City of Canton, Ohio

Comprehensive Annual

Financial Report

For the Year Ended December 31, 2007

Richard A Mallonn II
City Auditor

Prepared by the City Auditor's Office

City of Canton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007
Table of Contents

		Page
I.	**Introductory Section**	
	Title Page	
	Table of Contents	i
	Letter of Transmittal	v
	GFOA Certificate of Achievement	xv
	List of Principal Officials	xvi
	Organizational Chart	xvii
II.	**Financial Section**	
	Independent Accountants' Report	1
	Management's Discussion and Analysis	3
	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Assets	13
	Statement of Activities	14
	Fund Financial Statements:	
	Balance Sheet – Governmental Funds	16
	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual- General Fund	20
	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual- Major Special Revenue Fund	22
	Statement of Fund Net Assets – Proprietary Funds	23
	Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	24
	Statement of Cash Flows – Proprietary Funds	25
	Statement of Fiduciary Net Assets – Fiduciary Funds	26
	Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	27

Basic Financial Statements – (Continued):

Notes to the Basic Financial Statements 28

Combining Statements and Individual Fund Schedules:

Combining Statements and Individual Fund Schedules – Governmental Funds:

Fund Descriptions – Nonmajor Governmental Funds 64

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:

General Fund 67

Combining Balance Sheet – Nonmajor Governmental Funds 73

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 74

Combining Balance Sheet – Nonmajor Special Revenue Funds 75

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds 79

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:

Major Special Revenue Fund 83
Nonmajor Special Revenue Funds 84

Combining Balance Sheet – Nonmajor Debt Service Funds 121

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds 122

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:

Nonmajor Debt Service Fund 123

Combining Balance Sheet – Nonmajor Capital Projects 124

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds 126

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:

Major Capital Projects Funds 128
Nonmajor Capital Projects Funds 131

Combining Statements and Individual Fund Schedules – (Continued)

Combining Statements and Individual Fund Schedules – Proprietary Funds:

Fund Descriptions – Nonmajor Proprietary Funds 142

Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Basis) and Actual: Major Enterprise Funds 143

Combining Statement of Net Assets – Nonmajor Internal Service Funds 146

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Internal Service Funds 147

Combining Statement of Cash Flows – Nonmajor Internal Service Funds 148

Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Basis) and Actual: Nonmajor Internal Service Funds 149

Combining Statements – Fiduciary Funds (Agency Funds)

Fund Descriptions 152

Combining Statement of Changes in Assets and Liabilities – Fiduciary Funds 153

III. Statistical Section

Net Assets by Component – Last Seven Years S1

Changes in Net Assets – Last Seven Years S2

Fund Balances, Governmental Funds – Last Ten Years S4

Changes in Fund Balances, Governmental Funds – Last Ten Years S5

Income Tax Revenue Base and Collections – Last Ten Years S7

Income Tax Filers by Income Level – 12/31/00 and 12/31/07 S8

Ratios of Outstanding Debt by Type – Last Ten Years S9

Ratios of General Bonded Debt Outstanding – Last Ten Years S10

Direct and Overlapping Government Activities Debt S11

Legal Debt Margin Information – Last Ten Years S12

Computation of Legal Debt Margin S14

Statistical Section – (Continued):

Demographic and Economic Statistics – Last Ten Years	S15
Principal Employers – Current Year and Nine Years Ago	S16
Full-Time Equivalent City Government Employees by Function/Program – Last Eight Years	S17
Capital Assets Statistics by Function/Program – Last Seven Years	S18
Operating Indicators by Function/Program – Last Seven Years	S19

RICHARD A. MALLONN II

CANTON CITY AUDITOR

City Hall, Canton, Ohio 44702
Phone: (330) 489-3226

June 6, 2008

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, 2007 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 CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a list of City officials, the City's organizational chart and the Certificate of Achievement. The financial section includes reporting under Governmental Accounting Standard Board Statement No. 34, Independent Accountants' Report, the Management Discussion and Analysis, the Basic Financial Statements including corresponding Notes, the Combining Statements for Nonmajor Funds and other relevant supplemental financial statements and schedules for 2007. The statistical section includes selected financial and demographic information, generally presented on a multi year basis.

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 2000 population of 80,806 placed it as the largest city in the County and the ninth 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, Chief of Staff, 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 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 the Water activities was sufficient to meet all expenses. For 2007, the Refuse Department and Sewer Departments had operating deficits and required the use of previously existing cash balances to meet expenses. Refuse and Sewer rates have been adjusted to correct the problem for 2008.

Reporting Entity

The City has reviewed its reporting entity definition to ensure conformance with the Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity." 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 will present the Canton Community Improvement Corporation (CCIC) as a discretely presented component unit for the year 2007.

Neither the Canton City School District nor the Plain 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.

Economic Condition and Outlook

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 provides 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 Food Distributor, Ironrock Capital Incorporated, Republic Engineered Products, Republic Storage, Detroit Diesel, 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.

The City has experienced an increase in overall revenue for the fourth consecutive year. In addition the City continued to see an increase in income tax revenue in 2007. However, the pace of growth slowed in the third and fourth quarter of 2007, this slowing coupled with an overall weakening of the national economy causes concern for 2008. Income tax receipts for 2008 are expected to be stagnant. In addition, the effects of the federal reserves interest rate reductions in the fourth quarter of 2007 and early 2008 will result in not less than a $1 million dollar reduction in interest revenue. The immediate economic future is uncertain at best, the City's cash reserves will need to be used to soften the blow of this lost interest revenue and any potential lost income tax revenue. The City had $13,168,283 remaining of the $15,850,000 in general revenue bonds issued in 2006 for the building of a new fire station, a new sewer collection facility, a new wade park and reconstruction of existing recreational facilities. These construction projects show continued governmental construction initiatives in the coming months. To overcome the current uncertain economic climate, the City must continue to commit substantial resources to attract permanent industrial, retail, and service businesses to sustain the revenue increase generated by the various construction projects within the City.

In 2007, the Canton City School District largely 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 Districts other buildings. The final piece of the project is renovation work to McKinley Senior High School, which should be completed in the fall of 2008. 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.

Malone College, 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 (682 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 (Doctors Campus, 183 beds; Massillon Campus, 268 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 projected, 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. Aultman Hospital continues to play a pivotal role in the financial stability of the City of Canton.

The Canton Park System maintains 61 parks and covers approximately 710 acres. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium. 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.

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.

The City is the home of the National Professional Football Hall of Fame, which attracts more than 200,000 visitors annually. In 2006, the Hall of Fame, in cooperation with Canton City Schools, began a $5 million fund raising drive for the renovation of nearby Fawcett Stadium. 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 the school owned stadium. Sufficient funds were raised in 2006 to install the new scoreboard and to begin the structural repair. In 2007, structural repairs were completed on the north stands and fundraising remained ongoing. The renovation work is being done to ensure the future viability of the Hall of Fame Football Game as part of the annual induction ceremonies, as well as create opportunities for future museum expansion. Also in 2007, the Hall of Fame began work on a renovated and modernized Enshrinee mementos gallery. The new gallery, which includes space for traveling exhibits, is slated for completion in May 2008.

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 and 2006, 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 fairs. In 2003, SARTA opened its roughly $2.5 million Cornerstone Transfer Station, which included a 3,163 square foot customer service building in downtown Canton. In 2005, SARTA finished renovating its primary administrative and maintenance facility in Canton. The project was funded by grants from the Federal Transit Authority, the Ohio Department of Transportation, and the Ohio Public Transit Association. The renovations were needed to address the functionality and space issues in the old facility.

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 2,700 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport has 40 daily departures on six airlines and averages 1.4 million passengers each year. 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 early 2008, the Airport announced its new 10-year $110 million capital improvement plan called CAK 2018. The plan will include 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.

For additional information on the City's economic status and financial outlook, refer to the Management Discussion and Analysis starting on page 3.

MAJOR INITIATIVES

In 2007, the City annexed approximately 932 acres and 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.

The City has partnered with Historic Onesto LLC to convert a downtown city landmark into loft style apartments. This $6 million joint housing project will provide a unique new housing opportunity in Canton's growing downtown. The City was able to secure a $900,000 Clean Ohio Grant from the State of Ohio to provide funding for asbestos removal while Historic Onesto LLC will spend $5.1 million on reconstruction and renovation. In 2007, the asbestos remediation was completed and the entire $900,000 grant was spent.

The City has granted a $750,000 loan to Greystone Limited Partnership (Greystone) to assist in Greystone's plan to renovate a once thriving office building and parking facility. Greystone has committed $7 million to establish 508 parking spaces, as well as refurbishing 300,000 square feet of office and retail space in downtown Canton. The facility opened for parking in 2007 and some office space was completed and occupied. The full scope and occupation of the facility has yet to come to fruition.

The City, in a joint venture with the federal government, has acquired land for the purpose of constructing a new Federal Campus in downtown Canton. This campus will eventually house various federal employees including employees from the FBI, Bankruptcy Court and IRS just to name a few. This joint venture will represent an investment in downtown Canton in excess of $20 million before completion.

The City received a $372,000 Clean Ohio Assessment (COAF) in 2004 to make an evaluation of the nature of environmental contamination at the former Bison Property. The goal is for it to again be used as an industrial site. Two companies, Abbott Electric and a sign company, are already located on the site. In 2007, the City was awarded a $3 million Clean Ohio Revitalization (CORF) Grant for site clean up.

In 2005, a $298,480 COAF grant was received for the study of the brownfield site at the former Stein Property to determine a suitable cleanup methodology. In 2006, a $698,709 CORF grant was received for site remediation to develop the site as an industrial park. Hydrodec is now operating on a portion of the land and another major national entity is waiting for final cleanup work to sign a lease and develop a tract.

In 2006, a $284,733 COAF grant was awarded for the assessment of the former Hercules Engine Property to determine the scope of its environmental impact and to develop a methodology for site cleanup. In late 2007, the City was awarded a $3 million CORF grant for remediation work on the site. The long-term goal for the Hercules Property is for it to become a multi use facility with a convention center, market rate housing, business space and retail space.

In 2006, a COAF grant of $150,320 was received for the assessment of the Canton Drop Forge Property. The goal is to make this property viable as an addition to the Hercules project previously mentioned.

The City is collaborating with the Urban Housing Foundation of Stark County (Foundation) to build market-rate housing along 10th and 11th Streets NW, in the Summit Neighborhood and thereby aid in the renewal of that area. The project calls for the Foundation to build 14 market-rate houses. The City has contributed $1,066,000 to this project, to assist with the acquisition, demolition and re-grading of the property. Acquisition and demolition work was completed in 2006 and 8 of the potential 14 houses were built and sold during 2007.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2007, the City completed a $825,253 street improvement project on Midway Ave NE. The engineer's office also took possession of $136,157 worth of antique streetlights located throughout the City. The lights were initially installed and maintained by American Electric Power. Engineering projects in various stages of planning, development, and construction include: Guilford Ave. NW Bridge Replacement, 25th St NE Storm Sewer Improvement, Tuscarawas St. Improvement, Fulton

Road/Monument Park Intersection, Steese Area Drainage Project, 38th St. NW Improvement, 30th St. NE Storm Sewer Project, 49th & Gardendale Ave NE. Storm Sewer Project, the West Side Park Trail & Bridges, and a Downtown Canton Bike Trail.

During 2007, the City's Sewer Department completed work on a sludge pump restoration and a biofilter remediation at the water treatment center. The department also began work on a tertiary filter project and began construction of a new sewer collection office building and garage. The City's Water Department completed various waterline extensions and improvements throughout the year adding an additional $1,214,648 of value to the overall system. The Water Department also continued construction work on its Osnaburg Waterline Extension and its infrastructure improvement project at its Sugarcreek Plant.

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. 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. Purchase orders, which result in an overrun of budget, are not released 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 purchase request 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 not greater than 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 County Auditor as deemed appropriate throughout the year. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's Certificate.

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 the 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.

Debt Administration

The gross indebtedness of the City at the end of 2006 was $59,390,889. At the end of 2007, the gross indebtedness of the City was $54,821,268. In 2007, the City did not issue notes, receive OPWC Loan proceeds, or issue any general obligation bonds. The City did receive two OWDA Loan's, one for a waterline extension and one to improve the City's overall water infrastructure and security. The proceeds from the two loans totaled $2,468,769. The City also entered into a capital lease agreement for a new city-wide phone system with a present value of $704,350.

As of December 31, 2007, the City had $680,097 and $16,831,301 in outstanding OPWC and OWDA loans, respectively. The City also had $10,294,366 outstanding in the enterprise funds and $23,865,120 for bonds payable in the governmental funds. The City had a legal claim and judgment outstanding of $149,500. The City had $2,586,904 in long-term HUD, SIB and Urban Redevelopment Loans outstanding as of December 31, 2007.

The City has maintained it's A-2 rating formerly known as A+ by Moody's Investor Services, Inc and an A+ rating by Standard & Poor's and Fitch Rating Services on general obligation bond issue. 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 $91,338,581 and an unvoted debt margin of $38,576,447 as of December 31, 2007.

Risk Management

The City participates in the Workers' Compensation Retrospective Rating Plan. In the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums.

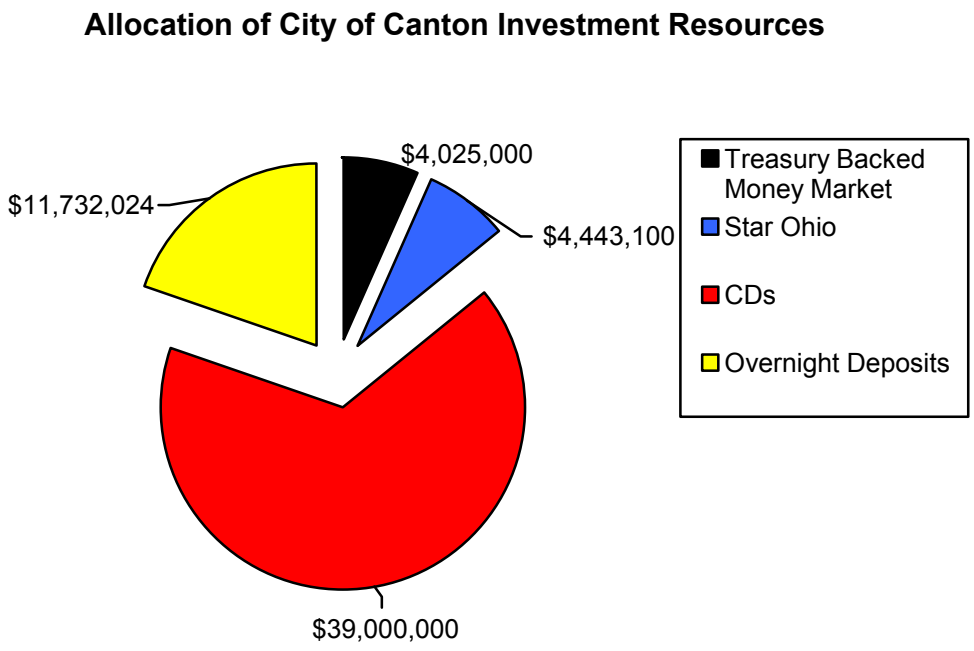
The City contracts with Affiliated FM Insurance Company through Leonard Insurance Company for commercial property coverage, which has a $396,000,000 limit and a $100,000 deductible. The City also contracts with Cincinnati Insurance Company through Leonard Insurance Agency Inc. for boiler and machinery coverage, which has a $1,000,000 limit and a $2,500 deductible. The City contracts with Ohio

Municipal League for automobile combined coverage, which has a $5,000,000 limit and a $125,000 deductible. The City also contracts with the Ohio Municipal League for general liability. This coverage has a $5,000,000 limit and a $125,000 deductible for bodily injury and property damage, fire damage, employee benefit liability, and personal and advertising.

The City has elected to provide employees' major medical, hospitalization, prescription, and dental/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 employee. Third party administrators, Aultcare and Benefit Services Inc., review all claims prior to payment by the City. Advantages of the self-insurance arrangement include holding the reserves and earning interest on them and saving on administrative costs. Control of the plans rests with the City.

Cash Management

At December 31, 2007, the City had $59.2 million in cash and investments. The allocation of these investment resources is included in the chart below:



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, 2006. 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.

Independent Audit

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2007, have been audited by the Auditor of State Mary Taylor'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.

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, James Carman, 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

CITY OF CANTON

CITY OFFICIALS

Mayor

Janet Weir Creighton

Council Members

Allen Schulman, President

Joseph Carbenia
Donald Casar
Mary Cirelli
David Dougherty
James E. Griffin
Richard D. Hart
Gregory Hawk
Karl Kraus
Terry Prater
Bill Smuckler
Thomas West
Kelly Zachary

City Auditor
Richard A. Mallonn II

City Treasurer
Robert C. Schirack

Law Director
Joseph Martuccio

Director of Income Tax
Cynthia Allensworth

Chief of Staff
Chip Conde

Director of Public Safety
Bernard Hunt

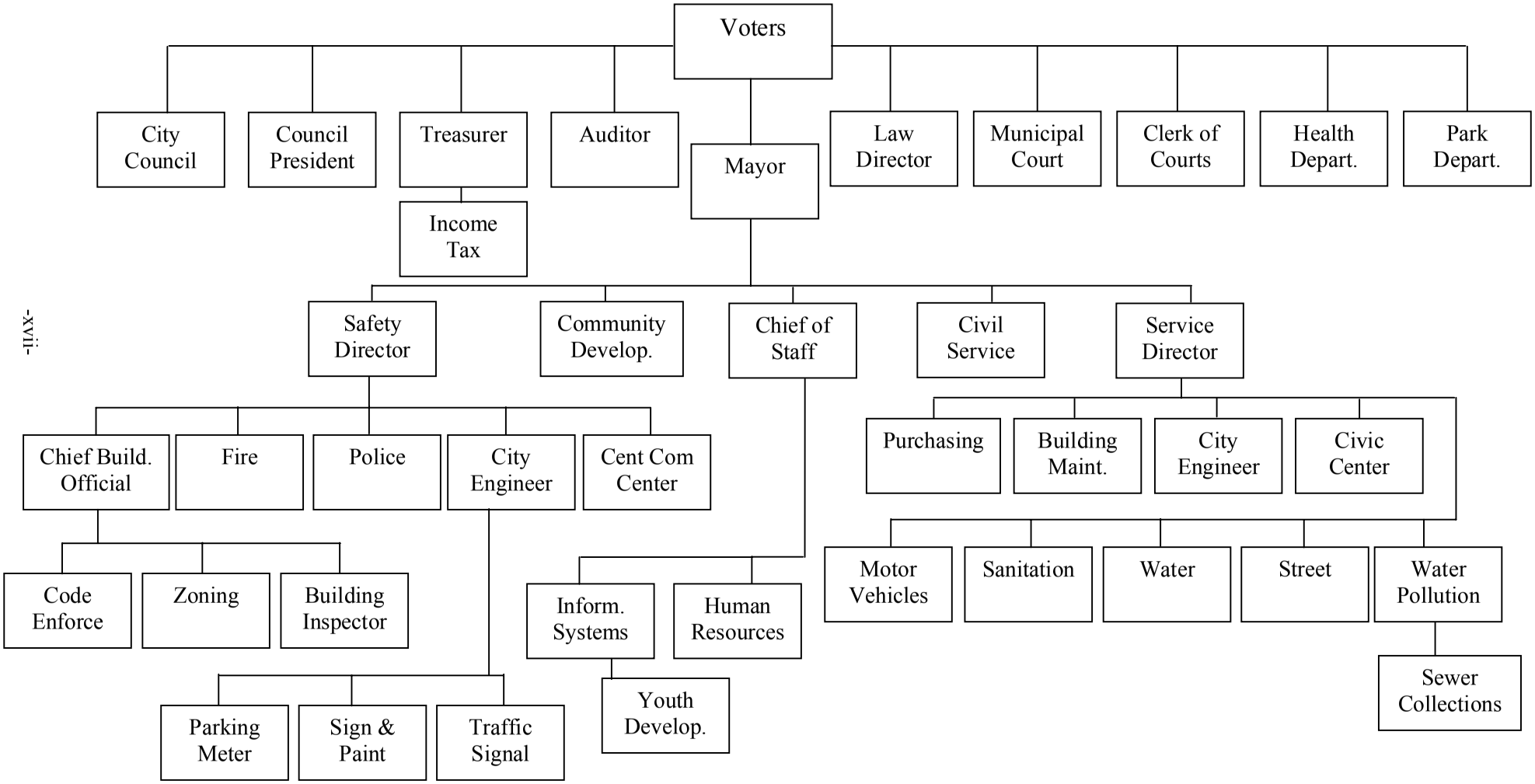
Director of Public Service
Joseph Concatto

Fire Chief
James Scott

Police Chief
Dean McKimm

City Engineer
Dan Moeglin

City of Canton
Organizational Chart



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, 2006

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

President

Executive Director

This Page Left Blank Intentionally

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Canton
Stark County
218 Cleveland Avenue
Canton, Ohio 44702

To the Honorable Mayor and City Council:

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 the City of Canton, Stark County, Ohio (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Canton Community Improvement Corporation, which represent 2 percent, 2 percent, and 3 percent, respectively, of the assets, net assets, and revenues for the aggregate discretely presented component unit and remaining fund information. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the Canton Community Improvement Corporation on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, 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 the City of Canton, Stark County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund and the Community and Economic Development Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules, and the statistical section provide additional information and are not a required part of the basic financial statements. We subjected the combining statements and individual fund schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 6, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Canton's financial performance provides an overview of the City's financial activities as of December 31, 2007. Please read it in conjunction with the City's basic financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- The City's net assets increased $12.0 million as a result of this year's operations. Net assets of our business-type activities increased by $1.7 million, or 2.0 percent, and net assets of governmental activities increased by $10.3 million, or 8.6 percent.

- The City maintained Bond Ratings of A-2 per Moody's and it's A+ status from Standards and Poor's, and Fitch in 2007.

- In 2007, the City was able to reduce its unfunded compensated absence debt from $4,791,346 at the end of 2006 to $4,710,430 at the end of 2007.

USING THIS ANNUAL FINANCIAL REPORT

This annual financial report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 13 and 14-15) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 16. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins on page 13. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets, the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the City's financial health, or *financial position.* Over

time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors; however, such as changes in the City's property tax base, income tax base, and the condition of the City's capital assets (land, roads, building, water and sewer lines, etc...) to assess the *overall health* of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two types 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.

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 16. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. 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. Southeast Community 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 City's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds*:* Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These 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. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation alongside the fund financial statements.

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 Assets 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 CITY AS A WHOLE

The City's *combined* net assets changed from a year ago, *increasing* from $200.3 million to $212.3 million. The City experienced increases in both its governmental and business-type activities separately. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006 (Restated)	2007	2006	2007	2006 (Restated)
Assets						
Current and Other Assets	$ 72.9	$ 69.3	$ 25.7	$ 26.3	$ 98.6	$ 95.6
Capital Assets, Net	104.7	100.8	86.8	85.2	191.5	186.0
Total Assets	$ 177.6	$ 170.1	$ 112.5	$ 111.5	$ 290.1	$ 281.6
Liabilities						
Current and Other						
Liabilities	$ 11.7	$ 11.1	$ 2.5	$ 1.7	$ 14.2	$ 12.8
Due Within One Year	4.6	4.7	3.4	4.0	8.0	8.7
Long-Term Liabilities:						
Due Within More Than One Year	31.7	35.0	23.9	24.8	55.6	59.8
Total Liabilities	48.0	50.8	29.8	30.5	77.8	81.3
Net Assets						
Invested in Capital						
Assets Net of Debt	92.7	75.0	61.6	56.3	154.3	131.3
Restricted:						
Special Revenue	15.8	15.0	-	-	15.8	15.0
Debt Services	0.2	-	-	-	0.2	-
Capital Projects	18.6	6.0	-	-	18.6	6.0
Unrestricted	2.3	23.3	21.1	24.7	23.4	48.0
Total Net Assets	$ 129.6	$ 119.3	$ 82.7	$ 81.0	$ 212.3	$ 200.3

Net assets in the City's governmental activities increased by 8.6 percent ($119.3 million compared to $129.6 million). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—decreased from $23.3 million at December 31, 2006 to $2.3 million at the end of 2007. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance increased from $21.0 million at the end of 2006 to $34.6 million at the end of 2007. The investments in capital assets, net of debt category increased by $17.7 million.

Net assets in the City's business-type activities increased by 2.1 percent ($81.0 million compared to $82.7 million) in 2007. The City generally can only use these net assets to finance the continuing operations of the water, sewer, and refuse operations.

Table 2 shows the changes in net assets for the year ended December 31, 2007. The City's Governmental Activities revenue increased in 2007 from $86.0 million to $97.4 million and expenses increased by $9.0 million or 11.5% resulting in an increase in governmental net assets of $10.3 million. The City's Business-Type Activities revenue increased by $1.0 million and expenses increased by $0.1 million resulting in a net asset increase of $1.7 million.

Table 2
Change in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006 (Restated)	2007	2006	2007	2006 (Restated)
Revenues						
Program Revenues:						
Charges for Services	$ 15.3	$ 12.4	$ 26.4	$ 26.1	$ 41.7	$ 38.5
Operating Grants and Contributions	8.0	8.8	-	0.1	8.0	8.9
Capital Grants and Contributions	5.1	0.8	1.3	0.9	6.4	1.7
Total Program Revenues	28.4	22.0	27.7	27.1	56.1	49.1
General Revenues:						
City Income Taxes	47.1	43.2	-	-	47.1	43.2
Property Taxes	4.1	3.6	-	-	4.1	3.6
Intergovernmental	10.6	10.0	-	-	10.6	10.0
Grants and Contributions	0.1	0.4	-	0.1	0.1	0.5
Interest and Investment Earnings	3.2	2.0	0.2	-	3.4	2.0
Other	3.9	4.6	0.4	0.1	4.3	4.7
Gain on Sale of Assets	-	0.2	-	-	-	0.2
Total General Revenues	69.0	64.0	0.6	0.2	69.6	64.2
Total Revenues	$ 97.4	$ 86.0	$ 28.3	$ 27.3	$ 125.7	$ 113.3

Table 2
Change in Net Assets (continued)
(In Millions)

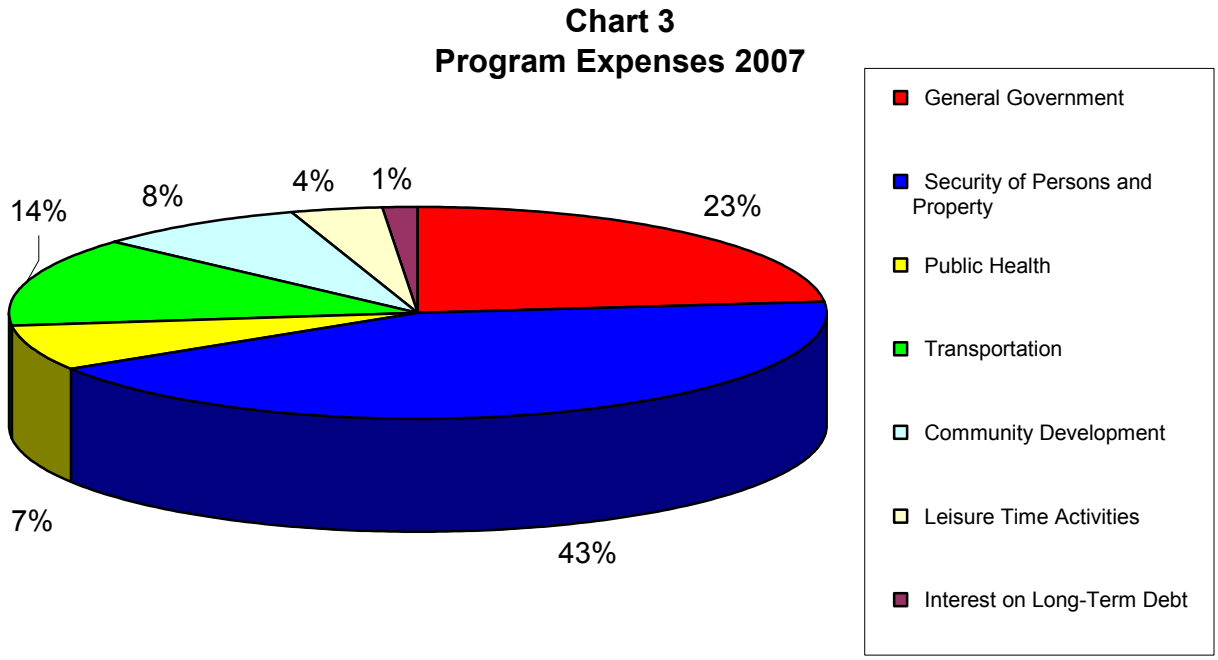
	Governmental Activities		Business-Type Activities		Total	
	2007	2006 (Restated)	2007	2006	2007	2006 (Restated)
Expenses						
Program Expenses:						
General Government	$ 20.4	$ 19.0	$ -	$ -	$ 20.4	$ 19.0
Security of Persons and Property	37.7	33.6	-	-	37.7	33.6
Public Health	6.1	5.4	-	-	6.1	5.4
Transportation	11.9	9.7	-	-	11.9	9.7
Community Development	6.6	6.6	-	-	6.6	6.6
Leisure Time Activities	3.1	2.9	-	-	3.1	2.9
Interest on Long-Term Debt	1.3	0.9	-	-	1.3	0.9
Water	-	-	10.4	11.2	10.4	11.2
Sewer	-	-	11.6	10.5	11.6	10.5
Refuse	-	-	4.6	4.8	4.6	4.8
Total Program Expenses	87.1	78.1	26.6	26.5	113.7	104.6
Increase (Decrease) in Net Assets	10.3	7.9	1.7	0.8	12.0	8.7
Net Assets 1/1/2007-Restated	119.3	111.4	81.0	80.2	200.3	191.6
Net Assets 12/31/2007	$ 129.6	$ 119.3	$ 82.7	$ 81.0	$ 212.3	$ 200.3

Governmental Activities

The 2.0 percent income tax is the largest revenue source for the City. Designated by ordinance, the Capital Acquisition and Improvement Fund receives 20 percent of net income tax received. In addition, the Motor Vehicle 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 15.7 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another 13.4 percent. The remaining revenues are primarily generated locally through property (4.2 percent) and income taxes (48.4 percent).

Chart 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 Development, and Interest on Long Term Debt. 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.



Business-Type Activities

The City's major Enterprise Funds consist of the Water Operating Fund, the Sewer Operating Fund and the Refuse Operating Fund. For a description of these funds, see the accompanying Notes to the Basic Financial Statements.

The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Graph 5, which demonstrates capital asset balances. Graph 5 is located on page 11.

The City's Funds

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of $93.8 million and expenditures of $95.0 million including other financing sources and uses. The General Fund balance increased $76,069. Within the General Fund, revenue exceeded expenditures by $138,841. The cost saving steps taken in previous years has allowed the General Fund to continue to have a budget surplus. However, previously negotiated future wage increases coupled with an environment of estimated declining revenue will result in a significantly lower budget surplus in 2008. Included in the General Fund Expenditures is the annual premium based contributions into the City's Compensated Absence Claim Fund of $2,223,957. In 2004, as part of cost cutting measures, the City established the Compensated

Absences Claim Fund. The new 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 new fund is obvious. The City has been successful in reducing its potential unfunded compensated absence obligation from $11,500,997 at the end of 2003 to $4,710,430 at the end of 2007, including a reduction of $2,250,359 since the end of 2005.

The Community and Economic Development Fund balance increased by $349,343, a much smaller increase than in 2006 due to a large decrease in grant income. The Capital Projects Fund balance saw a decrease of $1,260,468 caused largely by an increase in debt payments. The Motor Vehicle Purchase Fund balance decreased by $54,636 due mostly to a decrease in revenue. There were two transfers in the governmental funds last year. Both transfers were from the General Fund to Nonmajor Special Revenue Funds. A $40,000 transfer was done as a grant match and a transfer of $22,776 was done as a grant subsidy. The Water fund net assets increased by $2,581,932. The increase was due to additional customer revenue, additional capital grants, and reduced expenses. The Sewer fund net assets decreased by $755,358 and the Refuse fund net assets decreased by $120,613. Both funds had stagnant customer receipts and the Sewer fund had an additional $1,085,637 in expenses. For the Refuse fund, 2007 marked the third consecutive year of decreasing net assets.

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.

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.

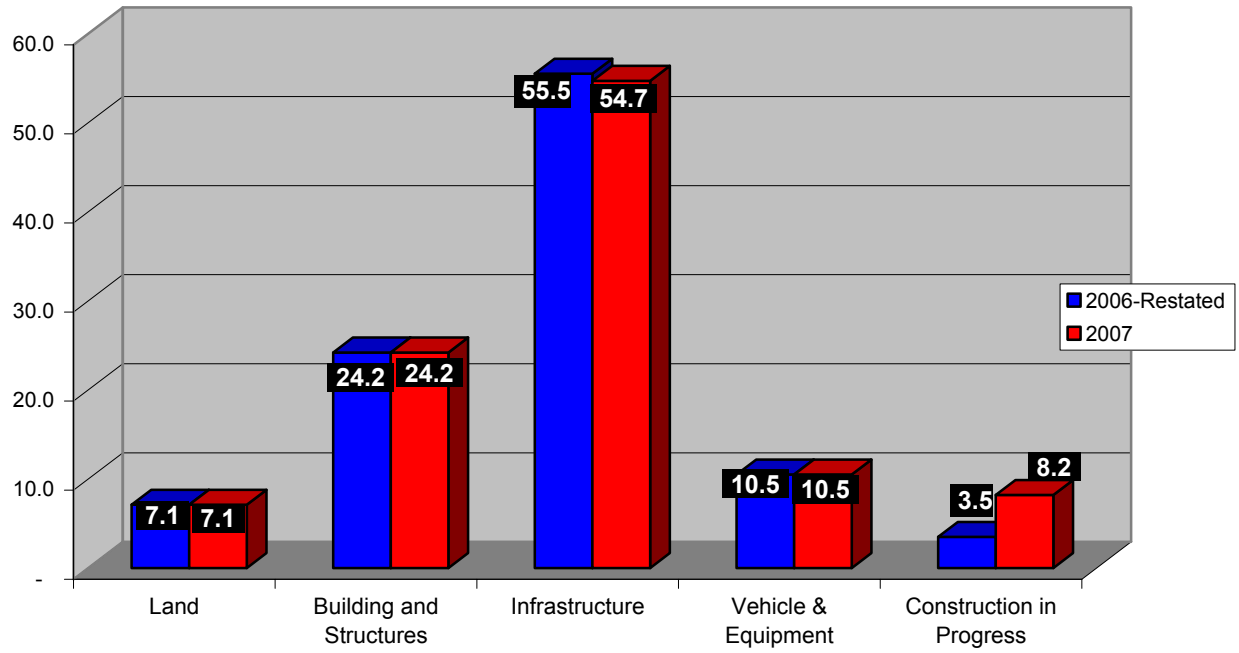
The City's General Fund variance from original estimated revenues increased by $552,016 increasing the overall General Fund estimated revenues to $59,284,855 as indicated on page 20. This change represents 0.9% of total revenue. The General Fund variance from original appropriations to final appropriations was $1,473,049, this increased the overall General Fund appropriations to $61,109,471. This increase in appropriations was done proportionally across the various departments. However, the actual expenditures were below the final budget by $1,776,944. In addition, the actual expenditures were below the original budget by $303,895. These variances are due to City Council and the City Department Heads constant monitoring of expenditures throughout the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

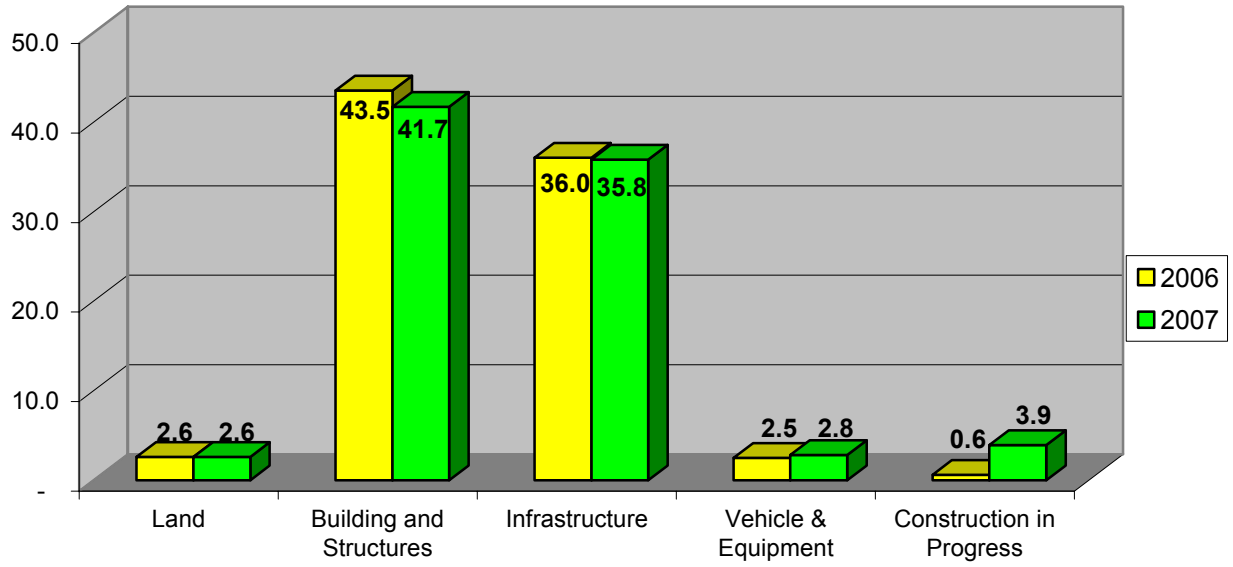
At the end of 2007, the City had $191.5 million invested in a variety of capital assets, including police and fire equipment, land, buildings, park facilities, roads, bridges, and water and sewer lines (see following graphs). This amount represents a net increase over last year.

This year's major additions in the Governmental Activities included a new city wide phone system, a new ambulance and fire truck, 15 police cruisers, improvements to the Civic Center, and the initial stages of a substantial roadway improvement project for Tuscarawas Ave.

Graph 4
Governmental Capital Assets-Net of Depreciation
(Dollar Value in Millions)



Graph 5
Business-Type Capital Assets - Net of Depreciation
(Dollar Value in Millions)



Additions to Business-Type Activities included additional water line construction and the completion of a restoration project for the sludge pumps at the City's Waste Water Treatment Plant.

The City's 2008 capital budget anticipates a spending level of $8.1 million for capital projects. The City will also continue to use the $15,850,000 generated from the sale of general obligation bonds during 2006 to construct a new fire station, a new sewer collection facility, a new wade park and reconstruct some existing recreational facilities. More detailed information about the City's capital assets is presented in Note 7 to the basic financial statements.

Debt

At December 31, 2007, the City had $23.9 million in Governmental Activities General Obligation Bonds.

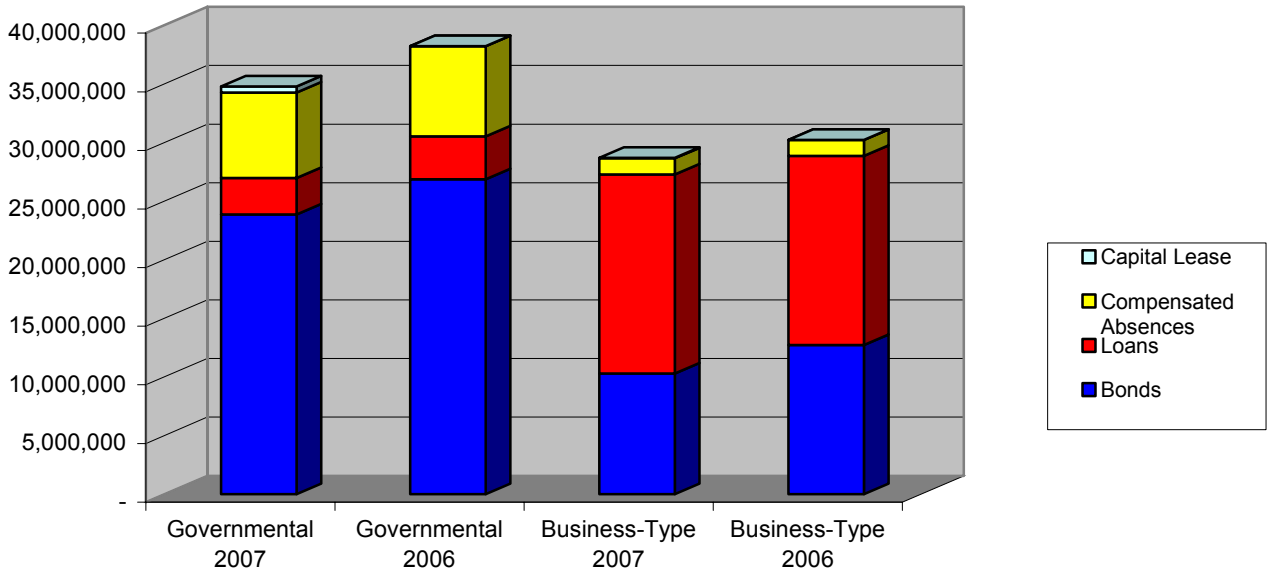
Table 6
General Obligation Bond Debt Outstanding at Year End

	Governmental Activities	
	2007	2006
Unvoted General Obligation Bonds:		
1993 Various Refunding Bonds	$ -	$ 615,000
1998 Pension Refunding Bonds	4,400,000	4,705,000
1999 Various Purpose Refunding	4,825,000	5,155,000
2001 Radio Communication	2,475,000	3,040,000
2006 Various Purpose	12,165,120	13,350,000
Total Unvoted General Obligation Bonds:	$ 23,865,120	$ 26,865,000

The City's overall legal debt margin was $91,338,581 as of December 31, 2007. The City's unvoted legal debt margin was $38,576,447 as of December 31, 2007.

At December 31, 2007, the City had outstanding long-term debt obligations in the amount of $34.9 million down from $38.4 million in 2006 for the governmental activities this represents a 9.1 percent decrease. The City's business-type activities debt obligation as of December 31, 2007 was $28.7 million down from $30.2 million in 2006 this represents a decrease of 5.0 percent. The breakout on debt is presented in the graph below.

Graph 7
Total Debt Outstanding by Type



The City's general obligation bond rating is A-2 from Moody's and A+ from Standard and Poor's and Fitch Rating Services. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 9 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, Ohio

Statement of Net Assets

December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets				
Current Assets				
Cash and Cash Equivalents	$ 40,734,212	$ 16,631,859	$ 57,366,071	$ 77,125
Cash and Cash Equivalents with Fiscal Agents	3,019	-	3,019	-
Accounts Receivable	5,021,875	6,654,440	11,676,315	7,164
Taxes Receivable	13,041,069	-	13,041,069	-
Loans Receivable	1,786,145	-	1,786,145	-
Due From Other Governments	12,067,354	520,172	12,587,526	-
Inventories	234,393	1,958,400	2,192,793	-
Internal Balances	28,427	(28,427)	-	-
Total Current Assets	72,916,494	25,736,444	98,652,938	84,289
Noncurrent Assets				
Capital Assets:				
Land and Construction in Progress	15,290,520	6,513,262	21,803,782	21,000
Other Capital Assets, Net of Depreciation	89,446,586	80,325,414	169,772,000	711,381
Total Noncurrent Assets	104,737,106	86,838,676	191,575,782	732,381
Total Assets	$ 177,653,600	$ 112,575,120	$ 290,228,720	$ 816,670
Liabilities				
Current Liabilities				
Accounts Payable	$ 2,516,719	$ 1,662,757	$ 4,179,476	$ 1,296
Accrued Wages and Benefits	2,407,337	570,755	2,978,092	2,930
Due to Other Governments	841,885	132,416	974,301	-
Retainage Payable	485,621	124,844	610,465	-
Claims Payable	2,936,068	-	2,936,068	-
Unearned Revenue	2,554,259	-	2,554,259	-
Undistributed monies	-	-	-	151,384
Loan Payable	-	-	-	200,000
Long Term Liabilities				
Due Within One Year	4,477,692	3,398,807	7,876,499	-
Capital Lease Due Within One Year	128,758	12,112	140,870	-
Legal Claims Payable				
Due Within One Year	27,600	-	27,600	-
Total Current Liabilities	16,375,939	5,901,691	22,277,630	355,610
Noncurrent Liabilities				
Long Term Liabilities				
Due Within More Than One Year	31,166,264	23,881,103	55,047,367	-
Capital Lease Due Within More Than One Year	386,272	36,338	422,610	-
Legal Claims Payable				
Due Within More Than One Year	121,900	-	121,900	-
Total Noncurrent Liabilities	31,674,436	23,917,441	55,591,877	-
Total Liabilities	48,050,375	29,819,132	77,869,507	355,610
Net Assets				
Invested in Capital Assets , Net of Related Debt	92,684,219	61,635,362	154,319,581	732,381
Restricted for:				
Special Revenue	15,840,896	-	15,840,896	-
Debt Service	165,516	-	165,516	-
Capital Projects	18,624,339	-	18,624,339	-
Unrestricted	2,288,255	21,120,626	23,408,881	(271,321)
Total Net Assets	129,603,225	82,755,988	212,359,213	461,060
Total Liabilities and Net Assets	$ 177,653,600	$ 112,575,120	$ 290,228,720	$ 816,670

See accompanying notes to the basic financial statements

City of Canton, Ohio

Statement of Activities

For the year ended December 31, 2007

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	$ 20,396,772	$ 7,006,281	$ 130,532	$ -
Security of Persons and Property	37,696,448	5,499,687	128,612	57,554
Public Health	6,120,207	1,010,826	3,004,518	-
Transportation	11,966,552	1,048,050	-	3,934,964
Community Development	6,616,297	2,500	4,712,016	1,068,551
Leisure Time Activities	3,121,537	789,605	1,215	-
Interest on Long-Term Debt	1,259,708	-	-	-
Total Governmental Activities	87,177,521	15,356,949	7,976,893	5,061,069
Business-Type Activities				
Water	10,425,325	12,210,478	-	535,109
Sewer	11,613,725	9,877,966	-	773,287
Refuse	4,561,685	4,316,457	56,133	-
Total Business-Type Activities	26,600,735	26,404,901	56,133	1,308,396
Total Primary Government	$ 113,778,256	$ 41,761,850	$ 8,033,026	$ 6,369,465
Component Unit:				
CCIC	$ 804,728	$ 13,740	$ 744,573	$ -

General revenues:
- Taxes:
  - City Income Taxes
  - Property Taxes
- Intergovernmental-Unrestricted
- Grants and Contributions-Unrestricted
- Interest and Investment Earnings
- Other
- Gains on Sale of Assets
  - Total General Revenues
    - Change in Net Assets

Net Assets -- Beginning - (Restated, see Note 15 & 22)

Net Assets -- Ending

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	CCIC
$ (13,259,959)	$ -	$ (13,259,959)	$ -
(32,010,595)	-	(32,010,595)	-
(2,104,863)	-	(2,104,863)	-
(6,983,538)	-	(6,983,538)	-
(833,230)	-	(833,230)	-
(2,330,717)	-	(2,330,717)	-
(1,259,708)	-	(1,259,708)	-
(58,782,610)	-	(58,782,610)	-
-	2,320,262	2,320,262	-
-	(962,472)	(962,472)	-
-	(189,095)	(189,095)	-
-	1,168,695	1,168,695	-
(58,782,610)	1,168,695	(57,613,915)	-
-	-	-	(46,415)
47,092,829	-	47,092,829	-
4,097,125	-	4,097,125	-
10,576,712	-	10,576,712	-
145,890	-	145,890	-
3,187,667	144,713	3,332,380	-
3,940,062	373,715	4,313,777	31,205
-	18,838	18,838	113,123
69,040,285	537,266	69,577,551	144,328
10,257,675	1,705,961	11,963,636	97,913
119,345,550	81,050,027	200,395,577	363,147
$ 129,603,225	$ 82,755,988	$ 212,359,213	$ 461,060

City of Canton, Ohio

Balance Sheet
Governmental Funds
December 31, 2007

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 5,564,672	$ 2,984,365	$ 2,294,067	$ 1,181,920
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-
Taxes Receivable	10,663,327	-	1,889,726	472,432
Accounts Receivable	3,117,800	1,094,925	-	548
Loans Receivable (net of uncollectibles)	-	1,786,145	-	-
Due From Other Funds	1,000	-	-	-
Due From Other Governments	3,933,302	4,412,346	-	-
Inventories	183,723	-	-	-
Total Assets	$ 23,463,824	$ 10,277,781	$ 4,183,793	$ 1,654,900
Liabilities				
Current				
Accounts Payable	$ 913,027	$ 256,754	$ 294,103	$ 268,415
Accrued Wages and Benefits	2,090,106	35,078	90,981	-
Due to Other Funds	122,046	876,491	1,253	-
Due to Other Governments	496,640	23,118	10,668	-
Retainage Payable	-	-	383,239	-
Deferred Revenue	10,645,178	5,116,794	1,152,475	288,119
Total Liabilities	14,266,997	6,308,235	1,932,719	556,534
Fund Balances				
Reserved for:				
Inventories	183,723	-	-	-
Encumbrances	653,393	3,227,217	1,464,664	263,718
Loans Receivable	-	1,786,145	-	-
Other Purpose	1,000	-	-	-
Unreserved:				
Undesignated, Reported in :				
General Fund	8,358,711	-	-	-
Special Revenue Funds (Deficit)	-	(1,043,816)	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	786,410	834,648
Total Fund Balances	9,196,827	3,969,546	2,251,074	1,098,366
Total Liabilities and Fund Balances	$ 23,463,824	$ 10,277,781	$ 4,183,793	$ 1,654,900

See accompanying notes to the basic financial statements

City of Canton, Ohio

Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
December 31, 2007

Other Governmental Funds	Total Governmental Funds			
		Total Governmental Fund Balances		$ 35,883,867
		Amounts reported for governmental activities in the statement of net assets are different because:		
$ 18,277,068	$ 30,302,092	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
3,019	3,019			
15,584	13,041,069	Land and Improvements	$ 7,131,285	
84,262	4,297,535	Buildings and Structures (net of depreciation)	24,203,878	
-	1,786,145	Vehicles & Equipment (net of depreciation)	10,502,447	
-	1,000	Infrastructure (net of depreciation)	54,740,261	
3,721,706	12,067,354	Construction in Progress	8,159,235	
50,670	234,393	Total		104,737,106
$ 22,152,309	$ 61,732,607			
		The internal service fund is used by management to charge the costs of insurance to individual funds. All of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		
$ 561,638	$ 2,293,937			
185,398	2,401,563			
3,320	1,003,110			324,711
276,659	807,085			
102,382	485,621			
1,654,858	18,857,424	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds		
2,784,255	25,848,740			
		Grants	5,101,518	
		Property Taxes	512,786	
50,670	234,393	Intergovernmental	2,913,163	
6,268,226	11,877,218	Charges for Services	2,196,319	
-	1,786,145	Income Tax	4,205,285	
-	1,000	Special Assessments	1,354,377	
		Other	19,717	
		Total		16,303,165
-	8,358,711			
5,785,865	4,742,049			
6,239	6,239	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
7,257,054	8,878,112			
19,368,054	35,883,867			
$ 22,152,309	$ 61,732,607	General Obligation Bonds	(23,865,120)	
		Loans	(3,115,974)	
		Long-term Legal Claims	(149,500)	
		Capital Lease	(515,030)	
		Total		(27,645,624)
		Net Assets of Governmental Activities		$ 129,603,225

City of Canton, Ohio

Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2007

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Revenues				
Property and Other Taxes	$ 4,010,683	$ -	$ -	$ -
Municipal Income Tax	34,238,286	-	8,254,260	2,063,566
Charges for Services	9,687,442	98,578	-	-
Licenses, Permits, and Fees	905,167	-	-	-
Fines and forfeitures	257,765	2,500	-	-
Intergovernmental	7,155,089	-	-	-
Interest	2,428,285	26,060	-	-
Operating Grants and Contributions	59,388	4,862,740	-	-
Capital Grants and Contributions	-	-	2,625	-
Rentals	409,846	-	-	20,573
Other	772,394	1,503,160	197,740	4,030
Total Revenues	59,924,345	6,493,038	8,454,625	2,088,169
Expenditures				
Current				
General Government	18,269,063	-	-	-
Security of Persons and Property	34,094,717	-	-	-
Public Health	2,741,900	-	-	-
Transportation	1,638,150	-	-	-
Community Environment	-	5,769,780	-	-
Leisure Time Activities	2,521,949	-	-	-
Capital Outlay	-	-	7,138,589	1,516,924
Debt Service				
Principal	305,000	335,000	2,329,121	565,000
Interest and Fiscal Charges	214,725	38,919	891,171	114,893
Total Expenditures	59,785,504	6,143,699	10,358,881	2,196,817
Excess Revenues Over (Under) Expenditures	138,841	349,339	(1,904,256)	(108,648)
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	4	4	-	54,012
Inception of Capital Lease	-	-	643,788	-
Transfers In	-	-	-	-
Transfers Out	(62,776)	-	-	-
Total Other Financing Sources and Uses	(62,772)	4	643,788	54,012
Net Change in Fund Balance	76,069	349,343	(1,260,468)	(54,636)
Fund Balance at Beginning of Year	9,112,479	3,620,203	3,511,542	1,153,002
Increase (Decrease) in Reserve for Inventory	8,279	-	-	
Fund Balance at End of Year	$ 9,196,827	$ 3,969,546	$ 2,251,074	$ 1,098,366

See accompanying notes to the basic financial statements

City of Canton, Ohio

Reconciliation of The Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2007

Other Governmental Funds	Total Governmental Funds			
		Net change in fund balances-Total Government Funds		$ (1,245,544)
		Amounts reported for governmental activities in the statement of activities are different because		
$ -	$ 4,010,683			
-	44,556,112	Governmental funds report capital outlays as expenditures.		
1,092,521	10,878,541	However, in the statement of activities, the cost of those		
256,263	1,161,430	assets is allocated over their estimated useful lives as		
1,322,343	1,582,608	depreciation expense. This is the amount by which capital outlay		
4,220,059	11,375,148	exceed depreciation in the current period.		
733,322	3,187,667	Capital Outlay	$ 10,976,061	
3,169,323	8,091,451	Depreciation Expense	(6,944,015)	
5,062,523	5,065,148			4,032,046
22,031	452,450			
215,402	2,692,726	The net effect of various miscellaneous transactions involving		
16,093,787	93,053,964	capital assets (i.e., sales and donations) is to decrease net assets.		
		Loss on disposal of capital asset		(142,415)
1,746,706	20,015,769	Repayment of long-term debt is reported as an expenditure in		
2,324,344	36,419,061	the governmental funds, but the repayment reduces long-term		
3,310,778	6,052,678	liabilities in the statement of net assets.		
2,809,151	4,447,301	Bond Principal Payments	2,999,880	
843,267	6,613,047	Loan Principal Payments	543,573	
9,302	2,531,251	Capital Lease Payments	128,758	
5,330,777	13,986,290	Legal Claims Payments	27,600	
				3,699,811
138,090	3,672,211			
-	1,259,708	Change in Long Term Debt Due to the issuance of a new		
16,512,415	94,997,316	capital lease by the City		(643,788)
(418,628)	(1,943,352)			
		Consumable inventory is reported using the purchase		
-	54,020	method on a modified accrual basis, but is reported using the		
-	643,788	consumption method for full accrual. This amount represents		
62,776	62,776	the increase in inventory that took place during the fiscal year		39,518
-	(62,776)			
62,776	697,808			
(355,852)	(1,245,544)	Some revenues that will not be collected for several months		
		after the City's year end are not considered "available" revenues		
19,692,667	37,089,893	and are deferred in the governmental funds.		3,748,171
31,239	39,518			
$ 19,368,054	$ 35,883,867			
		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 is reported with governmental activities		769,876
		Change in Net Assets of Governmental Activities		$ 10,257,675

City of Canton, Ohio

Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds
For the year ended December 31, 2007

	General Fund			
	Budgeted Amounts			Variance with Final Budget Over/(Under)
	Original	Final	Actual Amounts	
Revenues				
Property and Other Taxes	$ 3,692,000	$ 3,946,000	$ 4,010,683	$ 64,683
Municipal Income Tax	33,922,932	34,207,932	34,392,261	184,329
Intergovernmental	7,115,450	7,115,450	7,038,616	(76,834)
Charges for Services	9,714,120	9,673,399	9,487,026	(186,373)
Licenses, Permits and Fees	1,134,478	897,478	909,214	11,736
Fines and Forfeitures	291,200	291,200	252,564	(38,636)
Interest	1,737,000	2,145,500	2,426,046	280,546
Operating Grant	55,300	55,300	68,920	13,620
Rentals	409,137	378,137	390,956	12,819
Other	661,222	574,459	751,733	177,274
Total Revenues	58,732,839	59,284,855	59,728,019	443,164
Expenditures				
Current				
General Government				
Service Director Support Administration	300,299	462,299	453,741	8,558
Service Director	92,911	92,911	87,867	5,044
City Scenic Train Station	-	36,000	29,728	6,272
Annexation	28,458	29,853	12,571	17,282
Purchasing Administration	539,855	539,855	517,069	22,786
Building Maintenance	1,597,844	1,535,844	1,388,935	146,909
Income Tax	1,776,847	1,776,847	1,583,751	193,096
Mayor Administration	499,484	707,977	659,496	48,481
Human Resources	161,832	161,832	150,885	10,947
Youth Development	193,046	181,046	136,994	44,052
Council	1,047,954	1,388,954	1,363,098	25,856
Judges	1,959,203	1,859,203	1,779,641	79,562
Clerk of Courts	1,493,954	1,437,454	1,401,107	36,347
Law Department	2,015,116	2,140,116	1,997,510	142,606
Auditor's Office	1,823,559	1,851,299	1,789,412	61,887
Treasurer's Office	250,714	250,714	238,140	12,574
Civil Service	279,289	297,789	284,475	13,314
Zoning Board	8,900	8,900	8,549	351
Department of Motor Vehicles	3,051,262	3,277,083	3,205,399	71,684
Management Information Systems	1,216,860	1,216,860	1,165,655	51,205
Total General Government	18,337,387	19,252,836	18,254,023	998,813
Security of Persons and Property				
Safety Director	160,855	160,855	152,004	8,851
Code Enforcement	1,090,321	1,059,321	993,358	65,963
Code Enforcement - Demolitions	1,508	1,508	-	1,508
Police	16,999,832	16,673,332	16,439,954	233,378
Fire	14,371,967	14,845,967	14,709,955	136,012
Central Communication	1,061,485	1,146,485	1,137,272	9,213
Traffic Engineer/Parking Meters	187,873	235,373	224,217	11,156
Total Security of Persons and Property	$ 33,873,841	$ 34,122,841	$ 33,656,760	$ 466,081

City of Canton, Ohio

Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds (continued)
For the year ended December 31, 2007

	General Fund			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Over/(Under)
Health				
Administration	$ 1,000,723	$ 1,104,523	$ 1,062,062	$ 42,461
Nurses	742,979	757,979	742,626	15,353
Lab	256,264	248,264	237,820	10,444
Environmental Administration	720,062	716,562	706,812	9,750
Total Health	2,720,028	2,827,328	2,749,320	78,008
Transportation				
Engineering - Daily Operations	116,691	116,691	97,017	19,674
Street Department	1,355,944	1,539,444	1,513,088	26,356
Total Transportation	1,472,635	1,656,135	1,610,105	46,030
Leisure Time Activities				
Civic Center - Administration	1,441,872	1,509,672	1,378,977	130,695
Park	1,233,677	1,183,677	1,129,991	53,686
Baseball Stadium	37,257	37,257	33,626	3,631
Total Leisure Time Activities	2,712,806	2,730,606	2,542,594	188,012
Debt Service				
Principal	305,000	305,000	305,000	-
Interest and Fiscal Charges	214,725	214,725	214,725	-
Total Debt Service	519,725	519,725	519,725	-
Total Expenditures	59,636,422	61,109,471	59,332,527	1,776,944
Excess Revenues Over (Under) Expenditures	(903,583)	(1,824,616)	395,492	2,220,108
Other Financing Sources (Uses)				
Sale of Assets	-	-	4	4
Advances In	57,000	57,000	7,224	(49,776)
Advances Out	(30,000)	(38,224)	(8,224)	30,000
Transfers Out	(180,000)	(62,776)	(62,776)	-
Total Other Financing (Uses)	(153,000)	(44,000)	(63,772)	(19,772)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,056,583)	(1,868,616)	331,720	2,200,336
Fund Balance at Beginning of Year	3,433,674	3,433,674	3,433,674	-
Unexpended Prior Year Encumbrances	380,899	380,899	380,899	-
Fund Balance at End of Year	$ 2,757,990	$ 1,945,957	$ 4,146,293	$ 2,200,336

See accompanying notes to the basic financial statements

City of Canton, Ohio

Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds *(continued)*
For the year ended December 31, 2007

	Community and Economic Development			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Over/(Under)
Revenues				
Charges for Services	$ 233,435	$ 233,435	$ 98,578	$ (134,857)
Fines and Forfeitures	-	9,000	5,000	(4,000)
Operating Grant	11,785,160	13,420,868	5,178,141	(8,242,727)
Interest	-	16,000	22,244	6,244
Other	655,000	2,061,368	2,782,007	720,639
Total Revenues	12,673,595	15,740,671	8,085,970	(7,654,701)
Expenditures				
Current				
Community Environment	10,982,096	13,411,672	6,909,138	6,502,534
Debt Service				
Principal	335,000	335,000	335,000	-
Interest and Fiscal Charges	38,919	38,919	38,919	-
Total Expenditures	11,356,015	13,785,591	7,283,057	6,502,534
Excess Revenues Over (Under) Expenditures	1,317,580	1,955,080	802,913	(1,152,167)
Other Financing Sources				
Sale of Assets		-	4	4
Excess of Revenues and Other Financing Sources Over Expenditures	1,317,580	1,955,080	802,917	(1,152,163)
Fund Balance at Beginning of Year	(3,598,171)	(3,598,171)	(3,598,171)	-
Unexpended Prior Year Encumbrances	2,292,031	2,292,031	2,292,031	-
Fund Balance at End of Year	$ 11,440	$ 648,940	$ (503,223)	$ (1,152,163)

See the accompanying notes to the basic financial statements

City of Canton, Ohio

Statement of Fund Net Assets
Proprietary Funds
December 31, 2007

	Business-Type Activities				Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	Internal Service Fund
Assets					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	$ 7,893,590	$ 8,273,218	$ 465,051	$ 16,631,859	$ 10,432,120
Accounts Receivable	2,920,643	2,215,826	1,517,971	6,654,440	724,340
Due From Other Funds	-	-	-	-	1,030,537
Due From Other Governments	363,014	130,981	26,177	520,172	-
Inventories	1,451,477	506,923	-	1,958,400	-
Total Current Assets	12,628,724	11,126,948	2,009,199	25,764,871	12,186,997
Noncurrent Assets					
Capital Assets:					
Land and Construction in Progress	4,891,712	1,621,550	-	6,513,262	-
Other Capital Assets, Net of Depreciation	34,523,872	45,076,845	724,697	80,325,414	-
Total Noncurrent Assets	39,415,584	46,698,395	724,697	86,838,676	-
Total Assets	$ 52,044,308	$ 57,825,343	$ 2,733,896	$ 112,603,547	$ 12,186,997
Liabilities					
Current					
Accounts Payable	$ 687,435	$ 902,315	$ 73,007	$ 1,662,757	$ 222,782
Accrued Wages and Benefits	248,371	197,683	124,701	570,755	5,774
Due to Other Funds	16,902	6,854	4,671	28,427	-
Due to Other Governments	57,622	45,863	28,931	132,416	34,800
Retainage Payable	-	124,844	-	124,844	-
Due Within One Year	1,756,807	1,614,933	27,067	3,398,807	1,472,725
Capital Lease Due Within One Year	4,931	7,181	-	12,112	-
Claims Payable	-	-	-	-	2,936,068
Total Current	2,772,068	2,899,673	258,377	5,930,118	4,672,149
Noncurrent					
Due Within More Than One Year	12,441,776	11,193,009	246,318	23,881,103	7,190,137
Capital Lease Due Within More Than One Year	14,793	21,545	-	36,338	-
Total Noncurrent	12,456,569	11,214,554	246,318	23,917,441	7,190,137
Total Liabilities	15,228,637	14,114,227	504,695	29,847,559	11,862,286
Net Assets					
Invested in Capital Assets, Net of Related Debt	25,197,277	35,713,388	724,697	61,635,362	-
Unrestricted	11,618,394	7,997,728	1,504,504	21,120,626	324,711
Total Net Assets	36,815,671	43,711,116	2,229,201	82,755,988	324,711
Total Net Assets and Liabilities	$ 52,044,308	$ 57,825,343	$ 2,733,896	$ 112,603,547	$ 12,186,997

See accompanying notes to the basic financial statements

City of Canton, Ohio

Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds
For the year ended December 31, 2007

	Business-Type Activities				Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	Internal Service Fund
Operating Revenues					
Charges for Services	$ 12,316,531	$ 9,736,735	$ 4,316,457	$ 26,369,723	$ 12,989,843
Rentals	60,253	15,975	-	76,228	-
Other	259,510	850,919	52,851	1,163,280	488,723
Total Operating Revenues	12,636,294	10,603,629	4,369,308	27,609,231	13,478,566
Operating Expenses					
Personal Services	6,223,716	4,899,776	2,725,976	13,849,468	152,221
Contractual Services	1,286,962	3,208,019	1,589,498	6,084,479	671,647
Materials and Supplies	839,505	612,933	75,132	1,527,570	3,631
Insurance Claims and Expenses	42,603	2,854	8,150	53,607	8,662,833
Benefit Claim Expenses	-	-	-	-	3,217,803
Depreciation	1,299,288	2,383,862	137,168	3,820,318	-
Other	130,897	44,799	14,361	190,057	555
Total Operating Expenses	9,822,971	11,152,243	4,550,285	25,525,499	12,708,690
Operating Income (Loss)	2,813,323	(548,614)	(180,977)	2,083,732	769,876
Nonoperating Revenues (Expenses)					
Noncapital Grants	-	-	56,133	56,133	-
Gain on Disposal of Capital Assets	14,614	4,224	-	18,838	-
Interest	9,549	119,533	15,631	144,713	-
Interest Expense	(602,354)	(461,482)	(11,400)	(1,075,236)	-
Total Nonoperating Revenue (Expenses)	(578,191)	(337,725)	60,364	(855,552)	-
Income (Loss) Before Contributions and Transfers	2,235,132	(886,339)	(120,613)	1,228,180	769,876
Capital Contributions	346,800	130,981	-	477,781	-
Change in Net Assets	2,581,932	(755,358)	(120,613)	1,705,961	769,876
Total Net Assets at Beginning of Year	34,233,739	44,466,474	2,349,814	81,050,027	(445,165)
Total Net Assets at End of Year	$ 36,815,671	$ 43,711,116	$ 2,229,201	$ 82,755,988	$ 324,711

See accompanying notes to the basic financial statements

City of Canton, Ohio

Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2007

	Business-Type Activities				Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	Internal Service
Cash Flows From Operating Activities					
Receipts from Customers	$ 12,303,422	$ 9,743,560	$ 4,315,245	$ 26,362,227	$ 13,049,592
Other Cash Receipts	316,207	867,461	52,866	1,236,534	130,427
Payments to Suppliers	(2,116,134)	(3,293,544)	(1,810,725)	(7,220,403)	(624,891)
Payments to Employees	(6,160,521)	(4,851,593)	(2,747,675)	(13,759,789)	(152,656)
Claims Paid	(32,206)	(2,854)	(7,019)	(42,079)	(13,038,556)
Other Cash Payments	(131,842)	(45,803)	(14,346)	(191,991)	(5,555)
Net Cash Provided (Used) by Operating Activities	4,178,926	2,417,227	(211,654)	6,384,499	(641,639)
Cash Flows from Non Capital Financing Activities					
Grant Subsidy	-	-	67,398	67,398	-
Cash Flows From Capital and Related Financing Activities					
Proceeds from Capital Grants	315,600	-	-	315,600	-
Proceeds from Capital Debt	2,161,610	35,907	-	2,197,517	-
Proceeds from Sale of Capital Assets	19,864	4,224	-	24,088	-
Purchases of Capital Assets	(4,196,287)	(1,258,114)	-	(5,454,401)	-
Principal Paid on Capital Debt	(1,733,186)	(2,308,673)	(26,615)	(4,068,474)	-
Interest Paid on Capital Debt	(602,307)	(461,413)	(11,400)	(1,075,120)	-
Net Cash (Used) by Capital and Related Financing Activities	(4,034,706)	(3,988,069)	(38,015)	(8,060,790)	-
Cash Flows From Investing Activities					
Interest and Dividends	8,298	118,814	16,160	143,272	-
Net Cash Provided by Investing Activities	8,298	118,814	16,160	143,272	-
Net Increase (Decrease) in Cash and Cash Equivalents	152,518	(1,452,028)	(166,111)	(1,465,621)	(641,639)
Balance - Beginning of the Year	7,741,072	9,725,246	631,162	18,097,480	11,073,759
Balance - End of the Year	7,893,590	8,273,218	465,051	16,631,859	10,432,120
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	2,813,323	(548,614)	(180,977)	2,083,732	769,876
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	1,299,288	2,383,862	137,168	3,820,318	-
Change in Assets and Liabilities:					
Accounts Receivables, net	(16,665)	6,354	(1,197)	(11,508)	(329,796)
Inventories	(363,509)	4,283	-	(359,226)	-
Due From Other Funds	-	-	-	-	31,249
Accounts Payables	383,294	398,315	(144,949)	636,660	43,882
Accrued Wages Payable	25,661	16,848	22,529	65,038	299
Intergovernmental Payable	36,465	28,684	19,224	84,373	23,885
Retainage Payable	-	124,844	-	124,844	-
Due to Other Funds	1,069	2,651	(63,452)	(59,732)	-
Compensated Absences Payable	-	-	-	-	(399,879)
Claims Payable	-	-	-	-	(781,155)
Net Cash Provided (Used) by Operating Activities	$ 4,178,926	$ 2,417,227	$ (211,654)	$ 6,384,499	$ (641,639)

See accompanying notes to the basic financial statements

City of Canton, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007

	Private Purpose Trust	
	Hartford Houtz	Agency Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	$ -	$ 1,621,817
Cash and Cash Equivalents in Segregated Acounts	-	74,941
Investments in Segregated Accounts	134,276	-
Total Assets	$ 134,276	$ 1,696,758
Liabilities		
Due to Other Governments	$ -	$ 1,021,439
Undistributed Assets	-	262,606
Deposits Held and Due to Others	-	412,713
Total Liabilities	-	$ 1,696,758
Net Assets - Held in Trust for Individuals	$ 134,276	

See accompanying notes to the basic financial statements

City of Canton, Ohio

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended December 31, 2007

	Private Purpose Trust
	Hartford Houtz
Additions	
Investment Earnings:	
Interest	$ 5,831
Deductions	
Benefits	4,200
Administrative Expenses	111
Total Deductions	4,311
Change in Net Assets	1,520
Net Assets-Beginning of Year	132,756
Net Assets-End of Year	$ 134,276

See accompanying notes to the basic financial statements

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

A 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; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City will report the financial status of the Canton Community Improvement Corporation (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.

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 12, 13 and 14.

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. The City also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The City has not elected to apply FASB statements and interpretations issued after November 30, 1989. The most significant of the City's accounting policies are described below.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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 Assets presents the financial condition of the governmental and business-type activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore 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 funds 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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Proprietary Funds

Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The 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.

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 fund reports 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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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.

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 revenue 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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from 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, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, tuition, grants, fees and rentals.

Unearned/Deferred Revenue

Unearned or deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2008 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue 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 revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

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 appropriation ordinance fixes spending authority at the account level split between salary and non-salary line items. The appropriation ordinance may be amended during the year by action of Council, as new information becomes available, provided that total

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among account groups and departments within a fund may be modified during the year by an ordinance of council.

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.

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. The balances in these accounts are presented as "Cash and Cash Equivalents with Fiscal Agent."

The City has segregated bank accounts for monies held separate from the City's central bank account. These monies are presented in the Statement of Fiduciary Net Assets 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 2007, investments were limited to certificates of deposit, a money market investment, repurchase agreements, and STAROhio.

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

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price, which is the price investments could be sold for on December 31, 2007.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2007 amounted to $2,428,285, which includes $90,924, assigned from other City funds.

For purposes of the statement of cash flows and for presentation on the statement of net assets/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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, 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.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and 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, street lights, traffic signals and water 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 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. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings & Structures	10 to 45 years	10 to 45 years
Vehicles & Equipment	10 to 15 years	10 to 15 years
Infrastructure	10 to 50 years	10 to 50 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances

On fund financial statements, long-term interfund loans are classified as "due to/from other funds" on the balance sheet and are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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.

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 and internal service funds respectively, 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.

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, amounts due from other funds and loans receivable are recorded as a reservation of fund balance. Amounts Due From Other Funds is reserved in the "Other Purpose" line item.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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 is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

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.

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 nonoperating 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.

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 2007.

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 - 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 as a reservation of fund balance (GAAP).

4. Unreported cash (cash on hand) represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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
GAAP Basis	$ 76,069	$ 349,343
Net Adjustment for Revenue Accruals	(189,102)	1,592,932
Net Adjustment for Expenditure Accruals	961,630	459,394
Encumbrances	(516,877)	(1,598,752)
Budget Basis	$ 331,720	$ 802,917

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.

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 (STAROhio).

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 $186,256 in undeposited cash on hand which is included on the Financial Statements of the City as part of "Cash and Cash Equivalents."

Deposits with Financial Institutions

At December 31, 2007, the carrying amount of all City deposits was $4,881,785, exclusive of the $6,850,239 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2007, $59,724,615 of the City's bank balance of $60,224,615 was exposed to custodial risk as discussed below, while $500,000 was covered by Federal Deposit Insurance Corporation.

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.

Investments

As of December 31, 2007, the City had the following investments and maturities:

		Investment Maturities	
Investment type	Balance at Fair Value	6 months or less	7 to 12 months
Certificates of Deposit	$ 39,000,000	$ 35,000,000	$ 4,000,000
Money Markets	4,025,000	4,025,000	-
Star Ohio	4,443,100	4,443,100	-
Repurchase Agreement	6,850,239	6,850,239	
Total Investments	$ 54,318,339	$ 50,318,339	$ 4,000,000

The weighted average maturity is .21 years.

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk: The City has investments, in Star Ohio. Standard & Poor's has assigned Star Ohio AAAm money market rating

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. For the City's investments in certificates of deposit the entire balance is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. The City's investments in repurchase agreements of $6,850,239 were subject to custodial credit risk. This was due to the underlying securities being uninsured, not registered and held by the counterparty but not in the City's name.

The following table includes the percentage of each investment type held by the City at December 31, 2007:

Investment type	Fair Value	% of Total
Certificates of Deposit	$ 39,000,000	71.80
Money Markets	4,025,000	7.41
Star Ohio	4,443,100	8.18
Repurchase Agreements	6,850,239	12.61
Total Investment	$ 54,318,339	100.00

Reconciliation of Cash and Investment to the Statement of Net Assets

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, 2007:

Cash and Investments per footnote	
Carrying amount of deposits	$ 4,881,785
Investments	54,318,339
Total	$ 59,200,124

Cash and Investments per Statement of Net Assets	
Governmental Activities	$ 40,737,231
Business Type Activities	16,631,859
Fiduciary Funds	1,831,034
Total	$ 59,200,124

NOTE 5 - RECEIVABLES

Receivables at December 31, 2007, 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 $15,584 in the Debt Service Fund, and $1,338,793 for the other governmental funds. Special assessments are included in either accounts receivable or taxes receivable.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 25 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are 12.5 percent of true value.

The assessed value upon which the 2007 taxes were collected was $1,055,242,673. Real estate represented 86.12 percent ($908,826,170) of this total, public utility tangible personal property represented 4.34 percent ($45,750,240) and general tangible personal property represented 9.54 percent ($100,666,263). The tax rates per $1,000 of assessed valuation for the year ended December 31, 2007, for all City operations applied to taxable property in the following taxing districts within the City limits was $3.40 for District 2 – Canton Local School District, $2.00 for District 3 – Plain Local School District, and $2.60 for District 4 – Canton City School District.

Real property taxes are payable annually or semiannually. If paid annually, the payment is due by December 31; if paid semiannually, 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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable at September 20.

The County Treasurer 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. Property taxes other

NOTE 5 - RECEIVABLES (Continued)

receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2007. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2007 operations. The receivable is offset by deferred revenue.

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 to a maximum of the total amount assessed.

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 and 5 percent to the Motor Vehicle Purchase Capital Projects Funds.

Due From Other Governments

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government and Local Government Revenue Assistance	$ 3,532,403
Charges for Services	405,471
Courts	759,295
Gasoline and Excise Tax	968,282
Motor Vehicle Tax	139,442
Grants	6,262,461
Total Governmental Activities:	12,067,354
Business Activities	
Principal	331,814
Grants	188,358
Total Business-Type Activities:	520,172
Total	$ 12,587,526

Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of $1,786,145. 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 are to be repaid over periods ranging from 2 months to 20 years.

NOTE 6 - RISK MANAGEMENT

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 2007 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 2007, the City selected Tier 1which calls for no claim limit and a 150 percent maximum premium limit.

The claims liability of $2,010,722 reported in the Workers Compensation Internal Service Fund at December 31, 2007, is based on the requirements of GASB Statement No. 10 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:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2006	$ 3,181,565	$ 924,508	$ 1,375,373	$ 2,730,700
2007	2,730,700	745,542	1,465,520	2,010,722

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 through Leonard Insurance Services for commercial property coverage, which has a $396,000,000 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 Municipal League for automobile combined coverage, which has a $5,000,000 limit and a $125,000 deductible. The City also contracts with the Ohio Municipal League for general liability. This coverage has a $5,000,000 limit and a $125,000 deductible for bodily injury and property damage, fire damage, employee benefit liability, and personal and advertising.

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.

NOTE 6 - RISK MANAGEMENT (Continued)

Medical

The City has elected to provide employees' major medical, hospitalization, prescription, 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 employee. The third party administrators, Aultcare and Benefit Services Inc., review all claims, which are then paid by the City.

The claims liability of $781,118 reported in the Health Insurance Internal Service Fund at December 31, 2007, is estimated by the third-party administrators and is based on the requirements of GASB Statement No. 10, 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:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2006	$ 1,402,305	$ 7,258,925	$ 7,784,127	$ 877,103
2007	877,103	7,917,291	8,013,276	781,118

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

	(Restated) Balance 12/31/06	Additions	Deductions	Balance 12/31/07
Governmental Activities				
Capital Assets, not being depreciated:				
Land	$ 7,131,285	$ -	$ -	$ 7,131,285
Construction in Progress	3,524,659	6,710,293	(2,075,717)	8,159,235
Total Capital Assets, not being Depreciated	10,655,944	6,710,293	(2,075,717)	15,290,520
Capital Assets, being Depreciated				
Buildings and Structures	40,193,960	1,003,202	(10,500)	41,186,662
Vehicles and Equipment	27,653,865	2,095,340	(671,217)	29,077,988
Infrastructure	337,200,354	3,242,943	(37,142)	340,406,155
Total Capital Assets, being Depreciated	405,048,179	6,341,485	(718,859)	410,670,805

(Continued)

NOTE 7 - CAPITAL ASSETS (Continued)

	(Restated) Balance 12/31/06	Additions		Deductions	Balance 12/31/07
Less Accumulated Depreciation					
Buildings and Structures	$ (15,972,356)	$ (1,020,928)		$ 10,500	$ (16,982,784)
Vehicles and Equipment	(17,169,142)	(1,947,435)		541,036	(18,575,541)
Infrastructure	(281,715,150)	(3,975,652)		24,908	(285,665,894)
Total Accumulated Depreciation	(314,856,648)	(6,944,015)	*	576,444	(321,224,219)
Total Capital Assets, being Depreciated, net	90,191,531	(602,530)		(142,415)	89,446,586
Governmental Activities Capital Assets, net	$ 100,847,475	$ 6,107,763		$ (2,218,132)	$ 104,737,106

Business-Type Activities				
Capital Assets, not being depreciated				
Land	$ 2,631,525	$ -	$ -	$ 2,631,525
Construction in Progress	635,221	3,700,412	(453,896)	3,881,737
Total Capital Assets, not being Depreciated	3,266,746	3,700,412	(453,896)	6,513,262
Capital Assets, being Depreciated				
Buildings and Structures	89,873,727	125,787	-	89,999,514
Vehicles and Equipment	11,018,011	815,133	(61,620)	11,771,524
Infrastructure	149,113,599	1,266,966	-	150,380,565
Total Capital Assets, being Depreciated	250,005,337	2,207,886	(61,620)	252,151,603
Less Accumulated Depreciation				
Buildings and Structures	(46,395,617)	(1,892,476)	-	(48,288,093)
Vehicles and Equipment	(8,520,591)	(488,617)	56,370	(8,952,838)
Infrastructure	(113,146,032)	(1,439,226)	-	(114,585,258)
Total Accumulated Depreciation	(168,062,240)	(3,820,319)	56,370	(171,826,189)
Total Capital Assets, being Depreciated, net	81,943,097	(1,612,433)	(5,250)	80,325,414
Business-Type Actitivites Capital Assets, net	$ 85,209,843	$ 2,087,979	$ (459,146)	$ 86,838,676

NOTE 7 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

General Government	$	519,623
Security of Persons and Property		1,410,925
Public Health		83,497
Transportation		4,327,743
Community Environment		6,455
Leisure Time Activities		595,772
Total Depreciation Expense	$	6,944,015

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 of accumulated, unused sick leave. Firefighters and police can be paid 100 percent to a maximum of 187.5 days or 1,500 hours, respectively. All other employees can be paid 100 percent to a maximum of 150 days or 1,200 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. The premium is equal to 125% of the total cost of the sick leave accrued on biweekly payrolls.

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 for 10 years and came in 2006 at a total value of $23,220,000. The purpose was for building construction and renovation, infrastructure and roadway improvements, recreational facility construction, and refinancing of existing bonds.

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

Purpose	Interest Rates	Original Amount
Governmental Activities, 1993 Various Purpose Refunding	2.5 - 5.375%	$ 6,375,000
Governmental Activities, 1998 Pension Refunding	3.15 - 1.75%	6,080,000
Governmental Activities, 1999 Various Purpose Bonds	3.50%	6,635,000
Governmental Activities, 2001 Radio Communication	4.0 - 2.25%	5,610,000
Governmental Activities, 2006 Various Purpose	4.00%	13,350,000
Business-Type Activities, 1993 Various Purpose Refunding	2.5 - 5.375%	2,365,000
Business-Type Activities, 1998 Utility System	4.1 - 5.0%	7,995,000
Business-Type Activities, 2006 Various Purpose/Refunding	4.00%	9,870,000
		$ 58,280,000

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

General Obligation Bonds

Year Ending	Governmental Activities		Business-Type Activities	
December 31	Principal	Interest	Principal	Interest
2008	2,454,490	1,017,118	2,190,510	424,774
2009	2,540,485	919,471	924,515	324,154
2010	2,654,354	816,786	960,646	287,174
2011	2,768,973	707,790	1,001,027	248,748
2012	2,193,591	592,610	1,041,408	208,706
2013-2017	10,208,740	1,486,967	4,176,260	401,430
2018-2022	1,044,487	51,012	-	-
Total	$ 23,865,120	$ 5,591,754	$ 10,294,366	$ 1,894,986

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

The City has annual debt requirements for the following three loans, all related to governmental activities. A Housing and Urban Development loan was entered into in 1995 for the Cornerstone improvement and construction project. The interest rate for this loan is 4% with an original outstanding balance of $2,320,000. In 2004, the City chose to refinance the outstanding balance of the Housing and Urban Development loan resulting in a savings in interest payments. The balance refinanced was $1,650,000 with an interest rate of 2.31% for the first payment rising incrementally to 5.19% for the final payment. A State Infrastructure Bank loan was entered into in 1998 for the Market Avenue Streetscape project. The interest rate for this loan is 4% with an original outstanding balance of $1,179,031. Finally, a State of Ohio Urban Redevelopment loan was issued in 2000, with an interest rate of 4% and an original outstanding balance of $1,650,916 and was used to build the Millennium Parking Deck. These loans were all issued as part of the City's continuing effort to improve its downtown business district.

Annual debt service requirements to maturity for the Housing and Urban Development Loan, the State Infrastructure Bank Loan, and the Urban Redevelopment Loan are as follows:

Housing and Urban Development Loan

Year Ending	Governmental Activities	
December 31	Principal	Interest
2008	335,000	26,792
2009	310,000	13,392
Total	$ 645,000	$ 40,184

State Infrastructure Bank Loan

Year Ending	Governmental Activities	
December 31	Principal	Interest
2008	62,398	37,744
2009	65,078	35,064
2010	67,873	32,269
2011	70,788	29,354
2012	73,828	26,314
2013-2017	419,522	81,187
2018-2022	144,048	6,165
Total	$ 903,535	$ 248,097

Urban Redevelopment Loan
(Millenium Parking Deck)

Year Ending	Governmental Activities	
December 31	Principal	Interest
2008	112,692	44,131
2009	117,200	39,341
2010	121,888	34,360
2011	126,763	29,180
2012	131,834	23,793
2013-2017	427,992	36,855
Total	$ 1,038,369	$207,660

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

The City entered into various loan agreements with the Ohio Public Works Commission for the purpose of improving the water pollution control and storm sewer operations. These are interest free loans. The Business-Type Activities' loans will be retired from the revenues generated from those operations. The following is a list of outstanding debt with the Ohio Public Works Commission.

Purpose	Interest Rates	Original Amount
Governmental Activities, 35th St. N.E. Storm Sewer Reconstruction	0.00%	197,266
Governmental Activities, Market Ave North Sewer Replacement	0.00%	54,389
Business-Type Activities, Water Pollution Control Center	0.00%	724,423
Business-Type Activities, Harmont Ave Pump Station	0.00%	107,900
		$ 1,083,978

Annual debt service requirements to maturity for Ohio Public Works Commission loans are as follows:

Ohio Public Works Commission Loan

Year Ending	Governmental Activities		Business-Type Activities	
December 31	Principal	Interest	Principal	Interest
2008	40,387	-	52,130	-
2009	40,387	-	28,762	-
2010	40,387	-	5,395	-
2011	40,387	-	5,395	-
2012	40,387	-	5,395	-
2013-2017	201,937	-	26,975	-
2018-2022	87,698	-	26,975	-
2023-2027	37,500	-	-	-
Total	$ 529,070	$ -	$ 151,027	$ -

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

The City entered into various loan agreements with the Ohio Water Development Authority for the purpose of improving and expanding both the water and the water pollution control operations. These loans will be repaid from business-type activity revenue. The Ohio Water Development Authority loans outstanding were as follows:

Purpose	Interest Rates	Original Amount
Steiner Heights Water Line Extension	6.39%	591,671
Plain Township Water Line Extension (55th St)	4.74%	1,653,459
Water Main Extension (Norwood Hills)	4.55%	527,230
Perry Township Water Extension	4.65%	1,459,754
Lake Local School Waterline	4.64%	1,980,974
Lawrence Chester Water Main Extension	5.01%	250,606
Water Infrastructure Capital Improvement Plan	3.25%	1,168,485
Osnaburg Water Main Extension	3.62%	1,300,284
Water Pollution System	2.64%	14,230,181
Discharge Line (J.L.)	4.56%	835,606
		$ 23,998,250

Annual debt service requirements to maturity for Ohio Water Development Authority loans are as follows:

Ohio Water Development Authority Loan

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2008	1,156,167	472,745
2009	1,197,967	430,946
2010	1,200,950	387,472
2011	1,201,760	346,172
2012	1,176,331	305,390
2013-2017	5,366,993	1,008,049
2018-2022	3,096,384	218,038
Total	$ 14,396,552	$ 3,168,812

During 2007, the Water Infrastructure Capital Improvement Project and the Osnaburg Water Main Extension Project began receiving OWDA loan proceeds. As of year end, the Infrastructure project received $1,168,485 of a potential $3,338,517 and the Osnaburg project received $1,300,284 of a potential $1,967,781. As of the end of the audit period, the final amount borrowed on each project was not yet determined and no payment schedules were available. Consequently, neither loan was included in the yearly break down shown above nor was there an amount calculated as being due within one year in the schedule that follows.

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2007, were as follows:

	Outstanding 12/31/06	Additions	Reductions	Outstanding 12/31/07	Due Within One Year
Business Type Activities					
OPWC Loan:					
Sewer Fund:					
Water Pollution Control Center 0%	$ 116,837	-	(46,735)	$ 70,102	$ 46,735
2003 Harmont Lift Station 0%	86,320	-	(5,395)	80,925	5,395
Total OPWC Loans	203,157	-	(52,130)	151,027	52,130
OWDA Loans:					
Water Fund:					
2001Water Main Extension (Norwood Hills) 4.55%	293,142	-	(53,482)	239,660	55,936
2000 Steiner Heights Water Line Extension 6.39%	250,418	-	(66,016)	184,402	70,302
2001 Plain Township Water Line Ext. (55th St) 4.74%	1,403,463	-	(63,082)	1,340,381	66,108
2002 Perry Twshp Water Extension 4.65%	954,809	-	(141,423)	813,386	148,075
2002 Lake Schl Water 4.64%	1,715,987	-	(74,336)	1,641,651	77,825
2003 Lawrence Water Main Extension 5.01%	199,060	-	(22,472)	176,588	23,611
2007 Infrast Cap Imprv 3.25%	-	1,168,485	-	1,168,485	-
2007 Osnaburg Water Main Extension 3.62%	-	1,300,284	(34,020)	1,266,264	-
Sewer Fund:					
2002 Odor Corrosion 3.20%	415,653	-	(415,653)	-	-
1997 Water Pollution System 2.64%	10,082,379	-	(658,036)	9,424,343	675,749
1999 Discharge Line (J.L.) 4.56%	613,274	-	(37,133)	576,141	38,561
Total OWDA Loans	15,928,185	2,468,769	(1,565,653)	16,831,301	1,156,167
General Obligation Bonds:					
Water Fund:					
1998 Utility System 4.1%-5%	1,270,000	-	(620,000)	650,000	650,000
2006 Refunding Bonds 4.0%	7,370,000	-	(653,842)	6,716,158	664,950
Sewer Fund:					
2006 Various Purpose 4.0%	2,200,000	-	(195,177)	2,004,823	198,493
1998 Utility System 4.1%-5%	1,270,000	-	(620,000)	650,000	650,000
1993 Various Purpose Refunding 2.5%-5.375%	325,000	-	(325,000)	-	-
Refuse Fund:					
2006 Various Purpose 4.0%	300,000	-	(26,615)	273,385	27,067
Total Bonds	12,735,000	-	(2,440,634)	10,294,366	2,190,510
Compensated Absences	1,359,806	597,477	(581,853)	1,375,430	278,796
Capital Lease	-	60,562	(12,112)	48,450	12,112
Total Business Type Activities	$ 30,226,148	$3,126,808	$ (4,652,382)	$ 28,700,574	$ 3,689,715

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

	Outstanding 12/31/06	Additions	Reductions	Outstanding 12/31/07	Due Within One Year
Governmental Activities					
1993 Various Purpose Refunding Bonds 2.5%-5.375%	$ 615,000	$ -	$ (615,000)	$ -	$ -
1998 Pension Refunding Bonds 3.15%-1.75%	4,705,000	-	(305,000)	4,400,000	320,000
1999 Various Purpose Bonds 3.50%	5,155,000	-	(330,000)	4,825,000	345,000
2001 Radio Communication Bonds 4.0%-2.25%	3,040,000	-	(565,000)	2,475,000	585,000
2006 Various Purpose 4.0%	13,350,000	-	(1,184,880)	12,165,120	1,204,490
Total Bonds	26,865,000	-	(2,999,880)	23,865,120	2,454,490
1995 HUD Loan 2.31%-5.19%	980,000	-	(335,000)	645,000	335,000
1998 SIB Loan	963,363	-	(59,828)	903,535	62,398
2000 Legal Claims	177,100	-	(27,600)	149,500	27,600
2000 Millenium Parking Deck Loan 4%	1,146,727	-	(108,358)	1,038,369	112,692
OPWC Loan:					
2003 35th St NE Storm Sewer 0%	291,957	-	(25,387)	266,570	25,387
2004 Market Ave Sewer 0%	277,500	-	(15,000)	262,500	15,000
Total OPWC Loans	569,457	-	(40,387)	529,070	40,387
Compensated Absences	7,702,935	2,065,030	(2,480,533)	7,287,432	1,193,929
Capital Leases	-	643,788	(128,758)	515,030	128,758
Total Governmental Activities	38,404,582	2,708,818	(6,180,344)	34,933,056	4,355,254
Totals	$ 68,630,730	$ 5,835,626	$ (10,832,726)	$ 63,633,630	$ 8,044,969

*Note: During 1998, the City issued utility system general obligation bonds. The proceeds reported in the water enterprise fund and the sewer enterprise fund of $5,375,000 and $5,375,000, respectively, were used for a water meters project. The utility system general obligation bonds are reported net of the unamortized premium of $1,608 in the water enterprise fund and $1,608 in the sewer enterprise fund. Also, the above schedule of long-term debt obligations would differ from the government wide statement of net assets as a result of the compensated absences payable associated with business activities being included with the long-term liabilities of the governmental activities. The internal service Compensated Absence Claim Fund is responsible for the payment of both the governmental and business type compensated absence liabilities. Since governmental activities are the primary user of the internal service funds, GAAP requires the internal service funds to be reported with the governmental activities. The result is a discrepancy of $1,375,430 between the debt reflected in the above schedule for governmental and business type activities and the debt numbers reflected in the Due in More Than One Year line item on the Statement of Net Assets on page 13. A similar discrepancy of $278,796 results for the Due Within One Year line item. The City's overall legal debt margin was $91,338,581 and an unvoted debt margin of $38,576,447 at December 31, 2007.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 percent 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 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 and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 13.85 percent for the year 2007. Contributions are authorized by State statute. The contribution rates are determined actuarially. For the period January 1 through June 30, a portion of the City's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount increased to 6 percent. The City's required contributions to OPERS for the years ended December 31, 2007 2006, and 2005 were $3,932,382, $3,589,118, and $3,329,426, respectively. The full amount has been contributed for 2006 and 2005. 92.31 percent has been contributed for 2007 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund. Contributions to the member-directed plan for 2007 were $3,932,382 made by the City and $2,697,302 made by the plan members or by the City on their behalf where contracts and ordinances dictate.

Ohio Police and Fire Pension Fund

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 information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Firemen's Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and for 2007 the City was required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's contributions to the fund for police and firefighters were $2,028,394 and $2,260,930 for the year ending December 31, 2007, $1,938,374 and $2,103,337 for the year ended December 31, 2006, $1,791,119 and $2,018,805 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 76.28 and 75.36 percent, respectively, have been contributed for 2007 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. 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 and the combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. The Ohio Revised Code permits, but does not require OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on the authority granted by Ohio Revised Code Chapter 145. The 2007 local government employer contribution rate was 13.85 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll. OPERS' post employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions, for all employers, allocated to health care was 5.0 percent from January 1 through June 30, 2007 and 6.0 percent from July 1 through December 31, 2007. 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 OPEB plan.

Benefits are advanced-funded using the individual entry age normal actuarial cost method of valuation, which is used in determining the present value of other post employment benefits. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfounded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 to 5 percent annually for the next eight years and 4 percent annually after eight years.

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130. Actual City contributions for 2007 that were used to fund postemployment benefits were $2,633,980. The actual contributions and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) was $12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $30.7 billion and $18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The City contributes to the OP&F sponsored healthcare program, a cost-sharing multiple-employer defined postemployment healthcare 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-retirement healthcare coverage for 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 healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164.

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 as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan. The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare 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.

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

OP&F's post employment healthcare plan was established and is administrated as an Internal Revenue Code 401(h) account 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 to the 401h account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401h

The City's actual contributions for 2007 that were used to fund postemployment benefits were $702,230 for police and $636,000 for fire. OP&F's total health care expense for the year ended December 31, 2006, (the latest information available) was $120,373,722, which was net of member contributions of $58,532,848. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006, was 14,120 for police and 10,563 for firefighters.

NOTE 12 - 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's funding comes from a grant given by the City to the Canton Regional Chamber of Commerce. In 2007, the grant was for $175,000 and the Chamber of Commerce is responsible for dividing it up amongst is various agencies like Canton Tomorrow. 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 2007, the City contributed $152,520 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

NOTE 13 – 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 2007. Complete financial statements can be obtained from the Canton Recreation Department.

NOTE 14 - 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 2007. 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 $654,500 from the General Fund for 2007 for the operation of SCOG, which represents 48.5 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 78-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

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2007, the City contributed $98,204 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

NOTE 15 – DISCRETELY PRESENTED COMPONENT UNIT

The component unit column in the government-wide financial statements identifies the financial data of the City's component unit, Canton Community Improvement Corporation. It is reported separately to emphasize that it is legally separate from the City.

Canton Community Improvement Corporation

Canton Community Improvement Corporation (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. In 2007, the CCIC had a beginning balance restatement for a $400,000 loan payable that was improperly omitted from previous financial statements.

NOTE 16 - CONTRACTUAL COMMITMENTS

As of December 31, 2007, the City had significant contractual commitments as follows:

Company	Project	Remaining On Contract
Bitzel Excavating	Orchardview Water Main Extension	$ 101,603
Burgess & Niple LTD	Engineering for Water Infrastructure Upgrade	246,088
Burgess & Niple LTD	Engineering for Water Treatment Ctr Upgrade	488,300
Central Allied Enterprises	Steese Drainage Project	1,426,270
Central Allied Enterprises	Tuscarawas Street Project	3,761,933
Central Allied Enterprises	38th St NW Improvement	721,317
J.A. Dempsey & Sons Excavating	Stein Industrial Park	741,099
Joseph Jeffries Co.	Willig Field Project	374,900
Mosser Construction	WPCC Tertiary Project	774,327
Mosser Construction	Water Treatment Plant Project	853,966

NOTE 17 – LEASES

Operating Leases

The City has entered into multiple year non-cancelable operating leases for equipment and vehicles. In addition, some of the operating leases have options to purchase the equipment or vehicle at the end of the lease. Total rental costs for such leases were $220,438 for the year ended December 31, 2007. The minimum rental commitments under all such non-cancelable leases are as follows:

NOTE 17 – LEASES (Continued)

Year Ending	Amount
2008	$ 200,560
2009	187,967
2010	129,067
2011	129,067
2012	129,067
Total	$ 775,728

Capital Leases

In 2007, the City entered into a lease agreement for a new citywide phone system. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments in the governmental funds have been reclassified and are reflected as debt service in the basic financial statements for the capital project fund. These expenditures/expenses are reflected as program/function expenditures/expenses on a budgetary basis for both business-type and governmental funds. The assets being acquired have been capitalized in the governmental activities and business-type activities in the amounts of $643,788 and $60,562 respectively. These totals represent the present value of the minimum lease payments at the inception of the lease. The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2007.

Year Ending	Governmental Activities	Business-Type Activities
2008	$ 143,508	$ 13,500
2009	143,508	13,500
2010	143,508	13,500
2011	143,508	13,500
Total Minimum Lease Payments	574,032	54,000
Less Amount Representing Interest	59,002	5,550
Present Value of Minimum Lease Payments	515,030	48,450

NOTE 18 - CONTINGENT LIABILITIES

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.

NOTE 18 - CONTINGENT LIABILITIES (Continued)

Litigation

The Case of Bobby J. Wright vs. City of Canton, Et Al, was settled on May 14, 2001 in the United States District Court, Northern District of Ohio, Case No. 5:00CV2717, as authorized by the City Council. The terms of this settlement resulted in an obligation of $506,200 payable over the next twelve years.

Year Ending	Amount
2008	$ 27,600
2009	27,600
2010	27,600
2011	27,600
2012	27,600
2013-2017	11,500
Total	$ 149,500

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 litigation that could be successful against the City would in all likelihood not exceed a maximum exposure of $600,000.

NOTE 19 - NOTES PAYABLE

GASB Statement No. 38 requires that short-term debt activity during the year be disclosed, even if no short-term debt is outstanding at year-end. Details are to include a schedule of changes in short-term debt, disclosing beginning and end of year balances, increases and decreases and the purpose for which the short-term debt was issued. The City had no short debt obligations for 2007.

NOTE 20 - INTERFUND BALANCES AND TRANSFERS

During 2007, the City made two transfers. The first transfer of $40,000 was done to honor the City's obligation for a grant match. The second transfer of $22,776 was for a grant subsidy. Interfund transfers for the year ended December 31, 2007, consisted of the following:

	Transfer From	
Transfer to	General Fund	Total
Nonmajor Special Revenue	$ 62,776	$ 62,776
Total	$ 62,776	$ 62,776

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.

NOTE 20 - INTERFUND BALANCES AND TRANSFERS (Continued)

At December 31, 2007, the Community and Economic Development Fund included a due to of $873,015 and the Nonmajor Internal Service Funds included a due from of $873,015. The obligation between the Nonmajor Internal Service Funds and the Community and Economic Development Fund represents the outstanding balance of an advance that was initially needed to fund a federal project. The General Fund had a due to balance of $28,500 and the Nonmajor Internal Service Funds had a due from for the same amount. This obligation represents a former employee's workers compensation claim settlement that the General Fund owed the Worker's Compensation Fund. The balance of the Nonmajor Internal Service Funds due from balance of $129,022 represents outstanding obligations to various operating funds for outstanding compensated absences obligations due to the Compensated Absences Fund. The $1,000 due from balance in the General Fund represents a cash advance given to the Youth Development Donation Fund used to meet cash flow needs. All of the above mentioned obligations should be satisfied using the appropriate grant and program revenues associated with each fund.

	Due to		
Due From	General Fund	Nonmajor Internal Service	Total
General Fund	$ -	$ 122,046	$ 122,046
Community and Economic Development Fund	-	876,491	876,491
Capital Projects	-	1,253	1,253
Water Fund	-	16,902	16,902
Sewer Fund	-	6,854	6,854
Refuse Fund	-	4,671	4,671
Nonmajor Special Revenue	1,000	2,320	3,320
Total	$ 1,000	$ 1,030,537	$1,031,537

NOTE 21 – ACCOUNTABILITY AND COMPLIANCE

Accountability

Fund balances at December 31, 2007 included the following individual fund deficits:

	Deficit Fund Balance
Nonmajor Funds:	
Youth Development	$ 133
Compensated Absences Claims	4,759,097

The deficit in these nonmajor funds is 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 22 – RESTATEMENT OF NET ASSETS

During 2007, the City decided to capitalize street lights. The City also discovered an error in how a construction projection at the Civic Center was booked in 2006. The following tables illustrate the net affect of these adjustments on the overall net assets.

	Governmental Activities
Net Assets, December 31, 2006	$ 118,921,542
Adjustments to Land and Construction in Progress	(455,632)
Adjustments to Infrastructures	879,640
Restated Net Assets, January 1, 2007	$ 119,345,550

NOTE 23 – CHANGES IN ACCOUNTING PRINCIPLES

For 2007, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

Combining, Statements and

Individual Fund Schedules

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

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 used for the upkeep of the Cornerstone Parking Deck.

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 a portion of the operational costs of the City's Crime Lab.

Court's Computer Fund To account for monies used to maintain court computer systems.

Recycle Ohio Fund To account for grant monies used for the City's recycling program.

Court Fund To account for revenues received from Canton Municipal Court fines and to account for how such revenues are spent.

Law Department Dispute Resolution Fund To provide for the receipt of fees charged for discretionary public services provided to resolve various types of disputes.

Legal Research Fund To provide for the receipt of fees charged for doing legal research.

Convention Center Feasibility Fund To account for state grant monies used to study the feasibility of a convention center in Canton.

Youth Development Fund To account for grant monies used for summer youth employment programs.

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.

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.

Safe Neighborhood Fund To account for the receipts and expenditures associated with small private grants the City's police force receives.

Police Donation Fund To account for the receipts and expenditures associated with donations given to the City's Police Department.

Supplementary Police Forces Fund To account for the receipts and expenditures associated with the City's Auxiliary Police Force and Police Youth Corp.

Fire Donation Fund To account for the receipts and expenditures associated with donations given to the City's Fire Department.

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.

Other Smaller special revenue funds operated by the City and subsidized in part by Local, State and Federal monies as well as miscellaneous sources. These funds are as follows:

Employee Recognition Fund
City Hall Plaza Fund
Guardrail/Attenuator Replacement Fund
Southeast Community Center Fund
Park Fund
Federal Forfeiture Fund
D.A.R.E. Program Fund
Misdemeanor Community Sanction Grant Fund
Thermal Imaging System Fund
Clerk of Courts Administration Fund
EMS Training & Equipment Fund
Firefighters Assistance Grant Fund

Nonmajor Debt Service Funds

Debt Service Funds are established to account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal and interest and related costs.

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.

Nonmajor Capital Projects Funds

Capital Projects Funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Radio Communication Fund To account for the purchase of a Digital Radio Communication System.

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.

Traffic Signalization Fund To account for costs associated with the maintenance of the traffic signals within the City.

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 spent for building renovations and construction being done throughout the City.

Street & Storm Sewer Improvement Fund To account for some of the costs associated with the repair, improvement, and construction of streets or storm sewer projects.

Civic Center Improvement Fund To account for improvements at the Civic Center.

Tuscarawas Improvement Fund To account for all costs associated with the renovation of Tuscarawas Street.

Midway Fund To account for all costs associated with the renovation and repaving of Midway Ave NE.

38th Street Improvement Fund To account for all the costs associated with the renovation of 38th Street NW.

Steese Area Drainage Project Fund To account for all costs associated with the Steese Road drainage project.

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	$ 3,946,000	$ 4,010,683	$ 64,683
Municipal Income Tax	34,207,932	34,392,261	184,329
Charges for Services	9,673,399	9,487,026	(186,373)
Licenses, Permits and Fees	897,478	909,214	11,736
Fines and Forfeitures	291,200	252,564	(38,636)
Intergovernmental	7,115,450	7,038,616	(76,834)
Operating Grants	55,300	68,920	13,620
Interest	2,145,500	2,426,046	280,546
Rentals	378,137	390,956	12,819
Other	574,459	751,733	177,274
Total Revenue	59,284,855	59,728,019	443,164
Expenditures			
Current:			
General Governmental:			
Service Director-Support Administration :			
Personal Services	2,000	933	1,067
Materials and Supplies	60,198	59,850	348
Contractual Services	295,938	288,832	7,106
Other	104,163	104,126	37
Total Service Director-Support Administration	462,299	453,741	8,558
Service Director-Service Director Administration:			
Personal Services	74,551	72,171	2,380
Materials and Supplies	200	59	141
Contractual Services	14,860	13,948	912
Other	3,300	1,689	1,611
Total Service Director-Service Director Admin	92,911	87,867	5,044
Service Director-Scenic Train:			
Materials and Supplies	1,050	1,023	27
Contractual Services	13,950	8,995	4,955
Other	21,000	19,710	1,290
Total Service Director-Scenic Train	36,000	29,728	6,272
Service Director-Purchase Administration:			
Personal Services	255,917	248,446	7,471
Materials and Supplies	273,905	258,911	14,994
Contractual Services	10,033	9,712	321
Total Service Director-Purchase Administration	539,855	517,069	22,786
Service Director-Annexation:			
Personal Services	11,095	10,044	1,051
Materials and Supplies	3,100	1,214	1,886
Contractual Services	15,658	1,313	14,345
Total Service Director-Annexation	29,853	12,571	17,282
Building and Maintenance-Other Building:			
Personal Services	892,626	839,154	53,472
Materials and Supplies	89,285	83,942	5,343
Contractual Services	549,811	461,922	87,889
Other	4,122	3,917	205
Total Building and Maintenance-Other Building	$ 1,535,844	$ 1,388,935	$ 146,909

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Total Income Tax-Income Tax Administration			
Personal Services	$ 1,118,086	$ 985,335	$ 132,751
Materials and Supplies	92,427	85,708	6,719
Contractual Services	96,782	87,450	9,332
Capital Outlay	3,886	-	3,886
Other	465,666	425,258	40,408
Total Income Tax - Income Tax Administration	1,776,847	1,583,751	193,096
Mayor - Administration			
Personal Services	462,252	456,304	5,948
Materials and Supplies	2,467	2,467	-
Contractual Services	169,638	169,611	27
Other	73,620	31,114	42,506
Total Mayor-Mayor Administration	707,977	659,496	48,481
Mayor-Human Resources Administration:			
Personal Services	140,253	132,213	8,040
Materials and Supplies	1,588	1,468	120
Contractual Services	19,991	17,204	2,787
Total Mayor-Human Resources Administration	161,832	150,885	10,947
Mayor-Youth Development Administration:			
Personal Services	171,674	128,577	43,097
Materials and Supplies	475	419	56
Contractual Services	8,847	7,948	899
Other	50	50	-
Total Mayor-Youth Development Administration	181,046	136,994	44,052
Council-Council Administration:			
Personal Services	569,056	557,184	11,872
Materials and Supplies	34,160	32,520	1,640
Contractual Services	237,613	229,177	8,436
Capital Outlay	3,000	-	3,000
Other	545,125	544,217	908
Total Council-Council Administration	1,388,954	1,363,098	25,856
Courts/Judge-Judge Administration:			
Personal Services	1,760,251	1,688,682	71,569
Materials and Supplies	43,829	42,702	1,127
Contractual Services	49,453	46,179	3,274
Capital Outlay	2,000	1,538	462
Other	3,670	540	3,130
Total Courts/Judge-Judge Administration	1,859,203	1,779,641	79,562
Courts/Clerk-Clerk of Courts Administration:			
Personal Services	1,330,691	1,315,533	15,158
Materials and Supplies	62,636	47,962	14,674
Contractual Services	40,784	35,595	5,189
Other	3,343	2,017	1,326
Total Courts/Clerk-Clerk of Courts Admin	$ 1,437,454	$ 1,401,107	$ 36,347

(continued)

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Law Director-Law Administration:			
Personal Services	$ 1,527,138	$ 1,476,886	$ 50,252
Materials and Supplies	8,583	7,245	1,338
Contractual Services	253,369	204,331	49,038
Other	323,426	281,448	41,978
Total Law Director-Law Administration	2,112,516	1,969,910	142,606
Law Director-Police Settlement			
Legal Claims	27,600	27,600	-
Total Law Director-Police Settlement	27,600	27,600	-
Auditor-Auditor Administration:			
Personal Services	1,020,040	1,015,248	4,792
Materials and Supplies	30,842	29,826	1,016
Contractual Services	685,200	683,310	1,890
Other	115,217	61,028	54,189
Total Auditor-Auditor Administration	1,851,299	1,789,412	61,887
Treasurer- Administration & Operations:			
Personal Services	241,814	234,528	7,286
Materials and Supplies	1,350	539	811
Contractual Services	7,150	2,707	4,443
Other	400	366	34
Total Treasurer-Operations	250,714	238,140	12,574
Board of Commission-Civil Service:			
Personal Services	240,807	230,340	10,467
Materials and Supplies	4,854	4,683	171
Contractual Services	52,128	49,452	2,676
Total Board of Commission-Civil Service	297,789	284,475	13,314
Board of Commission-Zoning Board:			
Planning and Zoning:			
Personal Services	8,900	8,549	351
Total Board of Commission-Zoning Board	8,900	8,549	351
Motor Vehicle-Administration:			
Personal Services	191,048	190,677	371
Materials and Supplies	5,290	5,277	13
Contractual Services	159,379	155,585	3,794
Other	15	15	-
Total Motor Vehicle-Administration	355,732	351,554	4,178
Motor Vehicle-Service and Repair:			
Personal Services	960,967	960,700	267
Materials and Supplies	1,582,957	1,518,305	64,652
Contractual Services	78,551	76,080	2,471
Capital Outlay	17,684	17,634	50
Other	281,192	281,126	66
Total Motor Vehicle-Service and Repair	$ 2,921,351	$ 2,853,845	$ 67,506

(continued)

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Management Information Systems:			
Personal Services	$ 1,005,264	$ 969,190	$ 36,074
Materials and Supplies	36,241	33,353	2,888
Contractual Services	150,179	140,229	9,950
Capital Outlay	9,200	8,933	267
Other	15,976	13,950	2,026
Total Management Information Systems	1,216,860	1,165,655	51,205
Total General Government	19,252,836	18,254,023	998,813
Security of Persons and Property:			
Safety Director-Safety Director Administration:			
Personal Services	148,029	144,363	3,666
Materials and Supplies	400	46	354
Contractual Services	7,957	5,176	2,781
Capital Outlay	174	174	-
Other	4,295	2,245	2,050
Total Safety Director-Safety Director Admin	160,855	152,004	8,851
Safety Director-Code Enforcement Admin:			
Personal Services	897,931	860,441	37,490
Materials and Supplies	26,719	24,875	1,844
Contractual Services	126,382	100,381	26,001
Other	8,289	7,661	628
Total Safety Director-Code Enforcement Admin	1,059,321	993,358	65,963
Safety Director-Code Enforcement Demolition:			
Contractual Services	1,508	-	1,508
Total Safety Director-Code Enforcement Demo	1,508	-	1,508
Safety Director-School Police Administration:			
Personal Services	147,300	136,359	10,941
Materials and Supplies	1,200	-	1,200
Total Safety Director-School Police Admin	148,500	136,359	12,141
Safety Director-Central Communication Admin:			
Salaries and Wages	1,085,249	1,080,392	4,857
Materials and Supplies	8,970	8,623	347
Contractual Services	52,266	48,257	4,009
Total Safety Director-Central Communication Admin	1,146,485	1,137,272	9,213
Police Administration:			
Personal Services	16,007,351	15,809,476	197,875
Materials and Supplies	66,716	65,980	736
Contractual Services	421,723	409,884	11,839
Capital Outlay	12,541	1,855	10,686
Other	16,501	16,400	101
Total Police Administration	16,524,832	16,303,595	221,237
Fire Administration:			
Personal Services	14,107,560	14,095,261	12,299
Materials and Supplies	225,208	219,430	5,778
Contractual Services	489,620	372,494	117,126
Other	23,579	22,770	809
Total Fire Administration	$ 14,845,967	$ 14,709,955	$ 136,012

(continued)

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Traffic Divisions-Traffic Engineer/Parking Meter:			
Personal Services	$ 211,478	$ 203,587	$ 7,891
Materials and Supplies	19,353	16,747	2,606
Contractual Services	2,272	1,861	411
Other	2,270	2,022	248
Total Traffic Divisions-Traffic Engineer/Parking Meter	235,373	224,217	11,156
Total Security of Persons and Property	34,122,841	33,656,760	466,081
Public Health:			
Health Administration:			
Personal Services	599,293	596,189	3,104
Materials and Supplies	15,976	11,477	4,499
Contractual Services	153,670	141,253	12,417
Capital Outlay	1,800	829	971
Other	333,784	312,314	21,470
Total Health Administration	1,104,523	1,062,062	42,461
Health-Nurses:			
Personal Services	711,308	708,548	2,760
Materials and Supplies	40,953	30,800	10,153
Contractual Services	3,698	1,515	2,183
Other	2,020	1,763	257
Total Health-Nurses	757,979	742,626	15,353
Health-Lab:			
Personal Services	213,874	210,161	3,713
Materials and Supplies	23,455	21,551	1,904
Contractual Services	8,805	5,370	3,435
Capital Outlay	630	-	630
Other	1,500	738	762
Total Health-Lab	248,264	237,820	10,444
Health-Environmental Health Administration:			
Personal Services	701,693	700,551	1,142
Materials and Supplies	3,293	2,008	1,285
Contractual Services	9,576	2,627	6,949
Other	2,000	1,626	374
Total Health-Environmental Health Administration	716,562	706,812	9,750
Total Public Health	2,827,328	2,749,320	78,008
Transportation:			
Engineering-Daily Operations:			
Personal Services	112,671	93,164	19,507
Contractual and Services	4,020	3,853	167
Total Engineering-Daily Operations	116,691	97,017	19,674
Street-Maintenance:			
Personal Services	470,729	447,843	22,886
Materials and Supplies	241,091	239,969	1,122
Contractual Services	824,270	821,976	2,294
Other	3,354	3,300	54
Total Street-Maintenance	$ 1,539,444	$ 1,513,088	$ 26,356

(continued)

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Total Transportation	$ 1,656,135	$ 1,610,105	$ 46,030
Leisure Time Activities:			
Park Division-Park Administration:			
Personal Services	1,096,767	1,052,032	44,735
Materials and Supplies	27,852	24,756	3,096
Contractual Services	52,526	47,801	4,725
Other	6,532	5,402	1,130
Total Park Division-Park Administration	1,183,677	1,129,991	53,686
Mayor-Baseball:			
Materials and Supplies	8,045	7,063	982
Contractual Services	29,212	26,563	2,649
Total Mayor-Baseball	37,257	33,626	3,631
Civic Center-Civic Center Administration:			
Personal Services	627,902	617,055	10,847
Materials and Supplies	176,426	145,402	31,024
Contractual Services	646,370	560,112	86,258
Other	58,974	56,408	2,566
Total Civic Center-Civic Center Administration	1,509,672	1,378,977	130,695
Total Leisure Time Activities	2,730,606	2,542,594	188,012
Debt Service:			
Principal Retirement:			
General Obligation Various Improvement Bonds	305,000	305,000	-
Total Principal Retirement	305,000	305,000	-
Interest and Fiscal Charges			
General Obligation Various Improvement Bonds	214,725	214,725	-
Total Interest and Fiscal Charges	214,725	214,725	-
Total Debt Service	519,725	519,725	-
Total Expenditures	61,109,471	59,332,527	1,776,944
Excess of Revenues Over (Under) Expenditures	(1,824,616)	395,492	2,220,108
Other Financing Sources (Uses)			
Sale of Capital Assets	-	4	4
Advances In	57,000	7,224	(49,776)
Advances Out	(38,224)	(8,224)	30,000
Transfers Out	(62,776)	(62,776)	-
Total Other Financing Sources	(44,000)	(63,772)	(19,772)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,868,616)	331,720	2,200,336
Fund Balances Beginning of Year	3,433,674	3,433,674	-
Unexpended Prior Year Encumbrances	380,899	380,899	-
Fund Balances End of Year	$ 1,945,957	$ 4,146,293	$ 2,200,336

City of Canton, Ohio

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 5,342,670	$ 3,220	$ 12,931,178	$ 18,277,068
Cash and Cash Equivalents in Segregated Accounts	-	3,019	-	3,019
Taxes Receivable	-	15,584	-	15,584
Accounts Receivable	63,996	-	20,266	84,262
Due From Other Governments	3,711,973	-	9,733	3,721,706
Inventories	50,670	-	-	50,670
Total Assets	$ 9,169,309	$ 21,823	$ 12,961,177	$ 22,152,309
Liabilities and Fund Balances				
Current				
Accounts Payable	$ 555,084	$ -	$ 6,554	$ 561,638
Accrued Wages and Benefits	185,398	-	-	185,398
Due to Other Funds	3,320	-	-	3,320
Due to Other Governments	276,659	-	-	276,659
Retainage Payable	-	-	102,382	102,382
Deferred Revenue	1,639,274	15,584	-	1,654,858
Total Liabilities	2,659,735	15,584	108,936	2,784,255
Net Assets and Other Credits				
Fund Balances				
Reserved for:				
Inventories	50,670	-	-	50,670
Encumbrances	673,039	-	5,595,187	6,268,226
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds	5,785,865	-	-	5,785,865
Debt Service Funds	-	6,239	-	6,239
Capital Projects Funds	-	-	7,257,054	7,257,054
Total Fund Balances	6,509,574	6,239	12,852,241	19,368,054
Total Liabilities and Fund Balances	$ 9,169,309	$ 21,823	$ 12,961,177	$ 22,152,309

City of Canton, Ohio

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Charges for Services	$ 1,092,521	$ -	$ -	$ 1,092,521
Licenses, Permits, and Fees	256,263	-	-	256,263
Fines and forfeitures	1,322,343	-	-	1,322,343
Intergovernmental	4,220,059	-	-	4,220,059
Interest	32,451	2,578	698,293	733,322
Operating Grants and Contributions	3,169,323	-	-	3,169,323
Capital Grants and Contributions	1,120,451	-	3,942,072	5,062,523
Rentals	22,031	-	-	22,031
Other	215,402	-	-	215,402
Total Revenues	11,450,844	2,578	4,640,365	16,093,787
Expenditures				
Current				
General Government	1,746,706	-	-	1,746,706
Security of Persons and Property	2,324,344	-	-	2,324,344
Public Health	3,310,778	-	-	3,310,778
Transportation	2,809,151	-	-	2,809,151
Community Environment	843,267	-	-	843,267
Leisure Time Activities	9,302	-	-	9,302
Capital Outlay	-	-	5,330,777	5,330,777
Debt Service				
Principal	-	138,090	-	138,090
Total Expenditures	11,043,548	138,090	5,330,777	16,512,415
Excess Revenues Over (Under) Expenditures	407,296	(135,512)	(690,412)	(418,628)
Other Financing Sources				
Transfers In	62,776	-	-	62,776
Net Change in Fund Balance	470,072	(135,512)	(690,412)	(355,852)
Fund Balance at Beginning of Year	6,008,263	141,751	13,542,653	19,692,667
Increase in Reserve for Inventory	31,239	-	-	31,239
Fund Balance at End of Year	$ 6,509,574	$ 6,239	$ 12,852,241	$ 19,368,054

City of Canton, Ohio

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 568,029	$ 81,529	$ 780,848	$ 202,982	$ 2,180,291
Accounts Receivable	2,948	-	-	-	61,048
Due From Other Governments	1,030,841	100,652	-	-	1,473,459
Inventories	50,670	-	-	-	-
Total Assets	$ 1,652,488	$ 182,181	$ 780,848	$ 202,982	$ 3,714,798
Liabilities and Fund Balances					
Current					
Accounts Payable	$ 147,338	$ 19,574	$ -	$ 15,511	$ 38,324
Accrued Wages and Benefits	78,647	4,036	-	4,258	82,353
Due to Other Funds	2,040	280	-	-	-
Due to Other Governments	18,246	936	-	70,212	180,424
Deferred Revenue	546,859	44,176	-	-	1,025,730
Total Liabilities	793,130	69,002	-	89,981	1,326,831
Net Assets and Other Credits					
Fund Balances					
Reserved for:					
Inventories	50,670	-	-	-	-
Encumbrances	76,212	10,886	42,109	9,039	46,029
Unreserved:					
Undesignated, Reported in :					
Special Revenue Funds (Deficit)	732,476	102,293	738,739	103,962	2,341,938
Total Fund Balances	859,358	113,179	780,848	113,001	2,387,967
Total Liabilities and Fund Balances	$ 1,652,488	$ 182,181	$ 780,848	$ 202,982	$ 3,714,798

(continued)

City of Canton, Ohio

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Crime Lab	Court Computer	Recycle Ohio	Court	Law Department Dispute Resolution	Convention Center Feasibility Grant
Assets						
Equity in Pooled Cash and Cash Equivalents	$ 103	$ 255,415	$ 7,516	$ 256,891	$ 2,614	$ -
Accounts Receivable	-	-	-	-	-	-
Due From Other Governments	131	22,914	-	20,564	-	-
Inventories	-	-	-	-	-	-
Total Assets	$ 234	$ 278,329	$ 7,516	$ 277,455	$ 2,614	$ -
Liabilities and Fund Balances						
Current						
Accounts Payable	$ -	$ 5,540	$ -	$ 15,562	$ 103	$ -
Accrued Wages and Benefits	-	5,802	-	3,049	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	-	1,346	-	707	-	-
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	-	12,688	-	19,318	103	-
Net Assets and Other Credits						
Fund Balances						
Reserved for:						
Inventories	-	-	-	-	-	-
Encumbrances	-	9,328	-	1,941	95	-
Unreserved:						
Undesignated, Reported in :						
Special Revenue Funds (Deficit)	234	256,313	7,516	256,196	2,416	-
Total Fund Balances	234	265,641	7,516	258,137	2,511	-
Total Liabilities and Fund Balances	$ 234	$ 278,329	$ 7,516	$ 277,455	$ 2,614	$ -

Youth Development	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services	Prisoner Housing	Local Law Enforcement Block Grant	Safe Neighborhood	Police Donation
$ 867	$ 20,723	$ 39,704	$ 231,664	$ 34,285	$ 17,627	$ 59,241	$ 703	$ 2,000
-	-	-	-	-	-	-	-	-
-	518	1,149	214	12,737	398	-	-	-
-	-	-	-	-	-	-	-	-
$ 867	$ 21,241	$ 40,853	$ 231,878	$ 47,022	$ 18,025	$ 59,241	$ 703	$ 2,000
$ -	$ -	$ 8,000	$ 2,038	$ 381	$ -	$ 1,098	$ -	$ -
-	-	-	-	4,671	-	-	-	-
1,000	-	-	-	-	-	-	-	-
-	-	-	3,105	1,084	-	-	-	-
-	-	-	-	-	-	-	-	-
1,000	-	8,000	5,143	6,136	-	1,098	-	-
-	-	-	-	-	-	-	-	-
-	202	1,000	34,319	967	-	544	-	-
(133)	21,039	31,853	192,416	39,919	18,025	57,599	703	2,000
(133)	21,241	32,853	226,735	40,886	18,025	58,143	703	2,000
$ 867	$ 21,241	$ 40,853	$ 231,878	$ 47,022	$ 18,025	$ 59,241	$ 703	$ 2,000

(continued)

City of Canton, Ohio

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Supplementary Police Forces	Fire Donation	Clean Ohio	Other	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 3,673	$ 3,076	$ 14	$ 592,875	$ 5,342,670
Accounts Receivable	-	-	-	-	63,996
Due From Other Governments	-	-	282,274	766,122	3,711,973
Inventories	-	-	-	-	50,670
Total Assets	$ 3,673	$ 3,076	$ 282,288	$ 1,358,997	$ 9,169,309
Liabilities and Fund Balances					
Current					
Accounts Payable	$ -	$ -	$ 276,620	$ 24,995	$ 555,084
Accrued Wages and Benefits	-	-	-	2,582	185,398
Due to Other Funds	-	-	-	-	3,320
Due to Other Governments	-	-	-	599	276,659
Deferred Revenue	-	-	5,654	16,855	1,639,274
Total Liabilities	-	-	282,274	45,031	2,659,735
Net Assets and Other Credits					
Fund Balances					
Reserved for:					
Inventories	-	-	-	-	50,670
Encumbrances	-	-	416,309	24,059	673,039
Unreserved:					
Undesignated, Reported in :					
Special Revenue Funds (Deficit)	- 3,673	3,076	(416,295)	1,289,907	5,785,865
Total Fund Balances	3,673	3,076	14	1,313,966	6,509,574
Total Liabilities and Fund Balances	$ 3,673	$ 3,076	$ 282,288	$ 1,358,997	$ 9,169,309

City of Canton, Ohio

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended December 31, 2007

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
Revenues					
Charges for Services	$ 1,480	$ -	$ -	$ 332,112	$ -
Licenses, Permits, and Fees	-	-	-	-	256,263
Fines and forfeitures	-	-	-	-	108,803
Intergovernmental	3,263,688	267,647	688,724	-	-
Interest	15,129	3,593	-	-	-
Operating Grants and Contributions	-	-	-	-	2,995,052
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	1,700	-
Other	28,514	-	-	-	42,249
Total Revenues	3,308,811	271,240	688,724	333,812	3,402,367
Expenditures					
Current					
General Government	-	-	-	-	-
Security of Persons and Property	1,420,965	36,039	-	371,895	-
Public Health	-	-	-	-	3,310,778
Transportation	1,816,526	215,218	777,407	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Total Expenditures	3,237,491	251,257	777,407	371,895	3,310,778
Excess Revenues Over (Under) Expenditures	71,320	19,983	(88,683)	(38,083)	91,589
Other Financing Sources					
Transfers In	-	-	-	-	40,000
Total Other Financing Sources	-	-	-	-	40,000
Net Change in Fund Balance	71,320	19,983	(88,683)	(38,083)	131,589
Fund Balance at Beginning of Year	756,799	93,196	869,531	151,084	2,256,378
Increase in Reserve for Inventory	31,239	-	-	-	-
Fund Balance at End of Year	$ 859,358	$ 113,179	$ 780,848	$ 113,001	$ 2,387,967

(continued)

City of Canton, Ohio

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended December 31, 2007

	Crime Lab	Court Computer	Recycle Ohio	Court	Law Department Dispute Resolution
Revenues					
Charges for Services	$ 234	$ 304,796	$ -	$ 271,550	$ 1,390
Licenses, Permits, and Fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	-	-
Other	-	-	-	187	-
Total Revenues	234	304,796	-	271,737	1,390
Expenditures					
Current					
General Government	-	200,310	-	166,507	1,750
Security of Persons and Property	-	-	-	-	-
Public Health	-	-	-	-	-
Transportation	-	-	-	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Total Expenditures	-	200,310	-	166,507	1,750
Excess Revenues Over (Under) Expenditures	234	104,486	-	105,230	(360)
Other Financing Sources					
Transfers In	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	234	104,486	-	105,230	(360)
Fund Balance at Beginning of Year	-	161,155	7,516	152,907	2,871
Increase in Reserve for Inventory	-	-	-	-	-
Fund Balance at End of Year	$ 234	$ 265,641	$ 7,516	$ 258,137	$ 2,511

Convention Center Feasibility Grant	Youth Development	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services	Prisoner Housing	Local Law Enforcement Block Grant	Safe Neighborhood
$ -	$ -	$ -	$ -	$ -	$ 180,959	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-
-	-	16,657	34,670	237,629	-	10,485	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	943	-
-	36,277	-	-	-	-	-	-	1,000
-	-	-	-	-	-	-	57,554	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	36,277	16,657	34,670	237,629	180,959	10,485	58,497	1,000
723,975	62,396	-	87,160	-	202,036	-	-	-
-	-	9,707	-	76,514	-	-	1,298	1,297
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
723,975	62,396	9,707	87,160	76,514	202,036	-	1,298	1,297
(723,975)	(26,119)	6,950	(52,490)	161,115	(21,077)	10,485	57,199	(297)
-	22,776	-	-	-	-	-	-	-
-	22,776	-	-	-	-	-	-	-
(723,975)	(3,343)	6,950	(52,490)	161,115	(21,077)	10,485	57,199	(297)
723,975	3,210	14,291	85,343	65,620	61,963	7,540	944	1,000
-	-	-	-	-	-	-	-	-
$ -	$ (133)	$ 21,241	$ 32,853	$ 226,735	$ 40,886	$ 18,025	$ 58,143	$ 703

(continued)

City of Canton, Ohio

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended December 31, 2007

	Police Donation	Supplementary Police Forces	Fire Donation	Clean Ohio	Other	Total Nonmajor Special Revenue Funds
Revenues						
Charges for Services	$ -	$ -	$ -	$ -	$ -	$ 1,092,521
Licenses, Permits, and Fees	-	-	-	-	-	256,263
Fines and forfeitures	-	-	-	-	914,099	1,322,343
Intergovernmental	-	-	-	-	-	4,220,059
Interest	-	-	-	-	12,786	32,451
Operating Grants and Contributions	-	-	22,050	-	114,944	3,169,323
Capital Grants and Contributions	-	-	-	1,062,897	-	1,120,451
Rentals	-	-	-	-	20,331	22,031
Other	-	5,726	-	-	138,726	215,402
Total Revenues	-	5,726	22,050	1,062,897	1,200,886	11,450,844
Expenditures						
Current						
General Government	-	-	-	219,630	82,942	1,746,706
Security of Persons and Property	-	5,881	21,054	-	379,694	2,324,344
Public Health	-	-	-	-	-	3,310,778
Transportation	-	-	-	-	-	2,809,151
Community Environment	-	-	-	843,267	-	843,267
Leisure Time Activities	-	-	-	-	9,302	9,302
Total Expenditures	-	5,881	21,054	1,062,897	471,938	11,043,548
Excess Revenues Over (Under) Expenditures	-	(155)	996	-	728,948	407,296
Other Financing Sources						
Transfers In	-	-	-	-	-	62,776
Total Other Financing Sources	-	-	-	-	-	62,776
Net Change in Fund Balance	-	(155)	996	-	728,948	470,072
Fund Balance at Beginning of Year	2,000	3,828	2,080	14	585,018	6,008,263
Increase in Reserve for Inventory	-	-	-	-	-	31,239
Fund Balance at End of Year	$ 2,000	$ 3,673	$ 3,076	$ 14	$ 1,313,966	$ 6,509,574

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Community and Economic Development Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 233,435	$ 98,578	$ (134,857)
Fines and Forfeitures	9,000	5,000	(4,000)
Operating Grants	13,420,868	5,178,141	(8,242,727)
Interest	16,000	22,244	6,244
Other	2,061,368	2,782,007	720,639
Total Revenues	15,740,671	8,085,970	(7,654,701)
Expenditures			
Current:			
Community Environment:			
Community Development Administration:			
Personnel Costs	1,386,387	1,029,828	356,559
Materials and Supplies	34,490	14,796	19,694
Contractual Services	3,223,617	1,307,365	1,916,252
Capital Outlay	708,610	433,378	275,232
Other	8,058,568	4,123,771	3,934,797
Total Community Environment	13,411,672	6,909,138	6,502,534
Debt Service:			
Principal Retirement	335,000	335,000	-
Interest and Fiscal Charges	38,919	38,919	-
Total Debt Service	373,919	373,919	-
Total Expenditures	13,785,591	7,283,057	6,502,534
Excess of Revenues Over Expenditures	1,955,080	802,913	(1,152,167)
Other Financing Sources			
Sale of Capital Assets	-	4	4
Excess of Revenues and Other Financing Sources Over Expenditures	1,955,080	802,917	(1,152,163)
Fund Balance (Deficit) Beginning of Year	(3,598,171)	(3,598,171)	-
Unexpended Prior Year Encumbrances	2,292,031	2,292,031	-
Fund Balance (Deficit) End of Year	$ 648,940	$ (503,223)	$ (1,152,163)

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ -	$ 1,480	$ 1,480
Intergovernmental	2,997,000	3,134,768	137,768
Interest	3,000	15,129	12,129
Other	11,008	27,864	16,856
Total Revenues	3,011,008	3,179,241	168,233
Expenditures			
Current:			
Security of Persons and Property:			
Traffic Divisions-Traffic Engineer Administration:			
Personnel Costs	273,273	268,465	4,808
Materials and Supplies	25,195	24,213	982
Contractual Services	56,389	53,746	2,643
Capital Outlay	15,708	10,770	4,938
Other	1,506	1,024	482
Total Traffic Divisions-Traffic Engineer Administration	372,071	358,218	13,853
Traffic Divisions-Traffic Sign and Paint:			
Personnel Costs	290,094	289,360	734
Materials and Supplies	86,852	77,547	9,305
Contractual Services	79,172	72,154	7,018
Capital Outlay	1,072	1,072	-
Other	873	786	87
Total Traffic Divisions-Traffic Sign and Paint	458,063	440,919	17,144
Traffic Divisions-Traffic Signal:			
Personnel Costs	337,363	331,226	6,137
Materials and Supplies	69,604	68,881	723
Contractual Services	303,515	252,544	50,971
Capital Outlay	11,048	11,044	4
Other	1,727	1,690	37
Total Traffic Divisions-Traffic Signal	723,257	665,385	57,872
Total Security Persons and Property	1,553,391	1,464,522	88,869
Transportation:			
Street Maintenance:			
Personnel Costs	1,263,736	1,170,152	93,584
Materials and Supplies	238,730	237,143	1,587
Contractual Services	378,633	376,082	2,551
Capital Outlay	584	584	-
Other	22,794	21,440	1,354
Total Transportation	1,904,477	1,805,401	99,076
Total Expenditures	3,457,868	3,269,923	187,945
Excess of Revenues (Under) Expenditures	(446,860)	(90,682)	356,178
Fund Balance Beginning of Year	414,466	414,466	-
Unexpended Prior Year Encumbrances	32,394	32,394	-
Fund Balance End of Year	$ -	$ 356,178	$ 356,178

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	$ 239,000	$ 238,207	$ (793)
Interest	3,500	3,593	93
Total Revenues	242,500	241,800	(700)
Expenditures			
Current:			
Security of Persons and Property:			
Traffic Divisions-Traffic Signal:			
Contractual Services	54,171	43,000	11,171
Transportation:			
Street Maintenance:			
Personnel Costs	133,293	110,700	22,593
Materials and Supplies	57,175	55,608	1,567
Contractual Services	51,384	51,384	-
Total Transportation	241,852	217,692	24,160
Total Expenditures	296,023	260,692	35,331
Excess of Revenues (Under) Expenditures	(53,523)	(18,892)	34,631
Fund Balance Beginning of Year	57,418	57,418	-
Unexpended Prior Year Encumbrances	12,546	12,546	-
Fund Balance End of Year	$ 16,441	$ 51,072	$ 34,631

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Municipal Road Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	$ 688,724	$ 688,724	$ -
Expenditures			
Current:			
Transportation:			
Engineering-Engineering Administration:			
Materials and Supplies	818,670	730,833	87,837
Midway Ave Imprv:			
Capital Outlay	69,050	63,785	5,265
Total Expenditures	887,720	794,618	93,102
Excess of Revenues (Under) Expenditures	(198,996)	(105,894)	93,102
Fund Balance Beginning of Year	802,521	802,521	-
Unexpended Prior Year Encumbrances	42,109	42,109	-
Fund Balance End of Year	$ 645,634	$ 738,736	$ 93,102

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Cornerstone Parking Deck Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 324,000	$ 332,506	$ 8,506
Rentals	1,400	1,800	400
Total Revenues	325,400	334,306	8,906
Expenditures			
Current:			
General Government:			
Service Director-Service Director Administration:			
Contractual Services	1,410	-	1,410
Capital Outlay	2,340	-	2,340
Total General Government	3,750	-	3,750
Security of Persons & Property:			
Safety Director-Safety Director Administration:			
Personnel Costs	146,974	130,378	16,596
Materials and Supplies	34,051	19,558	14,493
Contractual Services	331,625	209,534	122,091
Capital Outlay	12,000	-	12,000
Other	6,221	2,185	4,036
Total Security of Persons & Property	530,871	361,655	169,216
Total Expenditures	534,621	361,655	172,966
Excess of Revenues (Under) Expenditures	(209,221)	(27,349)	181,872
Fund Balance Beginning of Year	202,375	202,375	-
Unexpended Prior Year Encumbrances	6,846	6,846	-
Fund Balance End of Year	$ -	$ 181,872	$ 181,872

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Health Services Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Licenses, Permits and Fees	$ 272,091	$ 270,263	$ (1,828)
Fines and Forfeitures	-	53,450	53,450
Operating Grants	3,211,046	3,110,145	(100,901)
Contributions and Donations	1,000	1,150	150
Other	51,000	43,389	(7,611)
Total Revenues	3,535,137	3,478,397	(56,740)
Expenditures			
Current:			
Public Health:			
Health Administration:			
Personnel Costs	2,479,946	1,974,730	505,216
Materials and Supplies	500,128	152,428	347,700
Contractual Services	393,402	111,880	281,522
Capital Outlay	396,406	50,448	345,958
Other	1,357,291	1,069,496	287,795
Total Expenditures	5,127,173	3,358,982	1,768,191
Excess of Revenues Over (Under) Expenditures	(1,592,036)	119,415	1,711,451
Other Financing Sources			
Transfers In	40,000	40,000	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	(1,552,036)	159,415	1,711,451
Fund Balance Beginning of Year	1,822,307	1,822,307	-
Unexpended Prior Year Encumbrances	24,897	24,897	-
Fund Balance End of Year	$ 295,168	$ 2,006,619	$ 1,711,451

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Employee Recognition Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	$ 1,000	$ 1,000	$ -
Expenditures			
Current:			
General Government:			
Mayor Administration:			
Contractual Services	1,200	1,057	143
Excess of Revenues (Under) Expenditures	(200)	(57)	143
Fund Balance Beginning of Year	200	200	-
Fund Balance End of Year	$ -	$ 143	$ 143

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
City Hall Plaza Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance Beginning of Year	173	173	-
Fund Balance End of Year	$ 173	$ 173	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Crime Lab
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Favorable Over/(Under)
Revenues			
Charges for Services	$ -	$ 103	$ 103
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	103	103
Fund Balance Beginning of Year	-	-	-
Fund Balance End of Year	$ -	$ 103	$ 103

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court's Computer Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 280,000	$ 306,108	$ 26,108
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Personnel Costs	156,988	125,822	31,166
Materials and Supplies	15,870	12,976	2,894
Contractual Services	58,576	55,416	3,160
Capital Outlay	24,524	24,524	-
Other	200	-	200
Total Expenditures	256,158	218,738	37,420
Excess of Revenues Over Expenditures	23,842	87,370	63,528
Fund Balance Beginning of Year	125,506	125,506	-
Unexpended Prior Year Encumbrances	10,469	10,469	-
Fund Balance End of Year	$ 159,817	$ 223,345	$ 63,528

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Recycle Ohio Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance Beginning of Year	7,515	7,515	-
Fund Balance End of Year	$ 7,515	$ 7,515	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Guardrail/Attenuator Replacement Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	$ 1,489	$ 1,489	$ -
Expenditures	-	-	-
Excess of Revenues Over Expenditures	1,489	1,489	-
Fund Balance Beginning of Year	5,794	5,794	-
Fund Balance End of Year	$ 7,283	$ 7,283	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Southeast Community Center Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance Beginning of Year	862	862	-
Fund Balance End of Year	$ 862	$ 862	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court Capital Improvement Special Project Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 250,000	$ 272,571	$ 22,571
Other	-	187	187
Total Revenues	250,000	272,758	22,758
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Personnel Costs	171,816	99,597	72,219
Materials and Supplies	22,314	16,375	5,939
Contractual Services	55,007	16,033	38,974
Capital Outlay	10,108	9,408	700
Other	41,295	13,833	27,462
Total Expenditures	300,540	155,246	145,294
Excess of Revenues Over (Under) Expenditures	(50,540)	117,512	168,052
Fund Balance Beginning of Year	130,988	130,988	-
Unexpended Prior Year Encumbrances	1,190	1,190	-
Fund Balance End of Year	$ 81,638	$ 249,690	$ 168,052

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Legal Research Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 500	$ 346	$ (154)
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Materials and Supplies	500	500	-
Capital Outlay	2,000	1,684	316
Total Expenditures	2,500	2,184	316
Excess of Revenues (Under) Expenditures	(2,000)	(1,838)	162
Fund Balance Beginning of Year	2,113	2,113	-
Fund Balance End of Year	$ 113	$ 275	$ 162

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Law Department Dispute Resolution Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 1,180	$ 1,390	$ 210
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Materials and Supplies	650	401	249
Capital Outlay	1,350	1,341	9
Total Expenditures	2,000	1,742	258
Excess of Revenues (Under) Expenditures	(820)	(352)	468
Fund Balance Beginning of Year	2,871	2,871	-
Fund Balance End of Year	$ 2,051	$ 2,519	$ 468

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Convention Center Feasibility Grant
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures			
Current:			
General Government:			
Mayor Administration:			
Contractual Services	723,975	723,975	-
Excess of Revenues (Under) Expenditures	(723,975)	(723,975)	-
Fund Balance Beginning of Year	723,975	723,975	-
Fund Balance End of Year	$ -	$ -	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Park Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenue			
Fines and Forfeitures	$ -	$ 156	$ 156
Capital Grants	198,000	-	(198,000)
Contributions and Donations	1,000	1,215	215
Rentals	19,062	20,331	1,269
Other	1,900	3,875	1,975
Total Revenues	219,962	25,577	(194,385)
Expenditures			
Current:			
Leisure Time Activities:			
Park Division - Special Parks Funds:			
Materials and Supplies	98,917	5,874	93,043
Contractual Services	19,350	7,322	12,028
Capital Outlay	198,000	-	198,000
Total Leisure Time Activities	316,267	13,196	303,071
Total Expenditures	316,267	13,196	303,071
Excess of Revenues Over (Under) Expenditures	(96,305)	12,381	108,686
Fund Balance Beginning of Year	98,198	98,198	-
Unexpended Prior Year Encumbrances	2,162	2,162	-
Fund Balance End of Year	$ 4,055	$ 112,741	$ 108,686

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Youth Development Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	$ 48,352	$ 32,224	$ (16,128)
Contributions and Donations	5,232	4,053	(1,179)
Total Revenues	53,584	36,277	(17,307)
Expenditures			
Current:			
General Government:			
Youth Development Administration:			
Personnel Costs	33,924	33,815	109
Materials and Supplies	31,797	23,575	8,222
Contractual Services	5,521	5,179	342
Total Expenditures	71,242	62,569	8,673
Excess of Revenues (Under) Expenditures	(17,658)	(26,292)	(8,634)
Other Financing Sources (Uses)			
Advances In	7,224	8,224	1,000
Advances Out	(15,000)	(7,224)	7,776
Transfers In	22,776	22,776	-
Total Other Financing Sources	15,000	23,776	8,776
Excess of Revenues and Other Financing Sources (Under) Expenditures	(2,658)	(2,516)	142
Fund Balance Beginning of Year	3,384	3,384	-
Fund Balance End of Year	$ 726	$ 868	$ 142

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Federal Forfeiture Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	$ 207,697	$ 210,005	$ 2,308
Interest	15,000	13,771	(1,229)
Other	8,000	130,222	122,222
Total Revenues	230,697	353,998	123,301
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Personnel Costs	20,000	7,900	12,100
Materials and Supplies	86,109	72,146	13,963
Contractual Services	64,748	55,581	9,167
Capital Outlay	190,581	187,731	2,850
Other	50,243	44,719	5,524
Total Expenditures	411,681	368,077	43,604
Excess of Revenues (Under) Expenditures	(180,984)	(14,079)	166,905
Fund Balance Beginning of Year	386,315	386,315	-
Unexpended Prior Year Encumbrances	11,681	11,681	-
Fund Balance End of Year	$ 217,012	$ 383,917	$ 166,905

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	$ 11,500	$ 17,112	$ 5,612
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	1,500	1,290	210
Other	13,035	8,619	4,416
Total Expenditures	14,535	9,909	4,626
Excess of Revenues Over (Under) Expenditures	(3,035)	7,203	10,238
Fund Balance Beginning of Year	11,783	11,783	-
Unexpended Prior Year Encumbrances	1,535	1,535	-
Fund Balance End of Year	$ 10,283	$ 20,521	$ 10,238

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Indigent Driver Alcohol Treatment Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	$ 42,000	$ 34,535	$ (7,465)
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Contractual Services	130,000	94,287	35,713
Excess of Revenues (Under) Expenditures	(88,000)	(59,752)	28,248
Fund Balance Beginning of Year	90,456	90,456	-
Fund Balance End of Year	$ 2,456	$ 30,704	$ 28,248

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	$ 70,000	$ 244,863	$ 174,863
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Personnel Costs	5,000	1,842	3,158
Materials and Supplies	7,419	6,802	617
Contractual Services	1,000	976	24
Capital Outlay	45,823	45,681	142
Other	60,948	59,942	1,006
Total Expenditures	120,190	115,243	4,947
Excess of Revenues Over (Under) Expenditures	(50,190)	129,620	179,810
Fund Balance Beginning of Year	62,390	62,390	-
Unexpended Prior Year Encumbrances	190	190	-
Fund Balance End of Year	$ 12,390	$ 192,200	$ 179,810

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
D.A.R.E. Program Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	$ 1,500	$ 1,500	$ -
Other	3,140	3,140	-
Total Revenues	4,640	4,640	-
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	9,879	865	9,014
Contractual Services	4,000	4,000	-
Capital Outlay	7,500	3,043	4,457
Total Expenditures	21,379	7,908	13,471
Excess of Revenues (Under) Expenditures	(16,739)	(3,268)	13,471
Fund Balance Beginning of Year	21,379	21,379	-
Fund Balance End of Year	$ 4,640	$ 18,111	$ 13,471

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 180,000	$ 179,633	$ (367)
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Personnel Costs	174,154	172,484	1,670
Materials and Supplies	11,759	9,043	2,716
Contractual Services	3,789	898	2,891
Capital Outlay	11,371	10,867	504
Other	15,000	8,471	6,529
Total Expenditures	216,073	201,763	14,310
Excess of Revenues (Under) Expenditures	(36,073)	(22,130)	13,943
Fund Balance Beginning of Year	55,069	55,069	-
Fund Balance End of Year	$ 18,996	$ 32,939	$ 13,943

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Misdemeanor Community Sanction Grant Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	$ 83,261	$ 84,465	$ 1,204
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Personnel Costs	86,427	76,283	10,144
Materials and Supplies	2,257	2,251	6
Contractual Services	2,974	-	2,974
Other	3,500	3,459	41
Total Expenditures	95,158	81,993	13,165
Excess of Revenues Over (Under) Expenditures	(11,897)	2,472	14,369
Fund Balance Beginning of Year	11,897	11,897	-
Fund Balance End of Year	$ -	$ 14,369	$ 14,369

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Prisoner Housing Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	$ 10,000	$ 10,713	$ 713
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Contractual Services	3,750	-	3,750
Excess of Revenues Over Expenditures	6,250	10,713	4,463
Fund Balance Beginning of Year	6,914	6,914	-
Fund Balance End of Year	$ 13,164	$ 17,627	$ 4,463

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Local Law Enforcement Block Grant Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	$ 57,554	$ 57,554	$ -
Interest	943	943	-
Total Revenues	58,497	58,497	-
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	1,844	1,842	2
Capital Outlay	57,554	-	57,554
Total Expenditures	59,398	1,842	57,556
Excess of Revenues Over (Under) Expenditures	(901)	56,655	57,556
Fund Balance Beginning of Year	946	946	-
Fund Balance End of Year	$ 45	$ 57,601	$ 57,556

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Safe Neighborhood Hero's Grant
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	$ 1,000	$ 1,000	$ -
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	2,000	1,297	703
Excess of Revenues (Under) Expenditures	(1,000)	(297)	703
Fund Balance Beginning of Year	1,000	1,000	-
Fund Balance End of Year	$ -	$ 703	$ 703

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Police Donation
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance Beginning of Year	2,000	2,000	-
Fund Balance End of Year	$ 2,000	$ 2,000	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Canton Police Youth Corp Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance Beginning of Year	8	8	-
Fund Balance End of Year	$ 8	$ 8	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Canton Police Auxiliary Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	$ 5,345	$ 5,726	$ 381
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Contractual Services	8,166	5,770	2,396
Other	1,000	111	889
Total Expenditures	9,166	5,881	3,285
Excess of Revenues (Under) Expenditures	(3,821)	(155)	3,666
Fund Balance Beginning of Year	3,821	3,821	-
Fund Balance End of Year	$ -	$ 3,666	$ 3,666

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Thermal Imaging System Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	$ 183	$ -	$ (183)
Expenditures			
Current:			
Security of Persons and Property:			
Fire Administration:			
Capital Outlay	8,911	8,728	183
Excess of Revenues (Under) Expenditures	(8,728)	(8,728)	-
Fund Balance Beginning of Year	8,545	8,545	-
Unexpended Prior Year Encumbrances	183	183	-
Fund Balance End of Year	$ -	$ -	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Fire Donation Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	$ 20,050	$ 20,050	$ -
Contributions and Donations	2,000	2,000	-
Total Revenues	22,050	22,050	-
Expenditures			
Current:			
Security of Persons and Property:			
Fire Administration:			
Materials and Supplies	12,130	10,271	1,859
Capital Outlay	12,000	10,783	1,217
Total Expenditures	24,130	21,054	3,076
Excess of Revenues Over (Under) Expenditures	(2,080)	996	3,076
Fund Balance Beginning of Year	2,080	2,080	-
Fund Balance End of Year	$ -	$ 3,076	$ 3,076

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Clerk of Courts Administration Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance Beginning of Year	1,229	1,229	-
Fund Balance End of Year	$ 1,229	$ 1,229	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
EMS Training and Equipment Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	$ 3,000	$ 3,000	$ -
Expenditures			
Current:			
Security of Persons and Property:			
Fire Administration:			
Materials and Supplies	8,328	4,661	3,667
Excess of Revenues (Under) Expenditures	(5,328)	(1,661)	3,667
Fund Balance Beginning of Year	5,328	5,328	-
Fund Balance End of Year	$ -	$ 3,667	$ 3,667

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Firefighters Assistance Grant Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures			
Current:			
Security of Persons and Property:			
Fire Administration:			
Materials and Supplies	4,625	4,462	163
Excess of Revenues (Under) Expenditures	(4,625)	(4,462)	163
Fund Balance Beginning of Year	4,625	4,625	-
Fund Balance End of Year	$ -	$ 163	$ 163

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Clean Ohio Revitalization Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	$ 8,001,481	$ 843,267	$ (7,158,214)
Expenditures			
Current:			
Community Environment:			
Community Development Administration:			
Contractual Services	150,325	150,325	-
Capital Outlay	7,542,128	1,056,017	6,486,111
Total Expenditures	7,692,453	1,206,342	6,486,111
Excess of Revenues Over (Under) Expenditures	309,028	(363,075)	(672,103)
Fund Balance (Deficit) Beginning of Year	(355,570)	(355,570)	-
Unexpended Prior Year Encumbrances	46,542	46,542	-
Fund Balance (Deficit) End of Year	$ -	$ (672,103)	$ (672,103)

City of Canton, Ohio

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 3,220	$ -	$ 3,220
Cash and Cash Equivalents in Segregated Accounts	3,019	-	3,019
Taxes Receivable	-	15,584	15,584
Total Assets	$ 6,239	$ 15,584	$ 21,823
Liabilities and Fund Balances			
Current			
Deferred Revenue	$ -	$ 15,584	$ 15,584
Net Assets and Other Credits			
Fund Balances			
Unreserved:			
Undesignated, Reported in :			
Debt Service Funds	6,239	-	6,239
Total Fund Balances	6,239	-	6,239
Total Liabilities and Fund Balances	$ 6,239	$ 15,584	$ 21,823

City of Canton, Ohio

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the year ended December 31, 2007

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Interest	$ 2,578	$ -	$ 2,578
Expenditures			
Current			
Debt Service			
Principal	138,090	-	138,090
Total Expenditures	138,090	-	138,090
Net Change in Fund Balance	(135,512)	-	(135,512)
Fund Balance at Beginning of Year	141,751	-	141,751
Fund Balance at End of Year	$ 6,239	$ -	$ 6,239

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	$ 1,308	$ 2,666	$ 1,358
Expenditures			
Debt Service:			
Principal Retirement:			
General Obligation Various Improvement Bonds	139,952	138,090	1,862
Excess of Revenues (Under) Expenditures	(138,644)	(135,424)	3,220
Fund Balance Beginning of Year	138,644	138,644	-
Fund Balance End of Year	$ -	$ 3,220	$ 3,220

City of Canton, Ohio

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	Radio Communication Systems	2006 City Infrastructure Bond	Traffic Signalization	2006 Recreational Bond	2006 Construct/ Reconstruct Bond
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 596	$ 5,313,545	$ 26	$ 1,500,179	$ 6,114,615
Accounts Receivable	-	8,638	-	2,492	9,136
Due From Other Governments	-	-	-	-	-
Total Assets	$ 596	$ 5,322,183	$ 26	$ 1,502,671	$ 6,123,751
Liabilities and Fund Balances					
Current					
Accounts Payable	$ -	$ 1,040	$ -	$ -	$ 5,514
Retainage Payable	-	92,649	-	-	-
Total Liabilities	-	93,689	-	-	5,514
Net Assets and Other Credits					
Fund Balances					
Reserved for:					
Encumbrances	-	682,027	-	483,617	702,400
Unreserved:					
Undesignated, Reported in :					
Capital Projects Funds	596	4,546,467	26	1,019,054	5,415,837
Total Fund Balances	596	5,228,494	26	1,502,671	6,118,237
Total Liabilities and Fund Balances	$ 596	$ 5,322,183	$ 26	$ 1,502,671	$ 6,123,751

Street & Storm Sewer Improvement	Civic Center Improvement	Tuscarawas Improvement	Midway Avenue Improvement	38th Street Improvement	Steese Drainage Project	Total Nonmajor Capital Projects Funds
$ -	$ 2,217	$ -	$ -	$ -	$ -	$ 12,931,178
-	-	-	-	-	-	20,266
-	-	-	9,733	-	-	9,733
$ -	$ 2,217	$ -	$ 9,733	$ -	$ -	$ 12,961,177
$ -	$ -	$ -	$ -	$ -	$ -	$ 6,554
-	-	-	9,733	-	-	102,382
-	-	-	9,733	-	-	108,936
-	-	1,970,383	-	597,920	1,158,840	5,595,187
-	2,217	(1,970,383)	-	(597,920)	(1,158,840)	7,257,054
-	2,217	-	-	-	-	12,852,241
$ -	$ 2,217	$ -	$ 9,733	$ -	$ -	$ 12,961,177

City of Canton, Ohio

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the year ended December 31, 2007

	Radio Communication Systems	2006 City Infrastructure Bond	Traffic Signalization	2006 Recreational Bond
Revenues				
Interest	$ -	$ 281,086	$ -	$ 106,991
Capital Grants and Contributions	-	-	-	-
Total Revenues	-	281,086	-	106,991
Expenditures				
Current				
Capital Outlay	1,190	462,114	1,371	607,847
Net Change in Fund Balance	(1,190)	(181,028)	(1,371)	(500,856)
Fund Balance at Beginning of Year	1,786	5,409,522	1,397	2,003,527
Fund Balance at End of Year	$ 596	$ 5,228,494	$ 26	$ 1,502,671

2006 Construct/ Reconstruct Bond	Street & Storm Sewer Improvement	Civic Center Improvement	Tuscarawas Improvement	Midway Avenue Improvement	38th Street Improvement	Steese Drainage Project	Total Nonmajor Capital Projects Funds
$ 308,870	$ -	$ 1,346	$ -	$ -	$ -	$ -	$ 698,293
-	-	-	3,109,390	9,733	281,790	541,159	3,942,072
308,870	-	1,346	3,109,390	9,733	281,790	541,159	4,640,365
151,125	57,575	107,483	3,109,390	9,733	281,790	541,159	5,330,777
157,745	(57,575)	(106,137)	-	-	-	-	(690,412)
5,960,492	57,575	108,354	-	-	-	-	13,542,653
$ 6,118,237	$ -	$ 2,217	$ -	$ -	$ -	$ -	$ 12,852,241

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Capital Projects Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	$ 8,750,000	$ 8,710,098	$ (39,902)
Capital Grants	447,625	2,625	(445,000)
Other	269,899	200,462	(69,437)
Total Revenues	9,467,524	8,913,185	(554,339)
Expenditures			
Capital Outlay:			
Safety Director:			
Safety Director Administration	24,038	24,031	7
Code Enforcement Administration	8,978	8,626	352
Police Department-Police Administration	67,090	66,047	1,043
Fire Department-Fire Administration	132,979	131,270	1,709
Traffic Divisions:			
Traffic Signal	50,000	50,000	-
Service Director:			
General Government-Support Administration	175	-	175
Service Director Administration	549,490	516,540	32,950
Purchasing Administration	10,000	-	10,000
Engineering Administration	1,679,712	1,481,317	198,395
Engineering - Steese Area Drainage Project	710,272	492,839	217,433
Engineering - 49th St. & Gardendale	3,197	3,197	-
Engineering - 30th St. NE Trunk Sewer & Improvement	169,206	169,206	-
Engineering - 25th St. NE Storm Sewer	60,500	60,500	-
Engineering - Tuscarawas St. Improvment	397	397	-
Engineering - 38th St Improvement	123,397	123,397	-
Engineering - Stein Industrial Park	106,100	106,100	-
Engineering - West Side Park Trail & Bridge	445,000	385,139	59,861
Street Administration	101,500	101,496	4
Street Paving	2,889,193	2,796,725	92,468
Civic Center Administration	60,131	35,629	24,502
Building Maintenance Administration	105,180	65,511	39,669
Motor Vehicle Administration	13,604	12,727	877
Health:			
Health Administration	31,931	31,025	906
Park Division:			
Park Administration	194,740	184,559	10,181
Park - Vassar Hill Park	15,000	14,115	885
Park - Schreiber Park	15,000	14,874	126
Park - Mallonn Memorial Park	55,000	47,825	7,175
Mayor:			
Mayor Administration	40,000	15,000	25,000
Human Resources Administration	2,500	1,856	644
Youth Development Administration	4,359	4,359	-
Management Information Systems:			
MIS Administration	258,884	251,239	7,645
Systems	$ 18,050	$ 17,725	$ 325

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Capital Projects Fund (continued)
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Council:			
Council Administration	$ 11,000	$ 9,669	$ 1,331
Judges:			
Judge Administration	19,618	13,901	5,717
Court-Clerks:			
Clerk of Courts Administration	4,632	3,672	960
Auditor:			
Auditor Administration	138,006	138,006	-
Treasurer:			
Treasurer Administration	18,400	7,526	10,874
Boards and Comissions:			
Civil Services	17,500	-	17,500
Total Capital Outlay	8,154,759	7,386,045	768,714
Debt Service:			
Principal Retirement	2,318,391	2,318,391	-
Interest and Fiscal Charges	889,942	889,942	-
Total Debt Service	3,208,333	3,208,333	-
Total Expenditures	11,363,092	10,594,378	768,714
Excess of Revenues (Under) Expenditures	(1,895,568)	(1,681,193)	214,375
Fund Balance Beginning of Year	1,509,925	1,509,925	-
Unexpended Prior Year Encumbrances	385,643	385,643	-
Fund Balance End of Year	$ -	$ 214,375	$ 214,375

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Motor Vehicle Purchase Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	$ 2,207,000	$ 2,177,525	$ (29,475)
Rentals	19,035	20,025	990
Other	-	4,030	4,030
Total Revenues	2,226,035	2,201,580	(24,455)
Expenditures			
Capital Outlay:			
Safety Director:			
Code Enforcement Administration	2,600	-	2,600
Central Communication Administration	336,464	202,989	133,475
Police Department-Police Administration	563,300	547,972	15,328
Fire Department-Fire Administration	279,697	271,850	7,847
Service Director:			
Service Director Administration	2,600	-	2,600
Maintenance	261,334	83,044	178,290
Health:			
Health Administration	13,000	-	13,000
Park Division:			
Park Administration	110,500	103,222	7,278
Mayor:			
Mayor Administration	2,600	-	2,600
Youth Development Administration	10,200	10,157	43
Judges:			
Judge Administration	27,100	21,852	5,248
Total Capital Outlay	1,609,395	1,241,086	368,309
Debt Service:			
Principal Retirement	565,000	565,000	-
Interest and Fiscal Charges	114,893	114,893	-
Total Debt Service	679,893	679,893	-
Total Expenditures	2,289,288	1,920,979	368,309
Excess of Revenues Over (Under) Expenditures	(63,253)	280,601	343,854
Other Financing Sources			
Sale of Capital Assets	40,000	54,012	14,012
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(23,253)	334,613	357,866
Fund Balance Beginning of Year	309,249	309,249	-
Unexpended Prior Year Encumbrances	3,300	3,300	-
Fund Balance End of Year	$ 289,296	$ 647,162	$ 357,866

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Radio Communication Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures			
Capital Outlay:			
Safety Director:			
Radio Communication System Bond	1,785	1,190	595
Excess of Revenues (Under) Expenditures	(1,785)	(1,190)	595
Fund Balance Beginning of Year	1,785	1,785	-
Fund Balance End of Year	$ -	$ 595	$ 595

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
2006 City Infrastructure Bond Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	$ 230,000	$ 281,970	$ 51,970
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	3,995,000	515,586	3,479,414
Engineering - Stein Industrial Park	650,000	403,554	246,446
Engineering - West Side Park Trail & Bridge	200,000	185,000	15,000
Engineering - 12th St N Corridor Prj	40,000	40,000	-
Total Expenditures	4,885,000	1,144,140	3,740,860
Excess of Revenues (Under) Expenditures	(4,655,000)	(862,170)	3,792,830
Fund Balance Beginning of Year	5,400,000	5,400,000	-
Fund Balance End of Year	$ 745,000	$ 4,537,830	$ 3,792,830

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Traffic Signalization Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	$ -	$ -	$ -
Expenditures			
Capital Outlay:			
Safety Director:			
Traffic Divisions:			
Traffic Divisions-Engineering Administration	26	-	26
Excess of Revenues Over (Under) Expenditures	(26)	-	26
Fund Balance Beginning of Year	-	-	-
Unexpended Prior Year Encumbrances	26	26	-
Fund Balance End of Year	$ -	$ 26	$ 26

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
2006 Recreational Bond Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	$ 90,000	$ 108,026	$ 18,026
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	1,000,000	43,414	956,586
Park - Willig Field	1,050,000	1,048,050	1,950
Total Expenditures	2,050,000	1,091,464	958,536
Excess of Revenues (Under) Expenditures	(1,960,000)	(983,438)	976,562
Fund Balance Beginning of Year	2,000,000	2,000,000	-
Fund Balance End of Year	$ 40,000	$ 1,016,562	$ 976,562

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
2006 Construct/Reconstruct Bond Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	$ 730,000	$ 310,226	$ (419,774)
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	6,006,000	184,600	5,821,400
Sears Building Improvement	74,000	68,925	5,075
Collection System Department	600,000	600,000	-
Total Expenditures	6,680,000	853,525	5,826,475
Excess of Revenues (Under) Expenditures	(5,950,000)	(543,299)	5,406,701
Fund Balance Beginning of Year	5,950,000	5,950,000	-
Fund Balance End of Year	$ -	$ 5,406,701	$ 5,406,701

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Street & Storm Sewer Project Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	$ 151,991	$ -	$ (151,991)
Other	8,170	-	(8,170)
Total Revenues	160,161	-	(160,161)
Expenditures			
Capital Outlay:			
Engineering Administration	217,737	57,576	160,161
Excess of Revenues (Under) Expenditures	(57,576)	(57,576)	-
Fund Balance Beginning of Year	(102,585)	(102,585)	-
Unexpended Prior Year Encumbrance	160,161	160,161	-
Fund Balance End of Year	$ -	$ -	$ -

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Civic Center Improvement Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	$ 1,630	$ 1,346	$ (284)
Expenditures			
Capital Outlay:			
Service Director:			
Civic Center Administration	80,738	78,238	2,500
Excess of Revenues (Under) Expenditures	(79,108)	(76,892)	2,216
Fund Balance Beginning of Year	76,608	76,608	-
Unexpended Prior Year Encumbrance	2,500	2,500	-
Fund Balance End of Year	$ -	$ 2,216	$ 2,216

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Tuscarawas Street Improvement Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	$ 5,636,900	$ 3,109,390	$ (2,527,510)
Expenditures			
Capital Outlay:			
Engineering - Tuscarawas St. Improvment	5,636,900	5,079,773	557,127
Excess of Revenues Over (Under) Expenditures	-	(1,970,383)	(1,970,383)
Fund Balance Beginning of Year	-	-	-
Fund Balance (Deficit) End of Year	$ -	$ (1,970,383)	$ (1,970,383)

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Midway Avenue Improvement Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	$ 9,733	$ -	$ (9,733)
Expenditures			
Capital Outlay:			
Engineering - Midway Ave NE Improvement	9,733	9,733	-
Excess of Revenues Over (Under) Expenditures	-	(9,733)	(9,733)
Fund Balance Beginning of Year	(9,733)	(9,733)	-
Unexpended Prior Year Encumbrances	9,733	9,733	-
Fund Balance (Deficit) End of Year	$ -	$ (9,733)	$ (9,733)

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
38th Street Improvement Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	$ 597,920	$ 281,790	$ (316,130)
Expenditures			
Capital Outlay:			
Engineering Administration	316,130	316,130	-
Excess of Revenues Over (Under) Expenditures	281,790	(34,340)	(316,130)
Fund Balance Beginning of Year	(597,920)	(597,920)	-
Unexpended Prior Year Encumbrances	316,130	316,130	-
Fund Balance (Deficit) End of Year	$ -	$ (316,130)	$ (316,130)

City of Canton, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Steese Area Drainage Project Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	$ 1,158,840	$ 541,159	$ (617,681)
Expenditures			
Capital Outlay:			
Engineering - Steese Area Drainage Project	1,158,840	1,158,840	-
Excess of Revenues Over (Under) Expenditures	-	(617,681)	(617,681)
Fund Balance Beginning of Year	-	-	-
Fund Balance (Deficit) End of Year	$ -	$ (617,681)	$ (617,681)

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 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, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 11,573,867	$ 12,310,096	$ 736,229
Interest	7,000	8,298	1,298
Capital Grants	346,800	315,600	(31,200)
Rentals	44,000	58,528	14,528
Other	72,300	257,679	185,379
Total Revenues	12,043,967	12,950,201	906,234
Expenses			
Personnel Costs	6,442,521	6,160,521	282,000
Material and Supplies	1,357,014	1,260,839	96,175
Contractual Services	3,063,104	2,892,187	170,917
Capital Outlay	5,796,130	4,904,012	892,118
Claims	96,500	32,206	64,294
Other	166,497	139,350	27,147
Debt Service:			
Principal Retirement	1,733,186	1,733,186	-
Interest and Fiscal Charges	739,113	602,307	136,806
Total Expenses	19,394,065	17,724,608	1,669,457
Excess of Revenues (Under) Expenses	(7,350,098)	(4,774,407)	2,575,691
Other Financing Sources (Uses)			
Sale of Capital Assets	11,200	19,864	8,664
Proceeds of Loans	5,467,781	2,136,955	(3,330,826)
Transfers Out	(133,630)	-	133,630
Total Other Financing Sources	5,345,351	2,156,819	(3,188,532)
Excess of Revenues and Other Financing Sources (Under) Expenses	(2,004,747)	(2,617,588)	(612,841)
Fund Equity Beginning of Year	6,467,766	6,467,766	-
Unexpended Prior Year Encumbrances	661,300	661,300	-
Fund Equity End of Year	$ 5,124,319	$ 4,511,478	$ (612,841)

City of Canton, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 10,875,526	$ 9,743,964	$ (1,131,562)
Interest	95,000	118,814	23,814
Rentals	15,000	15,975	975
Other	810,040	851,486	41,446
Total Revenues	11,795,566	10,730,239	(1,065,327)
Expenses			
Personnel Costs	5,647,383	4,851,593	795,790
Material and Supplies	1,177,445	694,901	482,544
Contractual Services	4,300,759	2,914,622	1,386,137
Capital Outlay	5,871,821	4,268,171	1,603,650
Claims	25,000	2,854	22,146
Other	147,435	48,312	99,123
Debt Service:			
Principal Retirement	2,309,192	2,309,192	-
Interest and Fiscal Charges	461,413	461,413	-
Total Expenses	19,940,448	15,551,058	4,389,390
Excess of Revenues (Under) Expenses	(8,144,882)	(4,820,819)	3,324,063
Other Financing Sources (Uses)			
Sale of Capital Assets	-	4,224	4,224
Transfers Out	(100,000)	-	100,000
Total Other Financing Sources (Uses)	(100,000)	4,224	104,224
Excess of Revenues and Other Financing Sources (Under) Expenses and Other Financing (Uses)	(8,244,882)	(4,816,595)	3,428,287
Fund Equity Beginning of Year	8,625,987	8,625,987	-
Unexpended Prior Year Encumbrances	457,017	457,017	-
Fund Equity End of Year	$ 838,122	$ 4,266,409	$ 3,428,287

City of Canton, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Refuse Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 4,783,473	$ 4,316,311	$ (467,162)
Interest	11,000	16,160	5,160
Operating Grants	-	67,398	67,398
Other	54,431	52,866	(1,565)
Total Revenues	4,848,904	4,452,735	(396,169)
Expenses			
Personnel Costs	2,949,106	2,687,512	261,594
Material and Supplies	84,540	75,971	8,569
Contractual Services	1,819,789	1,641,755	178,034
Capital Outlay	313,416	10,770	302,646
Claims	10,500	7,019	3,481
Other	17,462	15,849	1,613
Debt Service:			
Principal Retirement	26,615	26,615	-
Interest and Fiscal Charges	11,400	11,400	-
Total Expenses	5,232,828	4,476,891	755,937
Excess of Revenues (Under) Expenses	(383,924)	(24,156)	359,768
Fund Equity Beginning of Year	368,728	368,728	-
Unexpended Prior Year Encumbrances	29,761	29,761	-
Fund Equity End of Year	$ 14,565	$ 374,333	$ 359,768

City of Canton, Ohio

Combining Statement of Net Assets
Nonmajor Internal Service Funds
December 31, 2007

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 3,781,447	$ 2,698,241	$ 3,952,432	$ 10,432,120
Accounts Receivable	43,850	680,490	-	724,340
Due From Other Funds	901,515	-	129,022	1,030,537
Total Assets	$ 4,726,812	$ 3,378,731	$ 4,081,454	$ 12,186,997
Liabilities				
Current				
Accounts Payable	$ 1,867	$ 220,915	$ -	$ 222,782
Accrued Wages and Benefits	2,357	3,417	-	5,774
Due to Other Governments	547	792	33,461	34,800
Due Within One Year	-	-	1,472,725	1,472,725
Claims Payable - Current	2,010,722	781,118	144,228	2,936,068
Total Current	2,015,493	1,006,242	1,650,414	4,672,149
Noncurrent				
Due Within More Than One Year	-	-	7,190,137	7,190,137
Total Liabilities	2,015,493	1,006,242	8,840,551	11,862,286
Net Assets				
Unrestricted	2,711,319	2,372,489	(4,759,097)	324,711
Total Net Assets and Liabilities	$ 4,726,812	$ 3,378,731	$ 4,081,454	$ 12,186,997

City of Canton, Ohio

Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Internal Service Funds
For the year ended December 31, 2007

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Revenues				
Charges for Services	$ 1,350,978	$ 8,452,769	$ 3,186,096	$ 12,989,843
Other	114,083	374,640	-	488,723
Total Revenue	1,465,061	8,827,409	3,186,096	13,478,566
Operating Expenses				
Personal Services	62,743	89,478	-	152,221
Contractual Services	36,554	630,093	5,000	671,647
Materials and Supplies	3,251	380	-	3,631
Insurance Claims and Expenses	745,542	7,917,291	-	8,662,833
Benefit Claim Expenses	-	-	3,217,803	3,217,803
Other	555	-	-	555
Total Operating Expenses	848,645	8,637,242	3,222,803	12,708,690
Change in Net Assets	616,416	190,167	(36,707)	769,876
Total Net Assets at Beginning of Year	2,094,903	2,182,322	(4,722,390)	(445,165)
Total Net Assets at End of Year	$ 2,711,319	$ 2,372,489	$ (4,759,097)	$ 324,711

City of Canton, Ohio

Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the year ended December 31, 2007

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total
Cash Flows From Operating Activities				
Receipts from Customers and Users	$ 1,350,978	$ 8,452,769	$ 3,245,845	$ 13,049,592
Other Cash Receipts	41,733	88,694	-	130,427
Payments to Suppliers	(38,429)	(586,462)	-	(624,891)
Payments to Employees	(62,306)	(90,350)	-	(152,656)
Claims Paid	(1,465,520)	(8,013,228)	(3,559,808)	(13,038,556)
Other Cash Payments	(555)	-	(5,000)	(5,555)
Net Increase (Decrease) in Cash and Cash Equivalents	(174,099)	(148,577)	(318,963)	(641,639)
Balance - Beginning of the Year	3,955,546	2,846,818	4,271,395	11,073,759
Balance - End of the Year	3,781,447	2,698,241	3,952,432	10,432,120
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	616,416	190,167	(36,707)	769,876
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Change in Assets and Liabilities:				
Accounts Receivables, net	(43,850)	(285,946)	-	(329,796)
Due From Other Funds	(28,500)	-	59,749	31,249
Accounts Payables	1,376	42,506	-	43,882
Accrued Wages Payable	104	195	-	299
Intergovernmental Payable	333	486	23,066	23,885
Compensated Absences Payable	-	-	(399,879)	(399,879)
Claims Payable	(719,978)	(95,985)	34,808	(781,155)
Net Cash Provided (Used) by Operating Activities	$ (174,099)	$ (148,577)	$ (318,963)	$ (641,639)

City of Canton, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Workers' Compensation Retrospective Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 1,200,000	$ 1,350,978	$ 150,978
Other	-	41,733	41,733
Total Revenues	1,200,000	1,392,711	192,711
Expenses			
Personnel Costs	73,423	62,306	11,117
Material and Supplies	3,290	3,251	39
Contractual Services	108,628	36,825	71,803
Claims	1,500,000	1,465,520	34,480
Other	650	555	95
Total Expenses	1,685,991	1,568,457	117,534
Excess of Revenues (Under) Expenses	(485,991)	(175,746)	310,245
Other Financing Sources			
Advances In	873,015	-	(873,015)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	387,024	(175,746)	(562,770)
Fund Equity Beginning of Year	3,952,485	3,952,485	-
Unexpended Prior Year Encumbrances	2,568	2,568	-
Fund Equity End of Year	$ 4,342,077	$ 3,779,307	$ (562,770)

City of Canton, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Health Insurance Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 8,752,000	$ 8,452,769	$ (299,231)
Other	480,000	88,694	(391,306)
Total Revenues	9,232,000	8,541,463	(690,537)
Expenses			
Personnel Costs	91,481	90,350	1,131
Material and Supplies	2,432	2,382	50
Contractual Services	625,915	586,318	39,597
Claims	10,639,964	8,847,534	1,792,430
Total Expenses	11,359,792	9,526,584	1,833,208
Excess of Revenues (Under) Expenses	(2,127,792)	(985,121)	1,142,671
Fund Equity Beginning of Year	1,751,380	1,751,380	-
Unexpended Prior Year Encumbrances	896,661	896,661	-
Fund Equity End of Year	$ 520,249	$ 1,662,920	$ 1,142,671

City of Canton, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Compensated Absences Claim Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	$ 2,845,000	$ 3,306,008	$ 461,008
Expenses			
Contractual Services	5,000	5,000	-
Benefit Claims Expense	4,042,000	3,559,808	482,192
Total Expenses	4,047,000	3,564,808	482,192
Excess of Revenues (Under) Expenses	(1,202,000)	(258,800)	943,200
Fund Equity Beginning of Year	4,211,233	4,211,233	-
Fund Equity End of Year	$ 3,009,233	$ 3,952,433	$ 943,200

Combining Statements-Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in trustee capacity, or as an agent for individuals, private organizations, other governments, and/or other funds.

Private Purpose Trust

This fund is accounted for in essentially the same manner as proprietary funds.

Hartford Houtz Fund To account for monies donated to be used to improve the health and education of children.

Agency Funds

Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

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.

Ticketmaster Fund To account for money received and reimbursed for event tickets sold through the Ticketmaster System.

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 collect by the City for a Special Improvement District. Once the City receives the money it is immediately reimbursed to the board of the district.

Civic Center Event Expense Clearing Fund To account for money the City receives from event promoters that then must be paid to individuals or associations that performed work during the event.

City of Canton, Ohio

Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the year ended December 31, 2007

	Balance 01/01/07	Additions	Reductions	Balance 12/31/07
Building Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 360,998	$ 220,851	$ 405,233	$ 176,616
Liabilities				
Deposits Held and Due to Others	$ 360,998	$ 220,851	$ 405,233	$ 176,616
Payroll Clearing				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 950,924	$ 12,838,210	$ 12,767,695	$ 1,021,439
Liabilities				
Due to Other Governments	$ 950,924	$ 12,838,210	$ 12,767,695	$ 1,021,439
Employee Buyout Incentive				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 70,892	$ 91,844	$ 106,413	$ 56,323
Liabilities				
Deposits Held and Due to Others	$ 70,892	$ 91,844	$ 106,413	$ 56,323
Auditors Transfer				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 192,158	$ 209,709	$ 244,322	$ 157,545
Cash and Cash Equivalents in Segregated Accounts	485	16,248	16,200	533
Total Assets	$ 192,643	$ 225,957	$ 260,522	$ 158,078
Liabilities				
Deposits Held and Due to Others	$ 192,643	$ 225,957	$ 260,522	$ 158,078
Municipal Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	$ 77,962	$ 8,136,425	$ 8,139,979	$ 74,408
Liabilities				
Undistributed Assets	$ 77,962	$ 8,136,425	$ 8,139,979	$ 74,408

City of Canton, Ohio

Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds (continued)
For the year ended December 31, 2007

	Balance 01/01/07	Additions	Reductions	Balance 12/31/07
Ticketmaster				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 151,343	$ 934,141	$ 897,286	$ 188,198
Liabilities				
Undistributed Assets	$ 151,343	$ 934,141	$ 897,286	$ 188,198
Building Department State Assessment				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 7,805	$ 6,693	$ 6,194	$ 8,304
Liabilities				
Deposits Held and Due to Others	$ 7,805	$ 6,693	$ 6,194	$ 8,304
Downtown Special Improvement District				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ -	$ 152,520	$ 152,520	$ -
Liabilities				
Deposits Held and Due to Others	$ -	$ 152,520	$ 152,520	$ -
Civic Center Event Expense Clearing				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 6,470	$ 376,135	$ 369,213	$ 13,392
Liabilities				
Deposits Held and Due to Others	$ 6,470	$ 376,135	$ 369,213	$ 13,392
All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 1,740,590	$ 14,830,103	$ 14,948,876	$ 1,621,817
Cash and Cash Equivalents in Segregated Accounts	78,447	8,152,673	8,156,179	74,941
Total Assets	$ 1,819,037	$ 22,982,776	$ 23,105,055	$ 1,696,758
Liabilities				
Due to Other Governments	$ 950,924	$ 12,838,210	$ 12,767,695	$ 1,021,439
Undistributed Assets	229,305	9,070,566	9,037,265	262,606
Deposits Held and Due to Others	638,808	1,074,000	1,300,095	412,713
Total Liabilities	$ 1,819,037	$ 22,982,776	$ 23,105,055	$ 1,696,758

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.

Financial Trends S1-S6
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity S7-S8
These schedules contain information to help the reader assess the City's most significant local revenue, municipal income tax.

Debt Capacity S9-S14
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.

Economic and Demographic Information S15-S16
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information S17-S20
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.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information on a full accrual basis include information beginning in that year.

This Page Left Blank Intentionally

City of Canton, Ohio

Net Assets by Component,
Last Seven Years
(accrual basis of accounting)

	2007	2006	2005	2004	2003	2002	2001
Governmental Activities							
Invested in Capital Assets, Net of Related Debt	$ 92,684,219	$ 75,027,928	$ 82,872,262	$ 83,624,341	$ 98,931,209	$ 98,983,621	$ 103,476,691
Restricted	34,630,751	20,993,547	25,406,034	23,251,676	23,301,757	28,310,363	28,052,229
Unrestricted	2,288,255	23,324,075	1,934,685	6,550,811	(3,805,301)	(596,896)	5,137,112
Total Governmental Activities Net Assets	$ 129,603,225	$ 119,345,550	$ 110,212,981	$ 113,426,828	$ 118,427,665	$ 126,697,088	$ 136,666,032
Business-Type Activities							
Invested in Capital Assets, Net of Related Debt	$ 61,635,362	$ 56,337,077	$ 58,415,826	$ 54,636,994	$ 49,682,535	$ 50,200,502	$ 49,976,166
Restricted	-	-	-	-	-	-	-
Unrestricted	21,120,626	24,712,950	23,029,865	21,479,727	24,300,177	20,809,501	18,376,297
Total Business-Type Activities Net Assets	$ 82,755,988	$ 81,050,027	$ 81,445,691	$ 76,116,721	$ 73,982,712	$ 71,010,003	$ 68,352,463
Primary Government							
Invested in Capital Assets, Net of Related Debt	$ 154,319,581	$ 131,365,005	$ 141,288,088	$ 138,261,335	$ 148,613,744	$ 149,184,123	$ 153,452,857
Restricted	34,630,751	20,993,547	25,406,034	23,251,676	23,301,757	28,310,363	28,052,229
Unrestricted	23,408,881	48,037,025	24,964,550	28,030,538	20,494,876	20,212,605	23,513,409
Total Primary Government Net Assets	$ 212,359,213	$ 200,395,577	$ 191,658,672	$ 189,543,549	$ 192,410,377	$ 197,707,091	$ 205,018,495

City of Canton, Ohio

Changes in Net Assets
Last Seven Years
(accrual basis of accounting)

	2007	2006	2005	2004	2003	2002	2001
Expenses							
Governmental Activities:							
General Government	$ 20,396,772	$ 19,042,092	$ 18,585,104	$ 16,658,224	$ 15,454,089	$ 16,975,011	$ 18,599,976
Security of Persons and Property	37,696,448	33,635,452	33,732,631	31,987,242	32,018,034	32,660,736	34,573,006
Public Health	6,120,207	5,368,723	5,407,095	4,691,879	4,847,020	4,481,286	4,600,280
Transportation	11,966,552	10,159,315	14,339,105	17,253,856	18,775,982	16,821,177	17,642,325
Community Development	6,616,297	6,554,058	7,898,906	6,523,014	5,002,599	6,530,815	7,450,015
Leisure Time Activities	3,121,537	2,873,234	2,880,704	2,470,793	2,344,346	2,721,562	2,904,796
Interest on Long-Term Debt	1,259,708	852,785	923,542	1,140,758	1,252,757	1,416,115	1,308,012
Total Governmental Activities Expenses	87,177,521	78,485,659	83,767,087	80,725,766	79,694,827	81,606,702	87,078,410
Business-Type Activities:							
Water	10,425,325	11,243,727	9,377,995	9,801,322	9,125,850	10,815,081	10,379,206
Sewer	11,613,725	10,560,129	9,934,130	10,472,024	9,978,082	10,098,802	9,099,094
Refuse	4,561,685	4,792,409	4,481,498	4,662,221	4,339,264	4,274,006	4,308,981
Total Business-Type Activities Expenses	26,600,735	26,596,265	23,793,623	24,935,567	23,443,196	25,187,889	23,787,281
Total Primary Government Expenses	$ 113,778,256	$ 105,081,924	$ 107,560,710	$ 105,661,333	$ 103,138,023	$ 106,794,591	$ 110,865,691
Program Revenues							
Governmental Activities:							
Charges for Service:							
EMS Charges	$ 1,985,989	$ 1,784,536	$ 2,371,411	$ 1,395,186	$ 1,558,680	$ 2,160,994	$ 1,879,504
Leisure Activities	798,451	773,910	813,852	232,984	288,023	285,019	300,007
Licenses & Permits	905,168	1,019,509	1,141,214	1,534,574	1,092,035	881,234	904,340
Municipal Court Receipts	3,098,405	3,008,935	2,851,322	2,533,514	2,383,706	1,808,609	1,656,428
Other Activities	8,568,936	5,832,267	3,818,855	6,276,902	6,124,680	5,777,392	5,435,255
Operating Grants and Contributions	7,976,893	8,754,801	7,142,814	7,575,379	7,317,218	6,261,103	9,971,475
Capital Grants and Contributions	5,061,069	761,444	1,424,710	2,527,019	865,422	1,211,848	43,518
Total Governmental Activities Program Revenues	28,394,911	21,935,402	19,564,178	22,075,558	19,629,764	18,386,199	20,190,527
Business-Type Activities:							
Charges for Service:							
Water	12,210,478	11,829,857	11,494,324	11,184,797	10,943,207	10,774,701	11,372,102
Sewer	9,877,966	9,954,669	10,037,212	10,058,832	10,156,755	10,458,396	9,469,606
Refuse	4,316,457	4,287,009	4,141,408	4,158,393	4,164,018	4,219,995	4,222,788
Operating Grants and Contributions	56,133	127,712	38,115	24,830	12,809	-	-
Capital Grants and Contributions	1,308,396	895,234	1,083,890	1,492,713	1,466,359	1,573,931	406,770
Total Business-Type Activities Program Revenues	27,769,430	27,094,481	26,794,949	26,919,565	26,743,148	27,027,023	25,471,266
Total Primary Government Program Revenues	$ 56,164,341	$ 49,029,883	$ 46,359,127	$ 48,995,123	$ 46,372,912	$ 45,413,222	$ 45,661,793

City of Canton, Ohio

Changes in Net Assets (Continued)
Last Seven Years
(accrual basis of accounting)

	2007	2006	2005	2004	2003	2002	2001
Net (Expenses)/Revenues							
Governmental Activities	$ (58,782,610)	$ (56,550,257)	$ (64,202,909)	$ (58,650,208)	$ (60,065,063)	$ (63,220,503)	$ (66,887,883)
Business-Type Activities	1,168,695	498,216	3,001,326	1,983,998	3,299,952	1,839,134	1,683,985
Total Primary Government Net Expense	$ (57,613,915)	$ (56,052,041)	$ (61,201,583)	$ (56,666,210)	$ (56,765,111)	$ (61,381,369)	$ (65,203,898)
Governmental Revenues and Other Changes in Net Assets							
Governmental Activities:							
Taxes:							
Income Tax	$ 47,092,829	$ 43,149,683	$ 41,779,236	$ 38,977,012	$ 38,169,084	$ 37,737,290	$ 40,095,014
Property Tax	4,097,125	3,602,511	3,711,731	3,209,850	3,841,736	2,380,555	4,069,952
Intergovernmental	10,576,712	10,005,403	9,992,527	9,222,630	8,420,742	9,845,016	10,340,160
Grants and Contributions	145,890	425,686	401,785	10,513	13,811	376,555	500,000
Interest and Investment Earnings	3,187,667	2,048,038	1,289,382	654,913	477,079	914,642	2,453,323
Other	3,940,062	4,631,537	3,814,401	1,574,453	1,593,280	2,461,050	2,709,948
Proceeds on Sale of Fixed Assets	-	148,468	-	-	6,182	83,122	594,847
Transfers	-	-	-	-	-	(420,982)	(173,084)
Total Governmental Activities	69,040,285	64,011,326	60,989,062	53,649,371	52,521,914	53,377,248	60,590,160
Business-Type Activities:							
Intergovernmental	-	33,167	33,167	17,992	-	-	8,040
Grants and Contributions	-	137,190	95,627	-	-	-	-
Interest and Investment Earnings	144,713	17,416	10,792	7,264	7,851	10,828	294,325
Other	373,715	141,585	2,188,058	115,130	182,873	102,496	775,704
Proceeds on Sale of Fixed Assets	18,838	24,254	-	9,625	-	59,764	32,500
Transfers	-	-	-	-	-	420,982	173,084
Total Business-Type Activities	537,266	353,612	2,327,644	150,011	190,724	594,070	1,283,653
Total Primary Government	$ 69,577,551	$ 64,364,938	$ 63,316,706	$ 53,799,382	$ 52,712,638	$ 53,971,318	$ 61,873,813
Change in Net Assets							
Governmental Activities	$ 10,257,675	$ 7,461,069	$ (3,213,847)	$ (5,000,837)	$ (7,543,149)	$ (9,843,255)	$ (6,297,723)
Business-Type Activities	1,705,961	851,828	5,328,970	2,134,009	3,490,676	2,433,204	2,967,638
Total Primary Government	$ 11,963,636	$ 8,312,897	$ 2,115,123	$ (2,866,828)	$ (4,052,473)	$ (7,410,051)	$ (3,330,085)

City of Canton, Ohio

Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	$ 838,116	$ 1,044,522	$ 1,009,423	$ 908,877	$ 750,688	$ 790,012	$ 1,265,812	$ 692,384	$ 640,874	$ 615,971
Unreserved	8,358,711	8,067,957	9,662,068	8,292,671	8,540,085	9,306,674	12,360,556	11,304,218	4,945,953	7,185,403
Total General Fund	$ 9,196,827	$ 9,112,479	$ 10,671,491	$ 9,201,548	$ 9,290,773	$ 10,096,686	$ 13,626,368	$ 11,996,602	$ 5,586,827	$ 7,801,374
All Other Governmental Funds										
Reserved	$ 13,060,640	$ 10,532,025	$ 8,967,059	$ 12,683,479	$ 10,820,672	$ 9,784,826	$ 15,591,292	$ 12,331,318	$ 16,549,673	$ 16,768,720
Unreserved, reported in:										
Special Revenue Funds	4,742,049	1,633,424	2,111,575	2,009,268	2,206,052	2,460,107	1,870,544	(2,076,962)	4,289,279	5,521,404
Capital Projects Funds	8,878,112	15,670,214	2,714,187	1,260,394	2,442,560	4,029,681	4,899,720	4,049,784	3,584,711	2,732,739
Debt Service Funds	6,239	141,751	3,019	3,019	21,540	21,540	21,540	21,540	254,714	425,671
Total All Other Governmental Funds	$ 26,687,040	$ 27,977,414	$ 13,795,840	$ 15,956,160	$ 15,490,824	$ 16,296,154	$ 22,383,096	$ 14,325,680	$ 24,678,377	$ 25,448,534

City of Canton, Ohio

Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2007	2006	2005	2004	2003
Revenues					
Property and Other Taxes	$ 4,010,683	$ 3,610,790	$ 3,277,108	$ 3,365,270	$ 3,796,530
Municipal Income Tax	44,556,112	43,084,333	41,602,373	39,412,489	37,675,217
Charges for Services	10,878,541	10,325,731	9,575,642	8,912,605	8,543,008
Licenses, Permits, and Fees	1,161,430	1,274,175	1,390,410	1,763,050	1,304,683
Fines and Forfeitures	1,582,608	412,659	447,482	684,146	865,628
Intergovernmental (1)	11,375,148	10,414,121	10,276,283	9,917,733	9,198,241
Interest	3,187,667	2,048,038	1,242,630	527,075	475,363
Operating Grants and Contributions (1)	8,091,451	9,108,680	8,873,767	8,418,812	6,537,512
Capital Grants and Contribtuions (1)	5,065,148	1,517,020	2,004,520	1,131,680	865,422
Rentals	452,450	425,220	395,741	240,364	197,605
Other	2,692,726	3,033,021	1,575,116	1,308,413	1,468,410
Total Revenues	93,053,964	85,253,788	80,661,072	75,681,637	70,927,619
Expenditures					
General Government	20,015,769	20,031,972	17,522,987	15,863,178	15,087,910
Security of Persons and Property	36,419,061	34,117,057	31,771,722	31,834,597	31,208,197
Public Health	6,052,678	5,513,038	5,233,094	4,834,353	4,705,880
Transportation	4,447,301	3,467,363	3,388,270	3,190,067	3,073,759
Community Environment	6,613,047	6,623,411	7,858,937	6,537,550	4,988,427
Leisure Time Activities	2,531,251	2,383,428	2,414,290	1,945,545	1,909,681
Capital Outlay	13,986,290	10,616,931	9,765,750	7,546,563	7,708,011
Debt Service:					
Principal	3,672,211	2,731,941	2,978,916	2,846,457	2,678,898
Interest and Fiscal Charges	1,259,708	852,785	923,542	1,140,758	1,252,757
Total Expenditures	94,997,316	86,337,926	81,857,508	75,739,068	72,613,520
Excess of Revenues Over (Under) Expenditures	(1,943,352)	(1,084,138)	(1,196,436)	(57,431)	(1,685,901)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	54,020	652,505	34,849	364,314	33,955
Payment to Police and Fire Pension	-	-	-	-	-
Bond Issuance Costs	-	(236,199)	-	-	-
Bond Premiums	-	236,199	-	-	-
Issuance of Debt/Capital Lease	643,788	13,350,000	245,611	237,935	197,266
Transfers In	62,776	55,000	100,783	78,377	55,000
Transfers Out	(62,776)	(55,000)	(100,783)	(78,377)	(55,000)
Total Other Financing Sources (Uses)	697,808	14,002,505	280,460	602,249	231,221
Net Change in Fund Balances	$ (1,245,544)	$ 12,918,367	$ (915,976)	$ 544,818	$ (1,454,680)
Debt Service as a Percentage of Noncapital Expenditures	5.87%	4.61%	5.27%	5.74%	5.81%

(1) Operating and Capital Grants were not reported separately from intergovernmental revenue until 2001

(continued)

City of Canton, Ohio

Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)-continued

	2002	2001	2000	1999	1998
Revenues					
Property and Other Taxes	$ 1,798,881	$ 4,388,193	$ 2,401,232	$ 2,254,280	$ 2,422,190
Municipal Income Tax	37,994,777	39,865,721	36,636,782	36,724,553	34,900,540
Charges for Services	8,056,371	7,136,779	7,424,259	7,209,402	9,639,932
Licenses, Permits, and Fees	1,075,767	1,094,256	1,119,591	869,806	1,032,032
Fines and Forfeitures	640,344	563,440	583,792	674,756	689,129
Intergovernmental (1)	10,958,112	12,365,535	21,083,678	21,224,994	18,889,000
Interest	912,257	2,453,323	2,209,972	3,210,336	2,653,904
Operating Grants and Contributions (1)	8,073,254	9,039,142	168,162	57,133	6,450
Capital Grants and Contribtuions (1)	1,244,749	34,300	-	-	-
Rentals	172,880	310,190	157,555	147,685	253,281
Other	1,891,633	2,046,065	768,959	246,703	141,770
Total Revenues	72,819,025	79,296,944	72,553,982	72,619,648	70,628,228
Expenditures					
General Government	16,786,625	18,123,377	15,094,284	15,400,997	15,046,758
Security of Persons and Property	32,844,347	32,859,014	31,022,880	30,466,841	28,345,165
Public Health	4,406,174	4,110,072	3,865,933	3,771,963	2,853,878
Transportation	3,672,284	3,851,048	3,903,035	3,846,145	4,156,173
Community Environment	6,597,736	7,652,400	5,723,281	5,852,892	4,847,217
Leisure Time Activities	2,306,005	2,355,592	2,155,148	2,527,589	2,496,990
Capital Outlay	13,646,316	8,252,011	8,608,103	19,415,297	6,377,863
Debt Service:					
Principal	2,636,815	3,051,820	6,570,000	6,158,168	1,740,000
Interest and Fiscal Charges	1,416,115	1,308,012	1,586,624	1,418,736	986,289
Total Expenditures	84,312,417	81,563,346	78,529,288	88,858,628	66,850,333
Excess of Revenues Over (Under) Expenditures	(11,493,392)	(2,266,402)	(5,975,306)	(16,238,980)	3,777,895
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	513,021	594,847	93,933	207,971	69,104
Payment to Police and Fire Pension	-	-	-	-	(6,629,117)
Bond Issuance Costs	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Issuance of Debt	-	5,670,347	1,857,235	12,960,000	11,057,743
Transfers In	7,113,205	6,193,051	10,221,280	3,862,565	2,453,238
Transfers Out	(5,761,399)	(5,367,163)	(10,221,280)	(3,862,565)	(2,453,238)
Total Other Financing Sources (Uses)	1,864,827	7,091,082	1,951,168	13,167,971	4,497,730
Net Change in Fund Balances	$ (9,628,565)	$ 4,824,680	$ (4,024,138)	$ (3,071,009)	$ 8,275,625
Debt Service as a Percentage of Noncapital Expenditures	5.71%	5.94%	11.40%	10.45%	4.23%

City of Canton, Ohio

Income Tax Revenue Base and Collections
Last Ten Years
(cash basis of accounting)

Tax Year	Tax Rate *	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Corporations	Percentage of Taxes from Corporations	Taxes from Individuals	Percentage of Taxes from Individuals	Taxes From Delinquent Accounts	Percentage of Taxes from Delinquent Accounts
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
2003	2.00	39,077,338	32,998,125	84.44	1,971,188	5.04	2,777,089	7.11	1,330,936	3.41
2002	2.00	39,388,494	33,149,784	84.16	2,109,187	5.35	3,012,244	7.65	1,117,279	2.84
2001	2.00	39,760,207	33,304,873	83.76	2,070,375	5.21	3,104,528	7.81	1,280,431	3.22
2000	2.00	37,753,345	31,759,298	84.12	1,796,264	4.76	3,031,718	8.03	1,166,065	3.09
1999	2.00	37,556,061	30,201,855	80.42	2,676,172	7.13	3,079,030	8.20	1,599,004	4.26
1998	2.00	36,554,256	30,171,331	82.54	2,427,078	6.64	2,750,824	7.53	1,205,023	3.30

* = Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

City of Canton, Ohio

Income Tax Filers by Income Level
Tax Years 2007 and 2000 (1)

Tax Year 2007

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over $100,000	610	2.07 %	$ 94,592,607	13.35 %
$75,001-$100,000	922	3.13	78,940,211	11.14
$50,001-$75,000	2,602	8.83	157,445,333	22.23
$25,001-$50,000	6,452	21.91	229,312,030	32.37
Under $25,000	18,867	64.06	148,091,868	20.91
Total	29,453	100.00	$ 708,382,049	100.00

Tax Year 2000

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over $100,000	513	1.58 %	$ 85,850,795	11.10 %
$75,001-$100,000	734	2.27	62,523,599	8.08
$50,001-$75,000	2,641	8.15	158,207,661	20.46
$25,000-$50,000	7,811	24.12	279,186,293	36.10
Under $25,000	20,688	63.88	187,644,599	24.26
Total	32,387	100.00	$ 773,412,947	100.00

(1) Earliest information available

(2) Source: City of Canton Income Tax Department

City of Canton, Ohio

Ratios of Outstanding Debt by Type
Last Ten Years

	Governmental Activities					Business-Type Activities								
	General Obligation Bonds	Loans	Notes Payable	Legal Claims	Capital Lease	General Obligation Bonds	Loans	Capital Lease	Total Primary Government	Total Personal Income	Percent of Personal Income		Pop. (1)	Per Capita
2007	$ 23,865,120	$ 3,115,974	$ -	$ 149,500	$ 515,030	$ 10,294,366	$ 16,982,328	$ 48,450	$ 54,970,768	1,972,351,850	2.79	%	78,924	697
2006	26,865,000	3,659,547	-	177,100	-	12,735,000	16,131,342	-	59,567,989	1,931,177,300	3.08		79,478	749
2005	15,710,000	4,196,488	-	204,700	-	12,335,000	17,663,967	-	50,110,155	1,863,333,800	2.69		79,478	630
2004	18,120,000	4,519,793	-	232,300	-	14,480,000	19,502,793	-	56,854,886	1,748,721,800	3.25		79,946	711
2003	20,420,000	4,828,315	-	259,900	-	16,555,000	20,976,695	-	63,039,910	1,788,760,700	3.52		80,243	786
2002	22,580,000	5,149,947	-	287,500	-	18,570,000	19,940,180	-	66,527,627	1,808,101,400	3.68		80,369	828
2001	24,700,000	5,666,762	-	390,100	-	20,430,000	16,435,764	-	67,622,626	1,820,470,050	3.71		80,604	839
2000	20,785,000	7,869,888	-	506,200	-	22,090,000	18,174,113	-	69,425,201	1,739,550,800	3.99		80,806	859
1999	22,395,000	6,948,595	4,625,000	-	-	23,690,000	18,319,480	-	75,978,075	1,664,044,250	4.57		78,582	967
1998	16,530,000	5,212,373	4,335,000	-	-	25,230,000	13,843,388	-	65,150,761	1,646,107,750	3.96		79,258	822

(1) Source: US Census Bureau. The 2006 estimate was the most recent information available at the time of printing.

City of Canton, Ohio

Ratios of General Bonded Debt Outstanding
Last Ten Years

	General Obligation Bonds (1)	Estimated True Value of Taxable Property (2)	Ratio of Net Bonded Debt to Estimated True Value of Taxable Property	Net Bonded Debt per Capita
2007	$ 23,865,120	$ 3,584,977,264	0.67 %	302.38
2006	26,865,000	3,276,005,877	0.82	338.02
2005	15,710,000	3,253,043,207	0.48	197.66
2004	18,120,000	3,178,195,614	0.57	226.65
2003	20,420,000	2,930,018,677	0.70	254.48
2002	22,580,000	3,121,013,277	0.72	280.95
2001	24,700,000	3,026,159,601	0.82	306.44
2000	20,785,000	2,613,861,089	0.80	257.22
1999	22,395,000	2,595,700,311	0.86	284.99
1998	16,530,000	2,540,382,942	0.65	208.56

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

(2) Source: Stark County Auditor's Office

City of Canton, Ohio

Direct and Overlapping Government Activities Debt
As of December 31, 2007

	General Obligation Debt Outstanding (1)	Percentage Applicable to City (2)	Amount Applicable to City of Canton
Direct			
City of Canton	$ 23,865,120	100.00%	$ 23,865,120
Overlapping Debt			
Stark County	-	13.71%	-
Canton City Schools	45,361,000	92.81%	42,099,544
Plain Local Schools	59,043,653	21.66%	12,788,855
Total Overlapping Debt	104,404,653		54,888,399
Total	$ 128,269,773		$ 78,753,519

Source: Stark County, Ohio ; County Auditor

(1) Includes general obligation bonds 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, Ohio

Legal Debt Margin Information
Last Ten Years

	2007	2006	2005	2004	2003	2002
Overall Debt Limitation (10.5% of Assessed Valuation)	$ 110,800,481	$ 106,126,404	$ 109,151,590	$ 106,935,582	$ 97,338,180	$ 102,180,167
Net Debt Within 10.5% Limitations	19,461,900	21,976,356	10,710,000	12,835,000	14,841,477	22,561,477
Overall Legal Debt Margin Within 10.5% Limitations	$ 91,338,581	$ 84,150,048	$ 98,441,590	$ 94,100,582	$ 82,496,703	$ 79,618,690
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.56%	20.71%	9.81%	12.00%	15.25%	22.08%
Unvoted Debt Limitation (5.5% of Assesed Valuation)	$ 58,038,347	$ 55,590,021	$ 57,174,642	$ 56,013,876	$ 50,986,666	$ 53,522,945
Net Debt Within 5.5% Limitations	19,461,900	21,976,356	10,710,000	12,835,000	14,841,477	22,561,477
Unvoted Legal Debt Margin Within 5.5% Limitations	$ 38,576,447	$ 33,613,665	$ 46,464,642	$ 43,178,876	$ 36,145,189	$ 30,961,468
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33.53%	39.53%	18.73%	22.91%	29.11%	42.15%

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.

2001	2000	1999	1998
$ 104,920,357	$ 90,852,901	$ 90,718,553	$ 89,063,913
24,681,477	20,763,460	26,765,286	20,629,329
$ 80,238,880	$ 70,089,441	$ 63,953,267	$ 68,434,584
23.52%	22.85%	29.50%	23.16%
$ 54,958,282	$ 47,589,615	$ 47,519,242	$ 46,652,526
24,681,477	20,763,460	26,765,286	20,629,329
$ 30,276,805	$ 26,826,155	$ 20,753,956	$ 26,023,197
44.91%	43.63%	56.33%	44.22%

City of Canton, Ohio

Computation of Legal Debt Margin
As of December 31, 2007

Total Assessed Property Value		$ 1,055,242,673
Overall Debt Limitation (10 1/2 % of Assessed Valuation)		$ 110,800,481
Gross Indebtedness		54,821,268
Less:	Enterprise Funds' Bonds	(10,294,366)
	Pension Refunding Bonds	(4,400,000)
	OWDA Loans	(16,831,301)
	OPWC Loan	(680,097)
	HUD Loan	(645,000)
	SIB Loan	(903,535)
	Millennium Parking Deck	(1,038,369)
	Capital Lease	(563,480)
	Debt Service Fund Balance	(3,220)
Net Debt Within 10 1/2 % Limitations		19,461,900
Legal Debt Margin Within 10 1/2 % Limitations		$ 91,338,581
Unvoted Debt Limitation (5 1/2 % of Assessed Valuation)		$ 58,038,347
Gross Indebtedness		54,821,268
Less:	Enterprise Funds' Bonds	(10,294,366)
	Pension Refunding Bonds	(4,400,000)
	OWDA Loans	(16,831,301)
	OPWC Loan	(680,097)
	HUD Loan	(645,000)
	SIB Loan	(903,535)
	Millennium Parking Deck	(1,038,369)
	Capital Lease	(563,480)
	Debt Service Fund Balance	(3,220)
Net Debt Within 5 1/2 % Limitations		19,461,900
Legal Debt Margin Within 5 1/2 % Limitations		$ 38,576,447

Source: Stark County, Ohio: County Auditor

City of Canton, Ohio

Demographic and Economic Statistics
Last Ten Years

	Population (1)	Total Personal Income	Per Capita Income	Unemployment Rate
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
2003	80,243	1,788,760,700	22,292	6.8
2002	80,369	1,808,101,400	22,497	5.6
2001	80,604	1,820,470,050	22,585	6.4
2000	80,806	1,739,550,800	21,527	6.6
1999	78,582	1,664,044,250	21,176	7.1
1998	79,258	1,646,107,750	20,769	6.5

(1) Source: US Census Bureau. The 2006 estimate was the most recent information available at the time of printing.

City of Canton, Ohio

Principal Employers

Current Year and Nine Years Ago

2007

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	4,982	16.92 %
The Timken Co.	Tapered roller bearings and steel	2,571	8.73
Mercy Medical Center	Health Service	2,367	8.04
Canton City School District	Education	1,849	6.28
Stark County	County Government	1,169	3.97
City of Canton	Municipal Government	1,135	3.85
Nationwide Insurance	Insurance Provider	760	2.58
Fresh Mark Inc.	Meat Processing	720	2.44
Republic Engineered Steels, Inc.	Hot-rolled and cold finished steel bars and specialty steels	531	1.80
United States Postal Service	Federal Government	470	1.60
Total		16,554	56.21
Total Employment within the City		29,453	

1998

Employer	Nature of Activity	Employees	Percentage of Total City Employment
The Timken Company	Tapered roller bearings and steel	3,730	10.76 %
Stark County	County government	2,800	8.08
Aultman Hospital	Health Services	2,677	7.72
Mercy Medical Center	Health Services	2,600	7.50
Canton City School District	Education	1,600	4.62
City of Canton	Municipal government	1,030	2.97
Republic Engineered Steels, Inc.	Hot-rolled and cold finished steel bars and specialty steels	1,000	2.88
Diebold, Inc.	Bank security and systems equipment	609	1.76
American Electric Power	Electric utility	608	1.75
Fresh Mark Inc.	Meat processing	578	1.67
Total		17,232	49.71
Total Employment within the City		34,669	

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

City of Canton, Ohio

Full-Time Equivalent City Government Employees by Function/Program
Last Eight Years (1)

Function/Program	2007	2006	2005	2004	2003	2002	2001	2000
Governmental Employees								
General Government	194	196	187	193	193	197	219	221
Security of Persons and Property	428	423	400	407	416	424	462	464
Public Health	52	51	53	50	51	53	52	53
Transportation	50	44	42	43	44	50	60	60
Community Development	17	18	20	22	23	22	25	25
Leisure Time Activities	27	26	28	26	23	26	36	38
Total Governmental Employees	**768**	**758**	**730**	**741**	**750**	**772**	**854**	**861**
Business-Type Employees								
Water	101	97	97	94	89	93	93	84
Sewer	79	76	76	76	75	68	70	69
Refuse	58	59	58	59	57	54	56	56
Total Business-Type Employees	**238**	**232**	**231**	**229**	**221**	**215**	**219**	**209**
Total Employees	*1,006*	*990*	*961*	*970*	*971*	*987*	*1,073*	*1,070*

Method: Part-time and seasonal employees are not included

(1) Earliest information available

Source: City of Canton Auditor's Office

City of Canton, Ohio

Capital Assets Statistics by Function/Program

Last Seven Years (1)

Function/Program	2007	2006	2005	2004	2003	2002	2001
General Government							
Departmental Vehicles	24	21	18	16	16	20	18
Security of Persons and Property							
Police Stations	5	5	5	4	3	3	3
Police Department Vehicles	124	124	85	87	89	110	107
Fire Stations	8	8	8	8	9	9	9
Fire Department Vehicles	39	36	32	30	30	33	32
Intersections with Traffic Lights	228	230	232	231	230	230	230
Traffic Department Vehicles	29	23	21	21	20	19	21
Public Health							
Departmental Vehicles	23	24	22	18	18	17	12
Transportation							
Area (in square miles)	25.40	25.30	23.94	23.94	23.29	20.99	20.99
Miles of Streets	413.87	411.39	412.19	409.50	408.96	405.79	405.39
Bridges	23	23	23	23	23	23	23
Miles of Storm Sewers	214.09	211.92	211.70	209.40	209.40	208.82	205.60
Departmental Vehicles	124	116	114	108	114	119	124
Leisure Time Activies							
Number of Parks	61	61	60	60	60	60	60
Park Acreage	710	710	700	700	700	700	700
Number of Shelters	22	21	21	21	21	21	21
Number of Baseball Fields	43	42	43	43	43	43	43
Walking Tracks	4	4	4	4	4	4	4
Walking Bridges	14	13	13	13	13	13	13
Play Equipment Sets	36	35	35	35	34	34	34
Restrooms	19	19	19	19	19	19	19
Number of Tennis Courts	8	8	8	8	8	7	7
Swimming Pools	0	1	1	1	1	1	1
Community Centers	1	1	1	1	1	2	2
Departmental Vehicles	46	47	46	43	43	45	41
Water							
Miles of Water Mains	655.89	651.36	649.58	646.27	642.32	632.34	609.63
Water Treatment Plants	3	3	3	3	3	3	3
Maximum Daily Capacity in Gallons (in millions)	39,000	39,000	39,000	39,000	40,800	40,800	40,800
Number of Fire Hydrants	3,212	3,163	3,141	3,094	3,063	3,002	2,739
Departmental Vehicles	60	56	60	58	60	62	64
Sewer							
Miles of Sanitary Sewers	359.70	357.51	357.26	357.08	356.27	355.95	352.98
Sewer Treatment Plants	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
Dry Weather	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Departmental Vehicles	59	47	40	30	30	27	28
Refuse							
Departmental Vehicles	37	35	32	30	31	33	33

(1) Earliest information available

Source: Various City of Canton Departments

City of Canton, Ohio

Operating Indicators by Function/Program
Last Seven Years (1)

Function/Program	2007	2006	2005	2004	2003	2002	2001
General Government							
Auditor							
Purchase Orders Issued	7,141	6,787	6,551	6,440	6,078	6,438	7,354
Checks Issued	18,195	18,545	19,735	16,780	16,256	17,764	18,637
Payroll Checks Issued	30,540	29,844	30,401	33,796	30,424	33,008	34,149
Civil Service							
Tests Administered	13	18	17	13	15	15	17
Courts							
Cases Heard	36,014	34,457	30,730	29,351	31,444	32,824	32,803
Trials Held	218	270	256	234	234	218	222
Probation Cases	388	413	354	393	294	383	332
Community Service Cases	2,494	2,197	2,488	2,510	2,689	3,017	3,190
House Arrest Cases	155	164	292	243	489	616	351
Income Tax							
Refunds Issued	4,857	5,073	5,574	5,332	5,922	5,793	5,119
Tax Booklets Mailed	36,347	35,091	34,884	35,089	35,365	34,672	35,961
Law Department							
Claims	180	131	276	282	236	155	196
Trials Conducted	121	143	112	93	102	124	110
Pretrials Conducted	8,102	7,401	6,515	7,092	7,182	8,077	8,071
Prosecutor Hearings	307	297	278	411	626	643	689
Criminal Intakes	1,987	2,086	2,468	2,306	2,400	2,904	2,961
Security of Persons and Property							
Code Enforcement							
Building Permits Issued	1,364	4,715	5,506	5,415	1,469	1,450	4,393
Building Permits Estimated Value (in millions)	$ 90,644	$ 103,290	$ 174,606	$ 122,004	$ 104,411	$ 86,955	$ 60,784
Police							
Physical Arrests	5,218	4,620	4,964	4,758	4,606	4,368	3,155
Traffic Violations	6,429	8,638	5,971	7,287	5,212	7,230	7,263
Parking Violations	10,188	8,000	14,949	19,282	18,523	22,771	24,324
Fire							
Calls Answered	15,904	10,475	5,639	14,467	14,376	13,666	12,494
Inspections Conducted	2,295	728	2,380	6,070	2,758	3,191	3,302
Public Health							
Birth Certificates Issued	20,653	18,442	16,673	16,854	17,294	19,754	19,146
Death Certificates Issued	9,321	9,572	10,180	10,661	11,653	11,819	12,362
Nursing							
Home Vists	267	49	62	112	114	160	151
Air Pollution Complaints Investigated	486	1,999	222	339	257	384	327
Food Service Inspections	1,429	966	1,319	1,193	1,296	1,440	1,251
Solid and Infectious Waste Inspection	84	108	134	94	114	102	57
Environmental Hazard Inspections	1,441	1,176	1,407	1,443	1,539	1,661	1,456
Transportation							
Road Salt Expense	$ 353,321	$ 456,317	$ 366,801	$ 496,357	$ 445,584	$ 404,192	$ 302,324

(continued)

City of Canton, Ohio

Operating Indicators by Function/Program
Last Seven Years (1)

Function/Program	2007	2006	2005	2004	2003	2002	2001
Community Development							
Redevelopment Loans	30	36	33	18	8	8	6
Business Sub-Grants	2	3	7	6	2	6	1
Leisure Time Activies							
Shelter Permits Issued	481	470	534	592	604	N/A	N/A
Water							
Number of Service Connections	44,152	43,961	43,777	43,285	42,878	42,495	41,404
Daily Average Consumption in Gallons (in millions)	22,475	21,763	22,468	22,151	22,577	22,226	22,305
Sewer							
Number of Active Sewer Acounts	28,354	27,624	28,066	28,241	33,046	28,995	28,995
Daily Average Treatment in Gallons (in millions)	28,330	30,120	30,760	33,290	31,460	26,350	25,956

(1) Earliest information available
N/A - Information is not available for these years
Source: Various City of Canton Departments