

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Richard A. Mallonn II • Auditor, City of Canton



Professional Football Hall of Fame  
Canton, Ohio • 2121 George Halas Drive NW

For The Year Ended December 31, 2012



# **City of Canton, Ohio**

## **Comprehensive Annual**

## **Financial Report**

For the Year Ended December 31, 2012

Richard A Mallonn II  
*City Auditor*

Prepared by the City Auditor's Office



INTRODUCTORY

CITY OF CANTON

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**City of Canton, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2012*  
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# **RICHARD A. MALLON II**

## **CANTON CITY AUDITOR**

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August 30, 2013

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, 2012 is hereby submitted. This letter and the following report represent the City's continuing commitment to excellence in financial reporting. The purpose of this letter is to acquaint the reader with the CAFR. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2012, have been audited by the Auditor of State Dave Yost's Office. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation, as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found on page 5 of this report.

### **City Organization and Background**

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

The City's 2012 population of 73,007 placed it as the largest city in the County and the eighth largest in the State.

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

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

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

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

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

### *City Services*

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

Proprietary Operations: The City operates Water, Sewer and Refuse Departments. The revenue generated from all three departments was sufficient to meet all expenses in 2012.

### **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 2012.

Neither the Canton City School District, Plain Local School District, Osaburg School District, or Canton Local School District has been included in the accompanying financial statements. These districts serve

the citizens of Canton; however, the boards are not appointed by the City, nor are they fiscally dependent on the City.

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

## **Financial Information**

### *Accounting Policies and Budgetary Control*

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

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

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

The City Auditor continually monitors the encumbrances and expenditures against the budget appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over cash balances less carry over encumbrances at year end, the County Auditor arrives at and issues the Certificate of Estimated Resources for the City. The City Auditor submits amendments to the Certificate of Estimated Resources to the 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 present internal accounting controls and procedures are continually evaluated by the City Auditor. The City Auditor oversees the appropriateness of internal control, develops procedures to enhance internal control and consults with outside auditors to insure the City remains at a sound financial level of operation.

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

### **Local Economy**

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

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

In 2008, the Canton City School District completed its Design for the Future Program. The \$176 million seven-year project included nine new elementary buildings, one new middle school, and major renovations to almost all of the Districts other buildings. Also in 2007, site work was completed on the \$35 million renovation project at the Timken High School Regional Campus. The Campus consists of six buildings and encompasses a ten-block area in the City's Downtown. It includes two outdoor amphitheaters, a student run restaurant, a satellite branch of the Stark State College of Technology, an Early College High School program, and a vocational high school program that offers a wide variety of career options. The City believes these major public works have dramatically improved the condition of the School District's facilities and will enhance the City's ability to attract families to the area. No significant improvements were made in 2012 and no significant projects are slated for 2013.

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

Akron in Akron, the College of Wooster in Wooster, Hiram College in Hiram, Youngstown State University in Youngstown, and Lake College and Lakeland Community College in Lake County.

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

The Canton Park System maintains 61 parks and covers approximately 812 acres. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium. 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 room with plans for three additional hotels unveiled in early 2013 of which at least one will be located within the City along the interstate 77 corridor.

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

Also located in the City's downtown area is the main branch of the Stark County District Library. The library's main branch, 10 satellite branches, 2 bookmobiles and 2 kidmobiles serve 151,000 library cardholders from throughout the county. Holdings number more than 885,000 items and annual circulation for 2012 was 3.7 million items. The collection includes books, audio-visual materials and periodicals. In addition, the Library provides programs and classes for all ages, computer and Internet access, inter-library loans, reference and genealogy services, traveling collections and outreach services to shut-ins, nursing homes and housing units. It is one of the nine largest library systems in Ohio and serves 12 local school districts.

The City is the home of the National Professional Football Hall of Fame, which attracts more than 200,000 visitors annually. In December 2010, the Hall of Fame's Board of Trustees announced plans for a major expansion and renovation to the museum. The project, called *Future 50 Project*, will be the largest in the Hall of Fame's history, costing \$27 million and taking almost two years to complete. The museum building its self will expand from 83,000 square feet to 115,000 square feet. The largest piece of the expansion will be used for a Pro Football Research and Preservation Center. Also 38,000 square feet

of existing gallery will be renovated, which will include a new lobby and visitor orientation theater. A new museum-quality environmental control system will be installed to better ensure the safety of the museum's artifacts. The grounds surrounding the Hall of Fame will be improved to provide space for special events, rental opportunities and additional parking. The Hall of Fame completed the facility improvements in time to celebrate the museum's 50<sup>th</sup> anniversary and in time for the Class of 2013's induction ceremonies held on August 3, 2013.

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

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

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

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

The Akron-Canton Regional Airport (Airport), a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,900 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport has six airlines offering nonstop service and had 1,838,083 customers in 2012, which was a 10.4% increase and set a new all time high for the third consecutive 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 2008, the Airport announced its new 10-year \$110 million capital improvement plan called CAK 2018. The plan includes a runway extension and border patrol facility to allow for international flights, expanded aircraft parking, expanded auto parking, a wider entrance road, expanded ticket wing, expanded

security screening area, a new aircraft rescue and fire fighting maintenance facility, expand the concourse to allow for three more gates, and partner with the nearby City of Green for a new Industrial Park. The runway extension portion of the project was completed in 2010. The new aircraft rescue, border patrol facility, expanded parking lot, and expanded security-screening area were completed in 2011. In 2012, CAK completed the Firefighting Maintenance Facility (ARFF) and continued to add additional parking. Future improvements include expanding the new concourse \$3.65 million, an expanded ticket wing \$2.5 million, and widening of the entrance road \$5.0 million.

### **Long-Term Financial Planning**

The City has experienced an increase in overall revenue, excluding other financing sources, for the General Fund of \$1,059,567. This provides the City with the second straight year of revenue growth. The City's income tax revenue grew by \$1,589,945, property and other taxes grew by \$713,152, and charges for service grew by \$201,378. The strength of tax revenue growth was partially offset by continued cuts at the state level resulting in a reduction of intergovernmental revenue of \$1,130,291. Also providing downward pressure on revenue growth was additional declines of \$78,625 in rental income and \$386,431 in other revenues. The City expects stable income tax collections with modest growth expected at best. The City continues to feel the effects of federal reserves interest rate reductions in the fourth quarter of 2007, 2008 and continued throughout 2009, 2010, 2011, and 2012 have led to net decreases in General Fund interest revenue of \$1,243,235 in 2008, \$595,900 in 2009, \$444,900 in 2010, \$141,433 in 2011, and an additional \$37,396 in 2012. Despite continued recovery since 2010 and throughout 2012 the City remains pessimistic with respect to the potential for a rebound in interest revenue in the immediate future. As a result, the City anticipates receiving less than \$40,000 in interest revenue in 2013. This would represent a total of 3.2% of the interest received in 2008 before the economic downturn. The immediate economic future is predicted to be stable with slight improvements expected in early 2013 with downward pressure from continued staff relocations to facilities outside of city limits from the likes of the Timken Company, U.S. Post Office, and Chesapeake Energy to name a few. The fact remains that these relocations continue to bode well for the regional economy and yet will provide downward pressure on City income tax collections. The City's unemployment rate changed from 9.3% at the end of 2011 to 6.9% at the end of 2012. The City must continue to control costs and reinforce the commitment to the painful steps taken to overcome the 2008 economic downturn. The City's sound financial position was achieved by freezing salaries, workforce reduction through attrition, negotiated health care cost sharing, and increased economic activity through strategic business recruitment.

The City had \$2,416,952 in cash, of which \$1,542,318 remained uncommitted of the \$15,580,000 in general revenue bonds issued in 2006 for the building of a new fire station, a new sewer collection facility, a new wade park, renovation of city buildings and reconstruction of existing recreational facilities. As of the release of this report the fire station is complete. A major expansion to Canton City Hall to expand operations for the Canton Municipal Court and City Council began in November of 2010. The City expansion was completed in early 2012. However, further evidence of the very difficult economic conditions of the City, is the decision at this point to scale back the size and scope of the projects outlined in the City's 2006 Recreational Bond Issuance. City Council in January 2013 elected for a fourth consecutive year of utilizing a portion of the uncommitted and unspent proceeds to retire its own debt; in hopes of completing the design and construction of a wade park that has been postponed going on six years.

### **Relevant Financial Policies**

During 2012, the City avoided a fourth consecutive year of issuing manuscript debt in the General Fund to provide the required liquidity to meet daily obligations. In 2012, the City's General Fund cash reserves

were adequate to meet these same obligations.

During 2012, the City continued to make biweekly sick expense premium deposits into its Compensated Absences Claim Fund to help offset the cost of current and previous unfunded compensated absences. The City was not in a financial position to make additional lump sum contributions to the fund as had been done in some previous years. The City previously changed the premium calculation from 125% of the total cost of the sick leave accrued on biweekly payrolls to 105% for 2010. However, the premium returned to 125% January 1, 2011, remained 125% in 2012, and will continue throughout 2013. In addition, the City made additional contributions to the Compensated Absence Claim Fund in the amount of \$1 million from all operating funds in 2012.

### **Major Initiatives**

In 2012, the City did not complete any new annexations; however, the City continues to explore further annexation options.

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

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

The City and the Canton Community Improvement Corporation (CCIC) received an EPA grant in 2009 to provide Brownfield Job Training for unemployed or underemployed persons. Training schedules were adjusted several times to allow students to respond to employment opportunities such as the oil spill in the Gulf of Mexico. Additional training and refresher courses was added to the program due to growing demands from the emerging oil and gas industry. The program concluded in October of 2012. At that time, 78 students had graduated from the training. After graduation, 12 students decided to pursue a degree at Stark State and at least 49 had found full time employment in a related field.

In 2009, the City received \$3,678,562 in Neighborhood Stabilization (NSP1) funds. These funds were used in areas with the highest percentages of vacant properties in the city. As of the end of 2012, the City has demolished over 260 vacant and blighted structures. In addition, 15 houses have been built or rehabbed for sale and ten properties were rehabbed for use as rental properties. Work on most units was completed in 2012 and by the end of the year 18 of the units had been occupied.

In 2011, the City was awarded an additional \$1,233,756 in Neighborhood Stabilization (NSP3) funds. These funds have been used to target one hard hit area within the city. With this funding, \$987,000 will

be invested in rehabbing housing units for sale and rent. In addition, \$123,000 has been used to demolish blighted structures in the area.

The City continues to utilize funds from a \$3 million CORF grant awarded in 2007 to clean up environmental contamination at the former Bison property. The cleanup work began in 2009 and has continued through 2012. A similar CORF grant of \$749,590 was awarded to the City in 2009 for remediation at the site of the former Lead Smelter building located on the new Stein Industrial Park. This work was completed in 2012.

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

The City is working now to prepare to apply for more CORF grants in the future. In addition, the City is preparing a Neighborhood Revitalization Strategy Area plan to be implemented in 2013.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2012, the City completed: \$1.1 million 30<sup>th</sup> St. N.E. Storm Sewer Project and \$1.7 of road resurfacing throughout the City. Engineering projects in various stages of planning, development, and construction include: 41<sup>ST</sup> St. Reconstruction, Mahoning Rd. Corridor, 12<sup>th</sup> St. Corridor, Mill St. Bridge Replacement, 30<sup>th</sup> St. NE Storm Sewer Project, West Tuscarawas Corridor, 55<sup>th</sup> St NE Curb & Storm Sewer, the East Side Park Trail Project, 11<sup>th</sup> Street SE Realignment Project, Hamilton Ave NE Storm Sewer Project, Guilford Intersection Railroad Crossing and Trail Project, 37<sup>th</sup> St. N.W. Rehab Project, and Walnut/Cherry Complete Streets Project.

During 2012, The City's Water Department completed various waterline extensions and improvements throughout the year adding an additional \$440,311 of value to the overall system. The Water Department also completed infrastructure work at its Northwest Water Plant and continued the infrastructure work at its Northeast Water Plant.

### **Debt Administration**

The gross indebtedness of the City at the end of 2011 was \$55,693,279. At the end of 2012, the gross indebtedness of the City was \$50,637,783. In 2012, the City continued drawing down from three pre-existing OWDA Loans. The first was for a long-term renovation project the City is undertaking at its Water Reclamation Facility. Proceeds from that loan totaled \$1,119,661. The project will take almost eight years to complete and is estimated to cost \$80 million to complete. The remaining two outstanding loans the City continued to draw from were for infrastructure work still on going at two of the City's water plant facilities. The proceeds from the two loans totaled \$1,506,099. As of December 31, 2012, the City had \$860,932 and \$32,555,809 in outstanding OPWC and OWDA loans, respectively. The City also had \$4,049,322 outstanding in the enterprise funds and \$11,540,165 for general obligation bonds in the governmental funds. The City had a legal claim and judgment outstanding of \$11,500. The City had \$988,557 in long-term SIB and Urban Redevelopment Loans outstanding as of December 31, 2012.

In 2012, Moody's Investor Services changed its outlook for the City from negative to stable. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City a negative outlook on general obligation bond issue. Fitch Rating Service also downgraded the City from AA- to A+ but said its

outlook is stable. Neither Moody's Investor Services nor Fitch Rating Services adjusted these ratings in 2012. The general obligation indebtedness of the City is subject to two statutory debt limitations referred to as the "direct debt limitation" (by Ohio Revised Code Section 133.05). The total principal amount of voted and unvoted nonexempt net indebtedness of the City may not exceed 10.5 percent of its assessed value of real and personal property, and in addition, the net principal amount of unvoted nonexempt debt may not exceed 5.5 percent of the same total assessed value. The City's overall legal debt margin was \$64,950,896 and an unvoted debt margin of \$28,150,572 as of December 31, 2012.

### **Awards**

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

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

### **Acknowledgements**

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

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Mallonn II", is written over a light-colored rectangular background.

Richard A Mallonn II  
City Auditor

# 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, 2011

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



*Christopher P. Morrell*

President

*Jeffrey R. Egan*

Executive Director

**CITY OF CANTON**

***CITY OFFICIALS***

*Mayor*

William J. Healy II

*Council Members*

Allen Schulman, President

James Babcock  
Mary Cirelli  
Joe Cole  
David Dougherty  
Kevin Fisher  
James E. Griffin

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

*City Auditor*

Richard A. Mallonn II

*City Treasurer*

Robert C. Schirack

*Law Director*

Joseph Martuccio

*Director of Income Tax*

Cynthia Allensworth

*Director of Public Service*

William Bartos

*Director of Public Safety*

Warren Price

*Fire Chief*

Stephen J. Rich

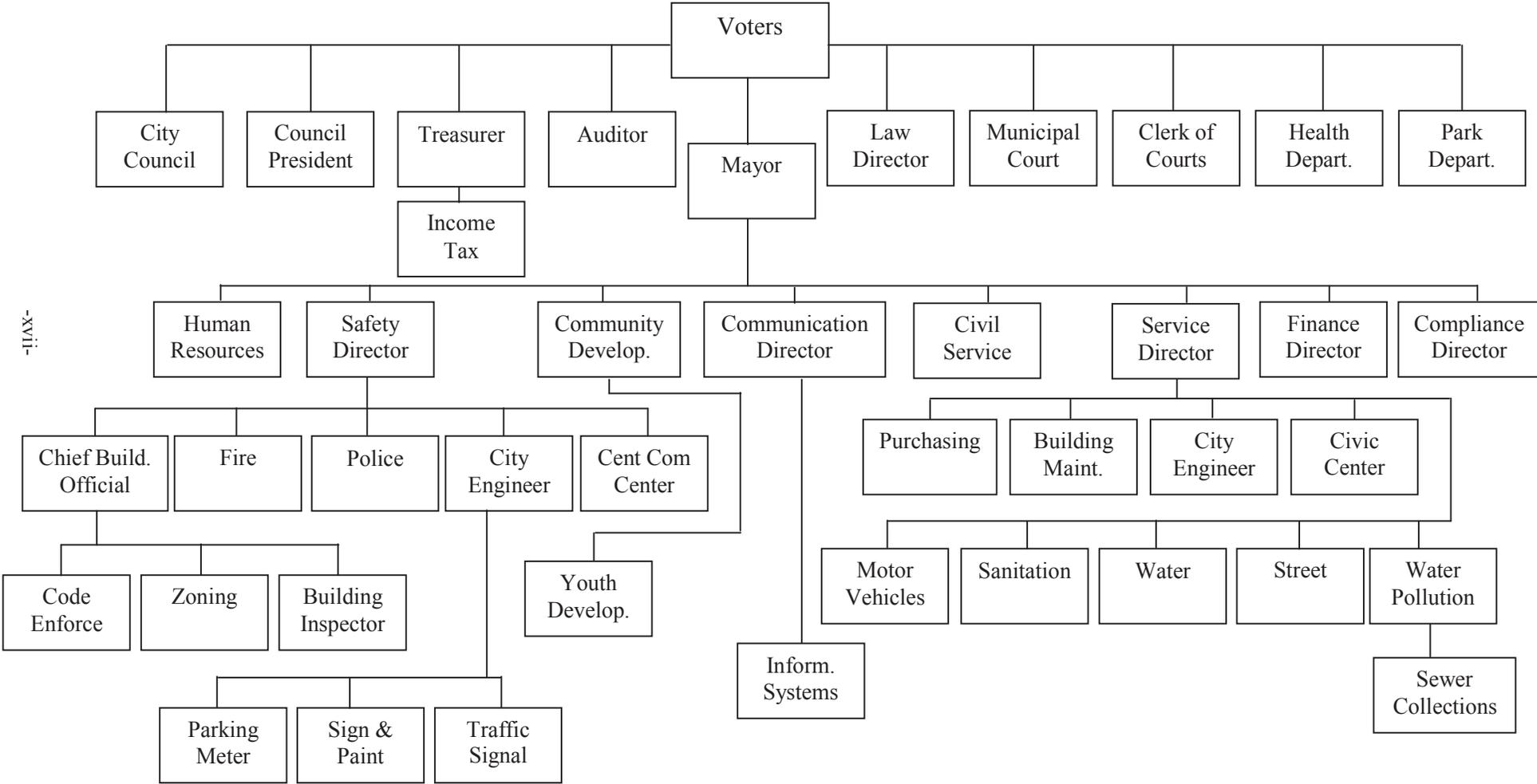
*Police Chief*

Bruce Lawver

*City Engineer*

Dan Moeglin

# City of Canton Organizational Chart





FINANCIAL

CITY OF CANTON

OHIO





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Canton  
Stark County  
218 Cleveland Ave. SW  
Canton, Ohio 44720

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the Canton Community Improvement Corporation, which represent 16 percent, 65 percent, and 0.3 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit and remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for the Canton Community Improvement Corporation, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement. .

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

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

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509  
Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001  
[www.ohioauditor.gov](http://www.ohioauditor.gov)

**Opinions**

In our opinion, based on our audit and the report of 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, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Community and Economic Development funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 16 to the financial statements, the City's discretely presented component unit restated net position for the inclusion of capital assets contributed in 2011. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

Columbus, Ohio

August 30, 2013

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City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2012

**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, 2012. Please read it in conjunction with the City's basic financial statements, which begin on page 17.

**FINANCIAL HIGHLIGHTS**

- The City's net position increased \$6.0 million as a result of this year's operations. Net position of our business-type activities increased by \$6.4 million, or 6.4 percent, and net position of governmental activities decreased by \$0.4 million, or 0.3 percent.
- The City received no rating change in 2012; however Moody's changed its outlook from negative to stable.
- The City was fortunate to avoid a fifth consecutive year of increasing the unfunded compensated absence debt. Canton City Council reinforced its commitment to stabilizing the City's internal service compensated absence fund by once again earmarking additional deposits from the General Fund and other operational funds. This additional deposit coupled with continued premiums of 125% of earned benefits and additional staff reductions lead to a one year decline of \$2,058,988 in 2012. The City's unfunded compensated absence debt went from \$8,823,379 at the end of 2011 to \$6,764,391 at the end of 2012.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual financial report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 17 and 18-19, respectively) 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 20. 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 Position and the Statement of Activities*

Our analysis of the City as a whole begins on page 17. 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 Position 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*

City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2012

*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 positions* and changes in them. You can think of the City's net position, the difference between position, 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 position 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 Position 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 20. 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. Parking Deck Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (Ex. grants received from the U.S. Department of Housing and Urban Development). The 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

City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2012

differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the 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 Position and the Statement of Activities. In fact, the City's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as a Statement of Cash Flows. We use internal service funds, Health Insurance, Worker's Compensation Insurance, and Compensated Absences Claim funds, (the other component of proprietary funds) to report activities that provide a service to the City's other programs and activities.

*THE CITY AS A WHOLE*

The City's *combined* net position changed from a year ago, *increasing* from \$228.5 million to \$234.4 million. The City experienced a decrease in net position of its governmental activities and an increase in its business-type activities net position. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Table 1  
Net Position  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and Other Assets	\$ 54.0	\$ 55.5	\$ 39.3	\$ 37.3	\$ 93.3	\$ 92.8
Capital Assets, Net	107.3	110.5	105.0	102.1	212.3	212.6
Total Assets	<u>\$ 161.3</u>	<u>\$ 166.0</u>	<u>\$ 144.3</u>	<u>\$ 139.4</u>	<u>\$ 305.6</u>	<u>\$ 305.4</u>
<b>Liabilities</b>						
Current and Other Liabilities	\$ 11.8	\$ 14.1	\$ 4.0	\$ 4.4	\$ 15.8	\$ 18.5
Long-Term Liabilities:						
Due Within More Than One Year	19.1	20.8	34.4	35.4	53.5	56.2
Deferred Inflow of Resources	1.9	2.2	-	-	1.9	2.2
Total Liabilities and Deferred Inflows	<u>32.8</u>	<u>37.1</u>	<u>38.4</u>	<u>39.8</u>	<u>71.2</u>	<u>76.9</u>
<b>Net Position</b>						
Net Investment						
in Capital Assets	96.5	97.3	68.4	64.5	164.9	161.8
Restricted	26.0	30.8	-	-	26.0	30.8
Unrestricted	6.0	0.8	37.5	35.1	43.5	35.9
Total Net Position	<u>\$ 128.5</u>	<u>\$ 128.9</u>	<u>\$ 105.9</u>	<u>\$ 99.6</u>	<u>\$ 234.4</u>	<u>\$ 228.5</u>

City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2012

The net position of the City's governmental activities decreased by 0.3 percent (\$128.9 million compared to \$128.5 million). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased from \$0.8 million at December 31, 2011 to \$6.0 million at the end of 2012. Restricted net position, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance decreased from \$30.8 million at the end of 2011 to \$26.0 million at the end of 2012. The net investment in capital assets decreased by \$0.8 million.

The net position of the City's business-type activities increased by 6.3 percent (\$99.6 million compared to \$105.9 million) in 2012. The City generally can only use this net position to finance the continuing operations of the water, sewer, and refuse operations.

Table 2 shows the changes in net position for the year ended, December 31, 2012. The City's governmental activities revenue decreased in 2012 from \$91.1 million to \$81.6 million and expenses decreased by \$6.5 million or 7.5 percent resulting in a decrease in governmental net position of \$0.4 million. The City's business-type activities revenue increased by \$4.1 million and expenses decreased by \$0.4 million resulting in a net position increase of \$6.4 million.

Table 2  
Change in Net Position  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for Services	\$ 16.0	\$ 13.8	\$ 35.1	\$ 33.0	\$ 51.1	\$ 46.8
Operating Grants and Contributions	7.0	11.3	0.1	0.2	7.1	11.5
Capital Grants and Contributions	0.8	5.2	1.9	-	2.7	5.2
Total Program Revenues	<u>23.8</u>	<u>30.3</u>	<u>37.1</u>	<u>33.2</u>	<u>60.9</u>	<u>63.5</u>
General Revenues:						
City Income Taxes	44.3	42.6	-	-	44.3	42.6
Property Taxes	3.8	2.7	-	-	3.8	2.7
Intergovernmental	8.2	9.0	-	-	8.2	9.0
Interest and Investment Earnings	0.1	-	-	-	0.1	-
Other	1.5	6.5	-	0.2	1.5	6.7
Gain on Sale of Assets	-	-	-	-	-	-
Total General Revenues	<u>57.9</u>	<u>60.8</u>	<u>-</u>	<u>0.2</u>	<u>57.9</u>	<u>61.0</u>
Total Revenues	<u>\$ 81.7</u>	<u>\$ 91.1</u>	<u>\$ 37.1</u>	<u>\$ 33.4</u>	<u>\$ 118.8</u>	<u>\$ 124.5</u>

City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2012

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program Expenses:						
General Government	\$ 18.3	\$ 18.5	\$ -	\$ -	\$ 18.3	\$ 18.5
Security of Persons and Property	37.4	39.8	-	-	37.4	39.8
Public Health	5.9	6.4	-	-	5.9	6.4
Transportation	12.7	12.2	-	-	12.7	12.2
Community Development	5.1	8.5	-	-	5.1	8.5
Leisure Time Activities	2.1	2.3	-	-	2.1	2.3
Interest on Long-Term Debt	0.6	0.8	-	-	0.6	0.8
Water	-	-	12.7	12.5	12.7	12.5
Sewer	-	-	12.7	13.2	12.7	13.2
Refuse	-	-	5.3	5.5	5.3	5.5
Total Program Expenses	<u>82.1</u>	<u>88.5</u>	<u>30.7</u>	<u>31.2</u>	<u>112.8</u>	<u>119.7</u>
Increase (Decrease) in Net Position	(0.4)	2.6	6.4	2.2	6.0	4.8
Net Position 1/1/2012	128.9	126.3	99.6	97.4	228.5	223.7
Net Position 12/31/2012	<u>\$ 128.5</u>	<u>\$ 128.9</u>	<u>\$ 106.0</u>	<u>\$ 99.6</u>	<u>\$ 234.5</u>	<u>\$ 228.5</u>

***Governmental Activities***

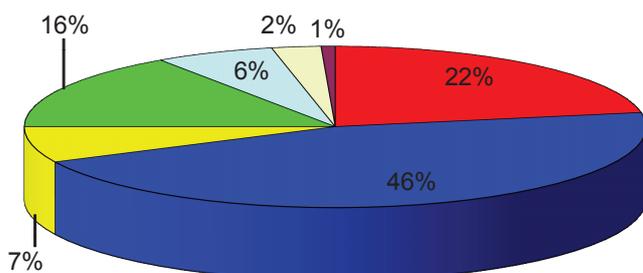
The 2.0 percent income tax is the largest revenue source for the City. Designated by ordinance, the Capital Acquisition and Improvement Fund receives 20 percent of net income tax received. In addition, the Motor Vehicle Fund receives 5 percent of net income tax received. The remaining 75 percent is allocated 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 19.6 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants and intergovernmental revenue comprise another 19.5 percent. The remaining revenues are primarily generated locally through property (4.6 percent) and income taxes (54.3 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.

City of Canton  
 Stark County, Ohio  
 Management's Discussion and Analysis  
 For The Year Ended December 31, 2012

**Chart 3  
 Program Expenses 2012**



### ***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 14.

### **The City's Funds**

Information about the City's major governmental funds begins on page 20. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$83.1 million and expenditures of \$81.8 million including other financing sources and uses. The General Fund balance increased \$3,430,352 primarily due to an increase in revenue of \$1.6 million in income tax, \$0.7 million in property and other taxes, and \$0.5 million in charges for service. Included in the General Fund Expenditures is the annual premium based contributions into the City's Compensated Absence Claim Fund of \$2,883,333. In 2004, as part of cost cutting measures, the City established the Compensated Absences Claim Fund. This fund is receiving biweekly premiums from all other funds presently paying a salary. The money set

City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2012

aside will be used to pay for the salaries of employees using sick leave and cover the cost of benefits paid to employees at the point of termination. The success of this fund is obvious. The City, in recent years, had reversed the early success seen upon creation of the fund. The debt escalated back up to \$8,823,379 at the end of 2011 as compared to a low of \$4,710,430 in 2007. In 2012, the City was able to commit additional resources from operating funds in addition to the established premiums coupled with continued staff reductions led to an unfunded debt obligation of \$6,764,391 by the end of 2012, thus reducing the unfunded debt by \$2,058,988 in one year. The City must continue to evaluate the effects of any increase in both employee wages and the number City of employees in order to continue to maintain stable reserves and expect continued reduction in the overall unfunded debt of the compensated absence fund.

The Community and Economic Development Fund balance decreased by \$71,118, which can be attributed to expenditures from funds previously received from the federal government's stimulus program. The Capital Projects Fund balance saw a decrease of \$13,389 caused by an increase in expenditures of over \$510,955 offset by an increase in income tax revenue of \$410,055. The Motor Vehicle Purchase Fund balance increased by \$134,761, this increase resulted from an increase in income tax of \$102,488. Motor Vehicle Fund expenditures decreased in 2012 by \$274,395. There were two transfers in the governmental funds in 2012. The transfers were from the General Fund to Nonmajor Special Revenue Funds. A \$40,000 transfer was done as a grant match and a \$25,000 transfer was done to establish equity in a new fund. The Water, Sewer and Refuse funds had net position increases of \$2,707,245, \$2,852,847 and \$811,517, respectively. The Water and Sewer Funds experienced large increases in operating revenue of 5.37% and 8.37%, respectively. These increases were due to rate increases, increased costumers as the local economy recovers and foreclosures slows, and a return to water usage of normal level in 2012 as opposed to the extraordinarily low water usage reflected in the 2011 operating revenue. This low level of usage was due the fact the weather for 2011 in Canton, Ohio, was much cooler than normal in the summer months and record setting levels of rain, each impacting the amount of usage. The Refuse Fund revenue remained virtually unchanged. Operating expenses remained stable throughout 2012 while absorbing the effects of average pay increases of roughly 3.0% for their employees.

### **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.

City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2012

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.

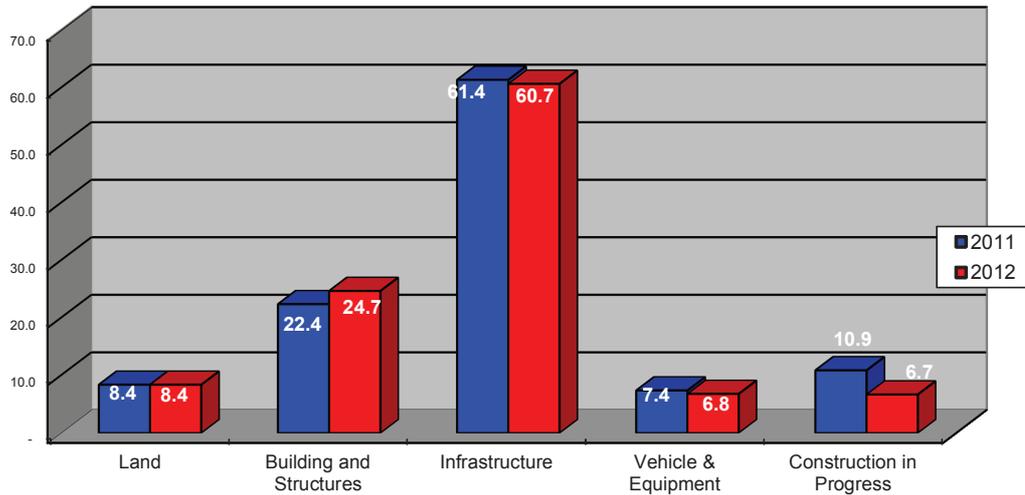
The City's General Fund variance from original estimated revenues increased by \$1,871,388 increasing the overall General Fund estimated revenues to \$57,417,016 as indicated starting on page 24. This change represents 3.4% of total revenue and included increases in revenue estimates of \$0.5 million in assorted taxes and \$1.2 million in charges for service. The actual revenue exceeded final certificate by \$1,179,303. The General Fund variance from original appropriations to final appropriations was \$2,006,591; this increased the overall General Fund appropriations to \$60,020,059. The actual expenditures were less than the final budget by \$2,673,419. The small variance, 4.5% of total expenditures, was due to the careful monitoring of expenditures by all elected officials and department heads as demonstrated by the positive expenditure variances across the board. The actual expenditures were less than the original budget by \$666,828, or 1.1%.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of 2012, the City had \$212.4 million invested in a variety of capital assets, including police and fire equipment, land, buildings, park facilities, roads, bridges, and water and sewer lines (see following graphs). This amount represents a net decrease over last year. Major additions for the Governmental Activities included ongoing major road and storm sewer projects, park equipment additions and renovations, and a major street lighting upgrade.

City of Canton  
 Stark County, Ohio  
 Management's Discussion and Analysis  
 For The Year Ended December 31, 2012

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

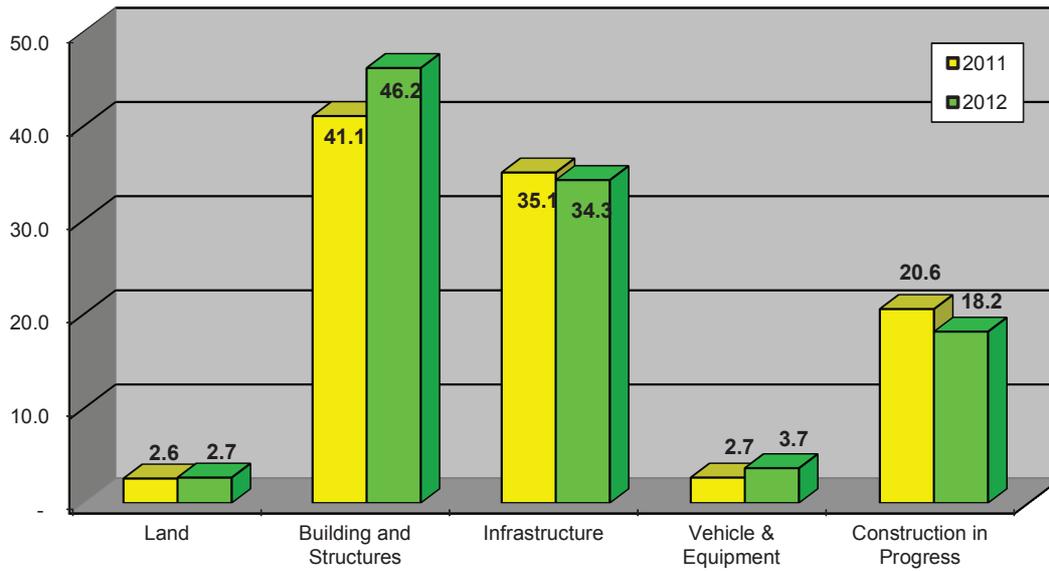


Additions to Business-Type Activities included additional water and sewer line construction, the continuation of a major renovation project at the City's Water Reclamation Plant, and ongoing restoration work at two of the City's water plants.

The City's 2013 capital budget anticipates a spending level of \$9.5 million for capital projects. The City will continue to spend the small balance remaining of the \$15,850,000 generated from the sale of general obligation bonds during 2006 to put the final touches on the construction of the new fire station, additional building improvements to newly renovate City Hall, improve infrastructure, and continue in its efforts to construct a scaled back version of a community water park for the youth of the City. The water park plans have been greatly reduced since its inception in 2006. In fact, in 2009, 2010, and 2011 the City used a portion of the unspent portion of the 2006 issuance, dedicated for both Mallonn Park and the water park, to retire the corresponding years principal and interest due on the aforementioned bonds. More detailed information about the City's capital assets is presented in Note 8 to the basic financial statements.

City of Canton  
 Stark County, Ohio  
 Management's Discussion and Analysis  
 For The Year Ended December 31, 2012

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



**Debt**

At December 31, 2012, the City had \$11.5 million in Governmental Activities General Obligation Bonds.

Table 6  
 General Obligation Bond Debt Outstanding at Year End

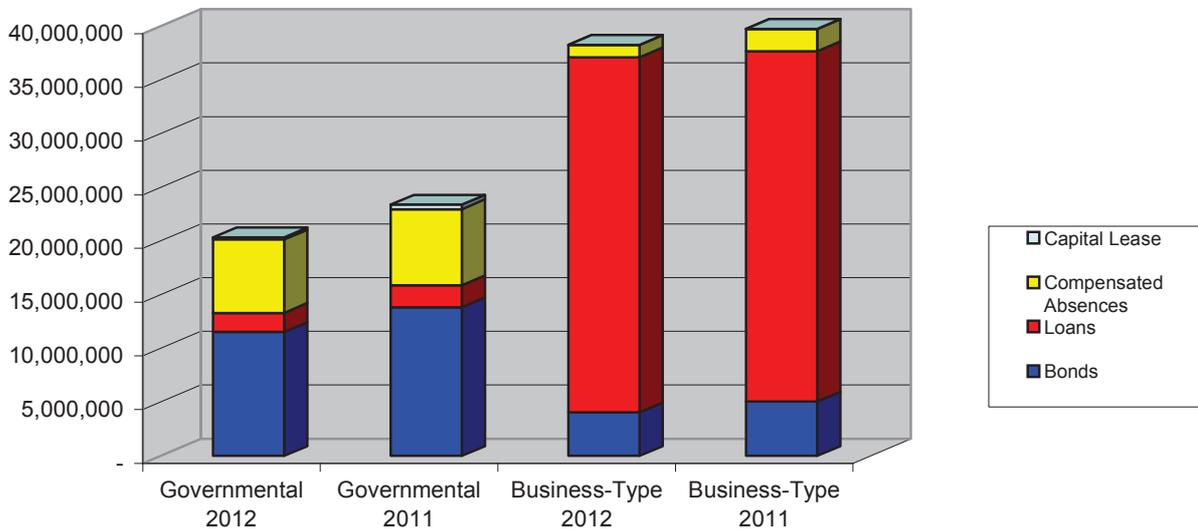
	Governmental Activities	
	2012	2011
Unvoted General Obligation Bonds:		
2009 Refunding Bonds	\$ 5,765,000	\$ 6,620,000
2006 Various Purpose	5,775,165	7,215,411
<b>Total Unvoted General Obligation Bonds:</b>	<b>\$ 11,540,165</b>	<b>\$ 13,835,411</b>

City of Canton  
 Stark County, Ohio  
 Management's Discussion and Analysis  
 For The Year Ended December 31, 2012

The City's overall legal debt margin was \$64,950,896 as of December 31, 2012. The City's unvoted legal debt margin was \$28,150,572 as of December 31, 2012.

At December 31, 2012, the City had outstanding long-term debt obligations in the amount of \$20.4 million down from \$23.4 million in 2011 for the governmental activities this represents a 12.8 percent decrease. The City's business-type activities debt obligation as of December 31, 2012 was \$37.8 million down from \$39.8 million in 2011 this represents a decrease of 5 percent. The breakout on debt is presented in the graph below.

**Graph 7  
 Total Debt Outstanding by Type**



The City did issue \$1,500,000 in judgement bond anticipation notes on June 25, 2013 prior to releasing the enclosed financial statements. The note was issued to pay a portion of the 2012 judgement bond anticipation notes maturing on June 26, 2013. The notes bear an interest rate of 1% and will mature on June 24, 2014.

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

City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2012

**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 Position  
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
<b>Assets</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 22,311,848	\$ 27,916,969	\$ 50,228,817	\$ 76,720
Cash and Cash Equivalents with Fiscal Agents	3,019	-	3,019	-
Accounts Receivable	3,116,116	8,334,900	11,451,016	1,166
Taxes Receivable	11,383,613	-	11,383,613	-
Loans Receivable	1,614,415	-	1,614,415	-
Due From Other Governments	15,247,224	497,137	15,744,361	1,003
Inventories	336,573	2,561,755	2,898,328	-
Internal Balances	17,371	(17,371)	-	-
<i>Total Current Assets</i>	<u>54,030,179</u>	<u>39,293,390</u>	<u>93,323,569</u>	<u>78,889</u>
<i>Noncurrent Assets</i>				
Capital Assets:				
Land and Construction in Progress	15,136,566	20,890,015	36,026,581	835,630
Other Capital Assets, Net of Depreciation	92,196,575	84,162,808	176,359,383	2,124,455
<i>Total Noncurrent Assets</i>	<u>107,333,141</u>	<u>105,052,823</u>	<u>212,385,964</u>	<u>2,960,085</u>
<b>Total Assets</b>	<u>161,363,320</u>	<u>144,346,213</u>	<u>305,709,533</u>	<u>3,038,974</u>
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	2,712,602	1,164,362	3,876,964	263
Accrued Wages and Benefits	1,641,440	416,111	2,057,551	3,077
Due to Other Governments	1,264,161	82,859	1,347,020	62,575
Retainage Payable	2,701	74,933	77,634	-
Note Payable	1,600,000	-	1,600,000	-
Claims Payable	1,341,030	-	1,341,030	-
Long Term Liabilities Due Within One Year	3,871,348	2,278,583	6,149,931	-
Capital Lease Due Within One Year	197,607	-	197,607	-
Legal Claims Payable Due Within One Year	11,500	-	11,500	-
<i>Total Current Liabilities</i>	<u>12,642,389</u>	<u>4,016,848</u>	<u>16,659,237</u>	<u>65,915</u>
<i>Noncurrent Liabilities</i>				
Long Term Liabilities Due Within More Than One Year	18,300,055	34,391,302	52,691,357	-
<i>Total Noncurrent Liabilities</i>	<u>18,300,055</u>	<u>34,391,302</u>	<u>52,691,357</u>	<u>-</u>
<b>Total Liabilities</b>	<u>30,942,444</u>	<u>38,408,150</u>	<u>69,350,594</u>	<u>65,915</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes Levied for the Next Fiscal Year	1,909,420	-	1,909,420	-
Other Miscellaneous Revenue	-	4,227	4,227	-
<i>Total Deferred Inflows of Resources</i>	<u>1,909,420</u>	<u>4,227</u>	<u>1,913,647</u>	<u>-</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>32,851,864</u>	<u>38,412,377</u>	<u>71,264,241</u>	<u>65,915</u>
<b>Net Position</b>				
Net Investment in Capital Assets	96,544,493	68,382,938	164,927,431	2,960,085
Restricted for:				
Community Development Programs	10,879,335	-	10,879,335	3,587
Street Construction, Maintenance & Repair	2,634,845	-	2,634,845	-
Public Health Service Programs	3,847,428	-	3,847,428	-
Court Programs	1,131,871	-	1,131,871	-
City Owned Parking Decks	14,511	-	14,511	-
Other Purposes	414,528	-	414,528	-
Debt Service	14,349	-	14,349	-
Capital Projects	7,051,218	-	7,051,218	-
Unrestricted	5,978,878	37,550,898	43,529,776	9,387
<b>Total Net Position</b>	<u>\$128,511,456</u>	<u>\$ 105,933,836</u>	<u>\$ 234,445,292</u>	<u>\$ 2,973,059</u>

See accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Activities  
For the year ended December 31, 2012

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
<i>Governmental Activities</i>				
General Government	\$ 18,204,815	\$ 9,854,425	\$ 403,256	\$ -
Security of Persons and Property	37,355,205	5,023,286	87,531	486,123
Public Health	5,867,708	953,597	2,538,401	-
Transportation	12,752,256	44,486	1,025	251,268
Community Development	5,080,295	10,890	3,921,519	6,362
Leisure Time Activities	2,101,343	64,531	-	15,772
Interest and Fiscal Charges	573,423	-	-	-
<i>Total Governmental Activities</i>	<u>81,935,045</u>	<u>15,951,215</u>	<u>6,951,732</u>	<u>759,525</u>
<i>Business-Type Activities</i>				
Water	12,706,700	14,564,110	-	803,328
Sewer	12,705,127	14,487,135	8,674	1,065,761
Refuse	5,342,650	6,002,093	132,181	-
<i>Total Business-Type Activities</i>	<u>30,754,477</u>	<u>35,053,338</u>	<u>140,855</u>	<u>1,869,089</u>
Total Primary Government	<u>\$ 112,689,522</u>	<u>\$ 51,004,553</u>	<u>\$ 7,092,587</u>	<u>\$ 2,628,614</u>
Component Unit:				
CCIC	\$ 277,769	\$ 2,799	\$ 78,009	\$ -

General revenues:

Taxes:

    City Income Taxes

    Property Taxes

Intergovernmental-Unrestricted

Interest and Investment Earnings

Other

Gains on Sale of Assets

    Total General Revenues

    Change in Net Position

Net Position -- Beginning, Restated for Component Unit

Net Position -- 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
\$ (7,947,134)	\$ -	\$ (7,947,134)	\$ -
(31,758,265)	-	(31,758,265)	-
(2,375,710)	-	(2,375,710)	-
(12,455,477)	-	(12,455,477)	-
(1,141,524)	-	(1,141,524)	-
(2,021,040)	-	(2,021,040)	-
(573,423)	-	(573,423)	-
<u>(58,272,573)</u>	<u>-</u>	<u>(58,272,573)</u>	<u>-</u>
-	2,660,738	2,660,738	-
-	2,856,443	2,856,443	-
-	791,624	791,624	-
-	<u>6,308,805</u>	<u>6,308,805</u>	-
<u>(58,272,573)</u>	<u>6,308,805</u>	<u>(51,963,768)</u>	<u>-</u>
-	-	-	(196,961)
44,311,327	-	44,311,327	-
3,769,181	-	3,769,181	-
8,245,851	-	8,245,851	1,003
56,735	3	56,738	-
1,503,350	22,840	1,526,190	-
13,663	39,961	53,624	-
<u>57,900,107</u>	<u>62,804</u>	<u>57,962,911</u>	<u>1,003</u>
(372,466)	6,371,609	5,999,143	(195,958)
<u>128,883,922</u>	<u>99,562,227</u>	<u>228,446,149</u>	<u>3,169,017</u>
<u>\$ 128,511,456</u>	<u>\$ 105,933,836</u>	<u>\$ 234,445,292</u>	<u>\$ 2,973,059</u>

## City of Canton, Ohio

### Balance Sheet Governmental Funds December 31, 2012

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,680,196	\$ 393,393	\$ 2,820,535	\$ 674,083
Cash and Cash Equivalents with Fiscal Agents	-	-	-	-
Taxes Receivable	9,381,629	-	1,597,371	399,342
Accounts Receivable	1,960,729	575,078	10,700	
Loans Receivable (net of uncollectibles)	-	1,614,415	-	-
Due From Other Funds	695,649	-	-	-
Due From Other Governments	3,768,376	8,637,464	-	-
Inventories	289,197	-	-	-
<b>Total Assets</b>	<b>\$ 21,775,776</b>	<b>\$ 11,220,350</b>	<b>\$ 4,428,606</b>	<b>\$ 1,073,425</b>
<b>Liabilities</b>				
<i>Current</i>				
Accounts Payable	\$ 1,090,729	\$ 259,729	\$ 562,526	\$ 43,035
Accrued Wages and Benefits	1,300,609	27,269	51,448	-
Due to Other Funds	151,838	37,000	3,751	-
Due to Other Governments	328,537	6,789	14,166	-
Retainage Payable	-	-	2,530	-
Note Payable	1,600,000	-	-	-
<b>Total Liabilities</b>	<b>4,471,713</b>	<b>330,787</b>	<b>634,421</b>	<b>43,035</b>
<b>Deferred Inflows of Resources:</b>				
<i>Current</i>				
Property Taxes Levied for the Next Fiscal Year	2,627,653	-	-	-
Special Assessments Revenue Not Available	446,851	562,851	-	-
Miscellaneous Revenue Not Available	18,560	-	-	-
Income Tax Revenue Not Available	1,084,772	-	289,273	72,318
Other Nonexchange Transactions Not Available	2,384,058	7,999,078	-	-
Charges for Services Revenue Not Available	1,020,290	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>7,582,184</b>	<b>8,561,929</b>	<b>289,273</b>	<b>72,318</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>12,053,897</b>	<b>8,892,716</b>	<b>923,694</b>	<b>115,353</b>
<b>Fund Balances</b>				
Nonspendable	289,197	1,614,415	-	-
Restricted	89,191	713,219	-	958,072
Committed	1,081,844	-	3,504,912	-
Unassigned	8,261,647	-	-	-
<i>Total Fund Balances</i>	<b>9,721,879</b>	<b>2,327,634</b>	<b>3,504,912</b>	<b>958,072</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 21,775,776</b>	<b>\$ 11,220,350</b>	<b>\$ 4,428,606</b>	<b>\$ 1,073,425</b>

**City of Canton, Ohio**

Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
December 31, 2012

Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$ 24,324,450
		<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
\$ 8,473,991	\$ 18,042,198	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
3,019	3,019	Land and Improvements	\$ 8,408,117
5,271	11,383,613	Buildings and Structures (net of depreciation)	24,682,178
23,259	2,569,766	Vehicles & Equipment (net of depreciation)	6,860,714
-	1,614,415	Infrastructure (net of depreciation)	60,653,683
-	695,649	Construction in Progress	<u>6,728,449</u>
2,841,384	15,247,224	Total	107,333,141
47,376	336,573		
<u>\$ 11,394,300</u>	<u>\$ 49,892,457</u>		
		Internal service funds are used by management to charge the costs of insurance, compensated absences and workers compensation to individual funds. All of the assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	(6,331,955)
\$ 405,217	\$ 2,361,236		
177,083	1,556,409	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	
666,876	859,465	Grants	9,384,303
209,628	559,120	Property Taxes	718,233
-	2,530	Intergovernmental	3,035,452
-	1,600,000	Charges for Services	1,087,823
<u>1,458,804</u>	<u>6,938,760</u>	Income Tax	1,446,364
		Special Assessments	1,014,973
		Other	<u>32,679</u>
		Total	16,719,827
		Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
		General Obligation Bonds	(11,540,165)
		Loans	(1,784,735)
		Long-term Legal Claims	(11,500)
		Capital Lease	<u>(197,607)</u>
		Total	(13,534,007)
		<i>Net Position of Governmental Activities</i>	<u>\$ 128,511,456</u>

**City of Canton, Ohio**  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the year ended December 31, 2012

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
<b>Revenues</b>				
Property and Other Taxes	\$ 3,392,212	\$ -	\$ -	\$ -
Municipal Income Tax	33,620,647	-	8,624,709	2,156,176
Charges for Services	10,770,559	71,472	1,045	-
Licenses, Permits, and Fees	1,324,515	-	-	-
Fines and forfeitures	344,724	-	-	-
Intergovernmental	5,312,575	-	-	-
Interest	49,750	-	-	-
Operating Grants and Contributions	280,494	4,366,280	-	-
Capital Grants and Contributions	-	16,912	16,071	-
Rentals	7,504	6,595	-	-
Other	2,729,790	157,438	32,801	3,516
<b>Total Revenues</b>	<b>57,832,770</b>	<b>4,618,697</b>	<b>8,674,626</b>	<b>2,159,692</b>
<b>Expenditures</b>				
Current				
General Government	16,679,302	-	-	-
Security of Persons and Property	31,956,388	-	-	-
Public Health	2,502,121	-	-	-
Transportation	1,269,930	-	-	-
Community Environment	-	4,708,873	-	-
Leisure Time Activities	1,400,681	-	-	-
Capital Outlay	-	-	6,122,049	1,832,431
Debt Service				
Principal	405,000	-	2,129,467	208,957
Interest and Fiscal Charges	130,003	-	456,008	-
<b>Total Expenditures</b>	<b>54,343,425</b>	<b>4,708,873</b>	<b>8,707,524</b>	<b>2,041,388</b>
<i>Excess Revenues Over (Under) Expenditures</i>	<i>3,489,345</i>	<i>(90,176)</i>	<i>(32,898)</i>	<i>118,304</i>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	-	4,121	19,509	16,457
Advances In	6,007	19,953	-	-
Advances Out	-	(5,016)	-	-
Transfers In	-	-	-	-
Transfers Out	(65,000)	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>(58,993)</b>	<b>19,058</b>	<b>19,509</b>	<b>16,457</b>
Net Change in Fund Balance	3,430,352	(71,118)	(13,389)	134,761
<i>Fund Balance at Beginning of Year</i>	<i>6,291,527</i>	<i>2,398,752</i>	<i>3,518,301</i>	<i>823,311</i>
<i>Fund Balance at End of Year</i>	<b>\$ 9,721,879</b>	<b>\$ 2,327,634</b>	<b>\$ 3,504,912</b>	<b>\$ 958,072</b>

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, 2012

Other Governmental Funds	Total Governmental Funds	Net change in fund balances-Total Governmental Funds	\$ 1,294,219
		<i>Amounts reported for governmental activities in the Statement of Activities are different because</i>	
\$ -	\$ 3,392,212		
-	44,401,532	Governmental funds report capital outlays as expenditures.	
1,182,597	12,025,673	However, in the Statement of Activities, the cost of those	
234,235	1,558,750	assets is allocated over their estimated useful lives as	
139,994	484,718	depreciation expense. This is the amount by which depreciation	
3,130,141	8,442,716	exceeds capital outlay in the current period.	
6,985	56,735	Capital Asset Additions	\$ 4,843,429
3,989,715	8,636,489	Depreciation Expense	<u>(8,008,690)</u>
763,851	796,834		(3,165,261)
64,408	78,507		
178,114	3,101,659	The net effect of various miscellaneous transactions involving	
<u>9,690,040</u>	<u>82,975,825</u>	capital assets (i.e., sales and donations) is to decrease net position.	
		Loss on disposal of capital asset	(26,424)
1,099,685	17,778,987	Repayment of long-term debt is reported as an expenditure in	
3,851,556	35,807,944	the governmental funds, but the repayment reduces long-term	
3,348,370	5,850,491	liabilities in the Statement of Net Position.	
2,039,695	3,309,625	Bond Principal Payments	2,295,246
451,228	5,160,101	Loan Principal Payments	271,571
35,488	1,436,169	Capital Lease Payments	227,193
1,056,463	9,010,943	Legal Claims Payments	<u>27,600</u>
			2,821,610
31,654	2,775,078		
6,344	592,355		
11,920,483	81,721,693	Some revenues that will not be collected for several months	
<u>(2,230,443)</u>	<u>1,254,132</u>	after the City's year end are not considered "available" revenues	
		and are deferred inflows in the governmental funds.	(2,197,934)
-	40,087		
-	25,960		
(20,944)	(25,960)		
65,000	65,000	Internal service funds are used by management to charge the	
-	(65,000)	costs of certain activities, such as insurance, to individual	
<u>44,056</u>	<u>40,087</u>	funds. The net revenue (expense) of the internal service funds	
		is reported with governmental activities.	901,324
(2,186,387)	1,294,219		
9,998,340	23,030,231	<i>Change in Net Position of Governmental Activities</i>	<u>\$ (372,466)</u>
<u>\$ 7,811,953</u>	<u>\$ 24,324,450</u>		

**City of Canton, Ohio**  
Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual  
General and Major Special Revenue Fund (continued)  
For the year ended December 31, 2012

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$ 2,623,000	\$ 2,787,900	\$ 3,392,212	\$ 604,312
Municipal Income Tax	33,296,721	33,619,486	33,470,464	(149,022)
Intergovernmental	4,820,300	4,773,300	5,007,248	233,948
Charges for Services	9,048,955	10,266,776	10,517,701	250,925
Licenses, Permits and Fees	1,219,550	1,237,560	1,326,076	88,516
Fines and Forfeitures	273,400	279,100	340,357	61,257
Interest	56,040	50,065	51,252	1,187
Operating Grants	95,000	291,990	277,459	(14,531)
Rentals	7,494	7,494	7,504	10
Other	2,388,168	2,497,338	2,580,039	82,701
<b>Total Revenues</b>	<b>53,828,628</b>	<b>55,811,009</b>	<b>56,970,312</b>	<b>1,159,303</b>
<b>Expenditures</b>				
<i>Current</i>				
<b>General Government</b>				
Service Director Support Administration	612,224	1,836,105	1,775,456	60,649
Service Director	404,341	595,891	466,943	128,948
Annexation	11,991	11,991	6,338	5,653
Purchasing Administration	476,645	376,646	360,131	16,515
Building Maintenance	1,236,026	1,111,027	1,020,724	90,303
Income Tax	1,388,376	1,388,378	1,310,503	77,875
Mayor Administration	397,396	397,396	364,388	33,008
Human Resources	146,503	146,503	130,215	16,288
Council	593,540	618,540	580,172	38,368
Judges	2,057,728	2,057,728	1,909,022	148,706
Clerk of Courts	1,564,974	1,564,973	1,389,241	175,732
Law Department	2,034,125	2,045,585	1,868,351	177,234
Auditor's Office	1,845,300	1,825,300	1,701,963	123,337
Treasurer's Office	269,428	444,428	362,791	81,637
Civil Service	292,338	310,338	299,494	10,844
Zoning Board	8,537	8,537	8,537	-
Department of Motor Vehicles	3,658,491	3,410,153	3,154,648	255,505
Management Information Systems	1,048,022	1,048,022	1,022,013	26,009
<b>Total General Government</b>	<b>18,045,985</b>	<b>19,197,541</b>	<b>17,730,930</b>	<b>1,466,611</b>
<b>Security of Persons and Property</b>				
Safety Director	192,851	192,851	169,823	23,028
Code Enforcement	1,002,489	964,452	903,393	61,059
Police	15,366,805	15,307,781	14,675,339	632,442
Fire	14,209,928	14,510,218	14,327,744	182,474
Central Communication	1,443,864	1,807,883	1,776,373	31,510
Traffic Engineer/Parking Meters	121,506	121,506	106,668	14,838
Safety Director School Police Administration	126,908	126,908	125,445	1,463
<b>Total Security of Persons and Property</b>	<b>\$ 32,464,351</b>	<b>\$ 33,031,599</b>	<b>\$ 32,084,785</b>	<b>\$ 946,814</b>

**City of Canton, Ohio**  
Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual  
General and Major Special Revenue Fund (continued)  
For the year ended December 31, 2012

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
<b>Public Health</b>				
Administration	\$ 936,114	\$ 1,028,490	\$ 965,422	\$ 63,068
Nurses	817,804	797,689	791,121	6,568
Lab	272,721	279,221	273,000	6,221
Environmental Administration	577,505	569,229	550,360	18,869
<b>Total Public Health</b>	<u>2,604,144</u>	<u>2,674,629</u>	<u>2,579,903</u>	<u>94,726</u>
<b>Transportation</b>				
Engineering - Daily Operations	47,157	47,157	44,318	2,839
Street Department	1,355,495	1,155,494	1,149,177	6,317
<b>Total Transportation</b>	<u>1,402,652</u>	<u>1,202,651</u>	<u>1,193,495</u>	<u>9,156</u>
<b>Leisure Time Activities</b>				
Civic Center - Administration	456,835	456,835	440,669	16,166
Park	1,064,854	1,064,854	947,447	117,407
Baseball Stadium	13,400	13,400	12,408	992
<b>Total Leisure Time Activities</b>	<u>1,535,089</u>	<u>1,535,089</u>	<u>1,400,524</u>	<u>134,565</u>
<b>Debt Service</b>				
Principal	1,700,000	2,105,000	2,105,000	-
Interest and Fiscal Charges	17,000	130,050	130,003	47
<b>Total Debt Service</b>	<u>1,717,000</u>	<u>2,235,050</u>	<u>2,235,003</u>	<u>47</u>
<b>Total Expenditures</b>	<u>57,769,221</u>	<u>59,876,559</u>	<u>57,224,640</u>	<u>2,651,919</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(3,940,593)</u>	<u>(4,065,550)</u>	<u>(254,328)</u>	<u>3,811,222</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Debt Issues	1,600,000	1,600,000	1,600,000	-
Advances In		6,007	26,007	20,000
Advances Out	(40,000)	(78,500)	(57,000)	21,500
Transfers In	117,000	-	-	-
Transfers Out	(204,247)	(65,000)	(65,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,472,753</u>	<u>1,462,507</u>	<u>1,504,007</u>	<u>41,500</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(2,467,840)</u>	<u>(2,603,043)</u>	<u>1,249,679</u>	<u>3,852,722</u>
<i>Fund Balance at Beginning of Year</i>	2,270,327	2,270,327	2,270,327	-
Unexpended Prior Year Encumbrances	947,426	947,426	947,426	-
<b>Fund Balance at End of Year</b>	<u>\$ 749,913</u>	<u>\$ 614,710</u>	<u>\$ 4,467,432</u>	<u>\$ 3,852,722</u>

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 Fund *(continued)*  
For the year ended December 31, 2012

	Community and Economic Development			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$ -	\$ 126,230	\$ 68,886	\$ (57,344)
Operating Grant	9,134,139	11,953,047	4,501,999	(7,451,048)
Capital Grant	-	496,772	166,772	(330,000)
Rentals	95,000	10,000	6,595	(3,405)
Other	50,000	67,256	196,692	129,436
<b>Total Revenues</b>	<u>9,279,139</u>	<u>12,653,305</u>	<u>4,940,944</u>	<u>(7,712,361)</u>
<b>Expenditures</b>				
<i>Current</i>				
<b>Community Environment</b>				
Youth Development	351,300	354,577	282,950	71,627
Mayor-Compliance Administration	-	1,086	-	1,086
Community Development Administration	3,893,709	6,628,291	4,973,956	1,654,335
Federal Stimulus Funding	368,052	1,378,255	1,139,596	238,659
Hamilton Ave Project	-	12,891	12,891	-
Energy Efficiency Grant	-	222,299	222,272	27
Community Development Demolition	620,763	724,244	487,382	236,862
Fair Housing Administration	46,712	48,351	33,030	15,321
Economic Development Grants/Loans	300,000	424,164	414,469	9,695
<b>Total Expenditures</b>	<u>5,580,536</u>	<u>9,794,158</u>	<u>7,566,546</u>	<u>2,227,612</u>
<i>Excess Revenues (Under) Expenditures</i>	<u>3,698,603</u>	<u>2,859,147</u>	<u>(2,625,602)</u>	<u>(5,484,749)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	-	1,167	4,121	2,954
Advances In	-	34,200	56,953	22,753
Advances Out	(5,016)	(5,016)	(5,016)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(5,016)</u>	<u>30,351</u>	<u>56,058</u>	<u>25,707</u>
<b>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</b>	3,693,587	2,889,498	(2,569,544)	(5,459,042)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(3,419,408)	(3,419,408)	(3,419,408)	-
Unexpended Prior Year Encumbrances	3,810,810	3,810,810	3,810,810	-
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 4,084,989</u>	<u>\$ 3,280,900</u>	<u>\$ (2,178,142)</u>	<u>\$ (5,459,042)</u>

See the accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2012

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
<b>Assets</b>					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 10,549,906	\$ 15,280,557	\$ 2,086,506	\$ 27,916,969	\$ 4,269,649
Accounts Receivable	3,287,057	2,698,084	2,349,759	8,334,900	546,350
Due From Other Funds	-	-	-	-	181,187
Due From Other Governments	10,850	460,447	25,840	497,137	-
Inventories	1,433,215	1,128,540	-	2,561,755	-
<i>Total Current Assets</i>	<u>15,281,028</u>	<u>19,567,628</u>	<u>4,462,105</u>	<u>39,310,761</u>	<u>4,997,186</u>
<i>Noncurrent Assets</i>					
Capital Assets:					
Land and Construction in Progress	17,553,294	3,336,721	-	20,890,015	-
Other Capital Assets, Net of Depreciation	43,883,296	38,672,788	1,606,724	84,162,808	-
<i>Total Noncurrent Assets</i>	<u>61,436,590</u>	<u>42,009,509</u>	<u>1,606,724</u>	<u>105,052,823</u>	<u>-</u>
<b>Total Assets</b>	<u>76,717,618</u>	<u>61,577,137</u>	<u>6,068,829</u>	<u>144,363,584</u>	<u>4,997,186</u>
<b>Liabilities</b>					
<i>Current</i>					
Accounts Payable	493,392	585,613	85,357	1,164,362	353,451
Accrued Wages and Benefits	188,517	143,010	84,584	416,111	82,945
Due to Other Funds	8,253	5,424	3,694	17,371	-
Due to Other Governments	48,516	21,655	12,688	82,859	705,212
Retainage Payable	15,000	59,933	-	74,933	-
Due Within One Year	1,213,746	1,064,837	-	2,278,583	1,215,069
Claims Payable	-	-	-	-	1,341,030
<i>Total Current</i>	<u>1,967,424</u>	<u>1,880,472</u>	<u>186,323</u>	<u>4,034,219</u>	<u>3,697,707</u>
<i>Noncurrent</i>					
Due Within More Than One Year	26,127,207	8,264,095	-	34,391,302	7,631,434
<b>Total Liabilities</b>	<u>28,094,631</u>	<u>10,144,567</u>	<u>186,323</u>	<u>38,425,521</u>	<u>11,329,141</u>
<b>Deferred Inflows of Resources</b>					
Other Miscellaneous Revenue	4,227	-	-	4,227	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>28,098,858</u>	<u>10,144,567</u>	<u>186,323</u>	<u>38,429,748</u>	<u>11,329,141</u>
<i>Net Position</i>					
Net Investment in Capital Assets	34,095,637	32,680,577	1,606,724	68,382,938	-
Unrestricted	14,523,123	18,751,993	4,275,782	37,550,898	(6,331,955)
<b>Total Net Position</b>	<u>\$ 48,618,760</u>	<u>\$ 51,432,570</u>	<u>\$ 5,882,506</u>	<u>\$ 105,933,836</u>	<u>\$ (6,331,955)</u>

See accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Revenues, Expenses  
and Changes in Net Position  
Proprietary Funds  
For the year ended December 31, 2012

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
<b>Operating Revenues</b>					
Charges for Services	\$ 14,558,359	\$ 13,597,462	\$ 6,002,093	\$ 34,157,914	\$ 14,961,029
Operating Grants and Contributions	-	8,674	132,181	140,855	-
Other	27,232	884,458	6,574	918,264	771,096
<b>Total Operating Revenues</b>	<u>14,585,591</u>	<u>14,490,594</u>	<u>6,140,848</u>	<u>35,217,033</u>	<u>15,732,125</u>
<b>Operating Expenses</b>					
Personal Services	6,218,089	4,951,721	3,308,905	14,478,715	667,236
Contractual Services	2,237,982	4,470,692	1,754,083	8,462,757	1,766,134
Materials and Supplies	1,562,217	339,515	75,951	1,977,683	250
Insurance Claims and Expenses	-	-	-	-	9,812,710
Benefit Claim Expenses	-	-	-	-	2,582,838
Depreciation	1,549,982	2,587,826	189,709	4,327,517	-
Claims	7,530	6,080	2,390	16,000	-
Other	102,681	29,742	11,613	144,036	1,633
<b>Total Operating Expenses</b>	<u>11,678,481</u>	<u>12,385,576</u>	<u>5,342,651</u>	<u>29,406,708</u>	<u>14,830,801</u>
<i>Operating Income (Loss)</i>	<u>2,907,110</u>	<u>2,105,018</u>	<u>798,197</u>	<u>5,810,325</u>	<u>901,324</u>
<b>Nonoperating Revenues (Expenses)</b>					
Gain or (Loss) on Disposal of Capital Assets	25,021	1,620	13,320	39,961	-
Interest	3	-	-	3	-
Interest Expense	(1,028,217)	(319,552)	-	(1,347,769)	-
<b>Total Nonoperating Revenue (Expenses)</b>	<u>(1,003,193)</u>	<u>(317,932)</u>	<u>13,320</u>	<u>(1,307,805)</u>	<u>-</u>
<i>Income Before Contributions</i>	1,903,917	1,787,086	811,517	4,502,520	901,324
Cash Capital Contributions	803,328	1,065,761	-	1,869,089	-
<b>Change in Net Position</b>	2,707,245	2,852,847	811,517	6,371,609	901,324
<i>Total Net Position at Beginning of Year</i>	45,911,515	48,579,723	5,070,989	99,562,227	(7,233,279)
<i>Total Net Position at End of Year</i>	<u>\$ 48,618,760</u>	<u>\$ 51,432,570</u>	<u>\$ 5,882,506</u>	<u>\$ 105,933,836</u>	<u>\$ (6,331,955)</u>

See accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Cash Flows  
Proprietary Funds  
For the year ended December 31, 2012

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service
<b>Cash Flows From Operating Activities</b>					
Receipts from Customers	\$ 14,797,599	\$ 13,453,099	\$ 6,021,062	\$ 34,271,760	\$ 15,989,162
Other Cash Receipts	112,955	948,186	112,915	1,174,056	327,125
Payments to Suppliers	(4,127,520)	(5,199,816)	(1,832,583)	(11,159,919)	(1,075,855)
Payments to Employees	(6,417,534)	(5,302,527)	(3,437,140)	(15,157,201)	(157,862)
Claims Paid	(7,530)	(6,080)	(2,389)	(15,999)	(14,249,565)
Other Cash Payments	(100,613)	(33,897)	(11,208)	(145,718)	(1,633)
<i>Net Cash Provided by Operating Activities</i>	<u>4,257,357</u>	<u>3,858,965</u>	<u>850,657</u>	<u>8,966,979</u>	<u>831,372</u>
<b>Cash Flows From (Used) Capital and Related Financing Activities</b>					
Proceeds from Capital Grants	803,328	1,065,761	-	1,869,089	-
Proceeds from Capital Contributions	2,014,592	1,400,530	-	3,415,122	-
Proceeds from Sale of Capital Assets	32,521	1,620	13,320	47,461	-
Purchases of Capital Assets	(3,594,050)	(2,717,345)	(966,689)	(7,278,084)	-
Principal Paid on Capital Debt	(2,133,488)	(1,562,250)	-	(3,695,738)	-
Interest Paid on Capital Debt	(1,028,217)	(319,552)	-	(1,347,769)	-
<i>Net Cash (Used) by Capital and Related Financing Activities</i>	<u>(3,905,314)</u>	<u>(2,131,236)</u>	<u>(953,369)</u>	<u>(6,989,919)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>					
Interest and Dividends	3	-	-	3	-
<i>Net Cash Provided by Investing Activities</i>	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	352,046	1,727,729	(102,712)	1,977,063	831,372
Balance - Beginning of the Year	10,197,860	13,552,828	2,189,218	25,939,906	3,438,277
Balance - End of the Year	<u>10,549,906</u>	<u>15,280,557</u>	<u>2,086,506</u>	<u>27,916,969</u>	<u>4,269,649</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income	2,907,110	2,105,018	798,197	5,810,325	901,324
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	1,549,982	2,587,826	189,709	4,327,517	-
Change in Assets and Liabilities:					
Accounts Receivables, net	324,964	90,270	18,969	434,203	(446,411)
Intergovernmental Receivables, net	-	(179,578)	(25,840)	(205,418)	-
Inventories	134,443	(411,723)	-	(277,280)	-
Due From Other Funds	-	-	-	-	1,030,573
Accounts Payables	(363,825)	(41,976)	(2,143)	(407,944)	344,968
Accrued Wages Payable	19,483	13,660	(6,862)	26,281	1,183
Intergovernmental Payable	(4,273)	(8,947)	(8,801)	(22,021)	685,997
Retainage Payable	(103,045)	59,934	-	(43,111)	-
Due to Other Funds	(207,482)	(355,519)	(112,572)	(675,573)	-
Compensated Absences Payable	-	-	-	-	(1,159,669)
Claims Payable	-	-	-	-	(526,593)
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 4,257,357</u>	<u>\$ 3,858,965</u>	<u>\$ 850,657</u>	<u>\$ 8,966,979</u>	<u>\$ 831,372</u>

See accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2012

	Private Purpose Trust	Agency Funds
	Hartford Houtz	
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,048,921
Cash and Cash Equivalents in Segregated Accounts	-	55,137
Investments in Segregated Accounts	140,985	-
<b>Total Assets</b>	<b>\$ 140,985</b>	<b>\$ 1,104,058</b>
<b>Liabilities</b>		
Due to Other Governments	\$ -	\$ 818,390
Undistributed Assets	-	55,137
Deposits Held and Due to Others	-	230,531
<b>Total Liabilities</b>	<b>-</b>	<b>\$ 1,104,058</b>
<b>Net Position - Held in Trust for Individuals</b>	<b>\$ 140,985</b>	

See accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the year ended December 31, 2012

	Private Purpose Trust
	Hartford Houtz
<b>Additions</b>	
Investment Earnings:	
Interest	\$ 6,616
<b>Deductions</b>	
Benefits	4,269
Total Deductions	4,269
Change in Net Assets	2,347
<i>Net Position-Beginning of Year</i>	138,638
<i>Net Position-End of Year</i>	\$ 140,985

See accompanying notes to the basic financial statements

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2012

**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 has the voting majority on the Canton Community Improvement Corporation (CCIC) Board with no other subdivisions having any representation, and the CCIC is completely dependent on the City for financial support. The City will report the financial status of the CCIC as a discretely presented component unit in its basic financial statements based on these criteria. A complete copy of the CCIC financial statements can be obtained by contacting the City's Community and Economic Development Department. See Note 16.

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 13, 14 and 15.

**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 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 Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

City of Canton  
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Notes to the Basic Financial Statements  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-wide Financial Statements**

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The only exception is for contributions from the City’s Water, Sewer and Refuse Departments to the City’s Motor Vehicle Department, Computer Department, and the City’s Vehicle Self Insurance Fund. Activities of these three divisions are included with the Governmental-Activities, thus any contributions and corresponding expenses from other governmental funds are eliminated. This activity remains in the Business-Type 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

City of Canton  
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Notes to the Basic Financial Statements  
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**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 position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

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

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

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

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

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

**Measurement Focus**

**Government-wide Financial Statements**

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

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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 Position. The Statement of Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

The private-purpose trust fund is reported using the economic resources measurement focus.

**Basis of Accounting**

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

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue

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**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 6). 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.

**Deferred Inflows of Resources**

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

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, have been recorded as deferred inflows and resources. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred inflows of resources on modified accrual only.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources.

**Expenses/Expenditures**

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

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

**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, non-salary and travel line items. The appropriation ordinance may be amended during the year by action of Council, as new information becomes available, provided that total

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**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 Position as "Cash and Cash Equivalents in Segregated Accounts" and "Investments in Segregated Accounts" since they are not required to be deposited into the City treasury.

During 2012, investments were limited to certificates of deposit, money market investments, 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, 2012.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2012 amounted to \$49,750, which includes \$1,467, assigned from other City funds.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position/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.

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**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, 2012, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City has no prepaid items.

**Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, storm sewers, streets, streetlights, traffic signals 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 enterprise capital assets is also capitalized.

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

City of Canton  
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Notes to the Basic Financial Statements  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Interfund Balances**

On fund financial statements, interfund loans are classified as “Due to/From Other Funds” on the Balance Sheet and are classified as nonspendable fund balance, 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 Position, 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 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**

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

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

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or

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Stark County, Ohio  
Notes to the Basic Financial Statements  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council.

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

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

**Net Position**

Net position represents the difference between assets and liabilities and deferred inflows. Net position net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there is limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources first when an expense is incurred for the purposes for which both restricted and unrestricted net position are available.

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2012

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

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

**Extraordinary and Special Items**

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

**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.

City of Canton  
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 Notes to the Basic Financial Statements  
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**NOTE 3 – FUND BALANCES**

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

Fund Balances	General Fund	Community and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i><u>Nonspendable:</u></i>						
Inventory	\$ 289,197	\$ -	\$ -	\$ -	\$ 35,297	\$ 324,494
Long Term Loans	-	1,614,415	-	-	-	1,614,415
<i>Total Nonspendable</i>	<u>289,197</u>	<u>1,614,415</u>	<u>-</u>	<u>-</u>	<u>35,297</u>	<u>1,938,909</u>
<i><u>Restricted for:</u></i>						
Unclaimed Monies	89,191	-	-	-	-	89,191
Road Improvements	-	-	-	-	1,876,233	1,876,233
Recycle Ohio	-	-	-	-	7,516	7,516
Community Development Grants & Programs	-	713,219	-	-	-	713,219
Public Health Service Grants & Programs	-	-	-	-	2,505,867	2,505,867
Police Department Grants, Donations & Programs	-	-	-	-	469,385	469,385
Judicial System Grants & Programs	-	-	-	-	1,090,450	1,090,450
Park Donations	-	-	-	-	45,230	45,230
Cornerstone Parking Deck Operations	-	-	-	-	14,510	14,510
Youth Development Donations & Programs	-	-	-	-	5,330	5,330
Employee Recognition Program	-	-	-	-	143	143
Debt Service Payments	-	-	-	-	9,077	9,077
Motor Vehicle Purchases	-	-	-	958,072	-	958,072
Infrastructure Improvements	-	-	-	-	1,381,198	1,381,198
Recreational Facility Improvements	-	-	-	-	526,146	526,146
Construction Projects	-	-	-	-	317,555	317,555
City Hall Renovations	-	-	-	-	1,744	1,744
Canton Merchandising	-	-	-	-	25,549	25,549
<i>Total Restricted</i>	<u>\$ 89,191</u>	<u>\$ 713,219</u>	<u>\$ -</u>	<u>\$ 958,072</u>	<u>\$ 8,275,933</u>	<u>\$ 10,036,415</u>

City of Canton  
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**NOTE 3 – FUND BALANCES** (Continued)

Fund Balances	General Fund	and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i>Committed to</i>						
Police Legal						
Claim Settlements	\$ 68,882	\$ -	\$ -	\$ -	\$ -	\$ 68,882
Vehicle Self Insurance	431,154	-	-	-	-	431,154
Motor Vehicle						
Maintenance	547,933	-	-	-	-	547,933
Information Systems	33,875	-	-	-	-	33,875
Park Department						
Operations	-	-	-	-	107,518	107,518
Capital Improvements	-	-	3,504,912	-	-	3,504,912
Other Purposes	-	-	-	-	57,664	57,664
<i>Total Committed</i>	<u>1,081,844</u>	<u>-</u>	<u>3,504,912</u>	<u>-</u>	<u>165,182</u>	<u>4,751,938</u>
<i>Unassigned/(Deficits):</i>						
Income Tax Department						
Operations	(540,174)	-	-	-	-	(540,174)
Management Information						
Clean Ohio	-	-	-	-	(14,696)	(14,696)
Fire Department Grants, Donations & Programs	-	-	-	-	(649,763)	(649,763)
General Fund Operations	8,801,821	-	-	-	-	8,801,821
<i>Total Unassigned/ (Deficits)</i>	<u>8,261,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(664,459)</u>	<u>7,597,188</u>
<b>Total Fund Balances</b>	<u><u>\$ 9,721,879</u></u>	<u><u>\$2,327,634</u></u>	<u><u>\$ 3,504,912</u></u>	<u><u>\$ 958,072</u></u>	<u><u>\$ 7,811,953</u></u>	<u><u>\$24,324,450</u></u>

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund and Major Special Revenue Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).

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 For The Year Ended December 31, 2012

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (Continued)

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

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	\$ 3,430,352	\$ (71,118)
Net Adjustment for Revenue Accruals	757,542	359,247
Net Adjustment for Expenditure		
Accruals	(1,770,711)	(287,801)
Encumbrances	(1,167,504)	(2,569,872)
Budget Basis	\$ 1,249,679	\$ (2,569,544)

**NOTE 5 - 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.

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (Continued)

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).

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 \$140,546 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, 2012, the carrying amount of all City deposits was \$17,942,273. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2012, the City's bank balance was \$48,929,205 of which \$47,624,068 was exposed to custodial risk as discussed below, while \$1,305,137 was covered by Federal Deposit Insurance Corporation.

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (Continued)

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, 2012, the City had the following investments and maturities:

Investment type	Balance at Fair Value	Investment Maturities 6 months or less
Certificates of Deposit	\$ 4,000,000	\$ 4,000,000
Money Markets	25,779,501	25,779,501
Star Ohio	3,755,105	3,755,105
Total Investments	\$ 33,534,606	\$ 33,534,606

The weighted average maturity is .12 years.

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

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. For the City's investments in certificates of deposit the entire balance is collateralized by underlying securities pledged by the investment's counter party, not in the name of the City.

The following table includes the percentage of each investment type held by the City at December 31, 2012:

Investment type	Fair Value	% of Total
Certificates of Deposit	\$ 4,000,000	11.93
Money Markets	25,779,501	76.87
Star Ohio	3,755,105	11.20
Total Investment	\$ 33,534,606	100.00

City of Canton  
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**NOTE 5 - DEPOSITS AND INVESTMENTS** (Continued)

**Reconciliation of Cash and Investment to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statements as of December 31, 2012:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 17,942,273
Investments	<u>33,534,606</u>
Total	<u><u>\$ 51,476,879</u></u>
 <u>Cash and Investments per Statement of Net Position</u>	
Governmental Activities	\$ 22,314,867
Business Type Activities	27,916,969
Fiduciary Funds	<u>1,245,043</u>
Total	<u><u>\$ 51,476,879</u></u>

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2012, 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 \$5,271 in the Debt Service Fund, and \$1,499,104 for the other major and nonmajor 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 2012 for real and public utility property taxes represents collections of the 2011 taxes. Property tax payments received during 2012 for tangible personal property (other than public utility property) is for 2012 taxes.

2012 real property taxes are levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

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**NOTE 6 - RECEIVABLES** (Continued)

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. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

2012 tangible personal property taxes are levied after October 1, 2011, on the value as of December 31, 2011. Collections are made in 2012. Tangible personal property assessments are 12.5 percent of true value.

The assessed value upon which the 2012 taxes were collected was \$736,006,480. Real estate represented 93.65 percent (\$689,302,720) of this total, public utility tangible personal property represented 6.35 percent (\$46,703,760) and general tangible personal property represented 0 percent (\$0). The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2012, for all City operations applied to taxable property in the following taxing districts within the City limits was \$3.40 for District 2 – Canton City School District, \$2.00 for District 3 – Plain Local School District, \$2.60 for District 4 – Canton Local School District, and \$2.30 for District 90 – Osnaburg Local School District.

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 receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2012. 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 2012 operations. The receivable is offset by deferred inflows of resources.

**Income Taxes**

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

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. The allocation to the Motor Vehicle Purchase Fund is the only allocation that was actually voted upon and approved by the voters of Canton. This requires the fund balance for the Motor Vehicle Purchase Fund to be reported as restricted as seen on page 42.

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**NOTE 6 - RECEIVABLES** (Continued)

**Due From Other Governments**

A summary of intergovernmental receivables follows:

<b>Governmental Activities</b>	
Local Government and Local Government	
Revenue Assistance	\$ 2,948,484
Hotel Tax	23,979
Charges for Services	286,090
Courts	210,717
Casino Revenue	434,268
Gasoline and Excise Tax	1,061,545
Motor Vehicle Tax	156,891
Grants	10,125,250
<b>Total Governmental Activities:</b>	<b>15,247,224</b>
 <b>Business Activities</b>	
Principal	497,137
<b>Total</b>	<b>\$ 15,744,361</b>

**Loans Receivable**

The special revenue funds reflect community development loans receivable in the amount of \$1,614,415. The loans receivable represent the principal owed to the City for Community Development Block Grants. The loans bear interest at annual rates between 0 and 11 percent. The loans will be repaid over periods up to 20 years.

**NOTE 7 - 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 2012 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 2012, the City selected Tier 1 which calls for no claim limit and a 150 percent maximum premium limit.

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**NOTE 7 - RISK MANAGEMENT** (Continued)

The claims liability of \$1,378,059 reported in the Workers Compensation Internal Service Fund at December 31, 2012, 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 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	Claims Incurred	Claim Payments	Balance End of Year
2011	\$	1,707,856	\$ 1,350,547	\$ 1,436,936	\$ 1,621,467
2012		1,621,467	1,356,472	1,599,880	1,378,059

**Property and Liability**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City contracts with Affiliated FM Insurance Company for commercial property coverage, which has a \$435,000,000 limit and a \$100,000 deductible. The City also contracts with Cincinnati Insurance Company through Leonard Insurance Services Agency Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible. The City contracts with Ohio Plan Risk Management, Inc. through Hylant Administrative Services for automobile combined coverage, which has a \$6,000,000 limit and a \$125,000 deductible. The City also contracts with Ohio Plan Risk Management, Inc. for liability coverages, which includes general liability, public officials liability and law enforcement liability. Each of these coverages has a \$6,000,000 annual limit per claim and a \$8,000,000 per year aggregate with a \$125,000 deductible.

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

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

**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 family. The third party administrators, Aultcare and Anthem Blue Cross, review all claims, which are then paid by the City.

The claims liability of \$810,336 reported in the Health Insurance Internal Service Fund at December 31, 2012, 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.

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**NOTE 7 - RISK MANAGEMENT** (Continued)

Changes in the fund's claims liability amount for the last two years follow:

	Balance Beginning of Year	Claims Incurred	Claim Payments	Balance End of Year
2011	\$ 954,215	\$ 8,787,643	\$ 8,648,337	\$ 1,093,521
2012	1,093,521	8,456,238	8,739,423	810,336

**NOTE 8 - CAPITAL ASSETS**

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

	Balance 12/31/11	Additions	Deductions	Balance 12/31/12
<b>Governmental Activities</b>				
Capital Assets, not being depreciated:				
Land	\$ 8,396,817	\$ 11,300	\$ -	\$ 8,408,117
Construction in Progress	10,939,223	1,527,237	(5,738,011)	6,728,449
Total Capital Assets, not being Depreciated	19,336,040	1,538,537	(5,738,011)	15,136,566
Capital Assets, being Depreciated				
Buildings and Structures	43,841,125	3,434,676	(30,177)	47,245,624
Vehicles and Equipment	30,101,861	1,426,972	(404,801)	31,124,032
Infrastructure	364,365,809	4,181,255	(10,777)	368,536,287
Total Capital Assets, being Depreciated	438,308,795	9,042,903	(445,755)	446,905,943
Less Accumulated Depreciation				
Buildings and Structures	\$ (21,439,652)	\$ (1,149,677)	\$ 25,883	\$ (22,563,446)
Vehicles and Equipment	(22,702,925)	(1,947,632)	387,239	(24,263,318)
Infrastructure	(302,977,432)	(4,911,381)	6,209	(307,882,604)
Total Accumulated Depreciation	(347,120,009)	(8,008,690) *	419,331	(354,709,368)
Total Capital Assets, being Depreciated, net	91,188,786	1,034,213	(26,424)	92,196,575
Governmental Activities Capital Assets, net	<u>\$ 110,524,826</u>	<u>\$ 2,572,750</u>	<u>\$ (5,764,435)</u>	<u>\$ 107,333,141</u>

(Continued)

City of Canton  
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**NOTE 8 - CAPITAL ASSETS** (Continued)

	Balance 12/31/11	Additions	Deductions	Balance 12/31/12
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 2,631,525	\$ 108,014	\$ -	\$ 2,739,539
Construction in Progress	20,572,031	5,924,678	(8,346,235)	18,150,474
Total Capital Assets, not being Depreciated	23,203,556	6,032,692	(8,346,235)	20,890,013
Capital Assets, being Depreciated				
Buildings and Structures	97,148,050	7,264,311	(102,763)	104,309,598
Vehicles and Equipment	11,270,611	1,616,275	(673,020)	12,213,866
Infrastructure	155,706,052	711,038	-	156,417,090
Total Capital Assets, being Depreciated	264,124,713	9,591,624	(775,783)	272,940,554
Less Accumulated Depreciation				
Buildings and Structures	(56,033,473)	(2,226,192)	102,763	(58,156,902)
Vehicles and Equipment	(8,586,630)	(600,679)	665,520	(8,521,789)
Infrastructure	(120,598,408)	(1,500,645)	-	(122,099,053)
Total Accumulated Depreciation	(185,218,511)	(4,327,516)	768,283	(188,777,744)
Total Capital Assets, being Depreciated, net	78,906,202	5,264,108	(7,500)	84,162,810
Business-Type Activities Capital Assets, net	<u>\$ 102,109,758</u>	<u>\$ 11,296,800</u>	<u>\$ (8,353,735)</u>	<u>\$ 105,052,823</u>

\* Depreciation expense was charged to governmental functions as follows:

General Government	\$ 495,313
Security of Persons and Property	1,540,721
Public Health	102,618
Transportation	5,192,612
Community Development	10,556
Leisure Time Activities	666,870
Total Depreciation Expense	<u>\$ 8,008,690</u>

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**NOTE 9 - 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 or 1,200 hours of accumulated, unused sick leave. Firefighters and police can be paid 100 percent to a maximum of 187.5 days or 1,500 hours.

In 2004, the City established a Compensated Absences Claim Fund for the purpose of depositing sick expense premiums from the employees labor fund distribution to pay both current and previous unfunded compensated absences. The expense associated with current and future obligations is being charged as a direct claim against the Compensated Absences Claim Fund. The premium supporting the fund is included in the personal service charge for each fund. Prior to 2009, and the collapse of the City of Canton operational income, the premium was equal to 125% of the total cost of the sick leave accrued on biweekly payrolls. In an attempt to maintain an adequate workforce in light of this revenue decline, the premium was reduced to 105% of the total cost of the sick leave accrued on a biweekly payroll for 2009 and 2010. The premium reset to 125% effective 1/1/2011, remained at 125% through 2012, and into 2013. In addition, the City deposited an additional \$994,469 from operating funds in order to stabilize the cash position of the fund.

**Note 10 – LONG-TERM OBLIGATIONS**

**General Obligation Bonds**

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

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental Activities, 2009 Various Purpose Improvement Refunding	3.0-4.0%	8,575,000
Governmental Activities, 2001 Radio Communication	4.0 - 2.25%	5,610,000
Governmental Activities, 2006 Various Purpose	4.00%	13,650,000
Business-Type Activities, 2006 Various Purpose/Refunding	4.00%	9,570,000
		<u>\$ 37,405,000</u>

City of Canton  
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**NOTE 10 - LONG-TERM OBLIGATIONS** (Continued)

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

Year Ending December 31	General Obligation Bonds		Business-Type Activities	
	Governmental Activities Principal	Interest	Principal	Interest
2013	2,376,092	443,727	1,048,908	161,973
2014	2,467,817	357,483	1,092,183	120,017
2015	2,554,541	267,871	1,135,459	76,329
2016	2,077,228	165,689	772,772	30,911
2017	1,015,000	82,600	-	-
2018-2021	1,049,487	42,000	-	-
Total	<u>\$ 11,540,165</u>	<u>\$ 1,359,370</u>	<u>\$ 4,049,322</u>	<u>\$ 389,230</u>

The City has annual debt requirements for the following loans, both related to governmental activities. 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. Also, 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. Both loans were issued as part of the City's continuing effort to improve its downtown business district.

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

**State Infrastructure Bank Loan**

Year Ending December 31	Governmental Activities	
	Principal	Interest
2013	77,993	17,407
2014	80,548	14,852
2015	83,187	12,213
2016	85,913	9,487
2017	88,728	6,672
2018-2019	144,196	4,528
Total	<u>\$ 560,565</u>	<u>\$ 65,159</u>

**Urban Redevelopment Loan  
(Millenium Parking Deck)**

Year Ending December 31	Governmental Activities	
	Principal	Interest
2013	137,107	18,190
2014	142,591	12,363
2015	148,294	6,303
Total	<u>\$ 427,992</u>	<u>\$ 36,856</u>

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 City has pledged future revenues, net of operating expenses, in the Sewer Operating Fund to repay loans used to renovate the water pollution control system. The debt is payable from net revenues and is payable through 2023. Annual principal payments on the debt issues are expected to require 0.4 percent of net revenues for water and sewer. The total principal remaining to be paid on the debt is \$59,947 for water and \$53,950 for sewer. Principal paid for the current year and total net revenues were \$3,155 and \$4,457,092, respectively

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**NOTE 10 - LONG-TERM OBLIGATIONS** (Continued)

for water and \$5,395 and \$4,692,844, respectively, for sewer. The following is a list of outstanding debt with the Ohio Public Works Commission.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental Activities, 35th St. N.E. Storm Sewer Reconstruction	0.00%	380,812
Governmental Activities, Market Ave North Sewer Replacement	0.00%	300,000
Governmental Activities, 30th St. N.E. Storm Sewer Improvement	0.00%	494,000
Business-Type Activities, Harrisburg Water Line	0.00%	63,102
Business-Type Activities, Harmont Ave Pump Station	0.00%	107,900
		<u>\$ 1,345,814</u>

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

<b>Ohio Public Works Commission Loan</b>				
Year Ending	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
December 31	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	65,087	-	11,705	-
2014	65,087	-	11,705	-
2015	65,087	-	11,705	-
2016	65,087	-	11,705	-
2017	65,087	-	11,705	-
2018-2022	211,194	-	55,372	-
2023-2027	161,000	-	-	-
2028-2030	49,406	-	-	-
Total	<u>\$ 747,035</u>	<u>\$ -</u>	<u>\$ 113,897</u>	<u>\$ -</u>

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. The City has pledged future revenues, net of operating expenses, to repay these loans in the business-type activities funds. The debt is payable from net revenues and is payable through 2027. Annual principal and interest payments on the debt issues are expected to require 39.7 percent of net water operating revenue and 43.0 percent of net sewer operating revenue. The total principal and interest remaining to be paid on the debt is \$5,787,515 for water and \$6,224,823 for sewer. Principal and interest paid for the current year and total net revenues were \$2,225,082 and \$4,457,092, respectively, for water and \$1,597,759 and \$4,692,844, respectively, for sewer.

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**NOTE 10 - LONG-TERM OBLIGATIONS** (Continued)

The Ohio Water Development Authority loans outstanding were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental Activities, Harmont Ave NE Improvement	3.25%	60,100
Business-Type Activities, Plain Township Water Line Extension (55th St)	4.74%	1,653,459
Business-Type Activities, Lake Local School Waterline	4.64%	1,980,974
Business-Type Activities, Lawrence Chester Water Main Extension	5.01%	250,606
Business-Type Activities, Osnaburg Water Main Extension	3.62%	1,402,001
Business-Type Activities, Sugarcreek Water Plant Improvement	3.25%	3,365,682
Business-Type Activities, NW Water Plant Improvement	3.25%	7,094,093
Business-Type Activities, NE Water Plant Improvement	5.39%	14,903,080
Business-Type Activities, WRF Phosphorus/Nitrogen Removal Project	3.20%	2,802,000
Business-Type Activities, Water Pollution System	2.64%	14,230,181
Business-Type Activities, Discharge Line (J.L.)	4.56%	835,606
		<u>\$ 48,577,782</u>

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

Year Ending December 31	<b>Ohio Water Development Authority Loan</b> Business-Type Activities	
	Principal	Interest
2013	1,217,970	388,811
2014	1,240,976	349,721
2015	1,264,096	310,518
2016	1,304,205	270,409
2017	1,345,658	228,956
2018-2022	4,284,167	574,243
2023-2027	1,477,781	141,292
Total	<u>\$ 12,134,853</u>	<u>\$ 2,263,950</u>

During 2012, the Northwest Water Treatment Plant Improvement Project, the Northeast Water Treatment Plant Improvement Project and the Water Reclamation Phosphorus Project all received OWDA loan proceeds. As of the end of the audit period, the final amount borrowed for all three loans had not been determined and no final reconciliation has been completed by OWDA. Due to these issues, no payment schedules were available for any of the three loans. Consequently, none of the loans were 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.

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**NOTE 10 - LONG-TERM OBLIGATIONS** (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2012, were as follows:

	Outstanding 12/31/11	Additions	Reductions	Outstanding 12/31/12	Due Within One Year
<i>Business Type Activities</i>					
OPWC Loan:					
Water Fund:					
2012 Harrisburg Water Line 0%	-	63,102	(3,155)	59,947	6,310
Sewer Fund:					
2003 Harmont Lift Station 0%	59,345	-	(5,395)	53,950	5,395
<b>Total OPWC Loans</b>	<b>59,345</b>	<b>63,102</b>	<b>(8,550)</b>	<b>113,897</b>	<b>11,705</b>
OWDA Loans:					
Water Fund:					
2001 Plain Township Water Line Ext. (55th St) 4.74%	1,056,311	-	(79,732)	976,579	83,556
2002 Perry Twshp Water Extension 4.65%	177,966	-	(177,966)	-	-
2002 Lake Schl Water 4.64%	1,307,740	-	(93,498)	1,214,242	97,887
2003 Lawrence Water Main Extension 5.01%	74,710	-	(28,779)	45,931	30,240
2007 Osnaburg Water Main Extension 3.62%	1,172,609	-	(57,540)	1,115,069	59,641
2007 SC Wtr Plant Imprv 3.25%	2,624,008	-	(67,610)	2,556,398	128,332
2008 NW Wtr Plant Imprv 3.25%	4,913,727	81,761	(267,581)	4,727,907	-
2009 NE Wtr Plant Imprv 5.39%	12,682,099	1,424,338	(580,001)	13,526,436	-
Sewer Fund:					
1997 Water Pollution System 2.64%	6,610,222	-	(751,511)	5,858,711	771,744
1999 Discharge Line (J.L.) 4.56%	412,768	-	(44,845)	367,923	46,570
2010 Phosphorus/Nitrogen Removal Prj 3.20%	1,526,181	1,119,661	(528,372)	2,117,470	-
<b>Total OWDA Loans</b>	<b>32,558,341</b>	<b>2,625,760</b>	<b>(2,677,435)</b>	<b>32,506,666</b>	<b>1,217,970</b>
General Obligation Bonds:					
Water Fund:					
2006 Refunding Bonds 4.0%	3,896,071	-	(777,627)	3,118,444	807,780
Sewer Fund:					
2006 Various Purpose 4.0%	1,163,005	-	(232,127)	930,878	241,128
<b>Total General Obligation Bonds</b>	<b>5,059,076</b>	<b>-</b>	<b>(1,009,754)</b>	<b>4,049,322</b>	<b>1,048,908</b>
Compensated Absences	2,073,870	536,002	(1,442,680)	1,167,192	200,429
<b>Total Business Type Activities</b>	<b>\$ 39,750,632</b>	<b>\$ 3,224,864</b>	<b>\$ (5,138,419)</b>	<b>\$ 37,837,077</b>	<b>\$ 2,479,012</b>

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**NOTE 10 - LONG-TERM OBLIGATIONS** (Continued)

	Outstanding 12/31/11	Additions	Reductions	Outstanding 12/31/12	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Bonds:					
2009 Pension Refunding					
Bonds 3.0%-4.0%	3,140,000	-	(405,000)	2,735,000	420,000
2009 Refunding					
Bonds 3.0%-4.0%	3,480,000	-	(450,000)	3,030,000	460,000
2006 Various Purpose 4.0%	7,215,411	-	(1,440,246)	5,775,165	1,496,092
Total General					
Obligation Bonds	13,835,411	-	(2,295,246)	11,540,165	2,376,092
1998 SIB Loan	633,005	-	(72,440)	560,565	77,993
2000 Legal Claims	39,100	-	(27,600)	11,500	11,500
2000 Millenium Parking					
Deck Loan 4%	559,826	-	(131,834)	427,992	137,107
2010 OWDA Loan Harmont Ave					
Sewer Extension 3.25%	51,353	-	(2,210)	49,143	-
OPWC Loan:					
2003 35th St NE					
Storm Sewer 0%	165,022	-	(25,387)	139,635	25,387
2004 Market Ave Sewer 0%	202,500	-	(15,000)	187,500	15,000
2009 30th St NE Storm					
Sewer 0%	444,600	-	(24,700)	419,900	24,700
Total OPWC Loans	812,122	-	(65,087)	747,035	65,087
Compensated Absences	7,084,936	1,823,062	(2,076,052)	6,831,946	1,014,640
Capital Leases	424,800	-	(227,193)	197,607	197,607
<i>Total Governmental</i>					
<i>Activities</i>	23,440,553	1,823,062	(4,897,662)	20,365,953	3,880,026
Totals	\$ 63,191,185	\$ 5,047,926	\$ (10,036,081)	\$ 58,203,030	\$ 6,359,038

\*Note: The above schedule of long-term debt obligations would differ from the government wide Statement of Net Position 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 Absences Claim Fund is responsible for the payment of both the governmental and business-type compensated absences liabilities. Since governmental activities are the primary user of the internal service funds, GAAP requires the internal service funds to be reported with the governmental activities. This difference of \$966,763 and the noncurrent claims payable of \$847,365 due within more than one year result in a discrepancy of \$1,814,128 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 Position on page 17. A similar discrepancy of \$200,429 results for the Due Within One Year line item. The City's overall legal debt margin was \$64,950,896 and an unvoted debt margin of \$28,150,572 at December 31, 2012.

**NOTE 11 - 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

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** (Continued)

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.

The 2012 member contribution rates were 10.0% for members in the state and local classifications. Public safety and law enforcement members contribute 11.0% and 11.6%, respectively. The 2012 employer contribution rate for state and local employers was 14.0% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2012 was 18.1%. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2012, 2011, and 2010 were \$4,421,799, \$4,120,588, and \$4,153,931, respectively. The full amount has been contributed for 2011 and 2010. 93.11 percent has been contributed for 2012 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

**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.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and for 2012 the City was required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. For 2012, 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 \$1,766,663 and \$2,188,878 for the year ending December 31, 2012, \$1,928,444 and \$2,257,140 for the year ending December 31, 2011, and \$1,936,464 and \$2,452,065 for the year ended December 31, 2010. The full amount has been contributed for 2010 and 2011. 72.82 and 72.45 percent, respectively, have been contributed for 2012 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

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**NOTE 12 - 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. In 2012, state and local employers contributed at a rate of 14.0% of covered payroll, and public safety and law enforcement employers contributed at 18.10%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the post-employment benefit plan. 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. For 2012, the employer contribution allocated to the health care plan for members in the traditional plan was 4.0%. The portion of employer contributions allocated to health care for members in the combined plan was 6.05% throughout 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. Actual City contributions for 2012 that were used to fund postemployment benefits were \$1,263,370. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**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. The 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.

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**NOTE 12 - POSTEMPLOYMENT BENEFITS** (Continued)

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 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.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2012, 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 Sections 115 and 401(h).

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.

The City's actual contributions to OP&F for the years ending December 31, 2012, 2011, and 2010 were \$3,955,541, \$4,185,584 and \$4,388,529, respectively, of which \$1,226,340, \$1,301,498, and \$1,359,047, respectively, was allocated to the healthcare plan.

**NOTE 13 - JOINT VENTURES**

**Canton Tomorrow, Inc.**

The City participates in Canton Tomorrow, Inc., formed under Chapter 1702 of the Ohio Revised Code. Of the 26 member board, the City appoints three members. The degree of control exercised by any participating government is limited to its representation on the board. Canton Tomorrow, Inc., was formed to serve as a catalyst to bring together the vision, initiative and action necessary for the continuing revitalization of the City. Continued existence of Canton Tomorrow, Inc. is dependent on the City's continued participation, despite its minimal contribution to the overall budget; however, the City does not have an equity interest in Canton Tomorrow, Inc. (Agency). The Agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. Canton Tomorrow Inc.'s funding comes from a grant given by the City to the Canton Regional Chamber of Commerce. In 2012, the grant was for \$175,000 paid in October 2011 and the Chamber of Commerce is responsible for dividing it up amongst its various agencies like Canton Tomorrow, Inc. Complete financial statements can be obtained from Canton Tomorrow, Inc.

**Downtown Canton Special Improvement District**

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 13 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The

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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 2012, the City contributed \$185,594 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

**NOTE 14 – 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 2012. Complete financial statements can be obtained from the Canton Recreation Department.

**NOTE 15 - 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 2012. 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 \$483,378 from the General Fund for 2012 for the operation of SCOG, which represents 42 percent of total contributions. Complete financial statements may be obtained from the Stark Council of Governments.

**Stark County Regional Planning Commission**

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

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**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS** (Continued)

The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2012, the City contributed \$18,325 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

**NOTE 16 – 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. Complete financial statements can be obtained from the Canton Community Improvement Corporation.

**Restatement of Net Position**

The inclusion of capital assets that were contributed in 2011 had the following effect on a net position as it was previously reported:

Net Position at		
December 31, 2011	\$	1,097,562
Contributed Capital Assets, Net		2,071,455
Restated Net Position at December 31, 2011		3,169,017

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**NOTE 17 - COMMITMENTS**

As of December 31, 2012, the City had significant encumbrances as follows:

	Encumbrances as of 12/31/12
<b>Major Funds</b>	
General Fund	\$ 1,167,504
Community and Economic Development Fund	2,569,872
Capital Project Fund	1,788,212
Motor Vehicle Purchase Fund	45,341
Water Fund	1,458,175
Sewer Fund	1,360,703
Refuse Fund	367,831
<b>Nonmajor Funds</b>	<b>7,570,113</b>
<i>Total</i>	<b>\$ 16,327,751</b>

As of December 31, 2012, the City had significant contractual commitments as follows:

Company	Project	Amount Remaining On Contract
ACLARA	Electronic Meter Devices for Water/Sewer Billing	\$ 780,009
Brownfield Restoration	Canton Drop Forge Remediation Project	204,929
Central Allied	Hamilton Ave Storm Sewer Improvement Project	360,000
Central Allied	Walnut Ave Street Improvement Project	1,500,000
Cormony Development Corp.	Remediation at Hercules Factory Project	1,935,862
CT Consultants	Water Reclamation Facility Phosphorus Project	172,034
DDK Property Group	Neighborhood Stabilization Program	247,504
Freed Housing	Green Homes Program	217,828
Habitat for Humanity	Neighborhood Stabilization Program	204,000
Hobs Industrial Roofing	Sears Building Roof Replacement Project	192,000
JR Coleman	Mahoning Road Corridor Improvement Project	155,418
ME Company	12Th St. N.W. Corridor Project	646,786
Penn-Ohio Electric	NE Water Treatment Plant Upgrade	100,000
Spano Brothers	Hartville/Lake Waterline Extension	216,439
Stanley Miller Construction	NE Water Treatment Plant Upgrade	115,881
Stark Count Out of Poverty	HUD Home Fund Program	264,106
Stark -Metro Housing	Neighborhood Stabilization Program	370,610
Zephr Project Management	Neighborhood Stabilization Program	146,213
<i>Total</i>		<b>7,829,619</b>

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**NOTE 18 – 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, at this time, the City does not anticipate exercising this option. Total rental costs for such leases were \$11,382 for the year ended December 31, 2012. The minimum rental commitments under all such non-cancelable leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2013	<u>11,382</u>
Total	<u>\$ 11,382</u>

**Capital Leases**

In 2012, the City did not enter into any new capital lease agreements. The City currently has a capital lease outstanding for a fire truck, which is capitalized. The following is a schedule of the future minimum lease payments for all of the City's previous capital leases and the present value of the minimum lease payments as of December 31, 2012.

<u>Year Ending</u>	<u>Governmental Activities</u>
2013	<u>208,957</u>
Total Minimum Lease Payments	208,957
Less Amount Representing Interest	<u>11,350</u>
Present Value of Minimum Lease Payments	<u><u>197,607</u></u>

**NOTE 19 - 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.

**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.

<u>Year Ending</u>	<u>Amount</u>
2013	<u>11,500</u>
Total	<u>\$ 11,500</u>

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

**NOTE 20 - NOTES PAYABLE**

The following is a summary of note transactions for the year ended December 31, 2012 reflected in the General Fund on the Balance Sheet and the governmental activities in the government-wide financial statements:

	Governmental Activities General Fund
Notes Payable at January 1, 2012	\$ 1,700,000
New notes issued	1,600,000
Notes Retired	<u>(1,700,000)</u>
Notes Payable at December 31, 2012	<u><u>\$ 1,600,000</u></u>

The above mentioned, note is backed by the full faith and credit of the City and will mature within one year from the date of issuance, June 26, 2013. The note was issued at a 1% interest rate resulting in an \$16,000 interest payment due upon maturity. The note is being issued in anticipation of a long-term bond financing and the note can be refinanced if necessary until such bonds are issued. The purpose of the issuance is to refinance a previously issued note used to pay for the settlement of a civil suit in which the City agreed to pay the plaintiff \$1,800,000.

**NOTE 21 - INTERFUND BALANCES AND TRANSFERS**

During 2012, 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 \$25,000 was used to provide seed money for a new special revenue fund. Interfund transfers for the year ended December 31, 2012, consisted of the following:

Transfer to	Transfer From	
	General Fund	Total
Nonmajor Special Revenue	\$ 65,000	\$ 65,000
<i>Total</i>	<u>\$ 65,000</u>	<u>\$ 65,000</u>

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.

At December 31, 2012, the \$37,000 due from the Community and Economic Development Fund to the General Fund is for a grant advance that was needed for cash flow purposes to meet the bi-weekly payroll obligation while observing HUD regulations related to hold federal cash on deposit. The \$839,836 due from

City of Canton  
 Stark County, Ohio  
 Notes to the Basic Financial Statements  
 For The Year Ended December 31, 2012

**NOTE 21 - INTERFUND BALANCES AND TRANSFERS** (Continued)

other funds is in the Nonmajor Internal Service Funds and represents outstanding premium obligations due from various operating funds to the Compensated Absences Fund, the Health Insurance Fund and the Worker's

Compensation Fund. All of the above mentioned obligations should be satisfied using the appropriate grant and program revenues associated with each fund.

	Receivable		
	General Fund	Nonmajor Internal Service	Total
<u>Payable</u>			
General Fund	\$ -	\$ 151,838	\$ 151,838
Community and Economic Development Fund	37,000	-	37,000
Capital Projects	-	3,751	3,751
Water Fund	-	8,253	8,253
Sewer Fund	-	5,424	5,424
Refuse Fund	-	3,694	3,694
Nonmajor Special Revenue	658,649	8,227	666,876
<i>Total</i>	<u>\$ 695,649</u>	<u>\$ 181,187</u>	<u>\$ 876,836</u>

**NOTE 22 – ACCOUNTABILITY AND COMPLIANCE**

**Accountability**

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

	<u>Deficit Fund Balance</u>
Nonmajor Funds:	
Fire Grants & Donations	649,763
Clean Ohio	14,696
Health Insurance	12,066
Compensated Absences Claims	6,673,127

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

**NOTE 23 – CHANGES IN ACCOUNTING PRINCIPLES**

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

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2012

**NOTE 23 – CHANGES IN ACCOUNTING PRINCIPLES** (Continued)

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

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

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

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The implementation of GASB Statement No. 65 did not have an effect on the financial statements of the City.

**NOTE 24 – SUBSEQUENT EVENTS**

On June 25, 2013, the City issued \$1,500,000 in bond anticipation judgment notes for the purpose of refinancing a portion of the 2012 bond anticipation judgment notes maturing on June 26, 2013. The notes bear an interest rate of 1% and will mature on June 24, 2014.

**Combining, Statements and  
Individual Fund Schedules**

## ***Nonmajor Special Revenue Funds***

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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 collected at City owned parking facilities.

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

***Crime Lab Fund*** To account for monies received for the operational costs of the City's Crime Lab.

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

***Court Funds*** To account for special revenues received from Canton Municipal Court fines. These include: Court Capital Improvement, Legal Research, Court GPS Cost, and Ignition Interlock/Alcohol Monitoring Funds.

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

***Park Department Fund*** To account for park donations and operational fees charged by the department.

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

***Federal Forfeiture Fund*** To account for the proceeds from seizures in federal cases.

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

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

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

***Municipal Probation Services Fund*** To account for fines and forfeitures used for various probation projects.

**Misdemeanor Community Sanction Grant Fund** To account for grant dollars from the Department of Rehabilitation and Correction to be used to meet the needs of low level offenders, divert additional offenders from prison and enhance public safety.

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

**Local Law Enforcement Block Grant Fund** To account for block grant monies used for law enforcement purposes.

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

**Police Grants & Donations Fund** To account for the receipt and expenditure of various grants and donations received by the City's Police Department. These include: DARE Program, Safe Neighborhood Heroes Grant, Canton Police Youth Corp, Canton Police Auxiliary, Byrne Memorial Recovery Grant, Byrne Memorial Justice Assistance Grant, and the 2010 Local Solicitation Byrne Grant

**Fire Grants & Donations Fund** To account for the receipts and expenditures of various grants and donations received by the City's Fire Department. These include: EMS Training & Equipment Grant, Firefighter Assistance Grant, and the Fire – FEMA Safer Grant.

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

**Canton Merchandising Fund** To account for the receipts and expenditures associated with activity resulting from the sales of various City of Canton merchandise.

**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*  
*Recycle Ohio Grant Fund*  
*Guardrail/Attenuator Replacement Fund*  
*Southeast Community Center Fund*  
*Thurman Munson Memorial Stadium Donation Fund*  
*Clerk of Courts Administration Fund*  
*Court GPS*  
*Ford Road Grant*

**Nonmajor Debt Service Funds**

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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*

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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).

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

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

***2006 Construction/Reconstruction Bond Fund*** To account for the portions of a 2006 City bond issue spent for building renovations and construction being done throughout the City.

***2006 Judges Facilities/City Hall Renovation Fund*** To account for the portions of a 2006 City bond issue spent on a renovation project being undertaken at City Hall.

***Fulton Rd & Park Rd Intersection Improvement Fund*** To account for all costs associated with the improvement of the Fulton Road and Stadium Park Road Intersection.

***49<sup>th</sup> St. & Gardendale N.E. Storm Sewer Fund*** To account for all costs associated with the 49<sup>th</sup> St. storm sewer project.

***30<sup>th</sup> St NE Trunk Sewer Fund*** To account for all costs associated with the 30<sup>th</sup> St NE trunk sewer project.

***25<sup>th</sup> St. N.E. Storm Sewer Project Fund*** To account for all costs associated with the 25<sup>th</sup> St. storm sewer project.

***Sherrick Road Project Fund*** To account for all costs associated with the Sherrick Road project.

***Cleveland Ave Resurfacing Fund*** To account for all costs associated with the repaving of Cleveland Ave.

***Guilford Ave Bridge Replacement Fund*** To account for all costs associated with the replacement of the Guilford Avenue Bridge.

***12<sup>th</sup> St NW Project Fund*** To account for all costs associated with the 12<sup>th</sup> St NW project.

***Mahoning Rd. Corridor Project Fund*** To account for all costs associated with the Mahoning Road project.

***Walnut/Cherry Fund*** To account for all costs associated with the Walnut Cherry Road project.

***11<sup>th</sup> St NW Project Fund*** To account for all costs associated with the 11<sup>th</sup> St NW Road 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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Property and Other Taxes	\$ 2,787,900	\$ 3,392,212	\$ 604,312
Municipal Income Tax	33,619,486	33,470,464	(149,022)
Charges for Services	10,266,776	10,517,701	250,925
Licenses, Permits and Fees	1,237,560	1,326,076	88,516
Fines and Forfeitures	279,100	340,357	61,257
Intergovernmental	4,773,300	5,007,248	233,948
Operating Grants	291,990	277,459	(14,531)
Interest	50,065	51,252	1,187
Rentals	7,494	7,504	10
Other	2,497,338	2,580,039	82,701
<b>Total Revenue</b>	<u>55,811,009</u>	<u>56,970,312</u>	<u>1,159,303</u>
<b>Expenditures</b>			
Current:			
<b>General Governmental:</b>			
<i>Service Director-Support Administration:</i>			
Personal Services	1,029,181	1,029,166	15
Materials and Supplies	5,575	2,525	3,050
Contractual Services	717,167	683,458	33,709
Other	84,182	60,307	23,875
<i>Total Service Director-Support Administration</i>	<u>1,836,105</u>	<u>1,775,456</u>	<u>60,649</u>
<i>Service Director-Service Director Administration:</i>			
Personal Services	429,041	300,752	128,289
Contractual Services	11,400	11,400	-
Other	155,450	154,791	659
<i>Total Service Director-Service Director Admin</i>	<u>595,891</u>	<u>466,943</u>	<u>128,948</u>
<i>Service Director-Purchase Administration:</i>			
Personal Services	158,806	145,254	13,552
Materials and Supplies	212,487	210,689	1,798
Contractual Services	5,353	4,188	1,165
<i>Total Service Director-Purchase Administration</i>	<u>376,646</u>	<u>360,131</u>	<u>16,515</u>
<i>Service Director-Annexation:</i>			
Personal Services	9,591	6,338	3,253
Materials and Supplies	100	-	100
Contractual Services	2,300	-	2,300
<i>Total Service Director-Annexation</i>	<u>11,991</u>	<u>6,338</u>	<u>5,653</u>
<i>Building and Maintenance-Other Building:</i>			
Personal Services	632,517	597,529	34,988
Materials and Supplies	69,058	61,070	7,988
Contractual Services	406,434	359,213	47,221
Capital Outlay	1,302	1,206	96
Other	1,716	1,706	10
<i>Total Building and Maintenance-Other Building</i>	<u>\$ 1,111,027</u>	<u>\$ 1,020,724</u>	<u>\$ 90,303</u>

(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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Income Tax-Income Tax Administration:</i>			
Personal Services	\$ 860,207	\$ 844,591	\$ 15,616
Materials and Supplies	105,537	98,271	7,266
Contractual Services	86,069	75,489	10,580
Capital Outlay	23,112	22,612	500
Other	313,453	269,540	43,913
<i>Total Income Tax - Income Tax Administration</i>	<u>1,388,378</u>	<u>1,310,503</u>	<u>77,875</u>
<i>Mayor - Administration:</i>			
Personal Services	356,228	324,491	31,737
Materials and Supplies	4,332	4,164	168
Contractual Services	28,510	27,713	797
Other	8,326	8,020	306
<i>Total Mayor- Administration</i>	<u>397,396</u>	<u>364,388</u>	<u>33,008</u>
<i>Mayor-Human Resources Administration:</i>			
Personal Services	123,041	114,776	8,265
Materials and Supplies	899	781	118
Contractual Services	22,563	14,658	7,905
<i>Total Mayor-Human Resources Administration</i>	<u>146,503</u>	<u>130,215</u>	<u>16,288</u>
<i>Council-Council Administration:</i>			
Personal Services	553,435	538,282	15,153
Materials and Supplies	2,438	1,374	1,064
Contractual Services	62,322	40,294	22,028
Other	345	222	123
<i>Total Council-Council Administration</i>	<u>618,540</u>	<u>580,172</u>	<u>38,368</u>
<i>Courts/Judge-Judge Administration:</i>			
Personal Services	1,987,483	1,848,013	139,470
Materials and Supplies	33,170	27,555	5,615
Contractual Services	33,957	31,520	2,437
Capital Outlay	2,618	1,934	684
Other	500	-	500
<i>Total Courts/Judge-Judge Administration</i>	<u>2,057,728</u>	<u>1,909,022</u>	<u>148,706</u>
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personal Services	1,426,842	1,299,617	127,225
Materials and Supplies	59,171	38,493	20,678
Contractual Services	72,260	49,956	22,304
Capital Outlay	1,000	766	234
Other	5,700	409	5,291
<i>Total Courts/Clerk-Clerk of Courts Admin</i>	<u>1,564,973</u>	<u>1,389,241</u>	<u>175,732</u>
<i>Law Director-Law Administration:</i>			
Personal Services	1,447,331	1,442,585	4,746
Materials and Supplies	15,250	13,640	1,610
Contractual Services	172,794	116,041	56,753
Other	285,610	171,485	114,125
<i>Total Law Director-Law Administration</i>	<u>\$ 1,920,985</u>	<u>\$ 1,743,751</u>	<u>\$ 177,234</u>

(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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Law Director-Police Settlement:</i>			
Legal Claims	\$ 124,600	\$ 124,600	\$ -
<b>Total Law Director-Police Settlement</b>	<b>124,600</b>	<b>124,600</b>	<b>-</b>
<i>Auditor-Auditor Administration:</i>			
Personal Services	1,111,080	1,044,733	66,347
Materials and Supplies	18,026	17,955	71
Contractual Services	136,119	135,446	673
Other	40,075	5,452	34,623
<b>Total Auditor-Auditor Administration</b>	<b>1,305,300</b>	<b>1,203,586</b>	<b>101,714</b>
<i>Auditor-Legally Binding Expenses:</i>			
Contractual Services	520,000	498,377	21,623
<b>Total Auditor-Legally Binding Expenses</b>	<b>520,000</b>	<b>498,377</b>	<b>21,623</b>
<i>Treasurer- Administration &amp; Operations:</i>			
Personal Services	260,884	225,152	35,732
Materials and Supplies	1,370	979	391
Contractual Services	2,874	2,181	693
Capital Outlay	4,050	4,050	-
Other	175,250	130,429	44,821
<b>Total Treasurer-Administration &amp; Operations</b>	<b>444,428</b>	<b>362,791</b>	<b>81,637</b>
<i>Board of Commission-Civil Service:</i>			
Personal Services	265,907	263,688	2,219
Materials and Supplies	2,261	2,236	25
Contractual Services	41,340	33,278	8,062
Other	830	292	538
<b>Total Board of Commission-Civil Service</b>	<b>310,338</b>	<b>299,494</b>	<b>10,844</b>
<i>Board of Commission-Zoning Board:</i>			
Personal Services	8,537	8,537	0
<b>Total Board of Commission-Zoning Board</b>	<b>8,537</b>	<b>8,537</b>	<b>0</b>
<i>Motor Vehicle-Administration:</i>			
Personal Services	137,425	136,576	849
Materials and Supplies	250	22	228
Contractual Services	152,034	122,605	29,429
Other	100	-	100
<b>Total Motor Vehicle-Administration</b>	<b>289,809</b>	<b>259,203</b>	<b>30,606</b>
<i>Motor Vehicle-Service and Repair:</i>			
Personal Services	784,555	761,159	23,396
Materials and Supplies	2,251,900	2,073,769	178,131
Contractual Services	66,559	44,033	22,526
Capital Outlay	11,593	11,388	205
Other	5,737	5,096	641
<b>Total Motor Vehicle-Service and Repair</b>	<b>\$ 3,120,344</b>	<b>\$ 2,895,445</b>	<b>\$ 224,899</b>

(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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Management Information Systems:</i>			
Personal Services	\$ 967,377	\$ 946,936	\$ 20,441
Materials and Supplies	6,131	5,940	191
Contractual Services	74,514	69,137	5,377
Capital Outlay	-	-	-
Other	-	-	-
<i>Total Management Information Systems</i>	<u>1,048,022</u>	<u>1,022,013</u>	<u>26,009</u>
<b>Total General Government</b>	<u>19,197,541</u>	<u>17,730,930</u>	<u>1,466,611</u>
<b>Security of Persons and Property:</b>			
<i>Safety Director-Safety Director Administration:</i>			
Personal Services	154,376	153,259	1,117
Contractual Services	31,475	15,352	16,123
Capital Outlay	2,550	-	2,550
Other	4,450	1,212	3,238
<i>Total Safety Director-Safety Director Admin</i>	<u>192,851</u>	<u>169,823</u>	<u>23,028</u>
<i>Safety Director-Code Enforcement Admin:</i>			
Personal Services	724,431	714,366	10,065
Materials and Supplies	7,924	5,907	2,017
Contractual Services	227,761	180,968	46,793
Other	4,336	2,152	2,184
<i>Total Safety Director-Code Enforcement Admin</i>	<u>964,452</u>	<u>903,393</u>	<u>61,059</u>
<i>Safety Director-School Police Administration:</i>			
Personal Services	126,908	125,445	1,463
<i>Total Safety Director-School Police Admin</i>	<u>126,908</u>	<u>125,445</u>	<u>1,463</u>
<i>Safety Director-Central Communication Admin:</i>			
Salaries and Wages	1,648,432	1,631,334	17,098
Materials and Supplies	2,250	1,270	980
Contractual Services	68,032	54,750	13,282
Capital Outlay	150	-	150
Other	89,019	89,019	-
<i>Total Safety Director-Central Communication Admin</i>	<u>1,807,883</u>	<u>1,776,373</u>	<u>31,510</u>
<i>Police Administration:</i>			
Personal Services	14,734,485	14,216,450	518,035
Materials and Supplies	84,284	76,809	7,475
Contractual Services	468,605	371,600	97,005
Capital Outlay	774	774	-
Other	19,633	9,706	9,927
<i>Total Police Administration</i>	<u>15,307,781</u>	<u>14,675,339</u>	<u>632,442</u>
<i>Fire Administration:</i>			
Personal Services	13,849,008	13,687,637	161,371
Materials and Supplies	196,210	192,391	3,819
Contractual Services	434,860	425,771	9,089
Capital Outlay	9,950	2,448	7,502
Other	20,190	19,497	693
<i>Total Fire Administration</i>	<u>14,510,218</u>	<u>14,327,744</u>	<u>182,474</u>
<i>Traffic Divisions-Traffic Engineer/Parking Meter:</i>			
Personal Services	100,346	89,253	11,093
Materials and Supplies	12,448	11,203	1,245
Contractual Services	8,512	6,012	2,500
Other	200	200	-
<i>Total Traffic Divisions-Traffic Engineer/Parking Meter</i>	<u>\$ 121,506</u>	<u>\$ 106,668</u>	<u>\$ 14,838</u>
<b>Total Security of Persons and Property</b>	<u>\$ 33,031,599</u>	<u>\$ 32,084,785</u>	<u>\$ 946,814</u> (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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Public Health:</b>			
<i>Health-Administration:</i>			
Personal Services	536,014	529,326	6,688
Materials and Supplies	50,273	41,370	8,903
Contractual Services	120,326	106,996	13,330
Capital Outlay	2,500	1,000	1,500
Other	319,377	286,730	32,647
<b>Total Health-Administration</b>	<b>1,028,490</b>	<b>965,422</b>	<b>63,068</b>
<i>Health-Nurses:</i>			
Personal Services	724,971	723,234	1,737
Materials and Supplies	60,621	58,626	1,995
Contractual Services	10,347	9,020	1,327
Other	1,750	241	1,509
<b>Total Health-Nurses</b>	<b>797,689</b>	<b>791,121</b>	<b>6,568</b>
<i>Health-Lab:</i>			
Personal Services	223,518	221,649	1,869
Materials and Supplies	33,884	32,734	1,150
Contractual Services	19,214	18,512	702
Capital Outlay	2,500	-	2,500
Other	105	105	-
<b>Total Health-Lab</b>	<b>279,221</b>	<b>273,000</b>	<b>6,221</b>
<i>Health-Environmental Health Administration:</i>			
Personal Services	551,562	539,956	11,606
Materials and Supplies	8,132	3,878	4,254
Contractual Services	5,885	4,767	1,118
Capital Outlay	2,900	1,156	1,744
Other	750	603	147
<b>Total Health-Environmental Health Administration</b>	<b>569,229</b>	<b>550,360</b>	<b>18,869</b>
<b>Total Public Health</b>	<b>2,674,629</b>	<b>2,579,903</b>	<b>94,726</b>
<b>Transportation:</b>			
<i>Engineering-Daily Operations:</i>			
Personal Services	45,158	44,318	840
Materials and Supplies	20	-	20
Contractual and Services	1,979	-	1,979
<b>Total Engineering-Daily Operations</b>	<b>47,157</b>	<b>44,318</b>	<b>2,839</b>
<i>Street-Maintenance:</i>			
Personal Services	344,825	342,214	2,611
Materials and Supplies	16,548	12,903	3,645
Contractual Services	790,881	790,820	61
Other	3,240	3,240	-
<b>Total Street-Maintenance</b>	<b>1,155,494</b>	<b>1,149,177</b>	<b>6,317</b>
<b>Total Transportation</b>	<b>\$ 1,202,651</b>	<b>\$ 1,193,495</b>	<b>\$ 9,156</b>

(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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Leisure Time Activities:</b>			
<i>Park Division-Park Administration:</i>			
Personal Services	\$ 988,197	\$ 878,613	\$ 109,584
Materials and Supplies	23,507	20,834	2,673
Contractual Services	49,041	44,950	4,091
Other	4,109	3,050	1,059
<i>Total Park Division-Park Administration</i>	<u>1,064,854</u>	<u>947,447</u>	<u>117,407</u>
<i>Mayor-Baseball:</i>			
Contractual Services	13,400	12,408	992
<i>Total Mayor-Baseball</i>	<u>13,400</u>	<u>12,408</u>	<u>992</u>
<i>Civic Center-Civic Center Administration:</i>			
Materials and Supplies	63	63	-
Contractual Services	456,772	440,606	16,166
<i>Total Civic Center-Civic Center Administration</i>	<u>456,835</u>	<u>440,669</u>	<u>16,166</u>
<b>Total Leisure Time Activities</b>	<u>1,535,089</u>	<u>1,400,524</u>	<u>134,565</u>
<b>Debt Service:</b>			
<i>Principal Retirement:</i>			
Various Purpose Loans	1,700,000	1,700,000	-
General Obligation Various Improvement Bonds	405,000	405,000	-
<i>Total Principal Retirement</i>	<u>2,105,000</u>	<u>2,105,000</u>	<u>-</u>
<i>Interest and Fiscal Charges</i>			
Various Purpose Loans	17,000	16,953	47
General Obligation Various Improvement Bonds	113,050	113,050	-
<i>Total Interest and Fiscal Charges</i>	<u>130,050</u>	<u>130,003</u>	<u>47</u>
<b>Total Debt Service</b>	<u>2,235,050</u>	<u>2,235,003</u>	<u>47</u>
<b>Total Expenditures</b>	59,876,559	57,224,640	2,651,919
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(4,065,550)</u>	<u>(254,328)</u>	<u>3,811,222</u>
<i>Other Financing Sources (Uses)</i>			
Sale of Note	1,600,000	1,600,000	-
Advances In	6,007	26,007	20,000
Advances Out	(78,500)	(57,000)	21,500
Operating Transfers Out	(65,000)	(65,000)	-
<i>Total Other Financing Sources and Uses</i>	<u>1,462,507</u>	<u>1,504,007</u>	<u>41,500</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(2,603,043)	1,249,679	3,852,722
<i>Fund Balances Beginning of Year</i>	2,270,327	2,270,327	-
<i>Prior Year Encumbrances Appropriated</i>	947,426	947,426	-
<i>Fund Balances End of Year</i>	<u>\$ 614,710</u>	<u>\$ 4,467,432</u>	<u>\$ 3,852,722</u>

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 6,050,831	\$ 6,058	\$ 2,417,102	\$ 8,473,991
Cash and Cash Equivalents with Fiscal Agent	-	3,019	-	3,019
Taxes Receivable	-	5,271	-	5,271
Accounts Receivable	20,990	-	2,269	23,259
Due From Other Governments	2,841,384	-	-	2,841,384
Inventories	47,376	-	-	47,376
<b>Total Assets</b>	<u>\$ 8,960,581</u>	<u>\$ 14,348</u>	<u>\$ 2,419,371</u>	<u>\$ 11,394,300</u>
<b>Liabilities and Fund Balances</b>				
<i>Current</i>				
Accounts Payable	\$ 212,489	\$ -	\$ 192,728	\$ 405,217
Accrued Wages and Benefits	177,083	-	-	177,083
Due to Other Funds	666,876	-	-	666,876
Due to Other Governments	209,628	-	-	209,628
<i>Total Current</i>	<u>1,266,076</u>	<u>-</u>	<u>192,728</u>	<u>1,458,804</u>
<b>Deferred Inflows of Resources</b>				
<i>Current</i>				
Special Assessments Revenue Not Available	-	5,271	-	5,271
Miscellaneous Revenue Not Available	10,746	-	-	10,746
Other Nonexchange Transactions Not Available	2,107,526	-	-	2,107,526
<b>Total Deferred Inflows of Resources</b>	<u>2,118,272</u>	<u>5,271</u>	<u>-</u>	<u>2,123,543</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>3,384,348</u>	<u>5,271</u>	<u>192,728</u>	<u>3,582,347</u>
<b>Fund Balances</b>				
Nonspendable	35,297	-	-	35,297
Restricted	6,040,213	9,077	2,226,643	8,275,933
Committed	165,182	-	-	165,182
Unassigned	(664,459)	-	-	(664,459)
<i>Total Fund Balances</i>	<u>5,576,233</u>	<u>9,077</u>	<u>2,226,643</u>	<u>7,811,953</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 8,960,581</u>	<u>\$ 14,348</u>	<u>\$ 2,419,371</u>	<u>\$ 11,394,300</u>

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the year ended December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Charges for Services	\$ 1,182,597	\$ -	\$ -	\$ 1,182,597
Licenses, Permits, and Fees	234,235	-	-	234,235
Fines and forfeitures	139,994	-	-	139,994
Intergovernmental	3,130,141	-	-	3,130,141
Interest	1,370	2,518	3,097	6,985
Operating Grants and Contributions	3,989,715	-	-	3,989,715
Capital Grants and Contributions	560,200	-	203,651	763,851
Rentals	64,408	-	-	64,408
Other	178,114	-	-	178,114
<b>Total Revenues</b>	<u>9,480,774</u>	<u>2,518</u>	<u>206,748</u>	<u>9,690,040</u>
<b>Expenditures</b>				
Current				
General Government	1,099,685	-	-	1,099,685
Security of Persons and Property	3,851,556	-	-	3,851,556
Public Health	3,348,370	-	-	3,348,370
Transportation	2,039,695	-	-	2,039,695
Community Environment	451,228	-	-	451,228
Leisure Time Activities	35,488	-	-	35,488
Capital Outlay	-	-	1,056,463	1,056,463
Debt Service				
Principal	31,654	-	-	31,654
Interest and Fiscal Charges	6,344	-	-	6,344
<b>Total Expenditures</b>	<u>10,864,020</u>	<u>-</u>	<u>1,056,463</u>	<u>11,920,483</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(1,383,246)</u>	<u>2,518</u>	<u>(849,715)</u>	<u>(2,230,443)</u>
<b>Other Financing Sources</b>				
Advances Out	(20,944)	-	-	(20,944)
Transfers In	65,000	-	-	65,000
<b>Total Other Financing Sources</b>	<u>44,056</u>	<u>-</u>	<u>-</u>	<u>44,056</u>
Net Change in Fund Balance	(1,339,190)	2,518	(849,715)	(2,186,387)
<i>Fund Balance at Beginning of Year</i>	<u>6,915,423</u>	<u>6,559</u>	<u>3,076,358</u>	<u>9,998,340</u>
<i>Fund Balance at End of Year</i>	<u>\$ 5,576,233</u>	<u>\$ 9,077</u>	<u>\$ 2,226,643</u>	<u>\$ 7,811,953</u>

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2012

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 463,077	\$ 157,204	\$ 915,232	\$ 102,358	\$ 2,620,697
Accounts Receivable	1,527	11	-	-	737
Due From Other Governments	1,132,028	86,674	-	-	1,469,091
Inventories	35,297	-	-	-	-
<b>Total Assets</b>	<u>1,631,929</u>	<u>243,889</u>	<u>915,232</u>	<u>102,358</u>	<u>4,090,525</u>
<b>Liabilities and Fund Balances</b>					
<i>Current</i>					
Accounts Payable	30,128	438	24,100	9,414	67,727
Accrued Wages and Benefits	75,981	5,159	-	5,220	72,611
Due to Other Funds	7,800	427	-	-	-
Due to Other Governments	11,398	774	-	73,214	102,759
<i>Total Current</i>	<u>125,307</u>	<u>6,798</u>	<u>24,100</u>	<u>87,848</u>	<u>243,097</u>
<i>Deferred Inflows of Resources</i>					
<i>Current</i>					
Miscellaneous Revenue Not Available	-	-	-	-	-
Other Nonexchange Transactions Not Available	669,066	54,249	-	-	1,341,561
<b>Total Deferred Inflows of Resources</b>	<u>669,066</u>	<u>54,249</u>	<u>-</u>	<u>-</u>	<u>1,341,561</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>794,373</u>	<u>61,047</u>	<u>24,100</u>	<u>87,848</u>	<u>1,584,658</u>
<b>Fund Balances</b>					
Nonspendable	35,297	-	-	-	-
Restricted	802,259	182,842	891,132	14,510	2,505,867
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total Fund Balances</i>	<u>837,556</u>	<u>182,842</u>	<u>891,132</u>	<u>14,510</u>	<u>2,505,867</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,631,929</u>	<u>\$ 243,889</u>	<u>\$ 915,232</u>	<u>\$ 102,358</u>	<u>\$ 4,090,525</u>

(continued)

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2012

	Crime Lab	Court Computer	Court	Law Department Dispute Resolution	Park	Youth Development
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 54,265	\$ 485,802	\$ 342,100	\$ 1,039	\$ 154,896	\$ 4,468
Accounts Receivable	-	-	5,354	-	-	-
Due From Other Governments	1,571	16,160	22,736	-	-	-
Inventories	-	-	-	-	-	-
<b>Total Assets</b>	<u>55,836</u>	<u>501,962</u>	<u>370,190</u>	<u>1,039</u>	<u>154,896</u>	<u>4,468</u>
<b>Liabilities and Fund Balances</b>						
<i>Current</i>						
Accounts Payable	-	6,613	2,534	-	2,148	-
Accrued Wages and Benefits	-	4,305	3,658	-	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	-	646	549	-	-	-
<i>Total Current</i>	<u>-</u>	<u>11,564</u>	<u>6,741</u>	<u>-</u>	<u>2,148</u>	<u>-</u>
<i>Deferred Inflows of Resources</i>						
<i>Current</i>						
Miscellaneous Revenue Not Available	-	-	-	-	-	-
Other Nonexchange Transactions Not Available	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>	<u>11,564</u>	<u>6,741</u>	<u>-</u>	<u>2,148</u>	<u>-</u>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	55,836	490,398	363,449	-	45,230	4,468
Committed	-	-	-	1,039	107,518	-
Unassigned	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>55,836</u>	<u>490,398</u>	<u>363,449</u>	<u>1,039</u>	<u>152,748</u>	<u>4,468</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 55,836</u>	<u>\$ 501,962</u>	<u>\$ 370,190</u>	<u>\$ 1,039</u>	<u>\$ 154,896</u>	<u>\$ 4,468</u>

(continued)

Federal Forfeiture	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services	Community Sanction Grant	Prisoner Housing	Local Law Enforcement Block Grant
\$ 184,371	\$ 6,571	\$ 37,480	\$ 93,937	\$ 120,983	\$ 30,576	\$ 5,740	\$ 87,565
-	-	-	-	373	-	-	146
11,433	308	1,239	93	13,971	85,300	780	-
-	-	-	-	-	-	-	-
<u>195,804</u>	<u>6,879</u>	<u>38,719</u>	<u>94,030</u>	<u>135,327</u>	<u>115,876</u>	<u>6,520</u>	<u>87,711</u>
7,599	251	3,563	18,917	3,185	-	-	952
-	-	-	-	5,404	4,745	-	-
-	-	-	-	-	-	-	-
-	-	-	-	810	711	-	-
<u>7,599</u>	<u>251</u>	<u>3,563</u>	<u>18,917</u>	<u>9,399</u>	<u>5,456</u>	<u>-</u>	<u>952</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	42,650	-	-
-	-	-	-	-	<u>42,650</u>	-	-
<u>7,599</u>	<u>251</u>	<u>3,563</u>	<u>18,917</u>	<u>9,399</u>	<u>48,106</u>	<u>-</u>	<u>952</u>
-	-	-	-	-	-	-	-
188,205	6,628	35,156	75,113	125,928	67,770	6,520	86,759
-	-	-	-	-	-	-	-
<u>188,205</u>	<u>6,628</u>	<u>35,156</u>	<u>75,113</u>	<u>125,928</u>	<u>67,770</u>	<u>6,520</u>	<u>86,759</u>
<u>\$ 195,804</u>	<u>\$ 6,879</u>	<u>\$ 38,719</u>	<u>\$ 94,030</u>	<u>\$ 135,327</u>	<u>\$ 115,876</u>	<u>\$ 6,520</u>	<u>\$ 87,711</u>

(continued)

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2012

	Supplementary Police Forces	Police Grants & Donations	Fire Grants & Donations	Clean Ohio	Canton Merchandising	Other	Total Nonmajor Special Revenue Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 2,420	\$ 73,099	\$ 8,886	\$ 20,054	\$ 13,640	\$ 64,371	\$ 6,050,831
Accounts Receivable	-	92	-	-	-	12,750	20,990
Due From Other Governments	-	-	-	-	-	-	2,841,384
Inventories	-	-	-	-	12,079	-	47,376
<b>Total Assets</b>	<u>2,420</u>	<u>73,191</u>	<u>8,886</u>	<u>20,054</u>	<u>25,719</u>	<u>77,121</u>	<u>8,960,581</u>
<b>Liabilities and Fund Balances</b>							
<i>Current</i>							
Accounts Payable	-	-	-	34,750	170	-	212,489
Accrued Wages and Benefits	-	-	-	-	-	-	177,083
Due to Other Funds	-	-	658,649	-	-	-	666,876
Due to Other Governments	-	18,767	-	-	-	-	209,628
<i>Total Current</i>	-	18,767	658,649	34,750	170	-	1,266,076
<i>Deferred Inflows of Resources</i>							
<i>Current</i>							
Miscellaneous Revenue Not Available	-	-	-	-	-	10,746	10,746
Other Nonexchange Transactions Not Avail	-	-	-	-	-	-	2,107,526
<b>Total Deferred Inflows of Resources</b>	-	-	-	-	-	10,746	2,118,272
<b>Total Liabilities</b>	-	18,767	658,649	34,750	170	10,746	3,384,348
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	35,297
Restricted	2,420	54,424	-	-	25,549	9,750	6,040,213
Committed	-	-	-	-	-	56,625	165,182
Unassigned	-	-	(649,763)	(14,696)	-	-	(664,459)
<i>Total Fund Balances</i>	<u>2,420</u>	<u>54,424</u>	<u>(649,763)</u>	<u>(14,696)</u>	<u>25,549</u>	<u>66,375</u>	<u>5,576,233</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,420</u>	<u>\$ 73,191</u>	<u>\$ 8,886</u>	<u>\$ 20,054</u>	<u>\$ 25,719</u>	<u>\$ 77,121</u>	<u>\$ 8,960,581</u>

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the year ended December 31, 2012

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
<b>Revenues</b>					
Charges for Services	\$ -	\$ -	\$ -	\$ 340,458	\$ 2,746
Licenses, Permits, and Fees	-	-	-	-	234,235
Fines and forfeitures	(1,316)	-	-	-	-
Intergovernmental	2,881,799	208,842	-	-	39,500
Interest	211	125	-	-	-
Operating Grants and Contributions	-	-	-	-	2,246,864
Capital Grants and Contributions	-	-	33,782	-	-
Rentals	-	-	-	12,408	-
Other	3,066	-	-	1,540	125,002
<b>Total Revenues</b>	<u>2,883,760</u>	<u>208,967</u>	<u>33,782</u>	<u>354,406</u>	<u>2,648,347</u>
<b>Expenditures</b>					
Current					
General Government	-	-	-	13,391	-
Security of Persons and Property	1,135,868	2,931	-	363,490	-
Public Health	-	-	-	-	3,348,370
Transportation	1,698,406	262,419	67,880	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<u>2,834,274</u>	<u>265,350</u>	<u>67,880</u>	<u>376,881</u>	<u>3,348,370</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>49,486</u>	<u>(56,383)</u>	<u>(34,098)</u>	<u>(22,475)</u>	<u>(700,023)</u>
<b>Other Financing Sources</b>					
Advances Out	-	-	-	-	-
Transfers In	-	-	-	-	40,000
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Net Change in Fund Balance	49,486	(56,383)	(34,098)	(22,475)	(660,023)
<i>Fund Balance at Beginning of Year</i>	788,070	239,225	925,230	36,985	3,165,890
<i>Fund Balance at End of Year</i>	<u>\$ 837,556</u>	<u>\$ 182,842</u>	<u>\$ 891,132</u>	<u>\$ 14,510</u>	<u>\$ 2,505,867</u>

(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, 2012

	Crime Lab	Court Computer	Court	Law Department Dispute Resolution	Park	Youth Development
<b>Revenues</b>						
Charges for Services	\$ 15,278	\$ 254,922	\$ 346,154	\$ 690	\$ -	\$ -
Licenses, Permits, and Fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	15,772	-
Capital Grants and Contributions	-	-	-	-	426	-
Rentals	-	-	-	-	52,000	-
Other	-	5,312	-	-	4,544	-
<b>Total Revenues</b>	<u>15,278</u>	<u>260,234</u>	<u>346,154</u>	<u>690</u>	<u>72,742</u>	<u>-</u>
<b>Expenditures</b>						
Current						
General Government	-	267,460	288,018	360	-	-
Security of Persons and Property	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Community Environment	-	-	-	-	-	-
Leisure Time Activities	-	-	-	-	35,488	-
Debt Service						
Principal	-	-	31,654	-	-	-
Interest and Fiscal Charges	-	-	6,344	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>267,460</u>	<u>326,016</u>	<u>360</u>	<u>35,488</u>	<u>-</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>15,278</u>	<u>(7,226)</u>	<u>20,138</u>	<u>330</u>	<u>37,254</u>	<u>-</u>
<b>Other Financing Sources</b>						
Advances Out	-	-	-	-	(19,953)	-
Transfers In	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,953)</u>	<u>-</u>
Net Change in Fund Balance	15,278	(7,226)	20,138	330	17,301	-
<i>Fund Balance at Beginning of Year</i>	40,558	497,624	343,311	709	135,447	4,468
<i>Fund Balance at End of Year</i>	<u>\$ 55,836</u>	<u>\$ 490,398</u>	<u>\$ 363,449</u>	<u>\$ 1,039</u>	<u>\$ 152,748</u>	<u>\$ 4,468</u>

(continued)

Federal Forfeiture	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services	Community Sanction Grant	Prisoner Housing	Local Law Enforcement Block Grant
\$ -	\$ 70	\$ -	\$ -	\$ 222,279	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
24,369	6,277	56,827	42,015	-	-	11,822	-
-	-	-	-	-	-	-	-
142	-	-	-	-	-	-	454
-	-	-	-	-	170,601	-	-
-	-	-	-	-	-	-	88,969
-	-	-	-	-	-	-	-
2,751	15	-	5,463	373	-	-	-
<u>27,262</u>	<u>6,362</u>	<u>56,827</u>	<u>47,478</u>	<u>222,652</u>	<u>170,601</u>	<u>11,822</u>	<u>89,423</u>
-	-	49,750	-	248,358	206,911	24,333	-
190,629	11,034	-	85,697	-	-	-	54,708
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>190,629</u>	<u>11,034</u>	<u>49,750</u>	<u>85,697</u>	<u>248,358</u>	<u>206,911</u>	<u>24,333</u>	<u>54,708</u>
<u>(163,367)</u>	<u>(4,672)</u>	<u>7,077</u>	<u>(38,219)</u>	<u>(25,706)</u>	<u>(36,310)</u>	<u>(12,511)</u>	<u>34,715</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(163,367)	(4,672)	7,077	(38,219)	(25,706)	(36,310)	(12,511)	34,715
351,572	11,300	28,079	113,332	151,634	104,080	19,031	52,044
<u>\$ 188,205</u>	<u>\$ 6,628</u>	<u>\$ 35,156</u>	<u>\$ 75,113</u>	<u>\$ 125,928</u>	<u>\$ 67,770</u>	<u>\$ 6,520</u>	<u>\$ 86,759</u>

(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, 2012

	Supplementary Police Forces	Police Grants & Donations	Fire Grants & Donations	Clean Ohio	Canton Merchandising	Other	Total Nonmajor Special Revenue Funds
<b>Revenues</b>							
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,182,597
Licenses, Permits, and Fees	-	-	-	-	-	-	234,235
Fines and forfeitures	-	-	-	-	-	-	139,994
Intergovernmental	-	-	-	-	-	-	3,130,141
Interest	-	438	-	-	-	-	1,370
Operating Grants and Contributions	-	249,417	1,307,061	-	-	-	3,989,715
Capital Grants and Contributions	500	-	-	436,523	-	-	560,200
Rentals	-	-	-	-	-	-	64,408
Other	-	-	345	-	1,653	28,050	178,114
<b>Total Revenues</b>	<b>500</b>	<b>249,855</b>	<b>1,307,406</b>	<b>436,523</b>	<b>1,653</b>	<b>28,050</b>	<b>9,480,774</b>
<b>Expenditures</b>							
Current							
General Government	-	-	-	-	1,104	-	1,099,685
Security of Persons and Property	633	264,785	1,741,781	-	-	-	3,851,556
Public Health	-	-	-	-	-	-	3,348,370
Transportation	-	-	-	-	-	10,990	2,039,695
Community Environment	-	-	-	451,228	-	-	451,228
Leisure Time Activities	-	-	-	-	-	-	35,488
Debt Service							
Principal	-	-	-	-	-	-	31,654
Interest and Fiscal Charges	-	-	-	-	-	-	6,344
<b>Total Expenditures</b>	<b>633</b>	<b>264,785</b>	<b>1,741,781</b>	<b>451,228</b>	<b>1,104</b>	<b>10,990</b>	<b>10,864,020</b>
<i>Excess Revenues Over (Under) Expenditures</i>	<b>(133)</b>	<b>(14,930)</b>	<b>(434,375)</b>	<b>(14,705)</b>	<b>549</b>	<b>17,060</b>	<b>(1,383,246)</b>
<b>Other Financing Sources</b>							
Advances Out	-	(991)	-	-	-	-	(20,944)
Transfers In	-	-	-	-	25,000	-	65,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>(991)</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>44,056</b>
Net Change in Fund Balance	(133)	(15,921)	(434,375)	(14,705)	25,549	17,060	(1,339,190)
<i>Fund Balance at Beginning of Year</i>	2,553	70,345	(215,388)	9	-	49,315	6,915,423
<i>Fund Balance (Deficit) at End of Year</i>	<b>\$ 2,420</b>	<b>\$ 54,424</b>	<b>\$ (649,763)</b>	<b>\$ (14,696)</b>	<b>\$ 25,549</b>	<b>\$ 66,375</b>	<b>\$ 5,576,233</b>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 126,230	\$ 68,886	\$ (57,344)
Operating Grants	11,953,047	4,501,999	(7,451,048)
Capital Grants	496,772	166,772	(330,000)
Rentals	10,000	6,595	(3,405)
Other	67,256	196,692	129,436
<i>Total Revenues</i>	<u>12,653,305</u>	<u>4,940,944</u>	<u>(7,712,361)</u>
<b>Expenditures</b>			
Current:			
Community Environment:			
<i>Youth Development Administration:</i>			
Personnel Costs	229,273	167,709	61,564
Materials and Supplies	1,151	217	934
Contractual Services	123,933	114,804	9,129
Other	220	220	-
<i>Total Youth Development Administration</i>	<u>354,577</u>	<u>282,950</u>	<u>71,627</u>
<i>Compliance Administration:</i>			
Personnel Costs	1,057	-	1,057
Other	29	-	29
<i>Total Compliance Development Administration</i>	<u>1,086</u>	<u>-</u>	<u>1,086</u>
<i>Community Development Administration:</i>			
Personnel Costs	888,798	699,244	189,554
Materials and Supplies	28,969	11,095	17,874
Contractual Services	572,073	445,859	126,214
Capital Outlay	461,849	50,147	411,702
Other	4,676,602	3,767,611	908,991
<i>Total Community Development Administration</i>	<u>6,628,291</u>	<u>4,973,956</u>	<u>1,654,335</u>
<i>Federal Stimulus Funding:</i>			
Personnel Costs	160,805	152,525	8,280
Materials and Supplies	359	350	9
Contractual Services	480,187	264,364	215,823
Other	736,904	722,357	14,547
<i>Total Federal Stimulus Funding</i>	<u>1,378,255</u>	<u>1,139,596</u>	<u>238,659</u>
<i>Hamilton Ave Storm Sewer:</i>			
Contractual Services	12,891	12,891	-
<i>Total Hamilton Ave Storm Sewer</i>	<u>\$ 12,891</u>	<u>\$ 12,891</u>	<u>\$ -</u>

(continued)

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Community and Economic Development Fund (continued)*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Energy Efficiency Conservation:</i>			
Capital Outlay	222,299	222,272	27
<b>Total Energy Efficiency Conservation</b>	<b>222,299</b>	<b>222,272</b>	<b>27</b>
<i>Community Development Demolition:</i>			
Personnel Costs	140,927	78,161	62,766
Materials and Supplies	11,500	6,455	5,045
Contractual Services	571,817	402,766	169,051
<b>Total Community Development Demolition</b>	<b>724,244</b>	<b>487,382</b>	<b>236,862</b>
<i>Fair Housing Administration:</i>			
Personnel Costs	39,641	31,593	8,048
Materials and Supplies	1,697	218	1,479
Contractual Services	2,082	-	2,082
Capital Outlay	1,221	1,219	2
Other	3,710	-	3,710
<b>Total Fair Housing Administration</b>	<b>48,351</b>	<b>33,030</b>	<b>15,321</b>
<i>Economic Development Grants/Loans:</i>			
Contractual Services	424,164	414,469	9,695
<b>Total Economic Development Grants/Loans</b>	<b>424,164</b>	<b>414,469</b>	<b>9,695</b>
<b>Total Community Environment</b>	<b>9,794,158</b>	<b>7,566,546</b>	<b>2,227,612</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,859,147</b>	<b>(2,625,602)</b>	<b>(5,484,749)</b>
<b>Other Financing Sources</b>			
Sale of Capital Assets	1,167	4,121	2,954
Advances In	34,200	56,953	22,753
Advances Out	(5,016)	(5,016)	-
<b>Total Other Financing Sources</b>	<b>30,351</b>	<b>56,058</b>	<b>25,707</b>
<b>Excess of Revenues and Other Financing Sources Over/(Under) Expenditures</b>	<b>2,889,498</b>	<b>(2,569,544)</b>	<b>(5,459,042)</b>
<i>Fund Balance (Deficit) Beginning of Year</i>	(3,419,408)	(3,419,408)	-
Prior Year Encumbrances Appropriated	3,810,810	3,810,810	-
<b>Fund Balance (Deficit) End of Year</b>	<b>\$ 3,280,900</b>	<b>\$ (2,178,142)</b>	<b>\$ (5,459,042)</b>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ -	\$ 159	\$ 159
Intergovernmental	2,945,000	2,901,503	(43,497)
Interest	-	184	184
Other	-	1,566	1,566
<b>Total Revenues</b>	<u>2,945,000</u>	<u>2,903,412</u>	<u>(41,588)</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Engineer Administration:</i>			
Personnel Costs	297,751	291,930	5,821
Materials and Supplies	6,614	6,449	165
Contractual Services	33,744	32,234	1,510
Other	1,326	824	502
<b>Total Traffic Divisions-Traffic Engineer Administration</b>	<u>339,435</u>	<u>331,437</u>	<u>7,998</u>
<i>Traffic Divisions-Traffic Sign and Paint:</i>			
Personnel Costs	289,899	201,006	88,893
Materials and Supplies	44,143	42,658	1,485
Contractual Services	60,945	52,872	8,073
Capital Outlay	6,200	6,200	-
Other	1,101	1,094	7
<b>Total Traffic Divisions-Traffic Sign and Paint</b>	<u>402,288</u>	<u>303,830</u>	<u>98,458</u>
<i>Traffic Divisions-Traffic Signal:</i>			
Personnel Costs	327,086	326,028	1,058
Materials and Supplies	86,656	86,413	243
Contractual Services	240,392	182,606	57,786
Capital Outlay	19,404	19,404	-
Other	667	649	18
<b>Total Traffic Divisions-Traffic Signal</b>	<u>674,205</u>	<u>615,100</u>	<u>59,105</u>
<b>Total Security Persons and Property</b>	<u>1,415,928</u>	<u>1,250,367</u>	<u>165,561</u>
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	1,218,983	1,053,319	165,664
Materials and Supplies	483,329	473,231	10,098
Contractual Services	144,841	141,153	3,688
Capital Outlay	12,020	10,731	1,289
Other	8,682	6,876	1,806
<b>Total Transportation</b>	<u>1,867,855</u>	<u>1,685,310</u>	<u>182,545</u>
<b>Total Expenditures</b>	<u>3,283,783</u>	<u>2,935,677</u>	<u>348,106</u>
<b>Excess of Revenues (Under) Expenditures</b>	(338,783)	(32,265)	306,518
<i>Fund Balance Beginning of Year</i>	236,041	236,041	-
Prior Year Encumbrances Appropriated	129,494	129,494	-
<b>Fund Balance End of Year</b>	<u>\$ 26,752</u>	<u>\$ 333,270</u>	<u>\$ 306,518</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 203,000	\$ 201,504	\$ (1,496)
Interest	-	114	114
<i>Total Revenues</i>	<u>203,000</u>	<u>201,618</u>	<u>(1,382)</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Signal:</i>			
Contractual Services	<u>54,300</u>	<u>10,000</u>	<u>44,300</u>
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	197,465	164,802	32,663
Materials and Supplies	30,005	29,902	103
Contractual Services	68,237	66,167	2,070
Other	500	-	500
<i>Total Transportation</i>	<u>296,207</u>	<u>260,871</u>	<u>35,336</u>
<i>Total Expenditures</i>	<u>350,507</u>	<u>270,871</u>	<u>79,636</u>
<b>Excess of Revenues (Under) Expenditures</b>	(147,507)	(69,253)	78,254
<i>Fund Balance Beginning of Year</i>	218,386	218,386	-
Prior Year Encumbrances Appropriated	1,005	1,005	-
<i>Fund Balance End of Year</i>	<u>\$ 71,884</u>	<u>\$ 150,138</u>	<u>\$ 78,254</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 50,500	\$ 33,782	\$ (16,718)
<b>Expenditures</b>			
Current:			
Transportation:			
<i>Engineering-Engineering Administration:</i>			
Contractual Services	823,724	226,862	596,862
Capital Outlay	64,331	11,300	53,031
<i>Total Engineering Administration</i>	<u>888,055</u>	<u>238,162</u>	<u>649,893</u>
<i>30th St NE Trunk Sewer Imprv:</i>			
Capital Outlay	55,000	55,000	-
<i>Total Expenditures</i>	<u>943,055</u>	<u>293,162</u>	<u>649,893</u>
<b>Excess of Revenues (Under) Expenditures</b>	(892,555)	(259,380)	633,175
<i>Fund Balance Beginning of Year</i>	857,898	857,898	-
Prior Year Encumbrances Appropriated	88,431	88,431	-
<i>Fund Balance End of Year</i>	<u>\$ 53,774</u>	<u>\$ 686,949</u>	<u>\$ 633,175</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 337,000	\$ 342,418	\$ 5,418
Rentals	13,000	14,158	1,158
Other	-	1,540	1,540
<i>Total Revenues</i>	<u>350,000</u>	<u>358,116</u>	<u>8,116</u>
<b>Expenditures</b>			
Current:			
General Government:			
<i>Service Director-Service Director Administration:</i>			
Personnel Costs	24,099	13,391	10,708
Security of Persons & Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personnel Costs	257,079	225,608	31,471
Materials and Supplies	24,150	9,618	14,532
Contractual Services	107,013	87,002	20,011
Capital Outlay	2,238	-	2,238
Other	3,414	2,156	1,258
<i>Total Security of Persons &amp; Property</i>	<u>393,894</u>	<u>324,384</u>	<u>69,510</u>
<i>Total Expenditures</i>	<u>417,993</u>	<u>337,775</u>	<u>80,218</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(67,993)	20,341	88,334
<i>Fund Balance Beginning of Year</i>	50,490	50,490	-
Prior Year Encumbrances Appropriated	22,326	22,326	-
<i>Fund Balance End of Year</i>	<u>\$ 4,823</u>	<u>\$ 93,157</u>	<u>\$ 88,334</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ -	\$ 2,167	\$ 2,167
Licenses, Permits and Fees	231,315	234,235	2,920
Operating Grants	4,197,716	3,134,592	(1,063,124)
Other	78,615	133,639	55,024
<i>Total Revenues</i>	<u>4,507,646</u>	<u>3,504,633</u>	<u>(1,003,013)</u>
<b>Expenditures</b>			
Current:			
Public Health:			
<i>Health Administration:</i>			
Personnel Costs	2,759,714	1,976,538	783,176
Materials and Supplies	973,526	107,124	866,402
Contractual Services	298,342	124,504	173,838
Capital Outlay	382,420	175,146	207,274
Other	1,803,907	1,241,357	562,550
<i>Total Expenditures</i>	<u>6,217,909</u>	<u>3,624,669</u>	<u>2,593,240</u>
<b>Excess of Revenues (Under) Expenditures</b>	(1,710,263)	(120,036)	1,590,227
<b>Other Financing Sources (Uses)</b>			
Advances In	20,000	20,000	-
Advances Out	-	(20,000)	(20,000)
Transfers In	40,000	40,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>60,000</u>	<u>40,000</u>	<u>(20,000)</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</b>	(1,650,263)	(80,036)	1,570,227
<i>Fund Balance Beginning of Year</i>	2,316,183	2,316,183	-
Prior Year Encumbrances Appropriated	150,060	150,060	-
<i>Fund Balance End of Year</i>	<u>\$ 815,980</u>	<u>\$ 2,386,207</u>	<u>\$ 1,570,227</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Current:			
General Government:			
<i>Mayor Administration:</i>			
Contractual Services	143	-	143
<b>Excess of Revenues Over (Under) Expenditures</b>	(143)	-	143
<i>Fund Balance Beginning of Year</i>	143	143	-
<i>Fund Balance End of Year</i>	\$ -	\$ 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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	173	173	-
<i>Fund Balance End of Year</i>	<u>\$ 173</u>	<u>\$ 173</u>	<u>\$ -</u>

**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, 2012*

	Final Budget	Actual	Variance Favorable Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 12,000	\$ 15,953	\$ 3,953
<b>Expenditures</b>			
<b>Excess of Revenues Over Expenditures</b>	12,000	15,953	3,953
<i>Fund Balance Beginning of Year</i>	38,312	38,312	-
<i>Fund Balance End of Year</i>	<u>\$ 50,312</u>	<u>\$ 54,265</u>	<u>\$ 3,953</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 280,000	\$ 257,950	\$ (22,050)
Other	5,000	5,312	312
<i>Total Revenues</i>	<u>285,000</u>	<u>263,262</u>	<u>(21,738)</u>
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personnel Costs	150,048	144,272	5,776
Materials and Supplies	62,644	34,099	28,545
Contractual Services	127,783	84,361	43,422
Capital Outlay	74,050	33,495	40,555
Other	15,000	60	14,940
<i>Total Expenditures</i>	<u>429,525</u>	<u>296,287</u>	<u>133,238</u>
<b>Excess of Revenues (Under) Expenditures</b>	(144,525)	(33,025)	111,500
<i>Fund Balance Beginning of Year</i>	466,779	466,779	-
Unexpended Prior Year Encumbrances	24,724	24,724	-
<i>Fund Balance End of Year</i>	<u>\$ 346,978</u>	<u>\$ 458,478</u>	<u>\$ 111,500</u>

**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, 2012*

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

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Other	\$ 25,270	\$ 38,336	\$ 13,066
<b>Expenditures</b>			
Current:			
Transportation:			
<i>Street Maintenance:</i>			
Capital Outlay	22,461	22,460	1
<b>Excess of Revenues Over Expenditures</b>	2,809	15,876	13,067
<i>Fund Balance Beginning of Year</i>	25,535	25,535	-
<i>Fund Balance End of Year</i>	<u>\$ 28,344</u>	<u>\$ 41,411</u>	<u>\$ 13,067</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	862	862	-
<i>Fund Balance End of Year</i>	<u>\$ 862</u>	<u>\$ 862</u>	<u>\$ -</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Thurman Munson Memorial Stadium Donation  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	1,566	1,566	-
<i>Fund Balance End of Year</i>	<u>\$ 1,566</u>	<u>\$ 1,566</u>	<u>\$ -</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 441,000	\$ 279,223	\$ (161,777)
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	239,093	182,443	56,650
Materials and Supplies	75,806	45,452	30,354
Contractual Services	122,886	46,602	76,284
Capital Outlay	102,050	36,759	65,291
Other	18,256	12,288	5,968
<i>Total Judge Administration</i>	<u>558,091</u>	<u>323,544</u>	<u>234,547</u>
Debt Service:			
Principal Retirement	31,654	31,654	-
Interest and Fiscal Charges	6,344	6,344	-
<i>Total Debt Service</i>	<u>37,998</u>	<u>37,998</u>	<u>-</u>
<i>Total Expenditures</i>	<u>596,089</u>	<u>361,542</u>	<u>234,547</u>
<b>Excess of Revenues (Under) Expenditures</b>	(155,089)	(82,319)	72,770
<i>Fund Balance Beginning of Year</i>	93,929	93,929	-
Prior Year Encumbrances Appropriated	61,415	61,415	-
<i>Fund Balance End of Year</i>	<u>\$ 255</u>	<u>\$ 73,025</u>	<u>\$ 72,770</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 250	\$ 97	\$ (153)
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	750	-	750
<b>Excess of Revenues Over (Under) Expenditures</b>	(500)	97	597
<i>Fund Balance Beginning of Year</i>	513	513	-
<i>Fund Balance End of Year</i>	\$ 13	\$ 610	\$ 597

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 50	\$ 690	\$ 640
<b>Expenditures</b>			
Current:			
General Government:			
<i>Law Director-Administration:</i>			
Contractual Services	360	360	-
<b>Excess of Revenues Over (Under) Expenditures</b>	(310)	330	640
<i>Fund Balance Beginning of Year</i>	709	709	-
<i>Fund Balance End of Year</i>	<u>\$ 399</u>	<u>\$ 1,039</u>	<u>\$ 640</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Court GPS Cost*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	11,384	11,384	-
<i>Fund Balance End of Year</i>	<u>\$ 11,384</u>	<u>\$ 11,384</u>	<u>\$ -</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Ignition Interlock/Alcohol Monitoring*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 68,000	\$ 65,567	\$ (2,433)
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	48,000	-	48,000
<b>Excess of Revenues Over Expenditures</b>	20,000	65,567	45,567
<i>Fund Balance Beginning of Year</i>	184,412	184,412	-
<i>Fund Balance End of Year</i>	<u>\$ 204,412</u>	<u>\$ 249,979</u>	<u>\$ 45,567</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Canton Merchandising*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Other	\$ -	\$ 1,653	1,653
<b>Expenditures</b>			
Current			
General Government:			
<i>Council Administration:</i>			
Materials and Supplies	25,000	13,013	(11,987)
<b>Excess of Revenues (Under) Expenditures</b>	(25,000)	(11,360)	13,640
<b>Other Financing Sources</b>			
Operating Transfer In	25,000	25,000	-
<i>Total Other Financing Sources</i>	25,000	25,000	-
<b>Excess of Revenues and Other Financing Sources</b>	-	13,640	13,640
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ 13,640	\$ 13,640

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenue</b>			
Operating Grants	\$ 15,112	\$ 15,772	\$ 660
Contributions and Donations	-	426	426
Rentals	49,660	52,600	2,940
Other	5,656	5,667	11
<i>Total Revenues</i>	<u>70,428</u>	<u>74,465</u>	<u>4,037</u>
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and Supplies	91,445	29,532	61,913
Contractual Services	15,319	8,002	7,317
Capital Outlay	44,461	24,715	19,746
Other	3,750	2,750	1,000
<i>Total Expenditures</i>	<u>154,975</u>	<u>64,999</u>	<u>89,976</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(84,547)	9,466	94,013
<b>Other Financing (Uses)</b>			
Advances Out	(19,953)	(19,953)	-
<i>Total Other Financing (Uses)</i>	<u>(19,953)</u>	<u>(19,953)</u>	<u>-</u>
<b>Excess of Revenues and Other Financing (Uses) Over Expenditures</b>	(104,500)	(10,487)	94,013
<i>Fund Balance Beginning of Year</i>	92,372	92,372	-
Prior Year Encumbrances Appropriated	44,041	44,041	-
<i>Fund Balance End of Year</i>	<u>\$ 31,913</u>	<u>\$ 125,926</u>	<u>\$ 94,013</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	4,470	4,470	-
<i>Fund Balance End of Year</i>	<u>\$ 4,470</u>	<u>\$ 4,470</u>	<u>\$ -</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 28,500	\$ 35,706	\$ 7,206
Interest	-	152	152
Other	-	2,751	2,751
<i>Total Revenues</i>	<u>28,500</u>	<u>38,609</u>	<u>10,109</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Personnel Costs	130,593	110,180	20,413
Materials and Supplies	68,048	25,553	42,495
Contractual Services	62,737	55,429	7,308
Capital Outlay	75,682	13,060	62,622
Other	11,600	10,407	1,193
<i>Total Expenditures</i>	<u>348,660</u>	<u>214,629</u>	<u>134,031</u>
<b>Excess of Revenues (Under) Expenditures</b>	(320,160)	(176,020)	144,140
<i>Fund Balance Beginning of Year</i>	327,276	327,276	-
Prior Year Encumbrances Appropriated	16,906	16,906	-
<i>Fund Balance End of Year</i>	<u>\$ 24,022</u>	<u>\$ 168,162</u>	<u>\$ 144,140</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ -	\$ 70	\$ 70
Fines and Forfeitures	5,500	6,056	556
Other	-	167	167
<i>Total Revenues</i>	<u>5,500</u>	<u>6,293</u>	<u>793</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	13,072	11,529	1,543
<b>Excess of Revenues (Under) Expenditures</b>	(7,572)	(5,236)	2,336
<i>Fund Balance Beginning of Year</i>	10,762	10,762	-
Prior Year Encumbrances Appropriated	495	495	-
<i>Fund Balance End of Year</i>	<u>\$ 3,685</u>	<u>\$ 6,021</u>	<u>\$ 2,336</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 42,600	\$ 57,191	\$ 14,591
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	50,000	49,750	250
<b>Excess of Revenues Over (Under) Expenditures</b>	(7,400)	7,441	14,841
<i>Fund Balance Beginning of Year</i>	28,039	28,039	-
<i>Fund Balance End of Year</i>	<u>\$ 20,639</u>	<u>\$ 35,480</u>	<u>\$ 14,841</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 34,667	\$ 42,063	\$ 7,396
Other	-	5,463	5,463
<i>Total Revenues</i>	<u>34,667</u>	<u>47,526</u>	<u>12,859</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Personnel Costs	26,748	2,665	24,083
Materials and Supplies	36,945	35,983	962
Contractual Services	56,509	48,685	7,824
Capital Outlay	7,800	7,506	294
<i>Total Expenditures</i>	<u>128,002</u>	<u>94,839</u>	<u>33,163</u>
<b>Excess of Revenues (Under) Expenditures</b>	(93,335)	(47,313)	46,022
<i>Fund Balance Beginning of Year</i>	114,188	114,188	-
Prior Year Encumbrances Appropriated	2,528	2,528	-
<i>Fund Balance End of Year</i>	<u>\$ 23,381</u>	<u>\$ 69,403</u>	<u>\$ 46,022</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Other	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	9,061	600	8,461
<b>Excess of Revenues (Under) Expenditures</b>	(9,061)	(600)	8,461
<i>Fund Balance Beginning of Year</i>	9,068	9,068	-
<i>Fund Balance End of Year</i>	<u>\$ 7</u>	<u>\$ 8,468</u>	<u>\$ 8,461</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 200,000	\$ 221,761	\$ 21,761
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	205,435	177,471	27,964
Materials and Supplies	17,606	14,755	2,851
Contractual Services	21,039	18,779	2,260
Capital Outlay	40,563	26,261	14,302
Other	12,500	8,013	4,487
<i>Total Expenditures</i>	<u>297,143</u>	<u>245,279</u>	<u>51,864</u>
<b>Excess of Revenues (Under) Expenditures</b>	(97,143)	(23,518)	73,625
<i>Fund Balance Beginning of Year</i>	115,290	115,290	-
Prior Year Encumbrances Appropriated	26,708	26,708	-
<i>Fund Balance End of Year</i>	<u>\$ 44,855</u>	<u>\$ 118,480</u>	<u>\$ 73,625</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Operating Grants	\$ 170,601	\$ 170,601	\$ -
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	154,529	151,775	2,754
Materials and Supplies	2,805	2,640	165
Contractual Services	450	450	-
Capital Outlay		52,024	(52,024)
Other	52,033	-	52,033
<i>Total Courts/Judge-Judge Administration</i>	<u>209,817</u>	<u>206,889</u>	<u>2,928</u>
<b>Excess of Revenues (Under) Expenditures</b>	(39,216)	(36,288)	2,928
<i>Fund Balance Beginning of Year</i>	66,699	66,699	-
Prior Year Encumbrances Appropriated	165	165	-
<i>Fund Balance End of Year</i>	<u>\$ 27,648</u>	<u>\$ 30,576</u>	<u>\$ 2,928</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 8,700	\$ 11,945	\$ 3,245
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	27,750	27,333	417
<b>Excess of Revenues (Under) Expenditures</b>	(19,050)	(15,388)	3,662
<i>Fund Balance Beginning of Year</i>	15,378	15,378	-
Prior Year Encumbrances Appropriated	3,750	3,750	-
<i>Fund Balance End of Year</i>	<u>\$ 78</u>	<u>\$ 3,740</u>	<u>\$ 3,662</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 88,969	\$ 88,969	\$ -
Interest	240	308	68
<i>Total Revenues</i>	<u>89,209</u>	<u>89,277</u>	<u>68</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	19,369	-	19,369
Contractual Services	18,960	10,000	8,960
Capital Outlay	49,600	-	49,600
Other	50,640	49,600	1,040
<i>Total Police Administration</i>	<u>138,569</u>	<u>59,600</u>	<u>78,969</u>
<i>Total Expenditures</i>	<u>138,569</u>	<u>59,600</u>	<u>78,969</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(49,360)	29,677	79,037
<i>Fund Balance Beginning of Year</i>	52,046	52,046	-
<i>Fund Balance End of Year</i>	<u>\$ 2,686</u>	<u>\$ 81,723</u>	<u>\$ 79,037</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Safe Neighborhood Heroes Grant  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	1,000	1,000	-
<i>Fund Balance End of Year</i>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Police Grants & Donations Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Contributions and Donations	\$ 4,844	\$ 4,844	\$ -
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	2,500	1,308	1,192
Capital Outlay	10,166	3,623	6,543
<i>Total Expenditures</i>	<u>12,666</u>	<u>4,931</u>	<u>7,735</u>
<b>Excess of Revenues (Under) Expenditures</b>	(7,822)	(87)	7,735
<i>Fund Balance Beginning of Year</i>	9,822	9,822	-
<i>Fund Balance End of Year</i>	<u>\$ 2,000</u>	<u>\$ 9,735</u>	<u>\$ 7,735</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	8	8	-
<i>Fund Balance End of Year</i>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ -</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Contributions and Donations	\$ 500	\$ 500	\$ -
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	500	-	500
Other	1,224	633	591
<i>Total Expenditures</i>	1,724	633	1,091
<b>Excess of Revenues (Under) Expenditures</b>	(1,224)	(133)	1,091
<i>Fund Balance Beginning of Year</i>	2,546	2,546	-
<i>Fund Balance End of Year</i>	<u>\$ 1,322</u>	<u>\$ 2,413</u>	<u>\$ 1,091</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*2009 COPS Hiring Recovery Program*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Operating Grants	\$ 243,973	\$ 243,973	\$ -
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Federal Stimulus Funding for Police:</i>			
Other	262,740	262,740	-
<b>Excess of Revenues (Under) Expenditures</b>	(18,767)	(18,767)	-
<i>Fund Balance Beginning of Year</i>	18,767	18,767	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Byrne Memorial Recovery Act*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	7,442	7,442	-
<i>Fund Balance End of Year</i>	<u>\$ 7,442</u>	<u>\$ 7,442</u>	<u>\$ -</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Fire Grants & Donations Fund*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	442	-	442
Capital Outlay	1,705	1,646	59
<i>Total Expenditures</i>	<u>2,147</u>	<u>1,646</u>	<u>501</u>
<b>Excess of Revenues (Under) Expenditures</b>	(2,147)	(1,646)	501
<i>Fund Balance Beginning of Year</i>	442	442	-
Prior Year Encumbrances Appropriated	1,705	1,705	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 501</u>	<u>\$ 501</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balances -Budget (Non-GAAP Basis) and Actual  
Byrne Memorial Justice Assistance Grant  
For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Operating Grants	\$ 19,313	\$ 19,313	\$ -
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Federal Stimulus Funding for Police:</i>			
Contractual Services	675	-	675
Other	21,953	21,953	-
<i>Total Expenditures</i>	22,628	21,953	675
<b>Excess of Revenues (Under) Expenditures</b>	(3,315)	(2,640)	675
<i>Fund Balance Beginning of Year</i>	1,965	1,965	-
Prior Year Encumbrances Appropriated	675	675	-
<i>Fund Balance End of Year</i>	\$ (675)	\$ -	\$ 675

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*2010 Local Solicitation Byrne Grant*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Interest	\$ 255	\$ 346	\$ 91
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	60,022	32,683	27,339
<b>Excess of Revenues (Under) Expenditures</b>	(59,767)	(32,337)	27,430
<i>Fund Balance Beginning of Year</i>	57,947	57,947	-
Prior Year Encumbrances Appropriated	2,076	2,076	-
<i>Fund Balance End of Year</i>	<u>\$ 256</u>	<u>\$ 27,686</u>	<u>\$ 27,430</u>

**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, 2012*

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

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Operating Grants	\$ 5,500	\$ 3,000	\$ (2,500)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	500	114	386
Capital Outlay	8,088	-	8,088
Other	575	75	500
<i>Total Expenditures</i>	<u>9,163</u>	<u>189</u>	<u>8,974</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(3,663)	2,811	6,474
<i>Fund Balance Beginning of Year</i>	4,369	4,369	-
Prior Year Encumbrances Appropriated	75	75	-
<i>Fund Balance End of Year</i>	<u>\$ 781</u>	<u>\$ 7,255</u>	<u>\$ 6,474</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Other	\$ 345	\$ 345	\$ -
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	374	-	374
Other	301	-	301
<i>Total Expenditures</i>	675	-	675
<b>Excess of Revenues Over (Under) Expenditures</b>	(330)	345	675
<i>Fund Balance Beginning of Year</i>	484	484	-
Prior Year Encumbrances Appropriated	301	301	-
<i>Fund Balance End of Year</i>	\$ 455	\$ 1,130	\$ 675

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 4,425,007	\$ 436,523	\$ (3,988,484)
<b>Expenditures</b>			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Capital Outlay	4,391,365	2,653,896	1,737,469
<b>Excess of Revenues Over (Under) Expenditures</b>	33,642	(2,217,373)	(2,251,015)
<i>Fund Balance (Deficit) Beginning of Year</i>	(2,440,196)	(2,440,196)	-
Prior Year Encumbrances Appropriated	2,440,204	2,440,204	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 33,650</u>	<u>\$ (2,217,365)</u>	<u>\$ (2,251,015)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Fire-FEMA Safer Grant*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Operating Grants	\$ 1,304,089	\$ 1,304,061	\$ (28)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Other	1,741,695	1,741,667	28
<i>Total Expenditures</i>	1,741,695	1,741,667	28
<b>Excess of Revenues (Under) Expenditures</b>	(437,606)	(437,606)	-
<i>Fund Balance Beginning of Year</i>	437,606	437,606	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Ford Road Grant*  
*For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 500,000	\$ -	\$ (500,000)
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	500,000	-	(500,000)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ (500,000)</u>

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2012

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 6,058	\$ -	\$ 6,058
Cash and Cash Equivalents in Segregated Accounts	3,019	-	3,019
Taxes Receivable	-	5,271	5,271
<b>Total Assets</b>	<b>9,077</b>	<b>5,271</b>	<b>14,348</b>
 <b>Deferred Inflows of Resources</b>			
<i>Current</i>			
Special Assessments Revenue Not Available	-	5,271	5,271
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>5,271</b>	<b>5,271</b>
 <b>Fund Balances</b>			
Restricted	9,077	-	9,077
<i>Total Fund Balances</i>	<b>9,077</b>	<b>-</b>	<b>9,077</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,077</b>	<b>\$ 5,271</b>	<b>\$ 14,348</b>

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the year ended December 31, 2012

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Interest	\$ 2,518	\$ -	\$ 2,518
<b>Expenditures</b>	-	-	-
<i>Excess Revenues Over (Under) Expenditures</i>	2,518	-	2,518
Net Change in Fund Balance	2,518	-	2,518
<i>Fund Balance at Beginning of Year</i>	6,559	-	6,559
<i>Fund Balance at End of Year</i>	\$ 9,077	\$ -	\$ 9,077

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Interest	\$ 2,518	\$ 2,518	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over Expenditures</b>	2,518	2,518	-
<i>Fund Balance Beginning of Year</i>	3,540	3,540	-
<i>Fund Balance End of Year</i>	<u>\$ 6,058</u>	<u>\$ 6,058</u>	<u>\$ -</u>

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2012

	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construct/ Reconstruct Bond	Judges Facilities/ City Hall Renovation	Fulton Road & Park Road Improvement
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 1,571,691	\$ 526,112	\$ 317,555	\$ 1,744	\$ -
Accounts Receivable	2,235	34	-	-	-
<b>Total Assets</b>	<u>1,573,926</u>	<u>526,146</u>	<u>317,555</u>	<u>1,744</u>	<u>-</u>
<b>Liabilities</b>					
<i>Current</i>					
Accounts Payable	192,728	-	-	-	-
<i>Total Current</i>	<u>192,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>192,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Restricted	1,381,198	526,146	317,555	1,744	-
<i>Total Fund Balances</i>	<u>1,381,198</u>	<u>526,146</u>	<u>317,555</u>	<u>1,744</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,573,926</u>	<u>\$ 526,146</u>	<u>\$ 317,555</u>	<u>\$ 1,744</u>	<u>\$ -</u>

(continued)

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2012

	49th & Gardendale Project	30th St NE Trunk Sewer	25th St NE Storm Sewer	Sherrick Road Project	Cleveland Ave Resurfacing
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-	-
<b>Total Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>					
<i>Current</i>					
Accounts Payable	-	-	-	-	-
<i>Total Current</i>	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Restricted	-	-	-	-	-
<i>Total Fund Balances</i>	-	-	-	-	-
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Guilford Ave Bridge Replacement	12th St NW Street Project	Mahoning Corridor Project	Walnut/Cherry Ave Project	11th St NW Road Project	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,417,102
-	-	-	-	-	2,269
-	-	-	-	-	2,419,371
-	-	-	-	-	192,728
-	-	-	-	-	192,728
-	-	-	-	-	192,728
-	-	-	-	-	2,226,643
-	-	-	-	-	2,226,643
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,419,371

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Project Funds  
For the year ended December 31, 2012

	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construct/ Reconstruct Bond	Judges Facilities/ City Hall Renovation	Fulton Road & Park Road Improvement
<b>Revenues</b>					
Interest	\$ 2,270	\$ 342	\$ 485	\$ -	\$ -
Capital Grants and Contributions	57,131	-	-	-	-
<b>Total Revenues</b>	<u>59,401</u>	<u>342</u>	<u>485</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
<i>Current</i>					
Capital Outlay	641,789	-	262,906	5,248	-
<b>Total Expenditures</b>	<u>641,789</u>	<u>-</u>	<u>262,906</u>	<u>5,248</u>	<u>-</u>
Net Change in Fund Balance	(582,388)	342	(262,421)	(5,248)	-
<i>Fund Balance at Beginning of Year</i>	1,963,586	525,804	579,976	6,992	-
<i>Fund Balance at End of Year</i>	<u>\$ 1,381,198</u>	<u>\$ 526,146</u>	<u>\$ 317,555</u>	<u>\$ 1,744</u>	<u>\$ -</u>

(continued)

49th & Gardendale Project	30th St NE Trunk Sewer	25th St NE Storm Sewer	Sherrick Road Project	Cleveland Ave Resurfacing	Guilford Ave Bridge Replacement	12th St NW Street Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	146,520
-	-	-	-	-	-	146,520
-	-	-	-	-	-	146,520
-	-	-	-	-	-	146,520
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Project Funds  
For the year ended December 31, 2012

	Mahoning Corridor Project	Walnut/Cherry Ave Project	11th St NW Road Project	Total Nonmajor Capital Projects Funds
<b>Revenues</b>				
Interest	\$ -	\$ -	\$ -	\$ 3,097
Capital Grants and Contributions	-	-	-	203,651
<b>Total Revenues</b>	-	-	-	206,748
<b>Expenditures</b>				
<i>Current</i>				
Capital Outlay	-	-	-	1,056,463
<b>Total Expenditures</b>	-	-	-	1,056,463
Net Change in Fund Balance	-	-	-	(849,715)
<i>Fund Balance at Beginning of Year</i>	-	-	-	3,076,358
<i>Fund Balance at End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,226,643</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Municipal Income Tax	\$ 8,569,000	\$ 8,581,233	\$ 12,233
Charges for Services		1,045	1,045
Capital Grants	16,071	16,071	-
Proceeds of Bonds	18,000	22,101	4,101
<i>Total Revenues</i>	<u>8,603,071</u>	<u>8,620,450</u>	<u>17,379</u>
<b>Expenditures</b>			
Capital Outlay:			
Safety Director:			
Police Department-Police Administration	29,992	29,580	412
Fire Department-Fire Administration	109,280	108,771	509
Traffic Divisions:			
Traffic Signal	60,978	60,215	763
Service Director:			
Service Director Administration	801,373	707,607	93,766
Engineering Administration	1,812,619	1,759,728	52,891
Engineering - 30th St. NE Trunk Sewer & Improvement	70,000	59,779	10,221
Engineering - 16th St. NW Roadway Proj	225,000	225,000	-
Engineering - Hamilton Ave Storm Swr Proj	360,000	360,000	-
Engineering - 11th St. Improv Proj	61,980		61,980
Engineering - East Side Park Trail & Bridge	93,894	93,894	-
Street Administration	414,800	366,414	48,386
Street Paving	3,605,729	3,481,958	123,771
Civic Center Administration		-	-
Building Maintenance Administration			-
Collection System Department	327,054	277,767	49,287
Water:			
Water Administration			
37th ST Water Sewer Str Improv Proj	18,400	18,400	-
Health:			
Health Administration	1,931	1,931	-
Park Division:			
Park Administration	81,949	79,469	2,480
Management Information Systems:			
Information Technology Manager	415,331	320,066	95,265
Council:			
Council Administration	31,792	7,968	23,824
Auditor:			
Auditor Administration	144,810	144,557	253
Auditor-Legally Binding Expenses	153,399	153,399	-
<i>Total Capital Outlay</i>	<u>8,820,311</u>	<u>8,256,503</u>	<u>563,808</u> (continued)

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Debt Service:			
<i>Principle Retirement:</i>			
Various Purpose Loans	\$ 271,771	\$ 270,876	\$ 895
General Obligation Various Improvement Bonds	<u>1,858,591</u>	<u>1,858,591</u>	<u>-</u>
<i>Total Principal Retirement</i>	<u>2,130,362</u>	<u>2,129,467</u>	<u>895</u>
Interest and Fiscal Charges:			
Various Purpose Loans	48,453	48,415	38
General Obligation Various Improvement Bonds	<u>407,593</u>	<u>407,593</u>	<u>-</u>
<i>Total Interest and Fiscal Charges</i>	<u>456,046</u>	<u>456,008</u>	<u>38</u>
Total Debt Service	2,586,408	2,585,475	933
<i>Total Expenditures</i>	<u>11,406,719</u>	<u>10,841,978</u>	<u>564,741</u>
<b>Excess of Revenues (Under) Expenditures</b>	(2,803,648)	(2,221,528)	564,741
<b>Other Financing Sources</b>			
Sale of Capital Assets	18,447	19,509	1,062
<i>Total Other Financing Sources</i>	<u>18,447</u>	<u>19,509</u>	<u>1,062</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures</b>	(2,785,201)	(2,202,019)	583,182
<i>Fund Balance Beginning of Year</i>	1,787,351	1,787,351	-
Prior Year Encumbrances Appropriated	1,441,872	1,441,872	-
<i>Fund Balance End of Year</i>	<u>\$ 444,022</u>	<u>\$ 1,027,204</u>	<u>\$ 583,182</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Municipal Income Tax	\$ 2,128,000	\$ 2,145,308	\$ 17,308
Other	10,050	13,566	3,516
<i>Total Revenues</i>	<u>2,138,050</u>	<u>2,158,874</u>	<u>20,824</u>
<b>Expenditures</b>			
Capital Outlay:			
Safety Director:			
Safety Director Administration			-
Code Enforcement Administration	15,006	15,006	-
Central Communication Administration	334,904	210,189	124,715
Police Department-Police Administration	841,497	841,189	308
Fire Department-Fire Administration	290,447	290,082	365
Traffic Divisions-Engineer Administration	2,108	2,108	-
Traffic Divisions-Traffic Sign & Paint	10,681	10,681	-
Traffic Divisions-Traffic Signal	10,720	10,720	-
Service Director:			
Engineering Administration	4,498	4,498	-
Maintenance	482,894	237,894	245,000
Building Maintenance Administration	3,789	3,789	-
Health:			
Health Administration	23,788	23,724	64
Environmental Health Administration	3,391	3,391	-
Park Division:			
Park Administration	154,374	152,297	2,077
Judges:			
Judge Administration	10,979	10,933	46
<i>Total Capital Outlay</i>	<u>2,189,076</u>	<u>1,816,501</u>	<u>372,575</u>
Debt Service:			
<i>Principal Retirement:</i>			
Capital Lease	227,300	227,193	107
<i>Total Principal Retirement</i>	<u>227,300</u>	<u>227,193</u>	<u>107</u>
<i>Total Debt Service</i>	227,300	227,193	107
<i>Total Expenditures</i>	<u>\$ 2,416,376</u>	<u>\$ 2,043,694</u>	<u>\$ 372,682</u>

(continued)

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Motor Vehicle Purchase Fund (continued)  
 For the Year Ended December 31, 2012*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (278,326)	\$ 115,180	\$ 393,506
<b>Other Financing Sources</b>			
Sale of Capital Assets	8,000	16,457	8,457
<i>Total Other Financing Sources</i>	<u>8,000</u>	<u>16,457</u>	<u>8,457</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	(270,326)	131,637	401,963
<i>Fund Balance Beginning of Year</i>	495,620	495,620	-
Prior Year Encumbrances Appropriated	210	210	-
<i>Fund Balance End of Year</i>	<u>\$ 225,504</u>	<u>\$ 627,467</u>	<u>\$ 401,963</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 65,904	\$ 77,765	\$ 11,861
Interest	1,600	2,359	759
<i>Total Revenues</i>	<u>67,504</u>	<u>80,124</u>	<u>12,620</u>
<b>Expenditures</b>			
Capital Outlay:			
Service Director:			
Service Director Administration	78,750	78,750	-
Engineering - 41st St NW Storm Sewer Project	52,730	52,730	-
Engineering - 55th St NE Storm Sewer Project	127,661	127,661	-
Engineering - 12th St NW Bridge Repl	325,512	325,512	-
Engineering - 12th St N Corridor Prj	1,150,921	1,150,920	1
Engineering - Ford Project	149,790	149,791	(1)
Engineering - Mahoning Rd Corr Prj	334,606	297,812	36,794
<i>Total Expenditures</i>	<u>2,219,970</u>	<u>2,183,176</u>	<u>36,794</u>
<b>Excess of Revenues (Under) Expenditures</b>	(2,152,466)	(2,103,052)	49,414
<i>Fund Balance Beginning of Year</i>	904,795	904,795	-
Prior Year Encumbrances Appropriated	1,247,672	1,247,672	-
<i>Fund Balance End of Year</i>	<u>\$ 1</u>	<u>\$ 49,415</u>	<u>\$ 49,414</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Interest	\$ 150	\$ 322	\$ 172
<b>Expenditures</b>			
Capital Outlay:			
Service Director:			
Service Director Administration	87	-	87
<i>Total Expenditures</i>	<u>87</u>	<u>-</u>	<u>87</u>
<b>Excess of Revenues Over Expenditures</b>	<u>63</u>	<u>322</u>	<u>259</u>
<i>Fund Balance Beginning of Year</i>	525,704	525,704	-
Prior Year Encumbrances Appropriated	87	87	-
<i>Fund Balance End of Year</i>	<u>\$ 525,854</u>	<u>\$ 526,113</u>	<u>\$ 259</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Interest	\$ 440	\$ 551	\$ 111
<b>Expenditures</b>			
Capital Outlay:			
Service Director:			
Service Director Administration	555,792	313,488	242,304
Judges:			
Judges City Hall Renovation Project	152,713	152,042	671
<i>Total Expenditures</i>	708,505	465,530	242,975
<b>Excess of Revenues (Under) Expenditures</b>	(708,065)	(464,979)	243,086
<i>Fund Balance Beginning of Year</i>	327,137	327,137	-
Prior Year Encumbrances Appropriated	435,205	435,205	-
<i>Fund Balance End of Year</i>	\$ 54,277	\$ 297,363	\$ 243,086

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 2006 Judge Facilities/City Hall Reconstruction Bond  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Capital Outlay:			
Judges:			
Judges City Hall Renovation Project	5,623	5,248	375
<b>Excess of Revenues (Under) Expenditures</b>	(5,623)	(5,248)	375
<i>Fund Balance Beginning of Year</i>	1,369	1,369	-
Prior Year Encumbrances Appropriated	5,623	5,623	-
<i>Fund Balance End of Year</i>	<u>\$ 1,369</u>	<u>\$ 1,744</u>	<u>\$ 375</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Fulton Road & Park Intersection Improvement Fund  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 831,005	\$ -	\$ (831,005)
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	831,005	-	(831,005)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 831,005</u>	<u>\$ -</u>	<u>\$ (831,005)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 49th St. & Gardendale  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 372,933	\$ -	\$ (372,933)
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	372,933	-	(372,933)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 372,933</u>	<u>\$ -</u>	<u>\$ (372,933)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 30th St NE Trunk Sewer  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 322,943	\$ -	\$ (322,943)
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	322,943	-	(322,943)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 322,943</u>	<u>\$ -</u>	<u>\$ (322,943)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 25th St NE Storm Sewer Project  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 816,712	\$ -	\$ (816,712)
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	816,712	-	(816,712)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 816,712</u>	<u>\$ -</u>	<u>\$ (816,712)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Sherrick Road Project  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 427,695	\$ -	\$ (427,695)
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	427,695	-	(427,695)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 427,695</u>	<u>\$ -</u>	<u>\$ (427,695)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Cleveland Avenue Resurfacing Project  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 458,583	\$ -	\$ (458,583)
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	458,583	-	(458,583)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 458,583</u>	<u>\$ -</u>	<u>\$ (458,583)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Guilford Ave Bridge Replacement  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 61,234	\$ -	\$ (61,234)
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	61,234	-	(61,234)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 61,234</u>	<u>\$ -</u>	<u>\$ (61,234)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 12th St N Corridor Project  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 691,981	\$ 146,520	\$ (545,461)
<b>Expenditures</b>			
Capital Outlay:			
Engineering - 12th St N Corridor Project	683,269	683,268	1
<b>Excess of Revenues Over (Under) Expenditures</b>	8,712	(536,748)	(545,460)
<i>Fund Balance Beginning of Year</i>	(643,732)	(643,732)	-
Prior Year Encumbrances Appropriated	643,732	643,732	-
<i>Fund Balance (Deficit) End of Year</i>	\$ 8,712	\$ (536,748)	\$ (545,460)

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Mahoning Rd Corridor Project  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 999,829	\$ -	\$ (999,829)
<b>Expenditures</b>			
Capital Outlay:			
Engineering - Mahoning Rd Corridor Proj	999,829	923,065	76,764
<b>Excess of Revenues Over (Under) Expenditures</b>	-	(923,065)	(923,065)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (923,065)</u>	<u>\$ (923,065)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 Walnut/Cherry Fund  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 1,500,000	\$ -	\$ (1,500,000)
<b>Expenditures</b>			
Capital Outlay:			
Engineering - Walnut/Cherry Proj	1,500,000	1,500,000	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	(1,500,000)	(1,500,000)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (1,500,000)</u>	<u>\$ (1,500,000)</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances -Budget (Non-GAAP Basis) and Actual  
 11th Street Improvement Project  
 For the Year Ended December 31, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Capital Grants	\$ 247,920	\$ -	\$ (247,920)
<b>Expenditures</b>			
Capital Outlay:			
Engineering Administration	247,920	-	247,920
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ -

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 13,920,335	\$ 14,789,902	\$ 869,567
Interest	-	3	3
Capital Grants	1,283,883	803,328	(480,555)
Rentals	64,900	58,412	(6,488)
Other	39,000	54,543	15,543
<i>Total Revenues</i>	<u>15,308,118</u>	<u>15,706,188</u>	<u>398,070</u>
<b>Expenses</b>			
Personnel Costs	7,025,890	6,417,534	608,356
Material and Supplies	2,481,354	2,025,193	456,161
Contractual Services	3,370,786	3,088,532	282,254
Capital Outlay	7,219,101	4,059,370	3,159,731
Claims	43,335	7,530	35,805
Other	139,762	107,261	32,501
Debt Service:			
Principal Retirement	2,217,982	2,133,489	84,493
Interest and Fiscal Charges	1,284,354	1,028,217	256,137
<i>Total Expenses</i>	<u>23,782,564</u>	<u>18,867,126</u>	<u>4,915,438</u>
<b>Excess of Revenues (Under) Expenses</b>	(8,474,446)	(3,160,938)	5,313,508
<b>Other Financing Sources</b>			
Sale of Capital Assets	20,000	32,521	12,521
Proceeds of Loans	4,861,884	2,014,592	(2,847,292)
<i>Total Other Financing Sources</i>	<u>4,881,884</u>	<u>2,047,113</u>	<u>(2,834,771)</u>
<b>Excess of Revenues and Other Financing Sources Over/(Under) Expenses</b>	(3,592,562)	(1,113,825)	2,478,737
<i>Fund Balance Beginning of Year</i>	6,666,740	6,666,740	-
Prior Year Encumbrances Appropriated	3,511,148	3,511,148	-
<i>Fund Balance End of Year</i>	<u>\$ 6,585,326</u>	<u>\$ 9,064,063</u>	<u>\$ 2,478,737</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 12,982,000	\$ 13,431,101	\$ 449,101
Capital Grants	1,160,000	1,065,761	(94,239)
Operating Grants	6,150	6,150	-
Rentals	20,000	5,750	(14,250)
Other	531,224	936,286	405,062
<i>Total Revenues</i>	<u>14,699,374</u>	<u>15,445,048</u>	<u>745,674</u>
<b>Expenses</b>			
Personnel Costs	6,062,250	5,302,528	759,722
Material and Supplies	1,434,689	1,092,354	342,335
Contractual Services	6,102,573	5,044,863	1,057,710
Capital Outlay	4,522,942	3,134,423	1,388,519
Claims	13,169	6,080	7,089
Other	111,837	40,121	71,716
Debt Service:			
Principal Retirement	1,570,254	1,562,250	8,004
Interest and Fiscal Charges	319,552	319,552	-
<i>Total Expenses</i>	<u>20,137,266</u>	<u>16,502,171</u>	<u>3,635,095</u>
<b>Excess of Revenues (Under) Expenses</b>	(5,437,892)	(1,057,123)	4,380,769
<b>Other Financing Sources</b>			
Sale of Capital Assets	-	1,620	1,620
Proceeds of Loans	1,212,726	1,400,530	187,804
<i>Total Other Financing Sources</i>	<u>1,212,726</u>	<u>1,402,150</u>	<u>189,424</u>
<b>Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses</b>	(4,225,166)	345,027	4,570,193
<i>Fund Balance Beginning of Year</i>	10,920,751	10,920,751	-
Prior Year Encumbrances Appropriated	2,620,885	2,620,885	-
<i>Fund Balance End of Year</i>	<u>\$ 9,316,470</u>	<u>\$ 13,886,663</u>	<u>\$ 4,570,193</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	5,944,000	6,013,772	69,772
Operating Grants	-	106,341	106,341
Other	-	6,574	6,574
<i>Total Revenues</i>	<u>5,944,000</u>	<u>6,126,687</u>	<u>182,687</u>
<b>Expenses</b>			
Personnel Costs	3,974,570	3,437,140	537,430
Material and Supplies	107,188	95,411	11,777
Contractual Services	2,200,727	2,064,675	136,052
Capital Outlay	1,758,207	1,002,341	755,866
Claims	11,500	2,389	9,111
Other	22,070	15,885	6,185
<i>Total Expenses</i>	<u>8,074,262</u>	<u>6,617,841</u>	<u>1,456,421</u>
<b>Excess of Revenues (Under) Expenses</b>	(2,130,262)	(491,154)	1,639,108
<b>Other Financing Sources</b>			
Sale of Capital Assets	-	13,320	13,320
<b>Excess of Revenues and Other Financing Sources Over Expenses</b>	(2,130,262)	(477,834)	1,652,428
<i>Fund Balance Beginning of Year</i>	1,056,812	1,056,812	-
Prior Year Encumbrances Appropriated	1,118,216	1,118,216	-
<i>Fund Balance End of Year</i>	<u>\$ 44,766</u>	<u>\$ 1,697,194</u>	<u>\$ 1,652,428</u>

### *Nonmajor Internal Service Funds*

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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**  
Combining Statement of Net Position  
Nonmajor Internal Service Funds  
December 31, 2012

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,432,981	\$ 601,921	\$ 1,234,747	\$ 4,269,649
Accounts Receivable	-	546,350	-	546,350
Due From Other Funds	-	-	181,187	181,187
<b>Total Assets</b>	<u>2,432,981</u>	<u>1,148,271</u>	<u>1,415,934</u>	<u>4,997,186</u>
<b>Liabilities</b>				
<i>Current</i>				
Accounts Payable	6,241	347,210	-	353,451
Accrued Wages and Benefits	2,324	2,427	78,194	82,945
Due to Other Governments	693,119	364	11,729	705,212
Due Within One Year	-	-	1,215,069	1,215,069
Claims Payable Due Within One Year	530,694	810,336	-	1,341,030
<i>Total Current</i>	<u>1,232,378</u>	<u>1,160,337</u>	<u>1,304,992</u>	<u>3,697,707</u>
<i>Noncurrent</i>				
Due Within More Than One Year	847,365	-	6,784,069	7,631,434
<i>Total Noncurrent</i>	<u>847,365</u>	<u>-</u>	<u>6,784,069</u>	<u>7,631,434</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>2,079,743</u>	<u>1,160,337</u>	<u>8,089,061</u>	<u>11,329,141</u>
<i>Net Position</i>				
Unrestricted	353,238	(12,066)	(6,673,127)	(6,331,955)
<b>Total Net Position and Liabilities</b>	<u>\$ 2,432,981</u>	<u>\$ 1,148,271</u>	<u>\$ 1,415,934</u>	<u>\$ 4,997,186</u>

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Nonmajor Internal Service Funds  
For the year ended December 31, 2012

	<u>Workers Compensation</u>	<u>Health Insurance</u>	<u>Compensated Absences Claims</u>	<u>Total Nonmajor Internal Service</u>
<b>Revenues</b>				
Charges for Services	\$ 1,205,018	\$ 9,855,459	\$ 3,900,552	\$ 14,961,029
Other	49,103	721,993	-	771,096
<b>Total Revenue</b>	<u>1,254,121</u>	<u>10,577,452</u>	<u>3,900,552</u>	<u>15,732,125</u>
<b>Operating Expenses</b>				
Personal Services	77,147	428,213	161,876	667,236
Contractual Services	771,349	989,285	5,500	1,766,134
Materials and Supplies	250	-	-	250
Insurance Claims and Expenses	1,356,472	8,456,238	-	9,812,710
Benefit Claim Expenses	-	-	2,582,838	2,582,838
Other	340	1,293	-	1,633
<b>Total Operating Expenses</b>	<u>2,205,558</u>	<u>9,875,029</u>	<u>2,750,214</u>	<u>14,830,801</u>
<b>Change in Net Position</b>	(951,437)	702,423	1,150,338	901,324
<i>Total Net Position at Beginning of Year</i>	<u>1,304,675</u>	<u>(714,489)</u>	<u>(7,823,465)</u>	<u>(7,233,279)</u>
<i>Total Net Position at End of Year</i>	<u>\$ 353,238</u>	<u>\$ (12,066)</u>	<u>\$ (6,673,127)</u>	<u>\$ (6,331,955)</u>

**City of Canton, Ohio**  
Combining Statement of Cash Flows  
Nonmajor Internal Service Funds  
For the year ended December 31, 2012

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from Customers and Users	\$ 1,255,258	\$ 9,918,823	\$ 4,815,081	\$ 15,989,162
Other Cash Receipts	49,103	278,022	-	327,125
Payments to Suppliers	(81,070)	(989,285)	(5,500)	(1,075,855)
Payments to Employees	(77,049)	(80,813)	-	(157,862)
Claims Paid	(1,599,880)	(8,739,423)	(3,910,262)	(14,249,565)
Other Cash Payments	(340)	(1,293)	-	(1,633)
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>(453,978)</u>	<u>386,031</u>	<u>899,319</u>	<u>831,372</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(453,978)	386,031	899,319	831,372
Balance - Beginning of the Year	2,886,959	215,890	335,428	3,438,277
Balance - End of the Year	<u>2,432,981</u>	<u>601,921</u>	<u>1,234,747</u>	<u>4,269,649</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	(951,437)	702,423	1,150,338	901,324
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Change in Assets and Liabilities:				
Accounts Receivables, net	-	(446,411)	-	(446,411)
Due From Other Funds	50,240	65,804	914,529	1,030,573
Accounts Payables	(2,242)	347,210	-	344,968
Accrued Wages Payable	240	321	622	1,183
Intergovernmental Payable	692,629	(131)	(6,501)	685,997
Compensated Absences Payable:				
Due Within One Year	-	-	(1,159,669)	(1,159,669)
Claims Payable	(243,408)	(283,185)	-	(526,593)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (453,978)</u>	<u>\$ 386,031</u>	<u>\$ 899,319</u>	<u>\$ 831,372</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 1,100,000	\$ 1,255,258	\$ 155,258
Other	-	49,103	49,103
<i>Total Revenues</i>	<u>1,100,000</u>	<u>1,304,361</u>	<u>204,361</u>
<b>Expenses</b>			
Personnel Costs	78,064	77,049	1,015
Material and Supplies	1,180	250	930
Contractual Services	101,365	88,996	12,369
Claims	1,800,000	1,599,880	200,120
Other	3,200	340	2,860
<i>Total Expenses</i>	<u>1,983,809</u>	<u>1,766,515</u>	<u>217,294</u>
<b>Excess of Revenues (Under) Expenses</b>	(883,809)	(462,154)	421,655
<i>Fund Balance Beginning of Year</i>	2,870,090	2,870,090	-
Prior Year Encumbrances Appropriated	16,865	16,865	-
<i>Fund Balance End of Year</i>	<u>\$ 2,003,146</u>	<u>\$ 2,424,801</u>	<u>\$ 421,655</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 10,035,000	\$ 9,918,823	\$ (116,177)
Other	-	278,022	278,022
<i>Total Revenues</i>	<u>10,035,000</u>	<u>10,196,845</u>	<u>161,845</u>
<b>Expenses</b>			
Personnel Costs	82,697	80,813	1,884
Material and Supplies	4,100	-	4,100
Contractual Services	1,035,291	1,009,931	25,360
Claims	9,008,507	8,739,623	268,884
Other	3,500	1,393	2,107
<i>Total Expenses</i>	<u>10,134,095</u>	<u>9,831,760</u>	<u>302,335</u>
<b>Excess of Revenues Over (Under) Expenses</b>	(99,095)	365,085	464,180
<i>Fund Balance Beginning of Year</i>	213,581	213,581	-
Prior Year Encumbrances Appropriated	2,311	2,311	-
<i>Fund Balance End of Year</i>	<u>\$ 116,797</u>	<u>\$ 580,977</u>	<u>\$ 464,180</u>

**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, 2012*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 4,614,539	\$ 4,815,081	\$ 200,542
<b>Expenses</b>			
Personnel Costs	3,951,000	3,910,262	40,738
Contractual Services	5,500	5,500	-
<i>Total Expenses</i>	<u>3,956,500</u>	<u>3,915,762</u>	<u>40,738</u>
<b>Excess of Revenues Over Expenses</b>	658,039	899,319	241,280
<i>Fund Balance Beginning of Year</i>	335,431	335,431	-
<i>Fund Balance End of Year</i>	<u>\$ 993,470</u>	<u>\$ 1,234,750</u>	<u>\$ 241,280</u>

### ***Combining Statements-Fiduciary Funds***

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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***

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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***

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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.

***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.

**City of Canton, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Fiduciary Funds*  
For the year ended December 31, 2012

	Balance 01/01/12	Additions	Reductions	Balance 12/31/12
<b>Building Escrow</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 101,572	\$ 208,407	\$ 205,654	\$ 104,325
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 101,572	\$ 208,407	\$ 205,654	\$ 104,325
<b>Payroll Clearing</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,088,186	\$ 12,958,394	\$ 13,228,190	\$ 818,390
<b>Liabilities</b>				
Due to Other Governments	\$ 1,088,186	\$ 12,958,394	\$ 13,228,190	\$ 818,390
<b>Employee Buyout Incentive</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 41,012	\$ 153,409	\$ 171,967	\$ 22,454
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 41,012	\$ 153,409	\$ 171,967	\$ 22,454
<b>Auditors Transfer</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 70,355	\$ 165,692	\$ 133,192	\$ 102,855
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-
<b>Total Assets</b>	<b>\$ 70,355</b>	<b>\$ 165,692</b>	<b>\$ 133,192</b>	<b>\$ 102,855</b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 70,355	\$ 165,692	\$ 133,192	\$ 102,855
<b>Municipal Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$ 104,050	\$ 8,170,987	\$ 8,219,900	\$ 55,137
<b>Liabilities</b>				
Undistributed Assets	\$ 104,050	\$ 8,170,987	\$ 8,219,900	\$ 55,137

(continued)

**City of Canton, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Fiduciary Funds (continued)*  
For the year ended December 31, 2012

	Balance 01/01/12	Additions	Reductions	Balance 12/31/12
<b>Building Department State Assessment</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 705	\$ 10,129	\$ 9,937	\$ 897
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 705	\$ 10,129	\$ 9,937	\$ 897
<b>Downtown Special Improvement District</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 185,594	\$ 185,594	\$ -
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ -	\$ 185,594	\$ 185,594	\$ -
<b>All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,301,830	\$ 13,681,625	\$ 13,934,534	\$ 1,048,921
Cash and Cash Equivalents in Segregated Accounts	104,050	8,170,987	8,219,900	55,137
<b>Total Assets</b>	<b>\$ 1,405,880</b>	<b>\$ 21,852,612</b>	<b>\$ 22,154,434</b>	<b>\$ 1,104,058</b>
<b>Liabilities</b>				
Due to Other Governments	\$ 1,088,186	\$ 12,958,394	\$ 13,228,190	\$ 818,390
Undistributed Assets	104,050	8,170,987	8,219,900	55,137
Deposits Held and Due to Others	213,644	723,231	706,344	230,531
<b>Total Liabilities</b>	<b>\$ 1,405,880</b>	<b>\$ 21,852,612</b>	<b>\$ 22,154,434</b>	<b>\$ 1,104,058</b>

STATISTICAL

CITY OF CANTON

OHIO



## *Statistical Section*

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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-S16  
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*** S17-S18  
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*** S19-S21  
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.

**City of Canton, Ohio**  
*Net Position by Component,  
 Last Ten Years  
 (accrual basis of accounting)*

	2012	2011	2010	Restated 2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>										
Net Invested in Capital Assets	\$ 96,544,493	\$ 97,348,306	\$ 96,658,405	\$ 93,997,414	\$ 94,910,241	\$ 93,469,817	\$ 75,027,928	\$ 82,872,262	\$ 83,624,341	\$ 98,931,209
Restricted	25,988,085	30,727,668	34,583,408	38,133,687	32,898,704	34,630,751	20,993,547	25,406,034	23,251,676	23,301,757
Unrestricted	5,978,878	807,948	(4,901,157)	(3,439,285)	1,897,801	2,288,255	23,324,075	1,934,685	6,550,811	(3,805,301)
<b>Total Governmental Activities Net Position</b>	<b>\$ 128,511,456</b>	<b>\$ 128,883,922</b>	<b>\$ 126,340,656</b>	<b>\$ 128,691,816</b>	<b>\$ 129,706,746</b>	<b>\$ 130,388,823</b>	<b>\$ 119,345,550</b>	<b>\$ 110,212,981</b>	<b>\$ 113,426,828</b>	<b>\$ 118,427,665</b>
<b>Business-Type Activities</b>										
Net invested in Capital Assets	\$ 68,382,938	\$ 64,432,996	\$ 65,466,731	\$ 65,271,828	\$ 63,926,597	\$ 61,597,239	\$ 56,337,077	\$ 58,415,826	\$ 54,636,994	\$ 49,682,535
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	37,550,898	35,129,231	31,989,581	24,386,522	22,651,308	21,120,626	24,712,950	23,029,865	21,479,727	24,300,177
<b>Total Business-Type Activities Net Position</b>	<b>\$ 105,933,836</b>	<b>\$ 99,562,227</b>	<b>\$ 97,456,312</b>	<b>\$ 89,658,350</b>	<b>\$ 86,577,905</b>	<b>\$ 82,717,865</b>	<b>\$ 81,050,027</b>	<b>\$ 81,445,691</b>	<b>\$ 76,116,721</b>	<b>\$ 73,982,712</b>
<b>Primary Government</b>										
Net invested in Capital Assets	\$ 164,927,431	\$ 161,781,302	\$ 162,125,136	\$ 159,269,242	\$ 158,836,838	\$ 155,067,056	\$ 131,365,005	\$ 141,288,088	\$ 138,261,335	\$ 148,613,744
Restricted	25,988,085	30,727,668	34,583,408	38,133,687	32,898,704	34,630,751	20,993,547	25,406,034	23,251,676	23,301,757
Unrestricted	43,529,776	35,937,179	27,088,424	20,947,237	24,549,109	23,408,881	48,037,025	24,964,550	28,030,538	20,494,876
<b>Total Primary Government Net Position</b>	<b>\$ 234,445,292</b>	<b>\$ 228,446,149</b>	<b>\$ 223,796,968</b>	<b>\$ 218,350,166</b>	<b>\$ 216,284,651</b>	<b>\$ 213,106,688</b>	<b>\$ 200,395,577</b>	<b>\$ 191,658,672</b>	<b>\$ 189,543,549</b>	<b>\$ 192,410,377</b>

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

**City of Canton, Ohio**

*Changes in Net Position  
Last Ten Years*

*(accrual basis of accounting)*

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>										
<i>Governmental Activities:</i>										
General Government	\$ 18,204,815	\$ 18,507,298	\$ 17,916,837	\$ 21,447,525	\$ 20,109,980	\$ 20,429,740	\$ 19,042,092	\$ 18,585,104	\$ 16,658,224	\$ 15,454,089
Security of Persons and Property	37,355,205	39,761,690	38,021,732	39,741,822	39,952,807	37,157,956	33,635,452	33,732,631	31,987,242	32,018,034
Public Health	5,867,708	6,371,348	6,789,047	6,503,089	6,232,337	6,117,315	5,368,723	5,407,095	4,691,879	4,847,020
Transportation	12,752,256	12,218,799	12,594,651	14,551,954	11,010,239	11,773,016	10,159,315	14,339,105	17,253,856	18,775,982
Community Development	5,080,295	8,563,514	9,206,391	5,393,621	6,011,649	6,612,257	6,554,058	7,898,906	6,523,014	5,002,599
Leisure Time Activities	2,101,343	2,361,904	2,919,500	2,943,691	2,986,053	3,041,931	2,873,234	2,880,704	2,470,793	2,344,346
Interest on Long-Term Debt	573,423	791,471	815,188	925,828	1,154,014	1,259,708	852,785	923,542	1,140,758	1,252,757
<i>Total Governmental Activities Expenses</i>	<u>81,935,045</u>	<u>88,576,024</u>	<u>88,263,346</u>	<u>91,507,530</u>	<u>87,457,079</u>	<u>86,391,923</u>	<u>78,485,659</u>	<u>83,767,087</u>	<u>80,725,766</u>	<u>79,694,827</u>
<i>Business-Type Activities:</i>										
Water	12,706,700	12,478,010	10,975,361	11,789,359	10,644,920	10,434,121	11,243,727	9,377,995	9,801,322	9,125,850
Sewer	12,705,127	13,239,984	11,135,229	11,586,485	10,344,713	11,688,039	10,560,129	9,934,130	10,472,024	9,978,082
Refuse	5,342,650	5,532,632	4,948,513	5,359,103	5,057,233	4,516,698	4,792,409	4,481,498	4,662,221	4,339,264
<i>Total Business-Type Activities Expenses</i>	<u>30,754,477</u>	<u>31,250,626</u>	<u>27,059,103</u>	<u>28,734,947</u>	<u>26,046,866</u>	<u>26,638,858</u>	<u>26,596,265</u>	<u>23,793,623</u>	<u>24,935,567</u>	<u>23,443,196</u>
<b>Total Primary Government Expenses</b>	<u>\$ 112,689,522</u>	<u>\$ 119,826,650</u>	<u>\$ 115,322,449</u>	<u>\$ 120,242,477</u>	<u>\$ 113,503,945</u>	<u>\$ 113,030,781</u>	<u>\$ 105,081,924</u>	<u>\$ 107,560,710</u>	<u>\$ 105,661,333</u>	<u>\$ 103,138,023</u>
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
Charges for Service:										
EMS Charges	\$ 1,989,838	\$ 1,538,870	\$ 990,133	\$ 370,403	\$ 2,474,214	\$ 1,985,989	\$ 1,784,536	\$ 2,371,411	\$ 1,395,186	\$ 1,558,680
Leisure Activities	10,890	230,691	593,174	323,320	646,817	798,451	773,910	813,852	232,984	288,023
Licenses & Permits	2,014,416	1,496,552	1,540,878	1,544,394	1,548,478	905,168	1,019,509	1,141,214	1,534,574	1,092,035
Municipal Court Receipts	3,458,555	3,561,424	4,091,161	3,458,692	3,350,496	3,098,405	3,008,935	2,851,322	2,533,514	2,383,706
Other Activities	8,477,516	7,020,751	6,949,537	7,094,576	6,922,471	8,568,936	5,832,267	3,818,855	6,276,902	6,124,680
Operating Grants & Contributions	6,951,732	11,296,786	11,304,031	15,211,394	7,017,103	7,976,893	8,754,801	7,142,814	7,575,379	7,317,218
Capital Grants & Contributions	759,525	5,146,994	6,681,818	4,334,246	3,743,113	5,061,069	761,444	1,424,710	2,527,019	865,422
<i>Total Governmental Activities Program Revenues</i>	<u>23,662,472</u>	<u>30,292,068</u>	<u>32,150,732</u>	<u>32,337,025</u>	<u>25,702,692</u>	<u>28,394,911</u>	<u>21,935,402</u>	<u>19,564,178</u>	<u>22,075,558</u>	<u>19,629,764</u>
<i>Business-Type Activities:</i>										
Charges for Service:										
Water	14,564,110	13,688,619	14,679,276	11,602,884	12,452,723	12,210,478	11,829,857	11,494,324	11,184,797	10,943,207
Sewer	14,487,135	13,232,669	13,061,066	10,696,780	10,570,525	9,877,966	9,954,669	10,037,212	10,058,832	10,156,755
Refuse	6,002,093	6,030,792	6,511,534	5,360,417	4,778,453	4,316,457	4,287,009	4,141,408	4,158,393	4,164,018
Operating Grants & Contributions	140,855	189,868	87,506	119,426	108,822	56,133	127,712	38,115	24,830	12,809
Capital Grants & Contributions	1,869,089	12,655	207,969	2,942,090	1,939,593	1,308,396	895,234	1,083,890	1,492,713	1,466,359
<i>Total Business-Type Activities Program Revenues</i>	<u>37,063,282</u>	<u>33,154,603</u>	<u>34,547,351</u>	<u>30,721,597</u>	<u>29,850,116</u>	<u>27,769,430</u>	<u>27,094,481</u>	<u>26,794,949</u>	<u>26,919,565</u>	<u>26,743,148</u>

**Total Primary Government  
Program Revenues**

\$ 60,725,754	\$ 63,446,671	\$ 66,698,083	\$ 63,058,622	\$ 55,552,808	\$ 56,164,341	\$ 49,029,883	\$ 46,359,127	\$ 48,995,123	\$ 46,372,912
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**City of Canton, Ohio**  
*Changes in Net Position (Continued)*  
*Last Ten Years*  
*(accrual basis of accounting)*

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Net (Expenses)/Revenues</b>										
Governmental Activities	\$ (58,272,573)	\$ (58,283,956)	\$ (56,112,614)	\$ (59,170,505)	\$ (61,754,387)	\$ (57,997,012)	\$ (56,550,257)	\$ (64,202,909)	\$ (58,650,208)	\$ (60,065,063)
Business-Type Activities	6,308,805	1,903,977	7,488,248	1,986,650	3,803,250	1,130,572	498,216	3,001,326	1,983,998	3,299,952
<b>Total Primary Government Net Expense</b>	<u>\$ (51,963,768)</u>	<u>\$ (56,379,979)</u>	<u>\$ (48,624,366)</u>	<u>\$ (57,183,855)</u>	<u>\$ (57,951,137)</u>	<u>\$ (56,866,440)</u>	<u>\$ (56,052,041)</u>	<u>\$ (61,201,583)</u>	<u>\$ (56,666,210)</u>	<u>\$ (56,765,111)</u>
<b>Governmental Revenues and Other Changes in Net Assets</b>										
<i>Governmental Activities:</i>										
<i>Taxes:</i>										
Income Tax	\$ 44,311,327	\$ 42,597,239	\$ 38,633,612	\$ 40,915,298	\$ 43,086,906	\$ 47,092,829	\$ 43,149,683	\$ 41,779,236	\$ 38,977,012	\$ 38,169,084
Property Tax	3,769,181	2,691,214	3,711,729	3,619,130	4,475,101	4,097,125	3,602,511	3,711,731	3,209,850	3,841,736
Intergovernmental	8,245,851	9,021,156	8,796,360	8,936,287	8,938,333	10,576,712	10,005,403	9,992,527	9,222,630	8,420,742
Grants and Contributions	-	-	-	-	-	145,890	425,686	401,785	10,513	13,811
Interest & Investment Earnings	56,735	88,038	235,190	662,192	1,592,671	3,187,667	2,048,038	1,289,382	654,913	477,079
Other	1,503,350	6,412,177	2,384,563	3,911,451	2,979,299	3,940,062	4,631,537	3,814,401	1,574,453	1,593,280
Proceeds on Sale of Capital Assets	13,663	17,398	-	111,217	-	-	148,468	-	-	6,182
Transfers	-	-	-	-	-	-	-	-	-	-
<i>Total Governmental Activities</i>	<u>57,900,107</u>	<u>60,827,222</u>	<u>53,761,454</u>	<u>58,155,575</u>	<u>61,072,310</u>	<u>69,040,285</u>	<u>64,011,326</u>	<u>60,989,062</u>	<u>53,649,371</u>	<u>52,521,914</u>
<i>Business-Type Activities:</i>										
Intergovernmental	-	-	-	-	-	-	33,167	33,167	17,992	-
Grants and Contributions	-	-	-	-	-	-	137,190	95,627	-	-
Interest & Investment Earnings	3	15	55	196	40,203	144,713	17,416	10,792	7,264	7,851
Other	22,840	169,404	306,861	989,811	220,621	373,715	141,585	2,188,058	115,130	182,873
Proceeds on Sale of Capital Assets	39,961	32,519	2,798	8,731	6,786	18,838	24,254	-	9,625	-
Transfers	-	-	-	-	-	-	-	-	-	-
<i>Total Business-Type Activities</i>	<u>62,804</u>	<u>201,938</u>	<u>309,714</u>	<u>998,738</u>	<u>267,610</u>	<u>537,266</u>	<u>353,612</u>	<u>2,327,644</u>	<u>150,011</u>	<u>190,724</u>
<b>Total Primary Government</b>	<u>\$ 57,962,911</u>	<u>\$ 61,029,160</u>	<u>\$ 54,071,168</u>	<u>\$ 59,154,313</u>	<u>\$ 61,339,920</u>	<u>\$ 69,577,551</u>	<u>\$ 64,364,938</u>	<u>\$ 63,316,706</u>	<u>\$ 53,799,382</u>	<u>\$ 52,712,638</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ (372,466)	\$ 2,543,266	\$ (2,351,160)	\$ (1,014,930)	\$ (682,077)	\$ 11,043,273	\$ 7,461,069	\$ (3,213,847)	\$ (5,000,837)	\$ (7,543,149)
Business-Type Activities	6,371,609	2,105,915	7,797,962	2,985,388	4,070,860	1,667,838	851,828	5,328,970	2,134,009	3,490,676
<i>Total Primary Government</i>	<u>\$ 5,999,143</u>	<u>\$ 4,649,181</u>	<u>\$ 5,446,802</u>	<u>\$ 1,970,458</u>	<u>\$ 3,388,783</u>	<u>\$ 12,711,111</u>	<u>\$ 8,312,897</u>	<u>\$ 2,115,123</u>	<u>\$ (2,866,828)</u>	<u>\$ (4,052,473)</u>

**City of Canton, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(modified accrual basis of accounting)*

	2008	2007	2006	2005	2004	2003
<b>General Fund</b>						
Reserved	\$ 748,509	\$ 838,116	\$ 1,044,522	\$ 1,009,423	\$ 908,877	\$ 750,688
Unreserved	6,947,380	8,358,711	8,067,957	9,662,068	8,292,671	8,540,085
<b>Total General Fund</b>	<u>\$ 7,695,889</u>	<u>\$ 9,196,827</u>	<u>\$ 9,112,479</u>	<u>\$ 10,671,491</u>	<u>\$ 9,201,548</u>	<u>\$ 9,290,773</u>
<b>All Other</b>						
<b>Governmental Funds</b>						
Reserved	\$ 10,955,266	\$ 13,060,640	\$ 10,532,025	\$ 8,967,059	\$ 12,683,479	\$ 10,820,672
Unreserved, reported in:						
Special Revenue						
Funds	3,806,492	4,742,049	1,633,424	2,111,575	2,009,268	2,206,052
Capital Projects						
Funds	10,284,524	8,878,112	15,670,214	2,714,187	1,260,394	2,442,560
Debt Service Funds	6,239	6,239	141,751	3,019	3,019	21,540
<b>Total All Other</b>						
<b>Governmental Funds</b>	<u>\$ 25,052,521</u>	<u>\$ 26,687,040</u>	<u>\$ 27,977,414</u>	<u>\$ 13,795,840</u>	<u>\$ 15,956,160</u>	<u>\$ 15,490,824</u>

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	2012	2011	2010	2009
<b>General Fund</b>				
Nonspendable	\$ 289,197	\$ 281,811	\$ 262,064	\$ 176,964
Restricted	89,191	62,514	50,320	281,200
Committed	1,081,844	711,295	620,913	808,009
Unassigned	8,261,647	5,235,907	3,797,436	3,406,438
<b>Total General Fund</b>	<u>\$ 9,721,879</u>	<u>\$ 6,291,527</u>	<u>\$ 4,730,733</u>	<u>\$ 4,672,611</u>
<b>All Other</b>				
<b>Governmental Funds</b>				
Nonspendable	\$ 1,649,712	\$ 1,726,284	\$ 1,864,369	\$ 1,783,687
Restricted	9,947,224	11,534,643	16,648,605	19,478,655
Committed	3,670,094	3,693,165	2,744,056	3,433,796
Unassigned	(664,459)	(215,388)	-	(3,648)
<b>Total All Other</b>				
<b>Governmental Funds</b>	<u>\$ 14,602,571</u>	<u>\$ 16,738,704</u>	<u>\$ 21,257,030</u>	<u>\$ 24,692,490</u>

Note: The City implemented GASB 54 in 2010

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

	2012	2011	2010	2009	2008
<b>Revenues</b>					
Property and Other Taxes	\$ 3,392,212	\$ 2,679,060	\$ 3,692,536	\$ 3,710,390	\$ 4,385,206
Municipal Income Tax	44,401,532	42,268,045	39,995,514	41,105,833	44,532,380
Charges for Services	12,025,673	11,672,616	12,277,821	11,428,095	10,613,296
Licenses, Permits, and Fees	1,558,750	1,496,552	1,540,878	1,544,393	1,548,479
Fines and Forfeitures	484,718	387,942	548,171	443,673	1,001,384
Intergovernmental	8,442,716	9,022,823	9,246,604	9,521,398	10,378,440
Interest	56,735	88,038	235,190	662,192	1,592,671
Operating Grants and Contributions	8,636,489	11,768,162	11,635,287	9,664,268	6,054,006
Capital Grants and Contributions	796,834	4,731,620	6,639,897	4,447,416	3,635,597
Rentals	78,507	230,131	414,189	450,788	413,470
Other	3,101,659	4,704,783	2,200,776	1,874,355	1,293,285
<b>Total Revenues</b>	<b>82,975,825</b>	<b>89,049,772</b>	<b>88,426,863</b>	<b>84,852,801</b>	<b>85,448,214</b>
<b>Expenditures</b>					
General Government	17,778,987	17,472,868	16,961,740	18,597,391	18,576,448
Security of Persons and Property	35,807,944	37,583,710	35,892,847	35,973,764	37,208,163
Public Health	5,850,491	6,201,749	6,631,976	6,136,493	6,005,406
Transportation	3,309,625	3,762,830	3,730,733	3,826,361	4,170,057
Community Environment	5,160,101	8,534,770	9,176,385	5,289,321	4,862,896
Leisure Time Activities	1,436,169	1,688,857	2,243,340	2,204,394	2,290,022
Capital Outlay	9,010,943	12,357,459	13,286,944	13,859,942	11,554,194
Debt Service:					
Principal	2,775,078	3,659,941	3,159,790	3,039,749	3,166,213
Interest and Fiscal Charges	592,355	791,471	815,188	925,828	1,154,014
<b>Total Expenditures</b>	<b>81,721,693</b>	<b>92,053,655</b>	<b>91,898,943</b>	<b>89,853,243</b>	<b>88,987,413</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,254,132</b>	<b>(3,003,883)</b>	<b>(3,472,080)</b>	<b>(5,000,442)</b>	<b>(3,539,199)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	40,087	46,351	40,101	223,066	54,166
Issuance of Refunding Bonds	-	-	-	8,575,000	-
Refunded Bonds Redeemed	-	-	-	(8,560,000)	-
Bond Issuance Costs	-	-	-	(433,203)	-
Bond Premiums	-	-	-	418,203	-
Issuance of Debt/Capital Lease	-	-	54,641	1,415,910	360,534
Advances In	25,960	-	-	-	-
Advances Out	(25,960)	-	-	-	-
Transfers In	65,000	44,000	40,000	40,000	40,000
Transfers Out	(65,000)	(44,000)	(40,000)	(40,000)	(40,000)
<b>Total Other Financing Sources (Uses)</b>	<b>40,087</b>	<b>46,351</b>	<b>94,742</b>	<b>1,638,976</b>	<b>414,700</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,294,219</b>	<b>\$ (2,957,532)</b>	<b>\$ (3,377,338)</b>	<b>\$ (3,361,466)</b>	<b>\$ (3,124,499)</b>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	4.38%	5.36%	4.82%	4.89%	5.43%

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

	2007	2006	2005	2004	2003
<b>Revenues</b>					
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	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	8,091,451	9,108,680	8,873,767	8,418,812	6,537,512
Capital Grants and Contributions	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
<b>Total Revenues</b>	<u>93,053,964</u>	<u>85,253,788</u>	<u>80,661,072</u>	<u>75,681,637</u>	<u>70,927,619</u>
<b>Expenditures</b>					
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
<b>Total Expenditures</b>	<u>94,997,316</u>	<u>86,337,926</u>	<u>81,857,508</u>	<u>75,739,068</u>	<u>72,613,520</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,943,352)	(1,084,138)	(1,196,436)	(57,431)	(1,685,901)
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	54,020	652,505	34,849	364,314	33,955
Issuance of Refunding Bonds	-	-	-	-	-
Refunded Bonds Redeemed	-	-	-	-	-
Bond Issuance Costs	-	(236,199)	-	-	-
Bond Premiums	-	236,199	-	-	-
Issuance of Debt	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)
<b>Total Other Financing Sources (Uses)</b>	<u>697,808</u>	<u>14,002,505</u>	<u>280,460</u>	<u>602,249</u>	<u>231,221</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,245,544)</u>	<u>\$ 12,918,367</u>	<u>\$ (915,976)</u>	<u>\$ 544,818</u>	<u>\$ (1,454,680)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	5.87%	4.61%	5.27%	5.74%	5.81%

**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
2012	2.00 %	\$ 45,526,540	\$ 38,425,049	84.40 %	\$2,937,793	6.45 %	\$2,270,644	4.99 %	\$ 1,893,054	4.16 %
2011	2.00	43,473,316	36,650,553	84.31	2,742,054	6.31	2,248,487	5.17	1,832,222	4.21
2010	2.00	40,464,283	34,373,674	84.95	2,434,182	6.02	2,315,207	5.72	1,341,220	3.31
2009	2.00	42,313,527	35,240,263	83.28	3,341,617	7.90	2,530,425	5.98	1,201,222	2.84
2008	2.00	45,535,181	37,560,808	82.49	4,027,322	8.84	2,534,879	5.57	1,412,172	3.10
2007	2.00	45,750,000	36,943,041	80.75	4,946,090	10.81	2,503,996	5.47	1,356,873	2.97
2006	2.00	43,790,171	36,222,083	82.72	3,798,488	8.67	2,401,463	5.48	1,368,137	3.12
2005	2.00	42,124,201	34,617,380	82.18	3,152,772	7.48	2,649,296	6.29	1,704,753	4.05
2004	2.00	38,841,304	32,302,994	83.17	1,751,090	4.51	2,671,442	6.88	2,115,778	5.45
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

\* = 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 2012 and 2003*

Tax Year 2012

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	719	2.86 %	\$ 103,101,282	15.58 %
\$75,001-\$100,000	986	3.92	84,467,445	12.76
\$50,001-\$75,000	2,454	9.75	149,400,666	22.57
\$25,001-\$50,000	5,619	22.33	197,685,891	29.87
Under \$25,000	15,385	61.14	127,248,614	19.22
<b>Total</b>	<b>25,163</b>	<b>100.00</b>	<b>\$ 661,903,898</b>	<b>100.00</b>

Tax Year 2003

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	575	1.80 %	\$ 107,124,684	14.08 %
\$75,001-\$100,000	772	2.42	65,758,051	8.65
\$50,001-\$75,000	2,718	8.53	163,494,545	21.50
\$25,000-\$50,000	7,154	22.45	255,069,806	33.54
Under \$25,000	20,652	64.80	169,057,011	22.23
<b>Total</b>	<b>31,871</b>	<b>100.00</b>	<b>\$ 760,504,097</b>	<b>100.00</b>

(1) 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			Total Primary Government	Total Personal Income	Percent of Personal Income	Pop. (1)	Per Capita
	General Obligation Bonds	Loans	Notes Payable	Capital Lease	General Obligation Bonds	Loans	Capital Lease					
2012	\$ 11,540,165	\$ 1,784,735	\$ 1,600,000	\$ 197,607	\$ 4,049,322	\$ 32,620,563	\$ -	\$ 51,792,392	\$ 2,034,784,650	2.55 %	73,007	\$ 709
2011	13,835,411	2,056,306	1,700,000	424,800	5,059,076	32,617,686	-	55,693,279	1,834,444,050	3.04	73,007	763
2010	16,714,810	2,323,489	1,800,000	938,159	6,029,677	23,630,645	13,124	51,449,904	1,834,444,050	2.80	73,007	705
2009	19,483,363	2,527,704	-	1,070,540	6,961,124	21,736,915	24,227	51,803,873	2,004,784,350	2.58	78,362	661
2008	21,656,948	2,568,042	-	465,455	7,857,538	17,569,394	36,339	50,153,716	2,004,784,350	2.50	78,319	640
2007	23,865,120	3,115,974	-	515,030	10,294,366	16,982,328	48,450	54,821,268	1,972,351,850	2.78	78,924	695
2006	26,865,000	3,659,547	-	-	12,735,000	16,131,342	-	59,390,889	1,931,177,300	3.08	79,478	747
2005	15,710,000	4,196,488	-	-	12,335,000	17,663,967	-	49,905,455	1,863,333,800	2.68	79,478	628
2004	18,120,000	4,519,793	-	-	14,480,000	19,502,793	-	56,622,586	1,748,721,800	3.24	79,946	708
2003	20,420,000	4,828,315	-	-	16,555,000	20,976,695	-	62,780,010	1,788,760,700	3.51	80,243	782

(1) Source: US Census Bureau.

**City of Canton, Ohio**  
*Ratios of General Bonded Debt Outstanding  
 Last Ten Years*

	General Bonded Debt Outstanding			Estimated True Value of Taxable Property (1)	Ratio of Net Bonded Debt to Estimated True Value of Taxable Property	Net Bonded Debt per Capita
	Governmental Obligation	Business-Type Obligation	Total			
2012	\$ 11,540,165	\$ 4,049,322	\$ 15,589,487	\$ 2,538,698,983	0.61 %	\$ 213.53
2011	13,835,411	5,059,076	18,894,487	2,526,352,211	0.75	258.80
2010	16,714,810	6,029,677	22,744,487	2,570,000,309	0.88	311.54
2009	19,483,363	6,961,124	26,444,487	2,754,356,786	0.96	337.65
2008	21,656,948	7,857,538	29,514,486	3,519,099,073	0.84	376.85
2007	23,865,120	10,294,366	34,159,486	3,584,977,264	0.95	432.81
2006	26,865,000	12,735,000	39,600,000	3,276,005,877	1.21	498.25
2005	15,710,000	12,335,000	28,045,000	3,253,043,207	0.86	352.86
2004	18,120,000	14,480,000	32,600,000	3,178,195,614	1.03	407.78
2003	20,420,000	16,555,000	36,975,000	2,930,018,677	1.26	460.79

(1) Source: Stark County Auditor's Office

**City of Canton, Ohio**  
*Direct and Overlapping Government Activities Debt*  
*As of December 31, 2012*

	<u>General Obligation Debt Outstanding (1)</u>	<u>Percentage Applicable to City (2)</u>	<u>Amount Applicable to City of Canton</u>
<b>Direct</b>			
City of Canton	\$ 15,122,507	100.00%	\$ 15,122,507
<b>Overlapping Debt</b>			
Stark County	-	12.23%	-
Canton City Schools	32,145,582	91.42%	29,387,491
Plain Local Schools	48,860,000	22.33%	10,910,438
Canton Local Schools	597,341	8.01%	47,847
Osnaburg Local Schools	7,756,615	7.04%	546,066
<b>Total Overlapping Debt</b>	<u>89,359,538</u>		<u>40,891,843</u>
<b>Total</b>	<u>\$ 104,482,045</u>		<u>\$ 56,014,350</u>

Source: Stark County, Ohio; County Auditor

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

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

**City of Canton, Ohio**  
*Legal Debt Margin Information*  
*Last Ten Years*

	2012	2011	2010	2009	2008
Overall Debt Limitation (10.5% of Assessed Valuation)	\$ 77,280,680	\$ 90,978,118	\$ 91,928,124	\$ 98,857,297	\$ 104,291,997
Net Debt Within 10.5% Limitations	12,329,784	15,583,224	18,567,954	19,483,363	17,573,728
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$ 64,950,896</u>	<u>\$ 75,394,894</u>	<u>\$ 73,360,170</u>	<u>\$ 79,373,934</u>	<u>\$ 86,718,269</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.95%	17.13%	20.20%	19.71%	16.85%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$ 40,480,356	\$ 47,655,205	\$ 48,152,827	\$ 51,782,394	\$ 54,629,141
Net Debt Within 5.5% Limitations	12,329,784	15,583,224	18,567,954	19,483,363	17,573,728
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$ 28,150,572</u>	<u>\$ 32,071,981</u>	<u>\$ 29,584,873</u>	<u>\$ 32,299,031</u>	<u>\$ 37,055,413</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.46%	32.70%	38.56%	37.63%	32.17%

**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.

2007	2006	2005	2004	2003
\$ 110,800,481	\$ 106,126,404	\$ 109,151,590	\$ 106,935,582	\$ 97,338,180
19,461,900	21,976,356	10,710,000	12,835,000	14,841,477
<u>\$ 91,338,581</u>	<u>\$ 84,150,048</u>	<u>\$ 98,441,590</u>	<u>\$ 94,100,582</u>	<u>\$ 82,496,703</u>

17.56%	20.71%	9.81%	12.00%	15.25%
\$ 58,038,347	\$ 55,590,021	\$ 57,174,642	\$ 56,013,876	\$ 50,986,666
19,461,900	21,976,356	10,710,000	12,835,000	14,841,477
<u>\$ 38,576,447</u>	<u>\$ 33,613,665</u>	<u>\$ 46,464,642</u>	<u>\$ 43,178,876</u>	<u>\$ 36,145,189</u>

33.53%	39.53%	18.73%	22.91%	29.11%
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**City of Canton, Ohio**  
*Computation of Legal Debt Margin*  
*As of December 31, 2012*

Total Assessed Property Value	\$ <u>736,006,480</u>
Overall Debt Limitation (10 1/2 % of Assessed Valuation)	\$ <u>77,280,680</u>
Gross Indebtedness	50,637,783
Less: Enterprise Funds' G.O. Bonds	(4,049,322)
OWDA Loans	(32,952,057)
OPWC Loan	(113,897)
SIB Loan	(560,565)
Millennium Parking Deck	(427,992)
Capital Lease	(197,607)
Debt Service Fund Balance	<u>(6,559)</u>
Net Debt Within 10 1/2 % Limitations	<u>12,329,784</u>
Legal Debt Margin Within 10 1/2 % Limitations	<u>\$ 64,950,896</u>
Unvoted Debt Limitation ( 5 1/2 % of Assessed Valuation)	\$ 40,480,356
Gross Indebtedness	50,637,783
Less: Enterprise Funds' G.O. Bonds	(4,049,322)
OWDA Loans	(32,952,057)
OPWC Loan	(113,897)
SIB Loan	(560,565)
Millennium Parking Deck	(427,992)
Capital Lease	(197,607)
Debt Service Fund Balance	<u>(6,559)</u>
Net Debt Within 5 1/2 % Limitations	<u>12,329,784</u>
Legal Debt Margin Within 5 1/2 % Limitations	<u>\$ 28,150,572</u>

Source: Stark County, Ohio: County Auditor

**City of Canton, Ohio**  
*Pledged Revenue Coverage-Water*  
*Last Ten Years*

Year	Water Operating Revenues	Water Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2012	\$ 14,585,591	\$ 10,128,499	\$ 4,457,092	\$ 1,352,707	\$ 872,374	2.00
2011	13,842,633	10,139,601	3,703,032	872,673	518,539	2.66
2010	14,722,587	8,710,422	6,012,165	877,648	554,061	4.20
2009	12,012,071	9,739,900	2,272,171	639,403	423,296	2.14
2008	12,803,465	8,718,793	4,084,672	536,889	303,144	4.86
2007	12,636,294	8,523,683	4,112,611	454,831	260,446	5.75
2006	11,949,721	9,098,828	2,850,893	400,767	244,735	4.42
2005	11,638,498	7,212,194	4,426,304	381,700	263,803	6.86
2004	11,590,939	6,712,965	4,877,974	351,007	274,182	7.80
2003	11,473,063	6,826,676	4,646,387	329,557	288,012	7.52

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

(2) Revenue debt only includes OWDA loans payable solely from net revenues in the water enterprise fund.

**City of Canton, Ohio**  
*Pledged Revenue Coverage-Sewer*  
*Last Ten Years*

Year	Sewer Operating Revenues	Sewer Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2012	\$ 14,490,594	\$ 9,797,750	\$ 4,692,844	\$ 1,324,728	\$ 273,002	2.94
2011	13,371,229	10,313,864	3,057,365	780,387	208,417	3.09
2010	13,314,535	8,234,557	5,079,978	759,602	229,202	5.14
2009	11,713,312	8,767,929	2,945,383	762,748	249,423	2.91
2008	11,087,091	7,551,028	3,536,063	766,440	269,098	3.41
2007	10,603,629	8,768,381	1,835,248	1,162,952	298,256	1.26
2006	10,682,423	7,768,104	2,914,319	1,131,858	329,885	1.99
2005	10,913,729	7,091,988	3,821,741	1,457,126	372,734	2.09
2004	11,164,680	6,881,006	4,283,674	1,372,546	395,904	2.42
2003	11,081,552	7,069,693	4,011,859	1,373,083	468,593	2.18

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

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

**City of Canton, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

	<u>Population (1)</u>	<u>Total Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate (2)</u>
2012	73,007	\$ 2,034,784,650	\$ 27,871	6.9%
2011	73,007	1,834,444,050	25,127	9.3
2010	73,007	1,834,444,050	25,127	11.2
2009	78,362	1,888,534,400	24,100	11.4
2008	78,319	2,004,784,350	25,598	6.9
2007	78,924	1,972,351,850	24,991	5.9
2006	79,478	1,931,177,300	24,298	5.6
2005	79,478	1,863,333,800	23,445	6.4
2004	79,946	1,748,721,800	21,874	6.6
2003	80,243	1,788,760,700	22,292	6.8

(1) Source: US Census Bureau.

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

**City of Canton, Ohio**  
*Principal Employers*  
*Current Year and Ten Years Ago*

2012

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	4,056	16.12 %
Timken Company	Tapered roller bearings and steel	3,714	14.76
Stark County Government	Government	2,781	11.05
Mercy Medical Center	Health Service	2,109	8.38
Canton City Schools	Education	1,494	5.94
Freshmark	Meat Processing	1,327	5.27
City of Canton	Municipal Government	900	3.58
Republic Engineered Products	Hot-rolled and cold finisher steel bars and specialty steels	816	3.24
Nationwide Insurance	Insurance Provider	780	3.10
Republic Storage Systems	Manufacturer, Metal Lockers & Equip.	395	1.57
<b>Total</b>		<b>18,372</b>	<b>73.01</b>
<b>Total Employment (Filing) within the City</b>		<b>25,163</b>	

2003

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Timken Company	Tapered roller bearings and steel	5,593	17.55 %
Aultman Hospital	Health Service	3,785	11.88
Stark County Government	Government	2,855	8.96
Mercy Medical Center	Health Service	2,510	7.88
Canton City Schools	Education	1,860	5.84
Republic Engineered Products	Hot-rolled and cold finisher steel bars and specialty steels	1,620	5.08
City of Canton	Municipal Government	1,375	4.31
Freshmark	Meat Processing	958	3.01
Nationwide Insurance	Insurance Provider	702	2.20
Republic Storage Systems	Manufacturer, Metal Lockers & Equip.	473	1.48
<b>Total</b>		<b>21,731</b>	<b>68.19</b>
<b>Total Employment (Filing) within the City</b>		<b>31,871</b>	

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 Ten Years*

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Governmental Employees</b>										
General Government	175	181	183	181	193	194	196	187	193	193
Security of Persons and Property	367	375	396	409	434	428	423	400	407	416
Public Health	49	47	51	50	53	52	51	53	50	51
Transportation	44	46	45	50	49	50	44	42	43	44
Community Development	14	19	23	23	22	17	18	20	22	23
Leisure Time Activities	14	16	21	21	27	27	26	28	26	23
<b>Total Governmental Employees</b>	<b>663</b>	<b>684</b>	<b>719</b>	<b>734</b>	<b>778</b>	<b>768</b>	<b>758</b>	<b>730</b>	<b>741</b>	<b>750</b>
<b>Business-Type Employees</b>										
Water	84	88	87	91	96	101	97	97	94	89
Sewer	75	71	73	80	79	79	76	76	76	75
Refuse	56	57	54	58	58	58	59	58	59	57
<b>Total Business-Type Employees</b>	<b>215</b>	<b>216</b>	<b>214</b>	<b>229</b>	<b>233</b>	<b>238</b>	<b>232</b>	<b>231</b>	<b>229</b>	<b>221</b>
<b>Total Employees</b>	<b>878</b>	<b>900</b>	<b>933</b>	<b>963</b>	<b>1,011</b>	<b>1,006</b>	<b>990</b>	<b>961</b>	<b>970</b>	<b>971</b>

Method: Part-time and seasonal employees are not included

Source: City of Canton Auditor's Office

**City of Canton, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Government</b>										
Departmental Vehicles	22	22	22	22	23	24	21	18	16	16
<b>Security of Persons and Property</b>										
Police Stations	5	5	5	5	5	5	5	5	4	3
Police Department Vehicles	123	123	124	129	110	124	124	85	87	89
Fire Stations	8	8	8	8	8	8	8	8	8	9
Fire Department Vehicles	39	39	40	40	37	39	36	32	30	30
Intersections with Traffic Lights	213	213	224	226	227	228	230	232	231	230
Traffic Department Vehicles	17	17	17	19	20	29	23	21	21	20
<b>Public Health</b>										
Departmental Vehicles	12	12	12	14	14	23	24	22	18	18
<b>Transportation</b>										
Area (in square miles)	25.70	25.70	25.70	25.50	25.40	25.40	25.30	23.94	23.94	23.29
Miles of Streets	414.11	414.11	414.30	414.40	413.83	413.87	411.39	412.19	409.50	408.96
Bridges	23	23	23	23	23	23	23	23	23	23
Miles of Storm Sewers	217.48	217.48	217.40	214.56	214.33	214.09	211.92	211.70	209.40	209.40
Departmental Vehicles	110	110	112	114	110	124	116	114	108	114
<b>Leisure Time Activities</b>										
Number of Parks	61	61	61	61	61	61	61	60	60	60
Park Acreage	812	812	812	812	800	710	710	700	700	700
Number of Shelters	23	23	23	22	22	22	21	21	21	21
Number of Baseball Fields	43	43	43	43	43	43	42	43	43	43
Walking Tracks	4	4	4	4	4	4	4	4	4	4
Walking Bridges	16	16	16	14	14	14	13	13	13	13
Play Equipment Sets	39	39	37	37	36	36	35	35	35	34
Restrooms	19	19	19	19	19	19	19	19	19	19
Number of Tennis Courts	8	8	8	8	8	8	8	8	8	8
Swimming Pools	0	0	0	0	0	0	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	1	1
Departmental Vehicles	45	45	46	47	44	46	47	46	43	43
<b>Water</b>										
Miles of Water Mains	660.03	660.03	658.80	658.69	658.68	655.89	651.36	649.58	646.27	642.32
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Maximum Daily Capacity in Gallons (in millions)	40,500	40,500	40,500	40,500	39,000	39,000	39,000	39,000	39,000	40,800
Number of Fire Hydrants	3,258	3,258	3,252	3,252	3,243	3,212	3,163	3,141	3,094	3,063
Departmental Vehicles	71	71	68	62	59	60	56	60	58	60
<b>Sewer</b>										
Miles of Sanitary Sewers	360.00	360.00	363.00	362.83	360.10	359.70	357.51	357.26	357.08	356.27
Sewer Treatment Plants	1	1	1	1	1	1	1	1	1	1
Maximum Daily Capacity in Gallons (in millions)										
Wet Weather	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Dry Weather	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Departmental Vehicles	63	63	63	52	59	59	47	40	30	30
<b>Refuse</b>										
Departmental Vehicles	20	20	23	25	28	37	35	32	30	31

Source: Various City of Canton Departments

**City of Canton, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Government</b>										
Auditor										
Purchase Orders Issued	6,608	6,666	7,228	6,988	6,811	7,141	6,787	6,551	6,440	6,078
Checks Issued	16,156	16,542	16,431	16,817	17,513	18,195	18,545	19,735	16,780	16,256
Payroll Checks Issued	26,963	28,285	29,027	30,031	31,847	30,540	29,844	30,401	33,796	30,424
Civil Service										
Tests Administered	28	15	12	12	21	13	18	17	13	15
Courts										
Cases Heard	27,027	30,649	39,557	32,403	32,201	36,014	34,457	30,730	29,351	31,444
Trials Held	180	215	290	217	208	218	270	256	234	234
Probation Cases	427	418	395	423	513	388	413	354	393	294
Community Service										
Cases	2,021	2,080	2,681	2,578	2,416	2,494	2,197	2,488	2,510	2,689
House Arrest Cases	216	164	120	183	694	155	164	292	243	489
Income Tax										
Refunds Issued	2,934	2,935	2,870	3,182	3,332	3,145	3,378	3,965	3,486	5,922
Tax Notifications Mailed	40,471	34,908	32,693	35,484	34,258	36,347	35,091	34,884	35,089	35,365
Law Department										
Claims	139	245	176	127	216	180	131	276	282	236
Trials Conducted	83	84	22	44	116	121	143	112	93	102
Pretrials Conducted	6,572	6,829	7,735	7,428	7,719	8,102	7,401	6,515	7,092	7,182
Prosecutor Hearings	103	55	121	109	151	307	297	278	411	626
Criminal Intakes	1,952	1,966	2,107	2,241	2,188	1,987	2,086	2,468	2,306	2,400
<b>Security of Persons and Property</b>										
Code Enforcement										
Building Permits Issued	706	1,071	819	4,097	2,449	1,364	4,715	5,506	5,415	1,469
Building Permits Estimated										
Value (in millions)	\$ 42,528	\$ 68,127	\$ 42,510	\$ 73,781	\$ 59,247	\$ 90,644	\$ 103,290	\$ 174,606	\$ 122,004	\$ 104,411
Police										
Physical Arrests	2,613	3,471	4,201	4,466	5,228	5,218	4,620	4,964	4,758	4,606
Traffic Violations	3,726	8,850	15,328	6,162	6,189	6,429	8,638	5,971	7,287	5,212
Parking Violations	10,104	8,556	10,422	10,789	9,966	10,188	8,000	14,949	19,282	18,523
Fire										
Calls Answered	13,789	13,429	20,687	12,602	12,952	15,904	10,475	5,639	14,467	14,376
<b>Public Health</b>										
Birth Certificates Issued	3,950	10,263	12,413	14,859	16,136	20,653	18,442	16,673	16,854	17,294
Death Certificates Issued	1,822	8,144	7,875	9,715	10,040	9,321	9,572	10,180	10,661	11,653
Nursing										
Home Visits	350	395	408	425	350	267	49	62	112	114
Air Pollution Complaints										
Investigated	220	282	63	167	222	486	1,999	222	339	257
Food Service Inspections	878	946	971	1,240	926	1,429	966	1,319	1,193	1,296
<b>Transportation</b>										
Road Salt Expense	\$ 465,348	\$ 817,201	\$ 516,835	\$ 681,366	\$ 630,012	\$ 353,321	\$ 456,317	\$ 366,801	\$ 496,357	\$ 445,584
<b>Leisure Time Activities</b>										
Shelter/Bldg Permits Issued	529	473	453	520	371	481	470	534	592	604
<b>Water</b>										
Number of Service										
Connections	44,292	44,184	44,171	44,179	44,200	44,152	43,961	43,777	43,285	42,878
Daily Average Consumption										
in Gallons (in millions)	19.150	19,106	19,970	19,983	23,660	22,475	21,763	22,468	22,151	22,577
<b>Sewer</b>										
Number of Active										
Sewer Accounts	26,815	26,804	27,000	27,178	27,274	28,354	27,624	28,066	28,241	33,046
Daily Average Treatment										
in Gallons (in millions)	27.82	34,030	30,326	27,800	29,230	28,330	30,120	30,760	33,290	31,460

Source: Various City of Canton Departments



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



CANTON, OHIO

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PRO FOOTBALL HALL OF FAME ENSHRINEMENT FESTIVAL