\$ 1,783,687	\$ -	\$ -	\$ -	\$ -	\$ -
19,478,655	-	-	-	-	-
3,433,796	-	-	-	-	-
-	-	-	-	-	-
(3,648)	-	-	-	-	-
-	10,955,266	13,060,640	10,532,025	8,967,059	12,683,479
-	3,806,492	4,742,049	1,633,424	2,111,575	2,009,268
-	10,284,524	8,878,112	15,670,214	2,714,187	1,260,394
-	6,239	6,239	141,751	3,019	3,019
<u>\$ 24,692,490</u>	<u>\$ 25,052,521</u>	<u>\$ 26,687,040</u>	<u>\$ 27,977,414</u>	<u>\$ 13,795,840</u>	<u>\$ 15,956,160</u>

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2013	Restated 2012	2011	2010
Revenues:				
Property and other taxes	\$ 2,574,747	\$ 3,392,212	\$ 2,679,060	\$ 3,692,536
Municipal income taxes	45,921,847	44,401,532	42,268,045	39,995,514
Charges for services	10,974,528	12,025,673	11,672,616	12,277,821
Licenses, permits, and fees	1,510,822	1,558,750	1,496,552	1,540,878
Fines and forfeitures	1,110,272	484,718	387,942	548,171
Intergovernmental	8,321,048	8,442,716	9,022,823	9,246,604
Interest	58,749	56,735	88,038	235,190
Rental income	51,364	78,507	230,131	414,189
Contributions and donations	50,525	-	-	-
Operating grants	8,849,719	8,636,489	11,768,162	11,635,287
Capital grants	2,937,038	796,834	4,731,620	6,639,897
Payment in lieu of taxes	35,312	-	-	-
Other	902,642	3,101,659	4,704,783	2,200,776
Total revenues	83,298,613	82,975,825	89,049,772	88,426,863
Expenditures:				
General government	15,873,077	17,778,987	17,472,868	16,961,740
Security of persons and property	35,303,024	35,807,944	37,583,710	35,892,847
Public health	5,756,640	5,850,491	6,201,749	6,631,976
Transportation	3,726,545	3,309,625	3,762,830	3,730,733
Community environment	5,998,243	5,160,101	8,534,770	9,176,385
Leisure time activities	2,629,571	1,436,169	1,688,857	2,243,340
Capital outlay	11,532,622	9,010,943	12,357,459	13,286,944
Debt service				
Principal	2,681,335	2,775,078	3,659,941	3,159,790
Interest and fiscal charges	500,053	592,355	791,471	815,188
Total expenditures	84,001,110	81,721,693	92,053,655	91,898,943
Excess (deficiency) of revenues over (under) expenditures	(702,497)	1,254,132	(3,003,883)	(3,472,080)
Other financing sources (uses):				
Sale of assets	37,973	40,087	46,351	40,101
Issuance of refunding bonds	-	-	-	-
Refunded bonds redeemed	-	-	-	-
Bond issuance costs	-	-	-	-
Bond premiums	-	-	-	-
Issuance of debt/capital leases	-	-	-	54,641
Transfers in	40,000	65,000	44,000	40,000
Transfers out	(40,000)	(65,000)	(44,000)	(40,000)
Total other financing sources (uses)	37,973	40,087	46,351	94,742
Net change in fund balances	\$ (664,524)	\$ 1,294,219	\$ (2,957,532)	\$ (3,377,338)
<i>Debt service as a percentage of noncapital expenditures</i>	4.21%	4.38%	5.36%	4.82%

Note: 2012 amounts have been restated to eliminate advances in and advances out as other financing sources (uses) as previously reported.

2009	2008	2007	2006	2005	2004
\$ 3,710,390	\$ 4,385,206	\$ 4,010,683	\$ 3,610,790	\$ 3,277,108	\$ 3,365,270
41,105,833	44,532,380	44,556,112	43,084,333	41,602,373	39,412,489
11,428,095	10,613,296	10,878,541	10,325,731	9,575,642	8,912,605
1,544,393	1,548,479	1,161,430	1,274,175	1,390,410	1,763,050
443,673	1,001,384	1,582,608	412,659	447,482	684,146
9,521,398	10,378,440	11,375,148	10,414,121	10,276,283	9,917,733
662,192	1,592,671	3,187,667	2,048,038	1,242,630	527,075
450,788	413,470	452,450	425,220	395,741	240,364
-	-	-	-	-	-
9,664,268	6,054,006	8,091,451	9,108,680	8,873,767	8,418,812
4,447,416	3,635,597	5,065,148	1,517,020	2,004,520	1,131,680
-	-	-	-	-	-
1,874,355	1,293,285	2,692,726	3,033,021	1,575,116	1,308,413
84,852,801	85,448,214	93,053,964	85,253,788	80,661,072	75,681,637
18,597,391	18,576,448	20,015,769	20,031,972	17,522,987	15,863,178
35,973,764	37,208,163	36,419,061	34,117,057	31,771,722	31,834,597
6,136,493	6,005,406	6,052,678	5,513,038	5,233,094	4,834,353
3,826,361	4,170,057	4,447,301	3,467,363	3,388,270	3,190,067
5,289,321	4,862,896	6,613,047	6,623,411	7,858,937	6,537,550
2,204,394	2,290,022	2,531,251	2,383,428	2,414,290	1,945,545
13,859,942	11,554,194	13,986,290	10,616,931	9,765,750	7,546,563
3,039,749	3,166,213	3,672,211	2,731,941	2,978,916	2,846,457
925,828	1,154,014	1,259,708	852,785	923,542	1,140,758
89,853,243	88,987,413	94,997,316	86,337,926	81,857,508	75,739,068
(5,000,442)	(3,539,199)	(1,943,352)	(1,084,138)	(1,196,436)	(57,431)
223,066	54,166	54,020	652,505	34,849	364,314
8,575,000	-	-	-	-	-
(8,560,000)	-	-	-	-	-
(433,203)	-	-	(236,199)	-	-
418,203	-	-	236,199	-	-
1,415,910	360,534	643,788	13,350,000	245,611	237,935
40,000	40,000	62,776	55,000	100,783	78,377
(40,000)	(40,000)	(62,776)	(55,000)	(100,783)	(78,377)
1,638,976	414,700	697,808	14,002,505	280,460	602,249
\$ (3,361,466)	\$ (3,124,499)	\$ (1,245,544)	\$ 12,918,367	\$ (915,976)	\$ 544,818
4.89%	5.43%	5.87%	4.61%	5.27%	5.74%

CITY OF CANTON
STARK COUNTY, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS
(CASH BASIS OF ACCOUNTING)

<u>Tax Year</u>	<u>Tax Rate (1)</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Corporations</u>	<u>Percentage of Taxes from Corporations</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>	<u>Taxes From Delinquent Accounts</u>	<u>Percentage of Taxes from Delinquent Accounts</u>
2013	2.00%	\$ 47,631,995	\$ 38,100,594	79.99%	\$ 4,732,915	9.94%	\$ 2,402,215	5.04%	\$ 2,396,271	5.03%
2012	2.00%	45,526,540	38,425,049	84.40%	2,937,793	6.45%	2,270,644	4.99%	1,893,054	4.16%
2011	2.00%	43,473,316	36,650,553	84.31%	2,742,054	6.31%	2,248,487	5.17%	1,832,222	4.21%
2010	2.00%	40,464,283	34,373,674	84.95%	2,434,182	6.02%	2,315,207	5.72%	1,341,220	3.31%
2009	2.00%	42,313,527	35,240,263	83.28%	3,341,617	7.90%	2,530,425	5.98%	1,201,222	2.84%
2008	2.00%	45,535,181	37,560,808	82.49%	4,027,322	8.84%	2,534,879	5.57%	1,412,172	3.10%
2007	2.00%	45,750,000	36,943,041	80.75%	4,946,090	10.81%	2,503,996	5.47%	1,356,873	2.97%
2006	2.00%	43,790,171	36,222,083	82.72%	3,798,488	8.67%	2,401,463	5.48%	1,368,137	3.12%
2005	2.00%	42,124,201	34,617,380	82.18%	3,152,772	7.48%	2,649,296	6.29%	1,704,753	4.05%
2004	2.00%	38,841,304	32,302,994	83.17%	1,751,090	4.51%	2,671,442	6.88%	2,115,778	5.45%

(1) Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

CITY OF CANTON
STARK COUNTY, OHIO
INCOME TAX FILERS BY INCOME LEVEL
TAX YEARS 2013 AND 2004

Tax Year 2013

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	266	2.15%	\$ 69,753,562	30.91%
\$75,001-\$100,000	261	2.11%	22,340,068	9.90%
\$50,001-\$75,000	648	5.24%	39,610,022	17.55%
\$25,001-\$50,000	1,522	12.31%	53,611,706	23.75%
Under \$25,000	9,665	78.19%	40,371,480	17.89%
Total	<u>12,362</u>	<u>100.00%</u>	<u>\$ 225,686,838</u>	<u>100.00%</u>

Tax Year 2004

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	419	1.23%	\$ 144,567,897	28.68%
\$75,001-\$100,000	413	1.21%	35,383,782	7.02%
\$50,001-\$75,000	1,298	3.81%	77,750,427	15.43%
\$25,000-\$50,000	3,948	11.58%	137,816,156	27.34%
Under \$25,000	28,013	82.17%	108,495,546	21.53%
Total	<u>34,091</u>	<u>100.00%</u>	<u>\$ 504,013,808</u>	<u>100.00%</u>

Source: City of Canton Income Tax Department

CITY OF CANTON
STARK COUNTY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Loans	Notes Payable	Capital Lease	General Obligation Bonds	Loans	Capital Lease
2013	\$ 9,164,587	\$ 1,497,214	\$ 1,500,000	\$ 179,371	\$ 3,000,414	\$ 30,499,920	\$ -
2012	11,540,165	1,784,735	1,600,000	197,607	4,049,322	32,620,563	-
2011	13,835,411	2,056,306	1,700,000	424,800	5,059,076	32,617,686	-
2010	16,714,810	2,323,489	1,800,000	938,159	6,029,677	23,630,645	13,124
2009	19,483,363	2,527,704	-	1,070,540	6,961,124	21,736,915	24,227
2008	21,656,948	2,568,042	-	465,455	7,857,538	17,569,394	36,339
2007	23,865,120	3,115,974	-	515,030	10,294,366	16,982,328	48,450
2006	26,865,000	3,659,547	-	-	12,735,000	16,131,342	-
2005	15,710,000	4,196,488	-	-	12,335,000	17,663,967	-
2004	18,120,000	4,519,793	-	-	14,480,000	19,502,793	-

(1) Source: US Census Bureau.

	<u>Total Primary Government</u>	<u>Total Personal Income</u>	<u>Percent of Personal Income</u>	<u>Population (1)</u>	<u>Per Capita</u>
\$	45,841,506	\$ 2,025,140,466	2.26%	72,683	\$ 631
	51,792,392	2,034,784,650	2.55%	73,007	709
	55,693,279	1,834,444,050	3.04%	73,007	763
	51,449,904	1,834,444,050	2.80%	73,007	705
	51,803,873	2,004,784,350	2.58%	78,362	661
	50,153,716	2,004,784,350	2.50%	78,319	640
	54,821,268	1,972,351,850	2.78%	78,924	695
	59,390,889	1,931,177,300	3.08%	79,478	747
	49,905,455	1,863,333,800	2.68%	79,478	628
	56,622,586	1,748,721,800	3.24%	79,946	708

CITY OF CANTON
STARK COUNTY, OHIO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

	General Bonded Debt Outstanding			Estimated True Value of Taxable Property (1)	Ratio of Net Bonded Debt to Estimated True Value of Taxable Property	Net Bonded Debt per Capita
	Governmental Obligation	Business-Type Obligation	Total			
2013	\$ 9,164,587	\$ 3,000,414	\$ 12,165,001	\$ 2,122,120,589	0.57%	\$ 167.37
2012	11,540,165	4,049,322	15,589,487	2,538,698,983	0.61%	213.53
2011	13,835,411	5,059,076	18,894,487	2,526,352,211	0.75%	258.80
2010	16,714,810	6,029,677	22,744,487	2,570,000,309	0.88%	311.54
2009	19,483,363	6,961,124	26,444,487	2,754,356,786	0.96%	337.65
2008	21,656,948	7,857,538	29,514,486	3,519,099,073	0.84%	376.85
2007	23,865,120	10,294,366	34,159,486	3,584,977,264	0.95%	432.81
2006	26,865,000	12,735,000	39,600,000	3,276,005,877	1.21%	498.25
2005	15,710,000	12,335,000	28,045,000	3,253,043,207	0.86%	352.86
2004	18,120,000	14,480,000	32,600,000	3,178,195,614	1.03%	407.78

(1) Source: Stark County Auditor's Office

CITY OF CANTON
STARK COUNTY, OHIO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2013

	<u>General Obligation Debt Outstanding (1)</u>	<u>Percentage Applicable to City (2)</u>	<u>Amount Applicable to City of Canton</u>
Direct			
City of Canton	\$ 12,341,172	100.00%	\$ 12,341,172
Overlapping Debt			
Stark County	-	11.27%	-
Canton City Schools	31,209,000	91.26%	28,481,333
Plain Local Schools	46,930,000	22.11%	10,376,223
Canton Local Schools	534,371	7.38%	39,437
Osnaburg Local Schools	7,501,615	7.03%	527,364
Total Overlapping Debt	<u>86,174,986</u>		<u>39,424,357</u>
Total	<u>\$ 98,516,158</u>		<u>\$ 51,765,529</u>

Source: Stark County, Ohio; County Auditor

(1) Includes general obligation debt except for those payable from enterprise funds

(2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the assessed valuation of the political subdivision.

CITY OF CANTON
STARK COUNTY, OHIO
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Overall Debt Limitation (10.5% of Assessed Valuation)	\$ 75,406,074	\$ 77,280,680	\$ 90,978,118	\$ 91,928,124
Net Debt Within 10.5% Limitations	<u>10,653,423</u>	<u>12,329,784</u>	<u>15,583,224</u>	<u>18,567,954</u>
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$ 64,752,651</u>	<u>\$ 64,950,896</u>	<u>\$ 75,394,894</u>	<u>\$ 73,360,170</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.13%	15.95%	17.13%	20.20%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$ 39,498,420	\$ 40,480,356	\$ 47,655,205	\$ 48,152,827
Net Debt Within 5.5% Limitations	<u>10,653,423</u>	<u>12,329,784</u>	<u>15,583,224</u>	<u>18,567,954</u>
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$ 28,844,997</u>	<u>\$ 28,150,572</u>	<u>\$ 32,071,981</u>	<u>\$ 29,584,873</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.97%	30.46%	32.70%	38.56%

Note: Under State of Ohio finance law, the City of Canton's outstanding general obligation debt should not exceed 10.5% of total assessed property value. In addition, the outstanding general obligation debt net voted debt should not exceed 5.5% of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

2009	2008	2007	2006	2005	2004
\$ 98,857,297	\$ 104,291,997	\$ 110,800,481	\$ 106,126,404	\$ 109,151,590	\$ 106,935,582
<u>19,483,363</u>	<u>17,573,728</u>	<u>19,461,900</u>	<u>21,976,356</u>	<u>10,710,000</u>	<u>12,835,000</u>
<u>\$ 79,373,934</u>	<u>\$ 86,718,269</u>	<u>\$ 91,338,581</u>	<u>\$ 84,150,048</u>	<u>\$ 98,441,590</u>	<u>\$ 94,100,582</u>
19.71%	16.85%	17.56%	20.71%	9.81%	12.00%
\$ 51,782,394	\$ 54,629,141	\$ 58,038,347	\$ 55,590,021	\$ 57,174,642	\$ 56,013,876
<u>19,483,363</u>	<u>17,573,728</u>	<u>19,461,900</u>	<u>21,976,356</u>	<u>10,710,000</u>	<u>12,835,000</u>
<u>\$ 32,299,031</u>	<u>\$ 37,055,413</u>	<u>\$ 38,576,447</u>	<u>\$ 33,613,665</u>	<u>\$ 46,464,642</u>	<u>\$ 43,178,876</u>
37.63%	32.17%	33.53%	39.53%	18.73%	22.91%

CITY OF CANTON
STARK COUNTY, OHIO
PLEDGED REVENUE COVERAGE - WATER
LAST TEN YEARS

Year	Water Operating Revenues	Water Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2013	\$ 14,966,698	\$ 10,773,779	\$ 4,192,919	\$ 1,226,158	\$ 292,830	2.76
2012	14,585,591	10,128,499	4,457,092	1,352,707	872,374	2.00
2011	13,842,633	10,139,601	3,703,032	872,673	518,539	2.66
2010	14,722,587	8,710,422	6,012,165	877,648	554,061	4.20
2009	12,012,071	9,739,900	2,272,171	639,403	423,296	2.14
2008	12,803,465	8,718,793	4,084,672	536,889	303,144	4.86
2007	12,636,294	8,523,683	4,112,611	454,831	260,446	5.75
2006	11,949,721	9,098,828	2,850,893	400,767	244,735	4.42
2005	11,638,498	7,212,194	4,426,304	381,700	263,803	6.86
2004	11,590,939	6,712,965	4,877,974	351,007	274,182	7.80

(1) Direct operating expenses do not include depreciation expense.

(2) Debt service only includes OWDA and OPWC loans payable solely from net revenues in the water enterprise fund.

CITY OF CANTON
STARK COUNTY, OHIO
PLEDGED REVENUE COVERAGE - SEWER
LAST TEN YEARS

Year	Sewer Operating Revenues	Sewer Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2013	\$ 13,914,466	\$ 9,639,001	\$ 4,275,465	\$ 1,370,935	\$ 234,030	2.66
2012	14,490,594	9,797,750	4,692,844	1,324,728	273,002	2.94
2011	13,371,229	10,313,864	3,057,365	780,387	208,417	3.09
2010	13,314,535	8,234,557	5,079,978	759,602	229,202	5.14
2009	11,713,312	8,767,929	2,945,383	762,748	249,423	2.91
2008	11,087,091	7,551,028	3,536,063	766,440	269,098	3.41
2007	10,603,629	8,768,381	1,835,248	1,162,952	298,256	1.26
2006	10,682,423	7,768,104	2,914,319	1,131,858	329,885	1.99
2005	10,913,729	7,091,988	3,821,741	1,457,126	372,734	2.09
2004	11,164,680	6,881,006	4,283,674	1,372,546	395,904	2.42

(1) Direct operating expenses do not include depreciation expense.

(2) Debt service only includes OWDA and OPWC loans payable solely from net revenues in the sewer enterprise fund.

CITY OF CANTON
STARK COUNTY, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

	Population (1)	Total Personal Income	Per Capita Income	Unemployment Rate (2)
2013	72,683	\$ 2,025,140,450	\$ 27,863	6.9%
2012	73,007	2,034,784,650	27,871	6.9%
2011	73,007	1,834,444,050	25,127	9.3%
2010	73,007	1,834,444,050	25,127	11.2%
2009	78,362	1,888,534,400	24,100	11.4%
2008	78,319	2,004,784,350	25,598	6.9%
2007	78,924	1,972,351,850	24,991	5.9%
2006	79,478	1,931,177,300	24,298	5.6%
2005	79,478	1,863,333,800	23,445	6.4%
2004	79,946	1,748,721,800	21,874	6.6%

(1) Source: US Census Bureau.

(2) Source: U.S. Dept. of Labor

CITY OF CANTON
STARK COUNTY, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

2013

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	3,827	15.21%
Canton City Schools	Education	2,642	10.50%
Mercy Medical Center	Health Service	2,618	10.40%
Timken Company	Tapered roller bearings and steel	2,506	9.96%
Stark County Government	Government	1,953	7.76%
Fresh Mark Inc.	Meat Processing	1,176	4.67%
City of Canton	Municipal Government	1,141	4.53%
Republic Engineered Products	Hot-rolled and cold finisher steel bars and specialty steels	1,042	4.14%
Nationwide Insurance	Insurance Provider	745	2.96%
Republic Storage Systems	Manufacturer, Metal Lockers & Equipment	514	2.04%
Total		<u>18,164</u>	<u>72.17%</u>
Estimated Total Employment within the City		<u>25,163</u>	

2004

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Timken Company	Tapered roller bearings and steel	5,593	16.41%
Aultman Hospital	Health Service	3,785	11.10%
Stark County Government	Government	2,855	8.37%
Mercy Medical Center	Health Service	2,510	7.36%
Canton City Schools	Education	1,860	5.46%
Republic Engineered Products	Hot-rolled and cold finisher steel bars and specialty steels	1,620	4.75%
City of Canton	Municipal Government	1,375	4.03%
Fresh Mark Inc.	Meat Processing	958	2.81%
Nationwide Insurance	Insurance Provider	702	2.06%
Republic Storage Systems	Manufacturer, Metal Lockers & Equipment	473	1.39%
Total		<u>21,731</u>	<u>63.74%</u>
Estimated Total Employment (Filing) within the City		<u>34,091</u>	

Source: Survey of Employers performed by City Community Development Department
and City Income Tax Department

CITY OF CANTON
STARK COUNTY, OHIO
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Employees										
General government	183	175	181	183	181	193	194	196	187	193
Security of persons and property	361	367	375	396	409	434	428	423	400	407
Public health	52	49	47	51	50	53	52	51	53	50
Transportation	46	44	46	45	50	49	50	44	42	43
Community development	15	14	19	23	23	22	17	18	20	22
Leisure time activities	14	14	16	21	21	27	27	26	28	26
Total Governmental Employees	671	663	684	719	734	778	768	758	730	741
Business-Type Employees										
Water	85	84	88	87	91	96	101	97	97	94
Sewer	76	75	71	73	80	79	79	76	76	76
Refuse	61	56	57	54	58	58	58	59	58	59
Total Business-Type Employees	222	215	216	214	229	233	238	232	231	229
Total Employees	893	878	900	933	963	1,011	1,006	990	961	970

Method: Part-time and seasonal employees are not included

Source: City of Canton Auditor's Office

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CITY OF CANTON
STARK COUNTY, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Departmental vehicles	38	22	22	22	22	23	24	21	18	16
Security of Persons and Property										
Police stations	5	5	5	5	5	5	5	5	5	4
Police department vehicles	122	123	123	124	129	110	124	124	85	87
Fire stations	8	8	8	8	8	8	8	8	8	8
Fire department vehicles	44	39	39	40	40	37	39	36	32	30
Intersections with traffic lights	236	213	213	224	226	227	228	230	232	231
Traffic department vehicles	16	17	17	17	19	20	29	23	21	21
Public Health										
Departmental vehicles	19	12	12	12	14	14	23	24	22	18
Transportation										
Area (in square miles)	25.70	25.70	25.70	25.70	25.50	25.40	25.40	25.30	23.94	23.94
Miles of streets	414.11	414.11	414.11	414.30	414.40	413.83	413.87	411.39	412.19	409.50
Bridges	24	23	23	23	23	23	23	23	23	23
Miles of storm sewers	217.48	217.48	217.48	217.40	214.56	214.33	214.09	211.92	211.70	209.40
Departmental vehicles	102	110	110	112	114	110	124	116	114	108
Leisure Time Activities										
Number of parks	61	61	61	61	61	61	61	61	60	60
Park acreage	812	812	812	812	812	800	710	710	700	700
Number of shelters	24	23	23	23	22	22	22	21	21	21
Number of baseball fields	43	43	43	43	43	43	43	42	43	43
Walking tracks	4	4	4	4	4	4	4	4	4	4
Walking bridges	17	16	16	16	14	14	14	13	13	13
Play equipment sets	39	39	39	37	37	36	36	35	35	35
Restrooms	19	19	19	19	19	19	19	19	19	19
Number of tennis courts	8	8	8	8	8	8	8	8	8	8
Swimming pools	-	-	-	-	-	-	-	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Departmental vehicles	45	45	45	46	47	44	46	47	46	43
Water										
Miles of water mains	668.32	660.03	660.03	658.80	658.69	658.68	655.89	651.36	649.58	646.27
Water treatment plants	3	3	3	3	3	3	3	3	3	3
Maximum daily capacity in gallons (in millions)	40,500	40,500	40,500	40,500	40,500	39,000	39,000	39,000	39,000	39,000
Number of fire hydrants	3,258	3,258	3,258	3,252	3,252	3,243	3,212	3,163	3,141	3,094
Departmental vehicles	81	71	71	68	62	59	60	56	60	58
Sewer										
Miles of sanitary sewers	360.00	360.00	360.00	363.00	362.83	360.10	359.70	357.51	357.26	357.08
Sewer treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily capacity in gallons (in millions)										
Wet weather	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Dry weather	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Departmental vehicles	68	63	63	63	52	59	59	47	40	30
Refuse										
Departmental vehicles	28	20	20	23	25	28	37	35	32	30

Source: Various City of Canton Departments

CITY OF CANTON
STARK COUNTY, OHIO
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2013	2012	2011	2010
General Government				
Auditor				
Purchase orders issued	6,924	6,608	6,666	7,228
Checks issued	15,946	16,156	16,542	16,431
Payroll checks issued	27,335	26,963	28,285	29,027
Civil service				
Tests administered	30	28	15	12
Courts				
Cases heard	25,745	27,027	30,649	39,557
Trials held	180	180	215	290
Probation cases	442	427	418	395
Community service				
Cases	1,971	2,021	2,080	2,681
House arrest cases	107	216	164	120
Income tax				
Refunds issued	2,718	2,934	2,935	2,870
Tax notifications mailed	31,650	40,471	34,908	32,693
Law department				
Claims	180	139	245	176
Trials conducted	119	83	84	22
Pretrials conducted	7,218	6,572	6,829	7,735
Prosecutor hearings	76	103	55	121
Criminal intakes	1,919	1,952	1,966	2,107
Security of Persons and Property				
Code enforcement				
Building permits issued	685	706	1,071	819
Building permits estimated value (in millions)	\$75,616	\$42,528	\$68,127	\$42,510
Police				
Physical arrests	2,013	2,613	3,471	4,201
Traffic violations	2,074	3,726	8,850	15,328
Parking violations	10,100	10,104	8,556	10,422
Fire				
Calls answered	14,276	13,789	13,429	20,687
Public Health				
Birth certificates issued	9,619	3,950	10,263	12,413
Death certificates issued	6,798	1,822	8,144	7,875
Nursing				
Home visits	307	350	395	408
Air pollution complaints				
Investigated	249	220	282	63
Food service inspections	2,539	878	946	971
Transportation				
Road salt expense	\$500,693	\$465,348	\$817,201	\$516,835
Leisure Time Activities				
Shelter/building permits issued	450	529	473	453
Water				
Number of service connections	44,360	44,292	44,184	44,171
Daily average consumption in gallons (in millions)	17.897	19.150	19,106	19,970
Sewer				
Number of active sewer accounts	27,763	26,815	26,804	27,000
Daily average treatment in gallons (in millions)	27.18	27.82	34,030	30,326

Source: Various City of Canton Departments

2009	2008	2007	2006	2005	2004
6,988	6,811	7,141	6,787	6,551	6,440
16,817	17,513	18,195	18,545	19,735	16,780
30,031	31,847	30,540	29,844	30,401	33,796
12	21	13	18	17	13
32,403	32,201	36,014	34,457	30,730	29,351
217	208	218	270	256	234
423	513	388	413	354	393
2,578	2,416	2,494	2,197	2,488	2,510
183	694	155	164	292	243
3,182	3,332	3,145	3,378	3,965	3,486
35,484	34,258	36,347	35,091	34,884	35,089
127	216	180	131	276	282
44	116	121	143	112	93
7,428	7,719	8,102	7,401	6,515	7,092
109	151	307	297	278	411
2,241	2,188	1,987	2,086	2,468	2,306
4,097	2,449	1,364	4,715	5,506	5,415
\$73,781	\$59,247	\$90,644	\$103,290	\$174,606	\$122,004
4,466	5,228	5,218	4,620	4,964	4,758
6,162	6,189	6,429	8,638	5,971	7,287
10,789	9,966	10,188	8,000	14,949	19,282
12,602	12,952	15,904	10,475	5,639	14,467
14,859	16,136	20,653	18,442	16,673	16,854
9,715	10,040	9,321	9,572	10,180	10,661
425	350	267	49	62	112
167	222	486	1,999	222	339
1,240	926	1,429	966	1,319	1,193
\$681,366	\$630,012	\$353,321	\$456,317	\$366,801	\$496,357
520	371	481	470	534	592
44,179	44,200	44,152	43,961	43,777	43,285
19,983	23,660	22,475	21,763	22,468	22,151
27,178	27,274	28,354	27,624	28,066	28,241
27,800	29,230	28,330	30,120	30,760	33,290

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CANTON, OHIO

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