

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Richard A. Mallonn II • Auditor, City of Canton



Joseph J. Carbenia Memorial Fire Station #4
City of Canton • 2504 Cleveland Avenue NW



For The Year Ended December 31, 2011



City of Canton, Ohio

Comprehensive Annual

Financial Report

For the Year Ended December 31, 2011

Richard A Mallonn II

City Auditor

Prepared by the City Auditor's Office

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RICHARD A. MALLON II
CANTON CITY AUDITOR

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

June 28, 2012

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, 2011 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, 2011, 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 3 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 2011 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 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 2011.

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 2011.

Neither the Canton City School District, Plain Local School District, Osnaburg 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 2011 and no significant projects are slated for 2012.

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 rooms.

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

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 2011 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 itself 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 hopes to open the completed facility in time to celebrate the museum's 50th anniversary. The mild 2011 Ohio winter has allowed this project to proceed on schedule.

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 1,664,397 customers in 2011, which was a 6.5% increase and set a new all time high for the second 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 is expected to build a new firehouse and continue to add additional parking.

Long-Term Financial Planning

The City has experienced an increase in overall revenue, excluding other financing sources, for the General Fund of \$1,460,932. This reverses a three-year trend of declining revenue in the General Fund the City experienced since 2008. The City's income tax revenue grew by \$1,892,856 in 2011. The City expects this increase to continue well into 2012. 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, and 2011 have led to net decreases in General Fund interest revenue of \$1,243,235 in 2008, \$595,900 in 2009, \$444,900 in 2010, and an additional \$141,433 in 2011. The slow incremental recovery in late 2010 and throughout 2011 leaves little potential for a rebound in interest revenue in the immediate future. As a result, the City anticipates receiving less than \$60,000 in interest revenue in 2012. This would represent a total of 5.5% of the interest received in 2008. The immediate economic future is predicted to be stable with slight improvements expected throughout 2012, the City's cash improved slightly in 2011, representing the first improvement since the downturn in the economy in early 2008. The City's unemployment rate changed from 11.2% at the end of 2010 to 9.3% at the end of 2011. This decrease is consistent with the City's increase in income tax collections in the final four months of 2010 and throughout 2011. Despite some successes in attracting a few employers in 2011 the local economy has yet to feel the potentially devastating effects on governmental payrolls that are assuredly coming before the local economy fully recovers. All levels of local government (City of Canton included) have minimized employee reductions thus far by utilizing cash reserves, freezing salaries, workforce reduction through attrition and negotiated health care cost sharing increases just to name a few. To overcome anticipated government employment reductions at all levels the City must continue to commit substantial resources to attract permanent industrial, retail, and service businesses to replace the potential lost revenue from these government employees.

The City had \$3,447,592 cash, of which \$1,759,004 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 waste park, renovation of city buildings and reconstruction of existing recreational facilities. As of the release of this report the fire station is approximately 98% 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 of 2012 elected for the third consecutive year to utilize a portion of the uncommitted and unspent proceeds to retire it's own debt; however, the City is moving forward with the design phase of City waste park with the assistance of a grant designed to assist with this project.

Relevant Financial Policies

During 2011, the City issued manuscript debt in the General Fund. The issuance was done in January for \$2 million and was needed to create enough short-term liquidity in the General Fund to fund the City's daily operations. The debt issued by the General Fund was purchased by the pooled equity of the City. The General Fund repaid the debt with interest in June of 2011.

During 2011, 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 and will remain 125% throughout 2012.

Major Initiatives

In 2011, the City annexed approximately 1,368 acres and continues to explore further annexation options.

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

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

The City and the Canton Community Improvement Corporation (CCIC) received an EPA grant in 2009 that provides Brownfield Job Training for unemployed or underemployed persons to receive training. Training schedules have been adjusted several times to allow students to respond to employment opportunities such as the oil spill in the Gulf of Mexico. Due to demands of the emerging Oil and Gas Industry in Northeast Ohio, which presents opportunities for Brownfield Job Training Program graduates, additional training and refresher courses have been added to the program. Currently 41 graduates from the first two groups of students are employed full time by environmental service providers, one is enrolled in a union apprenticeship program, two are enrolled at Stark State College completing an Environmental Sciences Associates Degree, and 13 accepted employment positions outside the environmental services field. The final group started with 38 students plus 15 students returning for further training. 36 trainees completed Environmental Regulations and Compliance, and are currently receiving OSHA Safety Construction training. The remaining trainees completed the course in March 2012.

In 2009, the City also received \$3,678,562 in Neighborhood Stabilization (NSP1) funds. These funds are to be used in areas with highest percentages of vacant properties. As of the end of 2011, the City had demolished over 290 vacant and blighted structures in the City. In addition, their partners had purchased nine vacant homes to be rehabbed for sale, ten vacant homes to be rehabbed for use as rental properties, and six vacant lots for construction of new homes. Three of the rehabbed homes have been completed and sold, four are completed and for sale, and two more are in the rehab process. Three of the newly constructed homes and the remaining three are still under construction. Of the nine rental properties, four are completed yet remain vacant; two are under construction, and the work on the remaining four has not begun.

In 2011, the City was awarded an additional \$1,233,756 in Neighborhood Stabilization (NSP3) funds. The emphasis of this award was to develop rental properties and target one hard hit area. As such, the Stark Metropolitan Housing Authority is an important partner. In addition, the City continued to partner with a developer utilized under NSP1 to renovate rental properties under NSP3. A third partner, a Community Housing Development Organization, will rehab homes for sale. Between these three

partners, over \$987,000 will be used to develop affordable rental and homeownership properties in the City. HUD established a limit of 10% of NSP3 funds for demolitions. These funds will be used in the target area and remaining funds will be used for administration expenses.

In 2011, VXI Global Solutions opened a call center in downtown Canton and had hired over 700 workers by the end of 2011. The City worked closely with VXI, both to draw them to Canton and find a suitable location.

The City received a \$372,000 COAF grant in 2004 to make an evaluation of the nature of environmental contamination at the former Bison Property. The goal is for it to again be used as an industrial site. Two companies, Abbott Electric and a sign company, are already located on the site. In 2007, the City was awarded a \$3 million CORF grant for site clean up. In 2008, the City entered into contract with a Certified Environmental professional to prepare the specifications and work plans for the clean up phase with actual environmental cleanup work starting in 2009 and work continued at the end of 2011.

In 2005, a \$298,480 COAF grant was received for the study of the brownfield site at the former Stein Property to determine a suitable cleanup methodology. In 2006, a \$698,709 CORF grant was received for site remediation to develop the site as an industrial park. The site remediation was completed in 2009 and a new tenant, Pull-A-Part Used Auto Parts, promptly relocated to the property. Also in 2009 the City received a CORF grant of \$749,590 for remediation work at the former Canton Lead Smelter building located on the new Stein Industrial Park. Estimated completion was June 2011, and yet the project remains ongoing as of the printing of this report.

In 2006, a \$284,733 COAF grant was awarded for the assessment of the former Hercules Engine Property to determine the scope of its environmental impact and to develop a methodology for site cleanup. In late 2007, the City was awarded a \$3 million CORF grant for remediation work on the site. The long-term goal for the Hercules Property is for it to become a multi use facility with a convention center, market rate housing, business space and retail space. Remediation work began in 2008 and continued in 2009. The City also supported a state tax credit application submitted by the property owner, which resulted in a \$34 million dollar credit. The weak economy has held this project up, and its future remains uncertain.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2011, the City completed: \$1.2 million Fulton Rd./Park Rd Intersection Road Project, \$1.1 million Sherrick Rd. Stabilization project, \$1.8 million Cleveland Ave Resurfacing, and the \$1.2 million 49th & Gardendale NE Storm Sewer project. Engineering projects in various stages of planning, development, and construction include: 41st St. Reconstruction, Mahoning Rd. Corridor, 12th St. Corridor, Mill St. Bridge Replacement, 30th St. NE Storm Sewer Project, West Tuscarawas Corridor, 55th St NE Curb & Storm Sewer, 30th St. Storm Sewer Project, the East Side Park Trail Project, 11th Street SE Realignment Project, and Hamilton Ave NE Storm Sewer Project.

During 2011, The City's Water Department completed various waterline extensions and improvements throughout the year adding an additional \$262,670 of value to the overall system. The Water Department also continued infrastructure work at its Northwest Water Plant and Northeast Water Plant.

Debt Administration

The gross indebtedness of the City at the end of 2010 was \$49,649,904. At the end of 2011, the gross indebtedness of the City was \$55,693,279. In 2011, 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 \$1,368,085. The project will take almost

eight years to complete and is estimated to cost \$72.1 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 \$9,272,016. As of December 31, 2011, the City had \$871,467 and \$32,609,694 in outstanding OPWC and OWDA loans, respectively. The City also had \$5,059,076 outstanding in the enterprise funds and \$13,835,411 for bonds payable in the governmental funds. The City had a legal claim and judgment outstanding of \$39,100. The City had \$1,192,831 in long-term SIB and Urban Redevelopment Loans outstanding as of December 31, 2011.

In 2010, Moody's Investor Services 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 or Fitch Rating Services adjusted these ratings in 2011. 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 \$75,394,894 and an unvoted debt margin of \$32,071,981 as of December 31, 2011.

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, 2010. 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, John Slebodnik and Gary Young for their continued dedication and commitment to sound financial reporting in the preparation of this report. A grateful acknowledgement is given to James Carman a key former member of my administrative staff for his continued commitment, professionalism, and dedication in the preparation of this report.

Sincerely,



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, 2010

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.



Linda C. Davidson

President

Jeffrey R. Enser

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

Chief of Staff-Director of Public Service

Warren Price

Director of Public Safety

Thomas Ream

Fire Chief

Stephen J. Rich

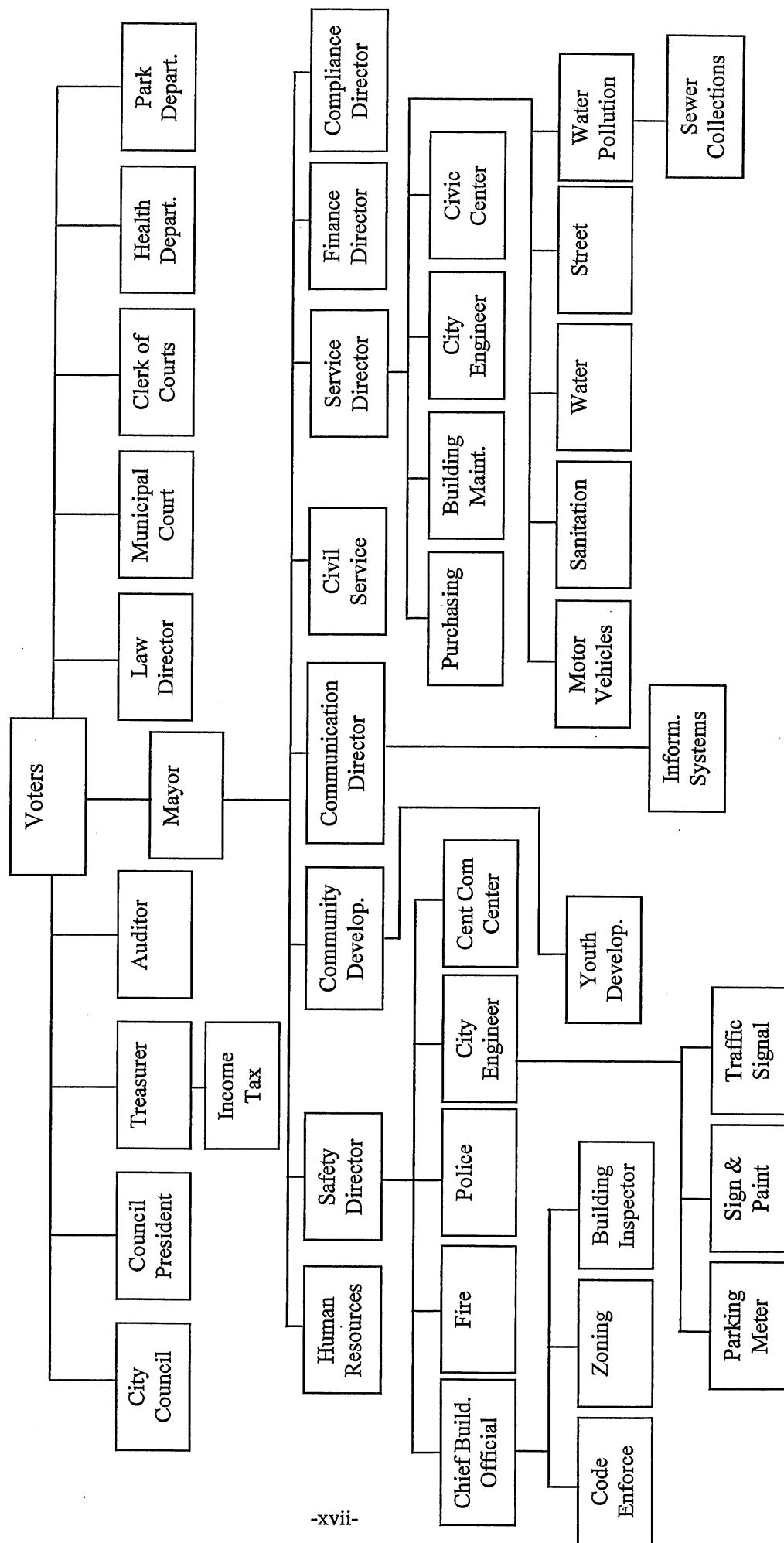
Police Chief

Bruce Lawver

City Engineer

Dan Moeglin

City of Canton Organizational Chart





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the 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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Canton Community Improvement Corporation, which represent 6 percent, 27 percent, and 2 percent, respectively, of the assets, net assets, and revenues for the discretely presented component unit and remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Canton Community Improvement Corporation, is based on the report of the other auditors.

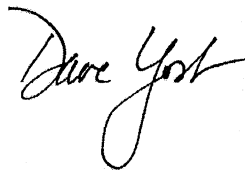
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of City of Canton, Stark County, Ohio, as of December 31, 2011, 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 for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise 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 provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject 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, 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. Neither we nor the other auditors subjected 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.



Dave Yost
Auditor of State

June 28, 2011

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
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, 2011. Please read it in conjunction with the City's basic financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- The City's net assets increased \$4.7 million as a result of this year's operations. Net assets of our business-type activities increased by \$2.1 million, or 2.2 percent, and net assets of governmental activities increased by \$2.6 million, or 2.0 percent.
- The City received no rating change in 2011. The City saw its Bond Ratings downgraded to A1 per Moody's and to A+ status from Fitch in 2010.
- For the fourth consecutive year, the City was unable to reduce its unfunded compensated absence debt. The unfunded compensated absence debt went from \$7,289,166 at the end of 2010 to \$8,823,379 at the end of 2011.

USING THIS ANNUAL FINANCIAL REPORT

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

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

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

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

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 16. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes (Ex. 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 differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation alongside the fund financial statements.

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011

Proprietary funds: When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as a Statement of Cash Flows. We use internal service funds, Health Insurance, Worker's Compensation Insurance, and Compensated Absences Claim funds, (the other component of proprietary funds) to report activities that provide a service to the City's other programs and activities.

THE CITY AS A WHOLE

The City's *combined* net assets changed from a year ago, *increasing* from \$223.8 million to \$228.5 million. The City experienced an increase in both its governmental business-type activities net assets. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$ 55.5	\$ 57.2	\$ 37.3	\$ 34.0	\$ 92.8	\$ 91.2
Capital Assets, Net	110.5	109.4	102.1	95.1	212.6	204.5
Total Assets	<u>\$ 166.0</u>	<u>\$ 166.6</u>	<u>\$ 139.4</u>	<u>\$ 129.1</u>	<u>\$ 305.4</u>	<u>\$ 295.7</u>
Liabilities						
Current and Other						
Liabilities	\$ 11.6	\$ 12.4	\$ 2.2	\$ 2.0	\$ 13.8	\$ 14.4
Due Within One Year	4.7	4.6	2.2	2.2	6.9	6.8
Long-Term Liabilities:						
Due Within More Than One Year	20.8	23.3	35.4	27.4	56.2	50.7
Total Liabilities	<u>37.1</u>	<u>40.3</u>	<u>39.8</u>	<u>31.6</u>	<u>76.9</u>	<u>71.9</u>
Net Assets						
Invested in Capital						
Assets Net of Debt	97.3	96.7	64.5	65.5	161.8	162.2
Restricted	30.8	34.5	-	-	30.8	34.5
Unrestricted	0.8	(4.9)	35.1	32.0	35.9	27.1
Total Net Assets	<u>\$ 128.9</u>	<u>\$ 126.3</u>	<u>\$ 99.6</u>	<u>\$ 97.5</u>	<u>\$ 228.5</u>	<u>\$ 223.8</u>

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011

Net assets in the City's governmental activities increased by 2.0 percent (\$126.3 million compared to \$128.9 million). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased from \$(4.9) million at December 31, 2010 to \$0.8 million at the end of 2011. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance decreased from \$34.5 million at the end of 2010 to \$30.8 million at the end of 2011. The investments in capital assets, net of debt category increased by \$0.6 million.

Net assets in the City's business-type activities increased by 2.2 percent (\$97.5 million compared to \$99.6 million) in 2011. The City generally can only use these net assets to finance the continuing operations of the water, sewer, and refuse operations.

Table 2 shows the changes in net assets for the year ended, December 31, 2011. The City's governmental activities revenue increased in 2011 from \$85.9 million to \$91.1 million and expenses increased by \$0.2 million or 0.2 percent resulting in an increase in governmental net assets of \$6.9 million. The City's Business-Type Activities revenue decreased by \$1.3 million and expenses increased by \$4.3 million resulting in a net asset increase of \$2.2 million.

Table 2
Change in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services	\$ 13.8	\$ 14.2	\$ 33.0	\$ 34.3	\$ 46.8	\$ 48.5
Operating Grants and Contributions	11.3	11.3	0.2	-	11.5	11.3
Capital Grants and Contributions	5.2	6.7	-	0.2	5.2	6.9
Total Program Revenues	30.3	32.2	33.2	34.5	63.5	66.7
General Revenues:						
City Income Taxes	42.6	38.6	-	-	42.6	38.6
Property Taxes	2.7	3.7	-	-	2.7	3.7
Intergovernmental	9.0	8.8	-	-	9.0	8.8
Interest and Investment Earnings	-	0.2	-	-	-	0.2
Other	6.5	2.4	0.2	0.3	6.7	2.7
Gain on Sale of Assets	-	-	-	-	-	-
Total General Revenues	60.8	53.7	0.2	0.3	61.0	54.0
Total Revenues	\$ 91.1	\$ 85.9	\$ 33.4	\$ 34.8	\$ 124.5	\$ 120.7

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Expenses						
Program Expenses:						
General Government	\$ 18.5	\$ 17.9	\$ -	\$ -	\$ 18.5	\$ 17.9
Security of Persons and Property	39.8	38.0	-	-	39.8	38.0
Public Health	6.4	6.8	-	-	6.4	6.8
Transportation	12.2	12.6	-	-	12.2	12.6
Community Development	8.5	9.3	-	-	8.5	9.3
Leisure Time Activities	2.3	2.9	-	-	2.3	2.9
Interest on Long-Term Debt	0.8	0.8	-	-	0.8	0.8
Water	-	-	12.5	10.9	12.5	10.9
Sewer	-	-	13.2	11.1	13.2	11.1
Refuse	-	-	5.5	4.9	5.5	4.9
Total Program Expenses	<u>88.5</u>	<u>88.3</u>	<u>31.2</u>	<u>26.9</u>	<u>119.7</u>	<u>115.2</u>
Increase (Decrease) in Net Assets	2.6	(2.4)	2.2	7.9	4.8	5.5
Net Assets 1/1/2011	<u>126.3</u>	<u>128.7</u>	<u>97.5</u>	<u>89.6</u>	<u>223.8</u>	<u>218.3</u>
Net Assets 12/31/2011	<u>\$ 128.9</u>	<u>\$ 126.3</u>	<u>\$ 99.7</u>	<u>\$ 97.5</u>	<u>\$ 228.6</u>	<u>\$ 223.8</u>

Governmental Activities

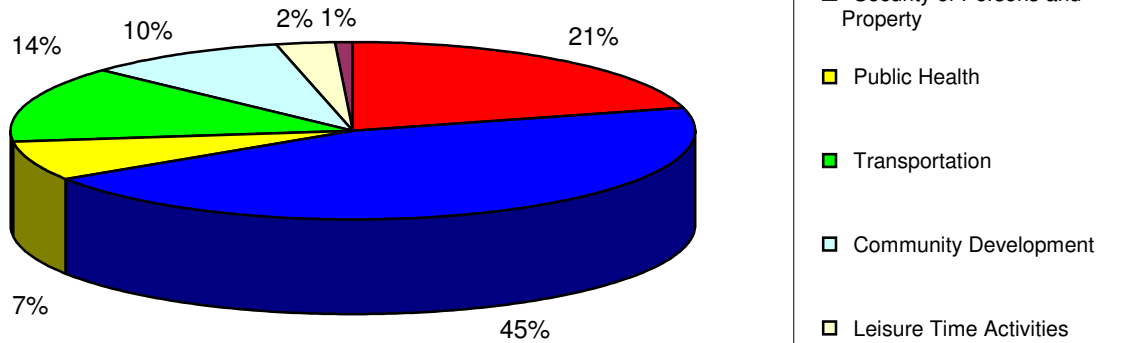
The 2.0 percent income tax is the largest revenue source for the City. Designated by ordinance, the Capital Acquisition and Improvement Fund receives 20 percent of net income tax received. In addition, the Motor Vehicle Fund receives 5 percent of net income tax received. The remaining 75 percent is allocated 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 14.5 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another 21.8 percent. The remaining revenues are primarily generated locally through property (2.8 percent) and income taxes (44.7 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, 2011

**Chart 3
Program Expenses 2011**



Business-Type Activities

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

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

The City's Funds

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$89.1 million and expenditures of \$92.1 million including other financing sources and uses. The General Fund balance increased \$1,560,794 primarily due to an increase of \$1.6 million in income tax revenue. Included in the General Fund Expenditures is the annual premium based contributions into the City's Compensated Absence Claim Fund of \$2,140,208. In 2004, as part of cost cutting measures, the City established the Compensated Absences Claim Fund. This fund is receiving biweekly premiums from all other funds presently paying a salary. The money set aside will be used to pay for the salaries of employees using sick leave and cover the cost of benefits paid to employees at the point of termination. The success of this fund is obvious. The City, in recent years, has reversed the early success seen upon creation of the fund. The debt has escalated back up to \$8,823,379 at the end of 2011 as compared to a low of \$4,710,430 in 2007. Unfortunately, 2011 saw the fourth consecutive year in which the unfunded compensated absence obligation increased. This can be attributed to two factors. One is the effect of increased retirements due to the forced retirement of safety forces that enrolled in the

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011

Police and Fire Pension DROP program in its initial year of eligibility. The second was due to reducing the premium percentage to 105% of the total cost of the sick leave accrued on a biweekly payroll in both 2009 and 2010. In 2011, despite returning the premium to 125% the City saw the unfunded liability grow an additional \$1,534,213 due to a wage increase awarded to the majority of City employees exceeding 3.0%

The Community and Economic Development Fund balance decreased by \$426,423, which can be attributed to a large increase in expenditures from funds previously received from the federal government's stimulus program. The Capital Projects Fund balance saw an increase of \$914,860 caused by an increase of over \$466,841 in income tax and a \$282,149 increase in capital grants. The Motor Vehicle Purchase Fund balance decreased by \$221,745, this decrease resulted from significant increases vehicle acquisition purchases that were ordered and not received in the prior year. Motor Vehicle Fund expenditures increased in 2011 by \$962,891. There were two transfers in the governmental funds in 2011. The transfers were from the General Fund to Nonmajor Special Revenue Funds. A \$40,000 transfer was done as a grant match and a \$4,000 transfer was done to establish equity in a new fund. The Water, Sewer and Refuse funds had net asset increases of \$1,380,556, \$131,245 and \$594,114, respectively. The Water and Refuse funds experienced large decreases in operating revenue of 5.9% and 7.7%, respectively. The Water fund was coming off an exceptional year of 22.6% growth in 2010, this growth was unrealistic to sustain. In addition the weather for 2011 in Canton, Ohio, saw cooler than normal summer months and record setting levels of rain, each impacting the amount of usage in the summer months. Finally, both the Water and Refuse Funds experienced reductions in usage, as a result of fewer customers due largely in part to the affects of foreclosures and vacant properties in the City. The Sewer fund revenue remained virtually unchanged. Operating expenses remained stable throughout 2011 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.

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

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011

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.

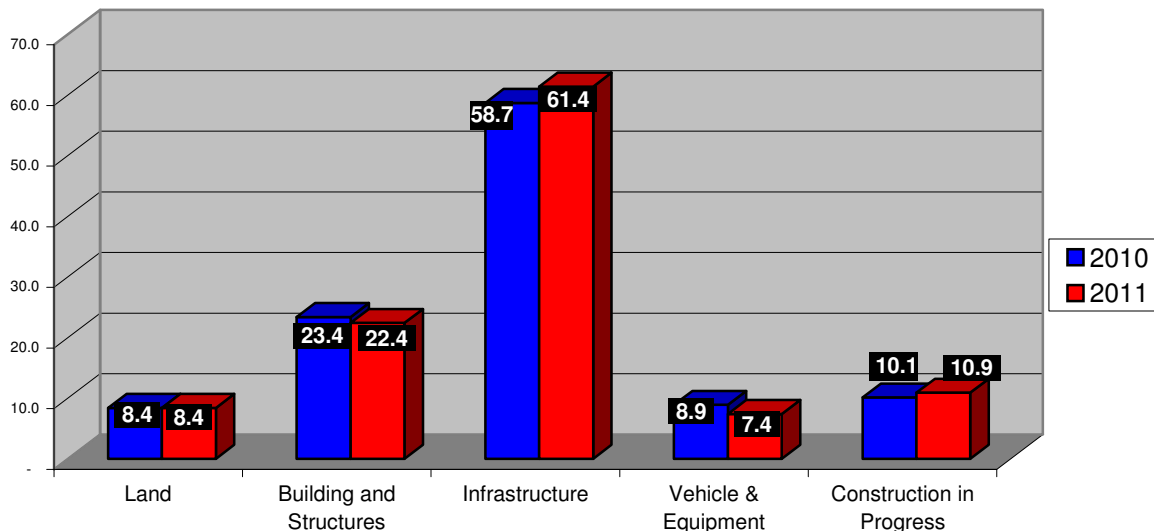
The City Auditor continually monitors the encumbrances and expenditures against the budgeted appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over balances less carry over encumbrances 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 \$3,809,092 increasing the overall General Fund estimated revenues to \$59,769,693 as indicated on page 20. This change represents 6.4% of total revenue and is due to repayment \$1.8 million in manuscript debt outstanding in 2010 and repaid in 2011 and reclassified as other. The General Fund variance from original appropriations to final appropriations was \$4,747,220; this increased the overall General Fund appropriations to \$61,321,808. The actual expenditures were less than the final budget by \$1,868,333. The small variance, 3.0% of total expenditures, was due to the careful monitoring of expenditures by all elected officials and department heads. The actual expenditures were greater than the original budget by \$2,878,887. The actual variance was again due to the need to issue manuscript debt and the personnel cost increases due to raises on average of 3% to the majority of the City workforce in 2011.

CAPITAL ASSET AND DEBT ADMINISTRATION

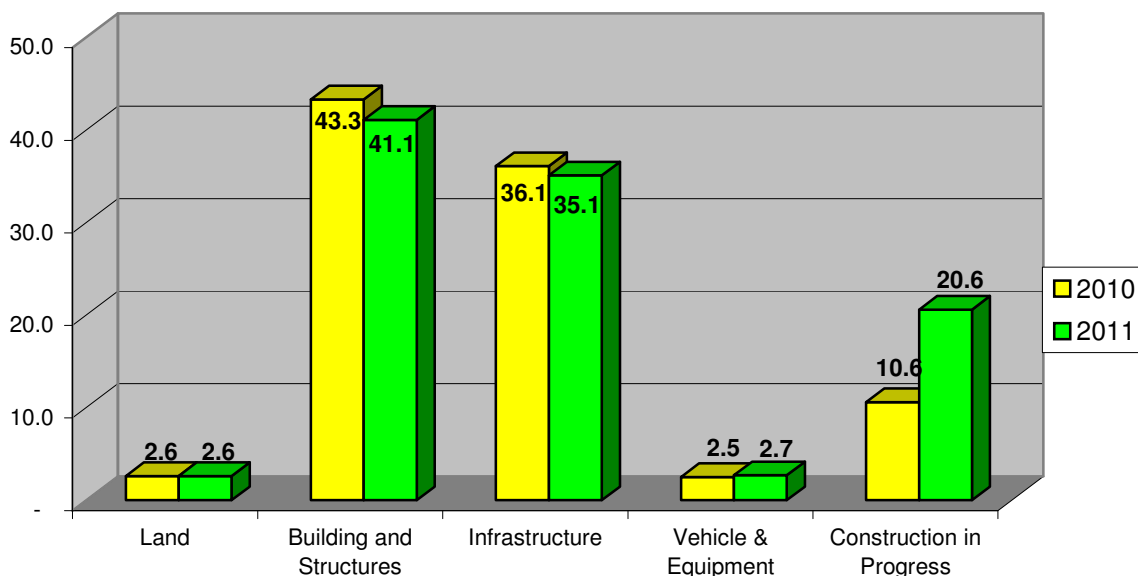
At the end of 2011, the City had \$212.6 million invested in a variety of capital assets, including police and fire equipment, land, buildings, park facilities, roads, bridges, and water and sewer lines (see following graphs). This amount represents a net increase over last year. Major additions for the Governmental Activities included ongoing major road and storm sewer projects, park equipment additions and renovations, and a major street lighting upgrade.

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



City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011

Graph 5
Business-Type 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 2012 capital budget anticipates a spending level of \$8.4 million for capital projects. The City will also continue to use the \$15,850,000 generated from the sale of general obligation bonds during 2006 to construct a new fire station, renovate City Hall and improve infrastructure. More detailed information about the City's capital assets is presented in Note 8 to the basic financial statements.

Debt

At December 31, 2011, the City had \$13.8 million in Governmental Activities General Obligation Bonds.

Table 6
General Obligation Bond Debt Outstanding at Year End

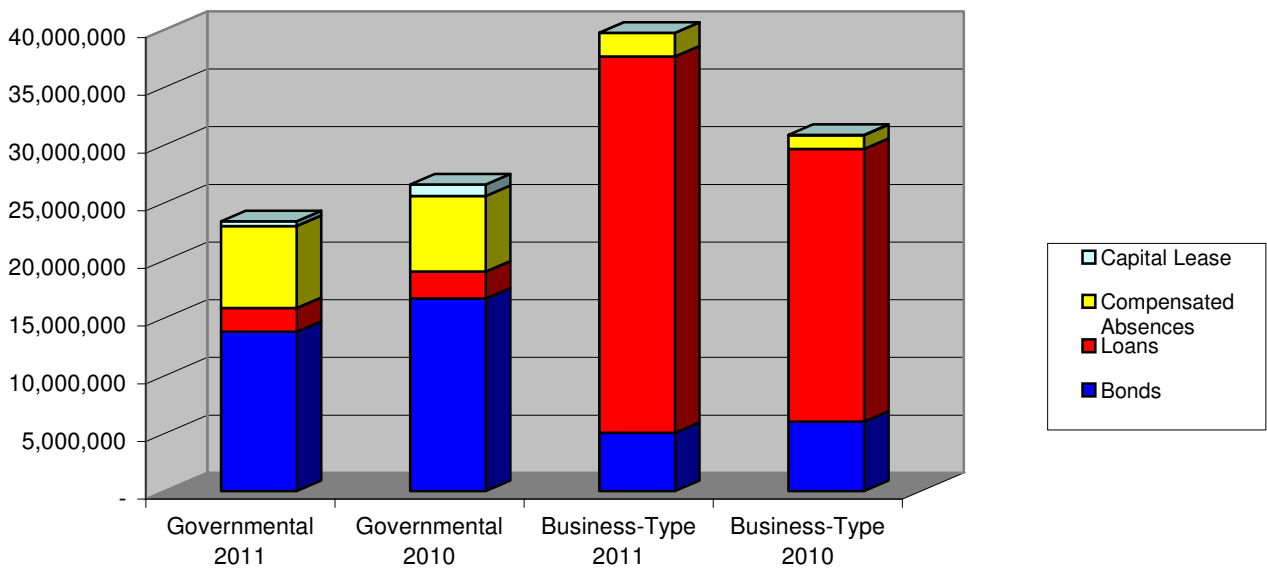
	Governmental Activities	
	2011	2010
Unvoted General Obligation Bonds:		
2009 Refunding Bonds	\$ 6,620,000	\$ 7,460,000
2001 Radio Communication	-	655,000
2006 Various Purpose	7,215,411	8,599,810
Total Unvoted General Obligation Bonds:	<u>\$ 13,835,411</u>	<u>\$ 16,714,810</u>

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011

The City's overall legal debt margin was \$75,394,894 as of December 31, 2011. The City's unvoted legal debt margin was \$32,071,981 as of December 31, 2011.

At December 31, 2011, the City had outstanding long-term debt obligations in the amount of \$23.4 million down from \$26.6 million in 2010 for the governmental activities this represents a 12.0 percent decrease. The City's business-type activities debt obligation as of December 31, 2011 was \$39.8 million up from \$30.9 million in 2010 this represents an increase of 28.8 percent. The breakout on debt is presented in the graph below.

**Graph 7
Total Debt Outstanding by Type**



In 2011, no adjustments were made to the City's credit rating; however, in 2010 Moody's Investor Services 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. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 10 to the basic financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

City of Canton, Ohio

Statement of Net Assets

December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 20,783,058	\$ 25,939,906	\$ 46,722,964	\$ -
Cash and Cash Equivalents with Fiscal Agents	3,019	-	3,019	-
Accounts Receivable	3,376,083	9,045,745	12,421,828	370,633
Taxes Receivable	10,749,242	-	10,749,242	-
Loans Receivable	1,690,349	-	1,690,349	-
Due From Other Governments	17,839,543	737,110	18,576,653	27,260
Inventories	317,746	2,284,475	2,602,221	-
Internal Balances	692,945	(692,945)	-	-
<i>Total Current Assets</i>	<u>55,451,985</u>	<u>37,314,291</u>	<u>92,766,276</u>	<u>397,893</u>
<i>Noncurrent Assets</i>				
Capital Assets:				
Land and Construction in Progress	19,336,040	23,203,556	42,539,596	775,075
Other Capital Assets, Net of Depreciation	91,188,786	78,906,202	170,094,988	153,520
<i>Total Noncurrent Assets</i>	<u>110,524,826</u>	<u>102,109,758</u>	<u>212,634,584</u>	<u>928,595</u>
Total Assets	<u>\$ 165,976,811</u>	<u>\$ 139,424,049</u>	<u>\$ 305,400,860</u>	<u>\$ 1,326,488</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	\$ 2,744,235	\$ 1,572,306	\$ 4,316,541	\$ 225,027
Accrued Wages and Benefits	1,501,752	389,831	1,891,583	3,899
Due to Other Governments	705,673	104,879	810,552	-
Retainage Payable	-	118,044	118,044	-
Note Payable	1,700,000	-	1,700,000	-
Claims Payable	2,714,988	-	2,714,988	-
Unearned Revenue	2,211,817	-	2,211,817	-
Long Term Liabilities Due Within One Year	4,649,356	2,249,022	6,898,378	-
Capital Lease Due Within One Year	16,178	-	16,178	-
Legal Claims Payable Due Within One Year	27,600	-	27,600	-
<i>Total Current Liabilities</i>	<u>16,271,599</u>	<u>4,434,082</u>	<u>20,705,681</u>	<u>228,926</u>
<i>Noncurrent Liabilities</i>				
Long Term Liabilities Due Within More Than One Year	20,401,168	35,427,740	55,828,908	-
Capital Lease Due Within More Than One Year	408,622	-	408,622	-
Legal Claims Payable Due Within More Than One Year	11,500	-	11,500	-
<i>Total Noncurrent Liabilities</i>	<u>20,821,290</u>	<u>35,427,740</u>	<u>56,249,030</u>	<u>-</u>
Total Liabilities	<u>37,092,889</u>	<u>39,861,822</u>	<u>76,954,711</u>	<u>228,926</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	97,348,306	64,432,996	161,781,302	928,595
Restricted for:				
Community Development Programs	12,354,602	-	12,354,602	-
Street Construction, Maintenance & Repair	2,671,169	-	2,671,169	-
Public Health Service Programs	4,270,502	-	4,270,502	-
Safety & Security Programs and Supplies	1,958,666	-	1,958,666	-
Court Programs	1,186,409	-	1,186,409	-
City Owned Parking Decks	36,986	-	36,986	-
Other Purposes	435,462	-	435,462	-
Debt Service	11,760	-	11,760	-
Capital Projects	7,802,112	-	7,802,112	-
Unrestricted	807,948	35,129,231	35,937,179	168,967
Total Net Assets	<u>128,883,922</u>	<u>99,562,227</u>	<u>228,446,149</u>	<u>1,097,562</u>
Total Liabilities and Net Assets	<u>\$ 165,976,811</u>	<u>\$ 139,424,049</u>	<u>\$ 305,400,860</u>	<u>\$ 1,326,488</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Activities
For the year ended December 31, 2011

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
<i>Governmental Activities</i>				
General Government	\$ 18,507,298	\$ 8,160,616	\$ 235,702	\$ -
Security of Persons and Property	39,761,690	4,428,479	3,852,439	263,426
Public Health	6,371,348	843,958	3,672,284	-
Transportation	12,218,799	184,544	1,303	2,076,829
Community Development	8,563,514	-	3,534,838	2,806,739
Leisure Time Activities	2,361,904	230,691	220	-
Interest on Long-Term Debt	791,471	-	-	-
<i>Total Governmental Activities</i>	<u>88,576,024</u>	<u>13,848,288</u>	<u>11,296,786</u>	<u>5,146,994</u>
<i>Business-Type Activities</i>				
Water	12,478,010	13,688,619	90,580	12,655
Sewer	13,239,984	13,232,669	33,552	-
Refuse	5,532,632	6,030,792	65,736	-
<i>Total Business-Type Activities</i>	<u>31,250,626</u>	<u>32,952,080</u>	<u>189,868</u>	<u>12,655</u>
Total Primary Government	<u>\$ 119,826,650</u>	<u>\$ 46,800,368</u>	<u>\$ 11,486,654</u>	<u>\$ 5,159,649</u>
Component Unit:				
CCIC	\$ 546,698	\$ 2,565	\$ 573,368	\$ -

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 Assets

Net Assets -- Beginning

Net Assets -- Ending

See accompanying notes to the basic financial statements

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

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	CCIC
\$ (10,110,980)	\$ -	\$ (10,110,980)	\$ -
(31,217,346)	-	(31,217,346)	-
(1,855,106)	-	(1,855,106)	-
(9,956,123)	-	(9,956,123)	-
(2,221,937)	-	(2,221,937)	-
(2,130,993)	-	(2,130,993)	-
(791,471)	-	(791,471)	-
<u>(58,283,956)</u>	<u>-</u>	<u>(58,283,956)</u>	<u>-</u>
-	1,313,844	1,313,844	-
-	26,237	26,237	-
-	563,896	563,896	-
-	1,903,977	1,903,977	-
<u>(58,283,956)</u>	<u>1,903,977</u>	<u>(56,379,979)</u>	<u>-</u>
-	-	-	29,235
42,597,239	-	42,597,239	-
2,691,214	-	2,691,214	-
9,021,156	-	9,021,156	-
88,038	15	88,053	-
6,412,177	169,404	6,581,581	98,721
17,398	32,519	49,917	-
<u>60,827,222</u>	<u>201,938</u>	<u>61,029,160</u>	<u>98,721</u>
2,543,266	2,105,915	4,649,181	127,956
126,340,656	97,456,312	223,796,968	969,606
<u>\$ 128,883,922</u>	<u>\$ 99,562,227</u>	<u>\$ 228,446,149</u>	<u>\$ 1,097,562</u>

City of Canton, Ohio

Balance Sheet
Governmental Funds
December 31, 2011

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 3,271,524	\$ 398,111	\$ 3,234,971	\$ 497,263
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-
Taxes Receivable	8,779,909	-	1,571,306	392,826
Accounts Receivable	1,791,928	1,437,887	-	10,050
Loans Receivable (net of uncollectibles)	-	1,690,349	-	-
Due From Other Funds	720,796	19,953	-	-
Due From Other Governments	3,402,399	9,292,885	-	-
Inventories	281,811	-	-	-
Total Assets	<u>\$ 18,248,367</u>	<u>\$ 12,839,185</u>	<u>\$ 4,806,277</u>	<u>\$ 900,139</u>
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 788,310	\$ 503,081	\$ 915,291	\$ -
Accrued Wages and Benefits	1,200,053	29,550	47,235	-
Due to Other Funds	418,478	5,016	4,143	-
Due to Other Governments	465,977	43,940	13,993	-
Note Payable	1,700,000	-	-	-
Deferred Revenue	7,384,022	9,858,846	307,314	76,828
Total Liabilities	<u>11,956,840</u>	<u>10,440,433</u>	<u>1,287,976</u>	<u>76,828</u>
Fund Balances				
Nonspendable	281,811	1,690,349	-	-
Restricted	62,514	708,403	-	823,311
Committed	711,295	-	3,518,301	-
Unassigned	5,235,907	-	-	-
<i>Total Fund Balances</i>	<u>6,291,527</u>	<u>2,398,752</u>	<u>3,518,301</u>	<u>823,311</u>
Total Liabilities and Fund Balances	<u>\$ 18,248,367</u>	<u>\$ 12,839,185</u>	<u>\$ 4,806,277</u>	<u>\$ 900,139</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
December 31, 2011

Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances		\$ 23,030,231
		<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>		
\$ 9,942,911	\$ 17,344,780	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	\$ 8,396,817	
5,201	10,749,242	Buildings and Structures (net of depreciation)	22,401,473	
36,279	3,276,144	Vehicles & Equipment (net of depreciation)	7,398,936	
-	1,690,349	Infrastructure (net of depreciation)	61,388,377	
-	740,749	Construction in Progress	10,939,223	
5,144,259	17,839,543	Total		110,524,826
35,935	317,746			
<u>\$ 15,167,604</u>	<u>\$ 51,961,572</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 Assets.		(7,233,279)
\$ 529,070	\$ 2,735,752	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds		
143,152	1,419,990	Grants	11,250,748	
831,927	1,259,564	Property Taxes	542,768	
162,548	686,458	Intergovernmental	2,793,224	
-	1,700,000	Charges for Services	938,567	
3,502,567	21,129,577	Income Tax	1,536,568	
<u>5,169,264</u>	<u>28,931,341</u>	Special Assessments	1,826,658	
		Other	29,228	
35,935	2,008,095	Total		18,917,761
10,002,929	11,597,157			
174,864	4,404,460			
(215,388)	5,020,519			
<u>9,998,340</u>	<u>23,030,231</u>			
<u>\$ 15,167,604</u>	<u>\$ 51,961,572</u>			
		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	(13,835,411)	
		Loans	(2,056,306)	
		Long-term Legal Claims	(39,100)	
		Capital Lease	(424,800)	
		Total		(16,355,617)
		Net Assets of Governmental Activities		<u>\$ 128,883,922</u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2011

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Revenues				
Property and Other Taxes	\$ 2,679,060	\$ -	\$ -	\$ -
Municipal Income Tax	31,999,703	-	8,214,654	2,053,688
Charges for Services	10,285,702	147,433	90	-
Licenses, Permits, and Fees	1,271,757	-	-	-
Fines and forfeitures	271,598	-	-	-
Intergovernmental	5,835,413	-	-	-
Interest	76,500	-	-	-
Operating Grants and Contributions	197,271	5,395,635	-	-
Capital Grants and Contributions	-	607,100	282,680	-
Rentals	85,049	98,018	-	-
Other	3,714,938	103,061	602,314	20,407
Total Revenues	<u>56,416,991</u>	<u>6,351,247</u>	<u>9,099,738</u>	<u>2,074,095</u>
Expenditures				
Current				
General Government	16,257,615	-	-	-
Security of Persons and Property	32,452,739	-	-	-
Public Health	2,434,085	-	-	-
Transportation	1,483,419	-	-	-
Community Environment	-	6,792,427	-	-
Leisure Time Activities	1,646,489	-	-	-
Capital Outlay	-	-	5,709,788	1,180,196
Debt Service				
Principal	395,000	-	1,999,859	1,031,814
Interest and Fiscal Charges	142,850	-	486,882	103,773
Total Expenditures	<u>54,812,197</u>	<u>6,792,427</u>	<u>8,196,529</u>	<u>2,315,783</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>1,604,794</u>	<u>(441,180)</u>	<u>903,209</u>	<u>(241,688)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	14,757	11,651	19,943
Transfers In	-	-	-	-
Transfers Out	(44,000)	-	-	-
Total Other Financing Sources and Uses	<u>(44,000)</u>	<u>14,757</u>	<u>11,651</u>	<u>19,943</u>
Net Change in Fund Balance	1,560,794	(426,423)	914,860	(221,745)
<i>Fund Balance at Beginning of Year</i>	<u>4,730,733</u>	<u>2,825,175</u>	<u>2,603,441</u>	<u>1,045,056</u>
<i>Fund Balance at End of Year</i>	<u>\$ 6,291,527</u>	<u>\$ 2,398,752</u>	<u>\$ 3,518,301</u>	<u>\$ 823,311</u>

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, 2011

Other Governmental Funds	Total Governmental Funds	Net change in fund balances-Total Government Funds	\$ (2,957,532)
		<i>Amounts reported for governmental activities in the Statement of Activities are different because</i>	
\$ -	\$ 2,679,060		
-	42,268,045	Governmental funds report capital outlays as expenditures.	
1,239,391	11,672,616	However, in the Statement of Activities, the cost of those	
224,795	1,496,552	assets is allocated over their estimated useful lives as	
116,344	387,942	depreciation expense. This is the amount by which capital outlay	
3,187,410	9,022,823	exceeds depreciation in the current period.	
11,538	88,038	Capital Asset Additions	\$ 8,989,816
6,175,256	11,768,162	Depreciation Expense	<u>(7,822,681)</u>
3,841,840	4,731,620		1,167,135
47,064	230,131		
264,063	4,704,783	The net effect of various miscellaneous transactions involving	
15,107,701	89,049,772	capital assets (i.e., sales and donations) is to decrease net assets.	
		Loss on disposal of capital asset	(28,953)
1,215,253	17,472,868	Repayment of long-term debt is reported as an expenditure in	
5,130,971	37,583,710	the governmental funds, but the repayment reduces long-term	
3,767,664	6,201,749	liabilities in the Statement of Net Assets.	
2,279,411	3,762,830	Bond Principal Payments	2,879,399
1,742,343	8,534,770	Loan Principal Payments	267,183
42,368	1,688,857	Capital Lease Payments	513,359
5,467,475	12,357,459	Legal Claims Payments	<u>27,600</u>
			3,687,541
233,268	3,659,941		
57,966	791,471		
19,936,719	92,053,655	Some revenues that will not be collected for several months	
(4,829,018)	(3,003,883)	after the City's year end are not considered "available" revenues	
		and are deferred in the governmental funds.	1,314,108
-	46,351		
44,000	44,000	Internal service funds are used by management to charge the	
-	(44,000)	costs of certain activities, such as insurance, to individual	
44,000	46,351	funds. The net revenue (expense) of the internal service funds	
		is reported with governmental activities.	(639,033)
(4,785,018)	(2,957,532)		
14,783,358	25,987,763	Change in Net Assets of Governmental Activities	\$ 2,543,266
\$ 9,998,340	\$ 23,030,231		

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds (continued)
For the year ended December 31, 2011

	General Fund			
	Budgeted Amounts			Variance with Final Budget Over/(Under)
	Original	Final	Actual Amounts	
Revenues				
Property and Other Taxes	\$ 3,218,000	\$ 2,678,751	\$ 2,679,060	\$ 309
Municipal Income Tax	29,955,291	32,037,047	31,880,519	(156,528)
Intergovernmental	5,455,900	6,120,337	6,137,539	17,202
Charges for Services	10,349,353	10,317,224	10,316,323	(901)
Licenses, Permits and Fees	1,253,000	1,244,000	1,267,572	23,572
Fines and Forfeitures	376,400	287,900	283,453	(4,447)
Interest	130,000	90,211	88,648	(1,563)
Operating Grants	125,000	184,885	205,032	20,147
Rentals	-	63,931	86,129	22,198
Other	1,297,657	2,945,407	2,966,470	21,063
Total Revenues	52,160,601	55,969,693	55,910,745	(58,948)
Expenditures				
<i>Current</i>				
General Government				
Service Director Support Administration	575,230	899,978	861,242	38,736
Service Director	105,087	112,087	93,723	18,364
Annexation	14,043	14,043	11,629	2,414
Purchasing Administration	538,510	538,510	507,751	30,759
Building Maintenance	1,212,324	1,212,324	1,154,352	57,972
Income Tax	1,283,605	1,376,058	1,230,437	145,621
Mayor Administration	380,537	380,537	363,402	17,135
Human Resources	104,484	120,484	111,060	9,424
Council	580,382	593,382	569,138	24,244
Judges	1,963,363	1,963,363	1,829,208	134,155
Clerk of Courts	1,512,922	1,512,923	1,390,752	122,171
Law Department	1,821,212	1,865,346	1,757,672	107,674
Auditor's Office	1,859,024	1,922,525	1,876,080	46,445
Treasurer's Office	595,855	597,854	453,702	144,152
Civil Service	312,104	321,404	308,588	12,816
Zoning Board	8,558	8,858	8,830	28
Department of Motor Vehicles	2,880,266	3,312,124	3,089,187	222,937
Management Information Systems	1,085,581	1,069,420	1,058,732	10,688
Total General Government	16,833,087	17,821,220	16,675,485	1,145,735
Security of Persons and Property				
Safety Director	170,555	179,255	171,779	7,476
Code Enforcement	953,559	958,559	922,116	36,443
Police	13,693,501	15,609,872	15,349,919	259,953
Fire	13,079,610	14,621,609	14,579,360	42,249
Central Communication	1,357,406	1,457,406	1,437,724	19,682
Traffic Engineer/Parking Meters	123,514	128,514	122,659	5,855
Total Security of Persons and Property	\$ 29,378,145	\$ 32,955,215	\$ 32,583,557	\$ 371,658

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds (continued)
For the year ended December 31, 2011

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Public Health				
Administration	\$ 1,014,705	\$ 1,084,294	\$ 932,946	\$ 151,348
Nurses	820,457	778,068	762,187	15,881
Lab	277,885	267,885	261,211	6,674
Environmental Administration	591,668	574,468	569,036	5,432
Total Public Health	<u>2,704,715</u>	<u>2,704,715</u>	<u>2,525,380</u>	<u>179,335</u>
Transportation				
Engineering - Daily Operations	44,015	47,015	43,153	3,862
Street Department	1,404,699	1,514,699	1,462,706	51,993
Total Transportation	<u>1,448,714</u>	<u>1,561,714</u>	<u>1,505,859</u>	<u>55,855</u>
Leisure Time Activities				
Civic Center - Administration	630,385	670,386	631,148	39,238
Park	1,132,323	1,152,323	1,133,622	18,701
Baseball Stadium	14,319	14,319	11,558	2,761
Total Leisure Time Activities	<u>1,777,027</u>	<u>1,837,028</u>	<u>1,776,328</u>	<u>60,700</u>
Debt Service				
Principal	2,195,000	2,195,000	2,195,000	-
Interest and Fiscal Charges	142,900	142,900	142,850	50
Total Debt Service	<u>2,337,900</u>	<u>2,337,900</u>	<u>2,337,850</u>	<u>50</u>
Total Expenditures	<u>54,479,588</u>	<u>59,217,792</u>	<u>57,404,459</u>	<u>1,813,333</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(2,318,987)</u>	<u>(3,248,099)</u>	<u>(1,493,714)</u>	<u>1,754,385</u>
Other Financing Sources (Uses)				
Proceeds from Debt Issues	1,800,000	1,800,000	1,700,000	(100,000)
Advances In	2,000,000	2,000,000	2,000,000	-
Advances Out	(2,055,000)	(2,060,016)	(2,005,016)	55,000
Transfers Out	(40,000)	(44,000)	(44,000)	-
Total Other Financing (Uses)	<u>1,705,000</u>	<u>1,695,984</u>	<u>1,650,984</u>	<u>(45,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(613,987)</u>	<u>(1,552,115)</u>	<u>157,270</u>	<u>1,709,385</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,117,249</u>	<u>1,117,249</u>	<u>1,117,249</u>	<u>-</u>
Unexpended Prior Year Encumbrances	995,808	995,808	995,808	-
Fund Balance at End of Year	<u>\$ 1,499,070</u>	<u>\$ 560,942</u>	<u>\$ 2,270,327</u>	<u>\$ 1,709,385</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 Funds *(continued)*
For the year ended December 31, 2011

Community and Economic Development				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Charges for Services	\$ -	\$ 163,784	\$ 147,956	\$ (15,828)
Operating Grant	9,387,505	10,543,379	5,340,305	(5,203,074)
Capital Grant	495,000	945,670	450,878	(494,792)
Rentals	20,000	98,698	98,068	(630)
Other	53,000	236,332	373,958	137,626
Total Revenues	<u>9,955,505</u>	<u>11,987,863</u>	<u>6,411,165</u>	<u>(5,576,698)</u>
Expenditures				
<i>Current</i>				
Community Environment				
Youth Development	374,543	424,543	361,123	63,420
Mayor-Compliance Administration	69,737	69,737	48,602	21,135
Community Development Administration	4,757,194	6,800,554	5,565,693	1,234,861
Federal Stimulus Funding	2,626,596	2,737,381	2,415,581	321,800
Hamilton Ave Project	-	45,000	45,000	-
Energy Efficiency Grant	523,326	1,036,387	977,966	58,421
Community Development Demolition	488,517	538,517	438,217	100,300
Fair Housing Administration	54,404	54,404	29,633	24,771
Economic Development Grants/Loans	1,144,453	1,144,453	894,453	250,000
Total Expenditures	<u>10,038,770</u>	<u>12,850,976</u>	<u>10,776,268</u>	<u>2,074,708</u>
<i>Excess Revenues (Under) Expenditures</i>	<u>(83,265)</u>	<u>(863,113)</u>	<u>(4,365,103)</u>	<u>(3,501,990)</u>
Other Financing Sources (Uses)				
Sale of Assets	-	14,177	14,757	580
Advances In	-	-	5,016	5,016
Total Other Financing Sources	<u>-</u>	<u>14,177</u>	<u>19,773</u>	<u>5,596</u>
Excess of Revenues (Under) Expenditures and Other Financing Uses	<u>(83,265)</u>	<u>(848,936)</u>	<u>(4,345,330)</u>	<u>(3,496,394)</u>
<i>Fund Balance (Defecit) at Beginning of Year</i>	(3,991,070)	(3,991,070)	(3,991,070)	-
Unexpended Prior Year Encumbrances	4,916,992	4,916,992	4,916,992	-
Fund Balance (Defecit) at End of Year	<u>\$ 842,657</u>	<u>\$ 76,986</u>	<u>\$ (3,419,408)</u>	<u>\$ (3,496,394)</u>

See the accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities				Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	Internal Service Fund
Assets					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 10,197,860	\$ 13,552,828	\$ 2,189,218	\$ 25,939,906	\$ 3,438,277
Accounts Receivable	3,607,794	3,069,223	2,368,728	9,045,745	99,939
Due From Other Funds	-	-	-	-	1,211,760
Due From Other Governments	456,241	280,869	-	737,110	-
Inventories	1,567,658	716,817	-	2,284,475	-
<i>Total Current Assets</i>	<u>15,829,553</u>	<u>17,619,737</u>	<u>4,557,946</u>	<u>38,007,236</u>	<u>4,749,976</u>
<i>Noncurrent Assets</i>					
Capital Assets:					
Land and Construction in Progress	22,273,733	915,998	13,825	23,203,556	-
Other Capital Assets, Net of Depreciation	37,126,287	40,963,995	815,920	78,906,202	-
<i>Total Noncurrent Assets</i>	<u>59,400,020</u>	<u>41,879,993</u>	<u>829,745</u>	<u>102,109,758</u>	<u>-</u>
Total Assets	<u>\$ 75,229,573</u>	<u>\$ 59,499,730</u>	<u>\$ 5,387,691</u>	<u>\$ 140,116,994</u>	<u>\$ 4,749,976</u>
Liabilities					
<i>Current</i>					
Accounts Payable	\$ 857,216	\$ 627,589	\$ 87,501	\$ 1,572,306	\$ 8,483
Accrued Wages and Benefits	169,034	129,351	91,446	389,831	81,762
Due to Other Funds	215,735	360,944	116,266	692,945	-
Due to Other Governments	52,788	30,602	21,489	104,879	19,215
Retainage Payable	118,044	-	-	118,044	-
Due Within One Year	1,215,144	1,033,878	-	2,249,022	2,081,671
Claims Payable	-	-	-	-	2,714,988
<i>Total Current</i>	<u>2,627,961</u>	<u>2,182,364</u>	<u>316,702</u>	<u>5,127,027</u>	<u>4,906,119</u>
<i>Noncurrent</i>					
Due Within More Than One Year	26,690,097	8,737,643	-	35,427,740	7,077,136
Total Liabilities	<u>29,318,058</u>	<u>10,920,007</u>	<u>316,702</u>	<u>40,554,767</u>	<u>11,983,255</u>
<i>Net Assets</i>					
Invested in Capital Assets, Net of Related Debt	31,494,779	32,108,472	829,745	64,432,996	-
Unrestricted	14,416,736	16,471,251	4,241,244	35,129,231	(7,233,279)
<i>Total Net Assets</i>	<u>45,911,515</u>	<u>48,579,723</u>	<u>5,070,989</u>	<u>99,562,227</u>	<u>(7,233,279)</u>
Total Net Assets and Liabilities	<u>\$ 75,229,573</u>	<u>\$ 59,499,730</u>	<u>\$ 5,387,691</u>	<u>\$ 140,116,994</u>	<u>\$ 4,749,976</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds
For the year ended December 31, 2011

	Business-Type Activities			Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Internal Service Fund
			Total	
Operating Revenues				
Charges for Services	\$ 13,614,698	\$ 12,706,173	\$ 6,030,792	\$ 32,351,663
Operating Grants and Contributions	90,580	33,552	65,736	189,868
Rentals	69,262	22,463	-	91,725
Other	68,093	609,041	962	678,096
Total Operating Revenues	13,842,633	13,371,229	6,097,490	33,311,352
Operating Expenses				
Personal Services	6,316,699	5,420,594	3,334,534	15,071,827
Contractual Services	2,296,858	4,267,202	1,936,541	8,500,601
Materials and Supplies	1,399,665	574,428	62,297	2,036,390
Insurance Claims and Expenses	4,515	5,314	7,598	17,427
Benefit Claim Expenses	-	-	-	-
Depreciation	1,442,285	2,629,868	160,802	4,232,955
Other	121,864	46,326	30,860	199,050
Total Operating Expenses	11,581,886	12,943,732	5,532,632	30,058,250
<i>Operating Income (Loss)</i>	<i>2,260,747</i>	<i>427,497</i>	<i>564,858</i>	<i>3,253,102</i>
Nonoperating Revenues (Expenses)				
Gain or (Loss) on Disposal of Capital Assets	3,263	(15,610)	29,256	16,909
Interest	15	-	-	15
Interest Expense	(896,124)	(280,642)	-	(1,176,766)
Total Nonoperating Revenue (Expenses)	(892,846)	(296,252)	29,256	(1,159,842)
<i>Income (Loss) Before Contributions and Transfers</i>	<i>1,367,901</i>	<i>131,245</i>	<i>594,114</i>	<i>2,093,260</i>
Cash Capital Contributions	12,655	-	-	12,655
Change in Net Assets	1,380,556	131,245	594,114	2,105,915
<i>Total Net Assets at Beginning of Year</i>	<i>44,530,959</i>	<i>48,448,478</i>	<i>4,476,875</i>	<i>97,456,312</i>
<i>Total Net Assets at End of Year</i>	<i>\$ 45,911,515</i>	<i>\$ 48,579,723</i>	<i>\$ 5,070,989</i>	<i>\$ 99,562,227</i>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2011

	Business-Type Activities			Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Internal Service
				Total
Cash Flows From Operating Activities				
Receipts from Customers	\$ 13,645,619	\$ 12,445,898	\$ 5,980,906	\$ 32,072,423
Other Cash Receipts	201,603	636,735	89,886	928,224
Payments to Suppliers	(3,712,801)	(4,776,048)	(1,942,672)	(10,431,521)
Payments to Employees	(6,095,521)	(5,061,750)	(3,214,236)	(14,371,507)
Claims Paid	(4,515)	(5,314)	(7,598)	(17,427)
Other Cash Payments	(123,202)	(41,918)	(38,037)	(203,157)
<i>Net Cash Provided by Operating Activities</i>	<u>3,911,183</u>	<u>3,197,603</u>	<u>868,249</u>	<u>7,977,035</u>
Cash Flows From (Used) Capital and Related Financing Activities				
Proceeds from Capital Grants	12,655	-	-	12,655
Proceeds from Capital Debt	9,162,416	1,147,367	-	10,309,783
Proceeds from Sale of Capital Assets	3,263	-	31,272	34,535
Purchases of Capital Assets	(10,605,574)	(355,965)	(258,623)	(11,220,162)
Principal Paid on Capital Debt	(1,625,489)	(1,011,296)	-	(2,636,785)
Interest Paid on Capital Debt	(704,877)	(264,766)	-	(969,643)
<i>Net Cash (Used) by Capital and Related Financing Activities</i>	<u>(3,757,606)</u>	<u>(484,660)</u>	<u>(227,351)</u>	<u>(4,469,617)</u>
Cash Flows From Investing Activities				
Interest and Dividends	15	-	-	15
<i>Net Cash Provided by Investing Activities</i>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	153,592	2,712,943	640,898	3,507,433
Balance - Beginning of the Year	10,044,268	10,839,885	1,548,320	22,432,473
Balance - End of the Year	<u>10,197,860</u>	<u>13,552,828</u>	<u>2,189,218</u>	<u>25,939,906</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	2,260,747	427,497	564,858	3,253,102
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation Expense	1,442,285	2,629,868	160,802	4,232,955
Change in Assets and Liabilities:				
Accounts Receivables, net	4,589	(306,653)	(26,698)	(328,762)
Intergovernmental Receivables, net	-	18,057	-	18,057
Inventories	(59,623)	(47,988)	-	(107,611)
Due From Other Funds	-	-	-	-
Accounts Payables	13,025	157,504	48,989	219,518
Accrued Wages Payable	10,488	3,361	4,083	17,932
Intergovernmental Payable	2,308	(38,736)	958	(35,470)
Retainage Payable	28,935	-	-	28,935
Due to Other Funds	208,429	354,693	115,257	678,379
Compensated Absences Payable	-	-	-	-
Claims Payable	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,911,183</u>	<u>\$ 3,197,603</u>	<u>\$ 868,249</u>	<u>\$ 7,977,035</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	Private Purpose Trust		Agency Funds
	Hartford Houtz		
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ -	\$	1,301,831
Cash and Cash Equivalents in Segregated Accounts	-		104,050
Investments in Segregated Accounts	138,638		-
Total Assets	<u>\$ 138,638</u>	<u>\$</u>	<u>1,405,881</u>
Liabilities			
Due to Other Governments	\$ -	\$	1,088,186
Undistributed Assets	-		104,050
Deposits Held and Due to Others	-		213,645
Total Liabilities	<u>-</u>	<u>\$</u>	<u>1,405,881</u>
Net Assets - Held in Trust for Individuals	<u>\$ 138,638</u>		

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended December 31, 2011

	Private Purpose Trust
	<hr/>
	Hartford Houtz
	<hr/>
Additions	
Investment Earnings:	
Interest	\$ 8,758
Deductions	
Benefits	4,269
Total Deductions	<hr/> 4,269 <hr/>
Change in Net Assets	4,489
<i>Net Assets-Beginning of Year</i>	134,149
<i>Net Assets-End of Year</i>	<hr/> \$ 138,638 <hr/>

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, 2011

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.

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

Basis of Presentation

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

Community and Economic Development Fund - To account for HUD Community and Economic Development Block Grant money used for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

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

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

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

Proprietary Funds

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

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

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

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

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

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits, compensated absences, and the City's retrospective rating worker's compensation benefits.

Fiduciary Funds

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Assets.

Fund Financial Statements

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

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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.

Unearned/Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue on modified accrual only.

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

Expenses/Expenditures

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

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

Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the account level split between salary, 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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Lapsing of Appropriations

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

Cash and Cash Equivalents

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

The City utilizes financial institutions to service bonded debt as principal and interest come due. The balances in these accounts are presented as "Cash and Cash Equivalents with Fiscal Agent."

The City has segregated bank accounts for monies held separate from the City's central bank account. These monies are presented in the Statement of Fiduciary Net Assets as "Cash and Cash Equivalents in Segregated Accounts" and "Investments in Segregated Accounts" since they are not required to be deposited into the City treasury.

During 2011, 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, 2011.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2011 amounted to \$76,500, which includes \$1,696, assigned from other City funds.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Assets/Balance Sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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, 2011, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, storm sewers, streets, 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	Business-Type
	Activities	Activities
	Estimated Lives	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
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 Assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all eligible employees with more than one year of service.

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds 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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 Assets

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2011.

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
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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	\$281,811	\$ -	\$ -	\$ -	\$ 35,935	\$ 317,746
Long Term Loans	-	1,690,349	-	-	-	1,690,349
<i>Total Nonspendable</i>	<u>281,811</u>	<u>1,690,349</u>	<u>-</u>	<u>-</u>	<u>35,935</u>	<u>2,008,095</u>
<i><u>Restricted for:</u></i>						
Unclaimed Monies	62,514	-	-	-	-	62,514
Road Improvements	-	-	-	-	1,916,590	1,916,590
Community Development						
Grants & Programs	-	708,403	-	-	7,525	715,928
Public Health Service						
Grants & Programs	-	-	-	-	3,165,890	3,165,890
Police Department Grants,						
Donations & Programs	-	-	-	-	641,704	641,704
Judicial System						
Grants & Programs	-	-	-	-	1,144,988	1,144,988
Park Donations	-	-	-	-	37,842	37,842
Youth Development						
Donations & Programs	-	-	-	-	5,330	5,330
Employee Recognition						
Program	-	-	-	-	143	143
Debt Service Payments	-	-	-	-	6,559	6,559
Motor Vehicle						
Purchases	-	-	-	823,311	-	823,311
Infrastructure						
Improvements	-	-	-	-	1,963,586	1,963,586
Recreational Facility						
Improvements	-	-	-	-	525,804	525,804
Construction Projects	-	-	-	-	579,976	579,976
City Hall Renovations	-	-	-	-	6,992	6,992
<i>Total Restricted</i>	<u>\$ 62,514</u>	<u>\$ 708,403</u>	<u>\$ -</u>	<u>\$ 823,311</u>	<u>\$ 10,002,929</u>	<u>\$ 11,597,157</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 3 – FUND BALANCES (Continued)

Fund Balances	General Fund	Community and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i>Committed to</i>						
Police Legal						
Claim Settlements	\$ 180,894	\$ -	\$ -	\$ -	\$ -	\$ 180,894
Vehicle Self Insurance	283,038	-	-	-	-	283,038
Motor Vehicle						
Maintenance	247,363	-	-	-	-	247,363
Parking Deck Operations	-	-	-	-	36,985	36,985
Park Department						
Operations	-	-	-	-	97,605	97,605
Capital Improvements	-	-	3,518,301	-	-	3,518,301
Other Purposes	-	-	-	-	40,274	40,274
<i>Total Committed</i>	<u>711,295</u>	<u>-</u>	<u>3,518,301</u>	<u>-</u>	<u>174,864</u>	<u>4,404,460</u>
<i>Unassigned/(Deficits):</i>						
Income Tax Department						
Operations	(85,987)	-	-	-	-	(85,987)
Management Information Services	(10,123)	-	-	-	-	(10,123)
Fire Department Grants, Donations & Programs	-	-	-	-	(215,388)	(215,388)
General Fund Operations	<u>5,332,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,332,017</u>
<i>Total Unassigned/ (Deficits)</i>	<u>5,235,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(215,388)</u>	<u>5,020,519</u>
Total Fund Balances	<u>\$6,291,527</u>	<u>\$2,398,752</u>	<u>\$3,518,301</u>	<u>\$ 823,311</u>	<u>\$ 9,998,340</u>	<u>\$23,030,231</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).

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Community and Economic Development Fund.

Net Change in Fund Balance

	General Fund	Community and Economic Development Fund
GAAP Basis	\$ 1,560,794	\$ (426,423)
Net Adjustment for Revenue Accruals	3,193,754	64,934
Net Adjustment for Expenditure		
Accruals	(3,649,854)	(173,032)
Encumbrances	(947,424)	(3,810,809)
Budget Basis	<u>\$ 157,270</u>	<u>\$ (4,345,330)</u>

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.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 \$117,973 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, 2011, the carrying amount of all City deposits was \$12,828,525. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2011, the City's bank balance was \$46,056,672 of which \$44,452,622 was exposed to custodial risk as discussed below, while \$1,604,050 was covered by Federal Deposit Insurance Corporation.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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, 2011, 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	27,380,203	27,380,203
Star Ohio	4,061,866	4,061,866
Total Investments	<u>\$ 35,442,069</u>	<u>\$ 35,442,069</u>

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, 2011:

Investment type	Fair Value	% of Total
Certificates of Deposit	\$ 4,000,000	11.29
Money Markets	27,380,203	77.25
Star Ohio	4,061,866	11.46
Total Investment	<u>\$ 35,442,069</u>	<u>100.00</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statements as of December 31, 2011:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 12,828,433
Investments	<u>35,442,069</u>
Total	<u>\$ 48,270,502</u>
 <u>Cash and Investments per Statement of Net Assets</u>	
Governmental Activities	\$ 20,786,077
Business Type Activities	25,939,906
Fiduciary Funds	<u>1,544,519</u>
Total	<u>\$ 48,270,502</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2011, 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 \$5,201 in the Debt Service Fund, and \$2,270,523 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 2011 for real and public utility property taxes represents collections of the 2010 taxes. Property tax payments received during 2011 for tangible personal property (other than public utility property) is for 2011 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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. 2011 public utility property taxes became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

2011 tangible personal property taxes are levied after October 1, 2010, on the value as of December 31, 2010. Collections are made in 2011. Tangible personal property assessments are 12.5 percent of true value.

The assessed value upon which the 2011 taxes were collected was \$866,458,270. Real estate represented 94.87 percent (\$822,045,760) of this total, public utility tangible personal property represented 5.13 percent (\$44,412,510) and general tangible personal property represented 0 percent (\$0). The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2011, 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, 2011. 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 2011 operations. The receivable is offset by deferred revenue.

Income Taxes

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 75 percent to the General Fund, 20 percent to the Capital Projects and 5 percent to the Motor Vehicle Purchase Capital Projects Funds. 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 38.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 6 - RECEIVABLES (Continued)

Due From Other Governments

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government and Local Government	
Revenue Assistance	\$ 2,973,443
Hotel Tax	7,023
Charges for Services	272,814
Courts	243,409
Gasoline and Excise Tax	1,068,222
Motor Vehicle Tax	157,959
Grants	13,116,673
Total Governmental Activities:	<u>17,839,543</u>
Business Activities	
Principal	737,110
Total	<u><u>\$ 18,576,653</u></u>

Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$1,690,349. 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 2011 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 2011, the City selected Tier 1 which calls for no claim limit and a 150 percent maximum premium limit.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 7 - RISK MANAGEMENT (Continued)

The claims liability of \$1,621,467 reported in the Workers Compensation Internal Service Fund at December 31, 2011, 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
2010	\$ 2,135,665	\$ 1,403,560	\$ 1,831,369	\$ 1,707,856
2011	1,707,856	1,350,547	1,436,936	1,621,467

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 \$1,093,521 reported in the Health Insurance Internal Service Fund at December 31, 2011, 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.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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
2010	\$ 598,575	\$ 8,698,669	\$ 8,343,029	\$ 954,215
2011	954,215	8,787,643	8,648,337	1,093,521

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Deductions	Balance 12/31/11
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 8,396,817	\$ -	\$ -	\$ 8,396,817
Construction in Progress	10,112,093	6,663,754	(5,836,624)	10,939,223
Total Capital Assets, not being Depreciated	18,508,910	6,663,754	(5,836,624)	19,336,040
Capital Assets, being Depreciated				
Buildings and Structures	43,680,658	167,298	(6,831)	43,841,125
Vehicles and Equipment	29,926,367	547,857	(372,363)	30,101,861
Infrastructure	356,971,572	7,447,530	(53,293)	364,365,809
Total Capital Assets, being Depreciated	430,578,597	8,162,685	(432,487)	438,308,795
Less Accumulated Depreciation				
Buildings and Structures	\$ (20,316,652)	\$ (1,129,831)	\$ 6,831	\$ (21,439,652)
Vehicles and Equipment	(21,072,111)	(1,989,481)	358,667	(22,702,925)
Infrastructure	(298,312,099)	(4,703,369)	38,036	(302,977,432)
Total Accumulated Depreciation	(339,700,862)	(7,822,681) *	403,534	(347,120,009)
Total Capital Assets, being Depreciated, net	90,877,735	340,004	(28,953)	91,188,786
Governmental Activities Capital Assets, net	\$ 109,386,645	\$ 7,003,758	\$ (5,865,577)	\$ 110,524,826

(Continued)

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 8 - CAPITAL ASSETS (Continued)

	Balance 12/31/10	Additions	Deductions	Balance 12/31/11
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 2,631,525	\$ -	\$ -	\$ 2,631,525
Construction in Progress	10,621,539	10,162,592	(212,100)	20,572,031
Total Capital Assets, not being Depreciated	13,253,064	10,162,592	(212,100)	23,203,556
Capital Assets, being Depreciated				
Buildings and Structures	97,148,050	-	-	97,148,050
Vehicles and Equipment	11,098,572	771,398	(599,359)	11,270,611
Infrastructure	155,207,779	498,273	-	155,706,052
Total Capital Assets, being Depreciated	263,454,401	1,269,671	(599,359)	264,124,713
Less Accumulated Depreciation				
Buildings and Structures	(53,868,425)	(2,165,048)	-	(56,033,473)
Vehicles and Equipment	(8,616,205)	(552,158)	581,733	(8,586,630)
Infrastructure	(119,082,658)	(1,515,750)	-	(120,598,408)
Total Accumulated Depreciation	(181,567,288)	(4,232,956)	581,733	(185,218,511)
Total Capital Assets, being Depreciated, net	81,887,113	(2,963,285)	(17,626)	78,906,202
Business-Type Activities Capital Assets, net	<u>\$ 95,140,177</u>	<u>\$ 7,199,307</u>	<u>\$ (229,726)</u>	<u>\$ 102,109,758</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$ 486,238
Security of Persons and Property	1,552,873
Public Health	93,426
Transportation	5,027,400
Community Development	7,449
Leisure Time Activities	655,295
Total Depreciation Expense	<u>\$ 7,822,681</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 and will remain at 125% through 2012.

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
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

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

General Obligation Bonds				
Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2012	2,295,245	526,987	1,009,755	202,363
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	772,771	30,911
2017-2021	2,064,488	124,600	-	-
Total	<u>\$ 13,835,411</u>	<u>\$ 1,886,357</u>	<u>\$ 5,059,076</u>	<u>\$ 591,593</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
2012	75,519	19,881
2013	77,993	17,407
2014	80,548	14,852
2015	83,187	12,213
2016	85,913	9,487
2017-2019	229,845	11,200
Total	<u>\$ 633,005</u>	<u>\$ 85,040</u>

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

Year Ending December 31	Governmental Activities	
	Principal	Interest
2012	131,834	23,793
2013	137,107	18,190
2014	142,591	12,363
2015	148,294	6,303
Total	<u>\$ 559,826</u>	<u>\$ 60,649</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

The City entered into various loan agreements with the Ohio Public Works Commission for the purpose of improving the water pollution control and storm sewer operations. These are interest free loans. The 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 0.9 percent of net revenues. The total principal remaining to be paid on the debt is \$59,345. Principal paid for the current year and total net revenues were \$5,395 and \$3,057,365, respectively. 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, Water Pollution Control Center	0.00%	724,423
Business-Type Activities, Harmont Ave Pump Station	0.00%	107,900
		<u>\$ 2,007,135</u>

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

Ohio Public Works Commission Loan				
Year Ending	Governmental Activities		Business-Type Activities	
December 31	Principal	Interest	Principal	Interest
2012	65,087	-	5,395	-
2013	65,087	-	5,395	-
2014	65,087	-	5,395	-
2015	65,087	-	5,395	-
2016	65,087	-	5,395	-
2017-2021	236,581	-	26,975	-
2022-2026	176,000	-	5,395	-
2027-2030	74,106	-	-	-
Total	<u>\$ 812,122</u>	<u>\$ -</u>	<u>\$ 59,345</u>	<u>\$ -</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

The City entered into various loan agreements with the Ohio Water Development Authority for the purpose of improving and expanding both the water and the water pollution control operations. 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 37.6 percent of net water operating revenue and 32.2 percent of net sewer operating revenue. The total principal and interest remaining to be paid on the debt is \$4,842,936 for water and \$7,867,269 for sewer. Principal and interest paid for the current year and total net revenues were \$1,391,212 and \$3,703,032, respectively, for water and \$983,409 and \$3,057,365, respectively, for sewer. 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, Water Main Extension (Norwood Hills)	4.55%	527,230
Business-Type Activities, Perry Township Water Extension	4.65%	1,459,754
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	5.74%	1,511,821
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>\$ 37,173,507</u>

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

Ohio Water Development Authority Loan		
Year Ending	Business-Type Activities	
December 31	Principal	Interest
2012	1,233,872	347,290
2013	1,089,637	307,327
2014	1,108,439	272,442
2015	1,127,216	237,581
2016	1,162,840	201,957
2017-2021	4,384,361	472,809
2022-2026	653,922	60,791
2027-2030	52,039	884
Total	<u>\$ 10,812,326</u>	<u>\$ 1,901,081</u>

During 2011, 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. Also, the Ohio Water Development Authority, had not yet done a final reconciliation for the

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

Sugarcreek Project Loan and the Harmont Ave Sewer Project Loan. Due to these issues, no payment schedules were available for any of the five 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.

Changes in long-term obligations of the City during the year ended December 31, 2011, were as follows:

	Outstanding 12/31/10	Additions	Reductions	Outstanding 12/31/11	Due Within One Year
<i>Business Type Activities</i>					
OPWC Loan:					
Sewer Fund:					
2003 Harmont Lift Station 0%	64,740	-	(5,395)	59,345	5,395
OWDA Loans:					
Water Fund:					
2001 Water Main Extension (Norwood Hills) 4.55%	64,012	-	(64,012)	-	-
2001 Plain Township Water Line Ext. (55th St) 4.74%	1,132,394	-	(76,083)	1,056,311	79,732
2002 Perry Twshp Water Extension 4.65%	347,936	-	(169,970)	177,966	177,966
2002 Lake Schl Water 4.64%	1,397,046	-	(89,306)	1,307,740	93,498
2003 Lawrence Water Main Extension 5.01%	102,100	-	(27,390)	74,710	28,780
2007 Osnaburg Water Main Extension 3.62%	1,228,121	-	(55,512)	1,172,609	57,540
2007 SC Wtr Plant Imprv 3.25%	2,756,003	-	(131,995)	2,624,008	-
2008 NW Wtr Plant Imprv 3.25%	5,124,524	47,608	(258,405)	4,913,727	-
2009 NE Wtr Plant Imprv 5.47%	3,457,691	9,224,408	-	12,682,099	-
Sewer Fund:					
1997 Water Pollution System 2.64%	7,342,030	-	(731,808)	6,610,222	751,511
1999 Discharge Line (J.L.) 4.56%	455,952	-	(43,184)	412,768	44,845
2010 Phosphorus/Nitrogen Removal Prj 3.20%	158,096	1,368,085	-	1,526,181	-
Total OWDA Loans	23,565,905	10,640,101	(1,647,665)	32,558,341	1,233,872
General Obligation Bonds:					
Water Fund:					
2006 Refunding Bonds 4.0%	4,643,545	-	(747,474)	3,896,071	777,628
Sewer Fund:					
2006 Various Purpose 4.0%	1,386,132	-	(223,127)	1,163,005	232,127
Total General Obligation Bonds	6,029,677	-	(970,601)	5,059,076	1,009,755
Compensated Absences	1,206,061	1,496,257	(628,448)	2,073,870	847,978
Capital Lease	13,124	-	(13,124)	-	-
Total Business Type Activities	\$ 30,879,507	\$ 12,136,358	\$ (3,265,233)	\$ 39,750,632	\$ 3,097,000

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

	Outstanding 12/31/10	Additions	Reductions	Outstanding 12/31/11	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Bonds:					
2009 Refunding					
Bonds 3.0%-4.0%	3,535,000	-	(395,000)	3,140,000	405,000
2009 Refunding					
Bonds 3.0%-4.0%	3,925,000	-	(445,000)	3,480,000	450,000
2001 Radio Communication					
Bonds 4.0%-2.25%	655,000	-	(655,000)	-	-
2006 Various Purpose 4.0%	8,599,810	-	(1,384,399)	7,215,411	1,440,245
Total General					
Obligation Bonds	16,714,810	-	(2,879,399)	13,835,411	2,295,245
1998 SIB Loan	706,128	-	(73,123)	633,005	75,519
2000 Legal Claims	66,700	-	(27,600)	39,100	27,600
2000 Millenium Parking					
Deck Loan 4%	686,589	-	(126,763)	559,826	131,834
2010 OWDA Loan Harmont Ave					
Sewer Extension 3.25%	53,563	-	(2,210)	51,353	-
OPWC Loan:					
2003 35th St NE					
Storm Sewer 0%	190,409	-	(25,387)	165,022	25,387
2004 Market Ave Sewer 0%	217,500	-	(15,000)	202,500	15,000
2009 30th St NE Storm					
Sewer 0%	469,300	-	(24,700)	444,600	24,700
Total OPWC Loans	877,209	-	(65,087)	812,122	65,087
Compensated Absences	6,564,504	2,941,224	(2,420,792)	7,084,936	1,233,693
Capital Leases	938,159	-	(513,359)	424,800	16,178
<i>Total Governmental</i>					
<i>Activities</i>	26,607,662	2,941,224	(6,108,333)	23,440,553	3,845,156
Totals	\$ 57,487,169	\$ 15,077,582	\$ (9,373,566)	\$ 63,191,185	\$ 6,942,156

*Note: The above schedule of long-term debt obligations would differ from the government wide Statement of Net Assets as a result of the compensated absences payable associated with business activities being included with the long-term liabilities of the governmental activities. The internal service Compensated 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. The result is a discrepancy of \$1,225,892 between the debt reflected in the above schedule for governmental and business-type activities and the debt numbers reflected in the Due in More Than One Year line item on the Statement of Net Assets on page 13. A similar discrepancy of \$847,978 results for the Due Within One Year line item. The City's overall legal debt margin was \$75,394,894 and an unvoted debt margin of \$32,071,981 at December 31, 2011.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 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 2011 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 2011 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 2011 was 18.1%. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, 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, 2011, 2010, and 2009 were \$4,120,588, \$4,153,931, and \$4,129,898, respectively. The full amount has been contributed for 2010 and 2009. 88.5 percent has been contributed for 2011 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 2011 the City was required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. For 2011, 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 of Canton
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Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

City's contributions to the fund for police and firefighters were \$1,928,444 and \$2,257,140 for the year ending December 31, 2011, \$1,936,464 and \$2,452,065 for the year ending December 31, 2010, and \$1,992,982 and \$2,412,232 for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 75.45 and 72.15 percent, respectively, have been contributed for 2011 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

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 2011, 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 2011, 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 2011. Actual City contributions for 2011 that were used to fund postemployment benefits were \$1,179,912. The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The City contributes to the OP&F sponsored healthcare program, a cost-sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents. OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates 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, 2011, 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 for 2011 that were used to fund postemployment benefits were \$667,242 for police and \$634,256 for firefighters. OP&F's total health care expense for the year ended December 31, 2010, (the latest information available) was \$159,913,915, which was net of member contributions of \$58,923,329. The number of OP&F participants eligible to receive health care benefits as of December 31, 2010, was 15,013 for police and 11,061 for firefighters.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
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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 2011, the grant was for \$175,000 paid in October 2010 and the Chamber of Commerce is responsible for dividing it up amongst its various agencies like Canton Tomorrow, Inc. Complete financial statements can be obtained from Canton Tomorrow, Inc.

Downtown Canton Special Improvement District

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 13 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The District was created for the purpose of developing and implementing plans for public improvements and public services. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. In 2011, the City contributed \$187,516 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 2011. 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 2011. Complete financial statements may be obtained from the Stark Area Regional Transit Authority.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 \$689,555 from the General Fund for 2011 for the operation of SCOG, which represents 50.04 percent of total contributions. Complete financial statements may be obtained from the Stark Council of Governments.

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the State. The commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 88-member board, the City appoints 5 members. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2011, the City contributed \$9,752 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.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 17 - COMMITMENTS

As of December 31, 2011, the City had significant encumbrances as follows:

	Encumbrances as of 12/31/11
Major Funds	
General Fund	\$ 947,426
Community and Economic Development Fund	3,414,092
Capital Project Fund	1,441,873
Motor Vehicle Purchase Fund	210
Water Fund	3,511,178
Sewer Fund	2,620,883
Refuse Fund	1,118,216
Nonmajor Funds	5,853,323
Total	\$ 18,907,201

As of December 31, 2011, the City had significant contractual commitments as follows:

Company	Project	Amount Remaining On Contract
ACLARA	Electronic Meter Devices for Water/Sewer Billing	\$ 616,000
Augere Construction	Fire Station #4	164,002
Bontrager Excavating	Hartville/Lake Waterline Extension	176,726
Brechbuhler	Sanitation Packer Acquisition	960,957
Burgess & Niple LTD	NE Water Treatment Plant Upgrade	153,160
CT Consultants	Water Reclamation Facility Phosphorus Project	1,572,564
Cormony Development Corp.	Remediation at Hercules Factory Project	1,935,862
DDK Property Group	Neighborhood Stabilization Program	309,524
Freed Housing	Green Homes Program	358,537
Habitat for Humanity	Neighborhood Stabilization Program	507,503
Hein Construction	City Hall Renovation	145,520
HZW Environmental	Professional Service for Bison Remediation Project	186,272
ME Company	12Th St. N.W. Corridor Project	1,147,867
Penn-Ohio Electric	NE Water Treatment Plant Upgrade	638,414
Stanley Miller Construction	NE Water Treatment Plant Upgrade	1,264,170
Stark -Metro Housing	Neighborhood Stabilization Program	483,051
Stark State College of Technology	Brownfield Job Training	187,658
Total		10,807,787

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 \$192,879 for the year ended December 31, 2011. The minimum rental commitments under all such non-cancelable leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2012	189,832
2013	11,382
Total	<u>\$ 201,214</u>

Capital Leases

In 2011, the City did not enter into any new capital lease agreements. The City currently has capital leases outstanding for 5 police motorcycles and a fire truck, both of which are 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, 2011.

<u>Year Ending</u>	<u>Governmental Activities</u>
2012	18,236
2013	227,193
2014	208,957
Total Minimum Lease Payments	454,386
Less Amount Representing Interest	29,586
Present Value of Minimum Lease Payments	<u>424,800</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.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 19 - CONTINGENT LIABILITIES (Continued)

Litigation

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

<u>Year Ending</u>	<u>Amount</u>
2012	27,600
2013	11,500
Total	<u>\$ 39,100</u>

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, 2011 reflected in the General Fund on the Balance Sheet and the governmental activities in the government-wide financial statements:

	<u>Governmental Activities General Fund</u>
Notes Payable at January 1, 2011	\$ 1,800,000
New notes issued	1,700,000
Notes Retired	<u>(1,800,000)</u>
Notes Payable at December 31, 2011	<u>\$ 1,700,000</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 29, 2011. The note was issued at a 1% interest rate resulting in an \$17,000 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 2011, 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 \$4,000 was used to provide seed money for a new special revenue fund. Interfund transfers for the year ended December 31, 2011, consisted of the following:

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 21 - INTERFUND BALANCES AND TRANSFERS (Continued)

Transfer to	Transfer From	
	General Fund	Total
Nonmajor Special Revenue	\$ 44,000	\$ 44,000
<i>Total</i>	<u>\$ 44,000</u>	<u>\$ 44,000</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, 2011, the Nonmajor Special Revenue Funds had a due to the Community and Economic Development Fund of \$19,953. This internal borrowing represents a grant advance that took place between a Major Special Revenue Fund and a Nonmajor Special Revenue fund. The \$5,016 due from the Community and Economic Development Fund to the General Fund is for a grant advance that was needed for cash flow purposes. The advance of \$715,780 from the General Fund to the Nonmajor Special Revenue Fund represents money owed to the General Fund for expenditures paid on behalf of those funds. \$1,211,760 due from 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.

Due From	Due to			Total
	General Fund	Community and Economic Development	Nonmajor Internal Service	
General Fund	\$ -	\$ -	\$ 418,478	\$ 418,478
Community and Economic Development Fund	5,016	-	-	5,016
Capital Projects	-	-	4,143	4,143
Water Fund	-	-	215,735	215,735
Sewer Fund	-	-	360,944	360,944
Refuse Fund	-	-	116,266	116,266
Nonmajor Special Revenue	715,780	19,953	96,194	831,927
<i>Total</i>	<u>\$ 720,796</u>	<u>\$ 19,953</u>	<u>\$ 1,211,760</u>	<u>\$1,952,509</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

NOTE 22 – ACCOUNTABILITY AND COMPLIANCE

Accountability

Fund balances at December 31, 2011 included the following individual fund deficits:

	<u>Deficit Fund Balance</u>
Nonmajor Funds:	
Fire Grants & Donations	215,388
Health Insurance	714,489
Compensated Absences Claims	7,823,465

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 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 59, "Financial Instruments Omnibus."

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of this Statement did not have an effect on the City's financial statements.

**Combining, Statements and
Individual Fund Schedules**

Nonmajor Special Revenue Funds

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, 2009 Cops Hiring Recovery Program Grant, 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.

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

Ford Road Grant

Nonmajor Debt Service Funds

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

General Obligation Bond Retirement Fund To account for the accumulation of resources to pay principal and interest on general obligation debt.

Special Assessment Bond Retirement Fund To account for the collection of special assessments levied against properties for the payment of special assessment bonds and related interest costs.

Nonmajor Capital Projects Funds

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

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.

30th St NE Trunk Sewer Fund To account for all costs associated with the 30th St NE trunk 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.

12th St NW Project Fund To account for all costs associated with the 12th St NW project.

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

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

Harmont Ave Sanitary Sewer Project Fund To account for all costs associated with the Harmont sanitary sewer 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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 2,678,751	\$ 2,679,060	\$ 309
Municipal Income Tax	32,037,047	31,880,519	(156,528)
Charges for Services	10,317,224	10,316,323	(901)
Licenses, Permits and Fees	1,244,000	1,267,572	23,572
Fines and Forfeitures	287,900	283,453	(4,447)
Intergovernmental	6,120,337	6,137,539	17,202
Operating Grants	184,885	205,032	20,147
Interest	90,211	88,648	(1,563)
Rentals	63,931	86,129	22,198
Other	2,945,407	2,966,470	21,063
Total Revenue	55,969,693	55,910,745	(58,948)
Expenditures			
Current:			
General Governmental:			
<i>Service Director-Support Administration:</i>			
Personal Services	173,367	172,898	469
Materials and Supplies	9,056	3,596	5,460
Contractual Services	584,708	554,795	29,913
Other	132,847	129,953	2,894
<i>Total Service Director-Support Administration</i>	<i>899,978</i>	<i>861,242</i>	<i>38,736</i>
<i>Service Director-Service Director Administration:</i>			
Personal Services	88,312	87,682	630
Materials and Supplies	70	-	70
Contractual Services	20,675	3,578	17,097
Capital Outlay	730	730	-
Other	2,300	1,733	567
<i>Total Service Director-Service Director Admin</i>	<i>112,087</i>	<i>93,723</i>	<i>18,364</i>
<i>Service Director-Purchase Administration:</i>			
Personal Services	282,146	278,915	3,231
Materials and Supplies	250,358	224,318	26,040
Contractual Services	6,006	4,518	1,488
<i>Total Service Director-Purchase Administration</i>	<i>538,510</i>	<i>507,751</i>	<i>30,759</i>
<i>Service Director-Annexation:</i>			
Personal Services	11,643	9,529	2,114
Materials and Supplies	100	-	100
Contractual Services	2,300	2,100	200
<i>Total Service Director-Annexation</i>	<i>14,043</i>	<i>11,629</i>	<i>2,414</i>
<i>Building and Maintenance-Other Building:</i>			
Personal Services	733,360	701,352	32,008
Materials and Supplies	58,803	44,428	14,375
Contractual Services	418,553	407,485	11,068
Capital Outlay	200	-	200
Other	1,408	1,087	321
<i>Total Building and Maintenance-Other Building</i>	<i>\$ 1,212,324</i>	<i>\$ 1,154,352</i>	<i>\$ 57,972</i>

(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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Income Tax-Income Tax Administration:</i>			
Personal Services	\$ 904,058	\$ 900,713	\$ 3,345
Materials and Supplies	114,404	106,840	7,564
Contractual Services	128,783	82,486	46,297
Capital Outlay	14,259	2,688	11,571
Other	214,554	137,710	76,844
<i>Total Income Tax - Income Tax Administration</i>	<u>1,376,058</u>	<u>1,230,437</u>	<u>145,621</u>
<i>Mayor - Administration:</i>			
Personal Services	343,986	334,238	9,748
Materials and Supplies	5,568	2,722	2,846
Contractual Services	26,914	24,937	1,977
Other	4,069	1,505	2,564
<i>Total Mayor-Mayor Administration</i>	<u>380,537</u>	<u>363,402</u>	<u>17,135</u>
<i>Mayor-Human Resources Administration:</i>			
Personal Services	96,604	96,274	330
Materials and Supplies	850	363	487
Contractual Services	22,535	14,224	8,311
Other	495	199	296
<i>Total Mayor-Human Resources Administration</i>	<u>120,484</u>	<u>111,060</u>	<u>9,424</u>
<i>Council-Council Administration:</i>			
Personal Services	534,060	529,059	5,001
Materials and Supplies	2,781	1,914	867
Contractual Services	56,441	38,165	18,276
Other	100	-	100
<i>Total Council-Council Administration</i>	<u>593,382</u>	<u>569,138</u>	<u>24,244</u>
<i>Courts/Judge-Judge Administration:</i>			
Personal Services	1,862,524	1,755,095	107,429
Materials and Supplies	42,742	30,813	11,929
Contractual Services	55,597	41,310	14,287
Capital Outlay	2,000	1,990	10
Other	500	-	500
<i>Total Courts/Judge-Judge Administration</i>	<u>1,963,363</u>	<u>1,829,208</u>	<u>134,155</u>
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personal Services	1,355,480	1,278,776	76,704
Materials and Supplies	86,868	63,794	23,074
Contractual Services	63,587	47,114	16,473
Capital Outlay	800	800	-
Other	6,188	268	5,920
<i>Total Courts/Clerk-Clerk of Courts Admin</i>	<u>1,512,923</u>	<u>1,390,752</u>	<u>122,171</u>
<i>Law Director-Law Administration:</i>			
Personal Services	1,388,326	1,372,012	16,314
Materials and Supplies	15,999	12,894	3,105
Contractual Services	140,995	123,530	17,465
Other	248,426	177,636	70,790
<i>Total Law Director-Law Administration</i>	<u>\$ 1,793,746</u>	<u>\$ 1,686,072</u>	<u>\$ 107,674</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Law Director-Police Settlement:</i>			
Legal Claims	\$ 71,600	\$ 71,600	\$ -
<i>Total Law Director-Police Settlement</i>	<u>71,600</u>	<u>71,600</u>	<u>-</u>
<i>Auditor-Auditor Administration:</i>			
Personal Services	1,013,684	1,006,406	7,278
Materials and Supplies	14,523	14,201	322
Contractual Services	29,017	28,962	55
Other	134,300	100,809	33,491
<i>Total Auditor-Auditor Administration</i>	<u>1,191,524</u>	<u>1,150,378</u>	<u>41,146</u>
<i>Auditor-Legally Binding Expenses:</i>			
Contractual Services	724,376	719,077	5,299
Other	6,625	6,625	-
<i>Total Auditor-Legally Binding Expenses</i>	<u>731,001</u>	<u>725,702</u>	<u>5,299</u>
<i>Treasurer- Administration & Operations:</i>			
Personal Services	252,803	251,911	892
Materials and Supplies	2,800	1,885	915
Contractual Services	39,817	14,362	25,455
Capital Outlay	2,134	2,134	-
Other	300,300	183,410	116,890
<i>Total Treasurer-Operations</i>	<u>597,854</u>	<u>453,702</u>	<u>144,152</u>
<i>Board of Commission-Civil Service:</i>			
Personal Services	285,395	277,981	7,414
Materials and Supplies	2,921	2,615	306
Contractual Services	32,537	27,441	5,096
Other	551	551	-
<i>Total Board of Commission-Civil Service</i>	<u>321,404</u>	<u>308,588</u>	<u>12,816</u>
<i>Board of Commission-Zoning Board:</i>			
Personal Services	8,858	8,830	28
<i>Total Board of Commission-Zoning Board</i>	<u>8,858</u>	<u>8,830</u>	<u>28</u>
<i>Motor Vehicle-Administration:</i>			
Personal Services	171,627	120,145	51,482
Materials and Supplies	250	-	250
Contractual Services	163,514	134,619	28,895
Other	100	40	60
<i>Total Motor Vehicle-Administration</i>	<u>335,491</u>	<u>254,804</u>	<u>80,687</u>
<i>Motor Vehicle-Service and Repair:</i>			
Personal Services	796,039	762,453	33,586
Materials and Supplies	2,093,642	2,004,191	89,451
Contractual Services	64,957	56,460	8,497
Capital Outlay	6,356	6,321	35
Other	15,639	4,958	10,681
<i>Total Motor Vehicle-Service and Repair</i>	<u>\$ 2,976,633</u>	<u>\$ 2,834,383</u>	<u>\$ 142,250</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Management Information Systems:</i>			
Personal Services	\$ 976,426	\$ 973,652	\$ 2,774
Materials and Supplies	4,743	4,605	138
Contractual Services	88,051	80,475	7,576
Other	200	-	200
<i>Total Management Information Systems</i>	<u>1,069,420</u>	<u>1,058,732</u>	<u>10,688</u>
Total General Government	<u>17,821,220</u>	<u>16,675,485</u>	<u>1,145,735</u>
Security of Persons and Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personal Services	138,114	137,889	225
Materials and Supplies	395	-	395
Contractual Services	38,701	32,655	6,046
Other	2,045	1,235	810
<i>Total Safety Director-Safety Director Admin</i>	<u>179,255</u>	<u>171,779</u>	<u>7,476</u>
<i>Safety Director-Code Enforcement Admin:</i>			
Personal Services	750,049	742,870	7,179
Materials and Supplies	9,352	7,012	2,340
Contractual Services	191,167	169,792	21,375
Capital Outlay	1,791	-	1,791
Other	6,200	2,442	3,758
<i>Total Safety Director-Code Enforcement Admin</i>	<u>958,559</u>	<u>922,116</u>	<u>36,443</u>
<i>Safety Director-Central Communication Admin:</i>			
Salaries and Wages	1,378,203	1,376,775	1,428
Materials and Supplies	2,395	727	1,668
Contractual Services	76,608	60,222	16,386
Capital Outlay	200	-	200
<i>Total Safety Director-Central Communication Admin</i>	<u>1,457,406</u>	<u>1,437,724</u>	<u>19,682</u>
<i>Police Administration:</i>			
Personal Services	15,047,059	14,844,315	202,744
Materials and Supplies	87,776	79,044	8,732
Contractual Services	460,240	413,302	46,938
Capital Outlay	930	-	930
Other	13,867	13,258	609
<i>Total Police Administration</i>	<u>15,609,872</u>	<u>15,349,919</u>	<u>259,953</u>
<i>Fire Administration:</i>			
Personal Services	13,983,497	13,963,905	19,592
Materials and Supplies	202,254	197,056	5,198
Contractual Services	409,229	398,838	10,391
Capital Outlay	3,670	3,670	-
Other	22,959	15,891	7,068
<i>Total Fire Administration</i>	<u>14,621,609</u>	<u>14,579,360</u>	<u>42,249</u>
<i>Traffic Divisions-Traffic Engineer/Parking Meter:</i>			
Personal Services	102,063	101,203	860
Materials and Supplies	18,701	15,813	2,888
Contractual Services	7,750	5,643	2,107
<i>Total Traffic Divisions-Traffic Engineer/Parking Meter</i>	<u>\$ 128,514</u>	<u>\$ 122,659</u>	<u>\$ 5,855</u>
Total Security of Persons and Property	<u>\$ 32,955,215</u>	<u>\$ 32,583,557</u>	<u>\$ 371,658</u>

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Public Health:			
<i>Health Administration:</i>			
Personal Services	497,617	495,812	1,805
Materials and Supplies	44,536	19,381	25,155
Contractual Services	139,962	110,267	29,695
Capital Outlay	2,900	2,361	539
Other	399,279	305,125	94,154
Total Health Administration	1,084,294	932,946	151,348
<i>Health-Nurses:</i>			
Personal Services	714,447	708,827	5,620
Materials and Supplies	51,358	46,622	4,736
Contractual Services	9,013	5,354	3,659
Other	3,250	1,384	1,866
Total Health-Nurses	778,068	762,187	15,881
<i>Health-Lab:</i>			
Personal Services	210,716	207,497	3,219
Materials and Supplies	31,514	30,699	815
Contractual Services	21,025	18,420	2,605
Capital Outlay	4,630	4,595	35
Total Health-Lab	267,885	261,211	6,674
<i>Health-Environmental Health Administration:</i>			
Personal Services	558,344	556,158	2,186
Materials and Supplies	7,067	5,343	1,724
Contractual Services	5,907	4,857	1,050
Capital Outlay	2,400	2,000	400
Other	750	678	72
Total Health-Environmental Health Administration	574,468	569,036	5,432
Total Public Health	2,704,715	2,525,380	179,335
Transportation:			
<i>Engineering-Daily Operations:</i>			
Personal Services	45,494	43,135	2,359
Materials and Supplies	20	18	2
Contractual and Services	1,501	-	1,501
Total Engineering-Daily Operations	47,015	43,153	3,862
<i>Street-Maintenance:</i>			
Personal Services	118,202	115,380	2,822
Materials and Supplies	327,770	315,398	12,372
Contractual Services	1,062,544	1,027,890	34,654
Other	6,183	4,038	2,145
Total Street-Maintenance	1,514,699	1,462,706	51,993
Total Transportation	\$ 1,561,714	\$ 1,505,859	\$ 55,855

(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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Leisure Time Activities:			
<i>Park Division-Park Administration:</i>			
Personal Services	\$ 1,064,862	\$ 1,055,499	\$ 9,363
Materials and Supplies	27,735	24,411	3,324
Contractual Services	54,324	49,362	4,962
Other	5,402	4,350	1,052
<i>Total Park Division-Park Administration</i>	<u>1,152,323</u>	<u>1,133,622</u>	<u>18,701</u>
<i>Mayor-Baseball:</i>			
Materials and Supplies	219	-	219
Contractual Services	14,000	11,458	2,542
Other	100	100	-
<i>Total Mayor-Baseball</i>	<u>14,319</u>	<u>11,558</u>	<u>2,761</u>
<i>Civic Center-Civic Center Administration:</i>			
Personal Services	47,726	45,552	2,174
Materials and Supplies	43,635	21,651	21,984
Contractual Services	523,405	508,325	15,080
Other	55,620	55,620	-
<i>Total Civic Center-Civic Center Administration</i>	<u>670,386</u>	<u>631,148</u>	<u>39,238</u>
Total Leisure Time Activities	<u>1,837,028</u>	<u>1,776,328</u>	<u>60,700</u>
Debt Service:			
<i>Principal Retirement:</i>			
Various Purpose Loans	1,800,000	1,800,000	-
General Obligation Various Improvement Bonds	395,000	395,000	-
<i>Total Principal Retirement</i>	<u>2,195,000</u>	<u>2,195,000</u>	<u>-</u>
<i>Interest and Fiscal Charges</i>			
Various Purpose Loans	18,000	17,950	50
General Obligation Various Improvement Bonds	124,900	124,900	-
<i>Total Interest and Fiscal Charges</i>	<u>142,900</u>	<u>142,850</u>	<u>50</u>
Total Debt Service	<u>2,337,900</u>	<u>2,337,850</u>	<u>50</u>
Total Expenditures	59,217,792	57,404,459	1,813,333
Excess of Revenues Over (Under) Expenditures	<u>(3,248,099)</u>	<u>(1,493,714)</u>	<u>1,754,385</u>
<i>Other Financing Sources (Uses)</i>			
Sale of Note	1,800,000	1,700,000	(100,000)
Advances In	2,000,000	2,000,000	-
Advances Out	(2,060,016)	(2,005,016)	55,000
Operating Transfers Out	(44,000)	(44,000)	-
<i>Total Other Financing Sources</i>	<u>1,695,984</u>	<u>1,650,984</u>	<u>(45,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,552,115)	157,270	1,709,385
<i>Fund Balances Beginning of Year</i>	1,117,249	1,117,249	-
Prior Year Encumbrances Appropriated	995,808	995,808	-
<i>Fund Balances End of Year</i>	<u>\$ 560,942</u>	<u>\$ 2,270,327</u>	<u>\$ 1,709,385</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 6,491,475	\$ 3,540	\$ 3,447,896	\$ 9,942,911
Cash and Cash Equivalents in Segregated Accounts	-	3,019	-	3,019
Taxes Receivable	-	5,201	-	5,201
Accounts Receivable	36,265	-	14	36,279
Due From Other Governments	5,121,389	-	22,870	5,144,259
Inventories	35,935	-	-	35,935
Total Assets	<u>\$11,685,064</u>	<u>\$ 11,760</u>	<u>\$ 3,470,780</u>	<u>\$15,167,604</u>
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ 134,648	\$ -	\$ 394,422	\$ 529,070
Accrued Wages and Benefits	143,152	-	-	143,152
Due to Other Funds	831,927	-	-	831,927
Due to Other Governments	162,548	-	-	162,548
Deferred Revenue	3,497,366	5,201	-	3,502,567
Total Liabilities	<u>4,769,641</u>	<u>5,201</u>	<u>394,422</u>	<u>5,169,264</u>
Fund Balances				
Nonspendable	35,935	-	-	35,935
Restricted	6,920,012	6,559	3,076,358	10,002,929
Committed	174,864	-	-	174,864
Unassigned	(215,388)	-	-	(215,388)
<i>Total Fund Balances</i>	<u>6,915,423</u>	<u>6,559</u>	<u>3,076,358</u>	<u>9,998,340</u>
Total Liabilities and Fund Balances	<u>\$11,685,064</u>	<u>\$ 11,760</u>	<u>\$ 3,470,780</u>	<u>\$15,167,604</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Charges for Services	\$ 1,239,391	\$ -	\$ -	\$ 1,239,391
Licenses, Permits, and Fees	224,795	-	-	224,795
Fines and forfeitures	116,344	-	-	116,344
Intergovernmental	3,187,410	-	-	3,187,410
Interest	534	3,349	7,655	11,538
Operating Grants and Contributions	6,175,256	-	-	6,175,256
Capital Grants and Contributions	2,833,406	-	1,008,434	3,841,840
Rentals	47,064	-	-	47,064
Other	261,123	2,940	-	264,063
Total Revenues	<u>14,085,323</u>	<u>6,289</u>	<u>1,016,089</u>	<u>15,107,701</u>
Expenditures				
Current				
General Government	1,212,085	3,168	-	1,215,253
Security of Persons and Property	5,130,971	-	-	5,130,971
Public Health	3,767,664	-	-	3,767,664
Transportation	2,279,411	-	-	2,279,411
Community Environment	1,742,343	-	-	1,742,343
Leisure Time Activities	42,368	-	-	42,368
Capital Outlay	-	-	5,467,475	5,467,475
Debt Service				
Principal	30,426	-	202,842	233,268
Interest and Fiscal Charges	7,561	-	50,405	57,966
Total Expenditures	<u>14,212,829</u>	<u>3,168</u>	<u>5,720,722</u>	<u>19,936,719</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(127,506)</u>	<u>3,121</u>	<u>(4,704,633)</u>	<u>(4,829,018)</u>
Other Financing Sources				
Transfers In	44,000	-	-	44,000
Net Change in Fund Balance	(83,506)	3,121	(4,704,633)	(4,785,018)
<i>Fund Balance at Beginning of Year</i>	<u>6,998,929</u>	<u>3,438</u>	<u>7,780,991</u>	<u>14,783,358</u>
<i>Fund Balance at End of Year</i>	<u>\$ 6,915,423</u>	<u>\$ 6,559</u>	<u>\$ 3,076,358</u>	<u>\$ 9,998,340</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 365,523	\$ 219,388	\$ 946,332	\$ 73,524	\$ 2,466,245
Accounts Receivable	1,475	-	-	4,091	13,843
Due From Other Governments	1,139,447	86,951	-	-	2,078,888
Inventories	35,935	-	-	-	-
Total Assets	<u>\$ 1,542,380</u>	<u>\$ 306,339</u>	<u>\$ 946,332</u>	<u>\$ 77,615</u>	<u>\$ 4,558,976</u>
Liabilities and Fund Balances					
<i>Current</i>					
Accounts Payable	\$ 39,118	\$ 1,216	\$ 21,102	\$ 8,393	\$ 7,341
Accrued Wages and Benefits	42,445	3,024	-	6,589	69,977
Due to Other Funds	5,991	300	-	24,099	65,804
Due to Other Governments	9,975	710	-	1,549	145,352
Deferred Revenue	656,781	61,864	-	-	1,104,612
Total Liabilities	<u>754,310</u>	<u>67,114</u>	<u>21,102</u>	<u>40,630</u>	<u>1,393,086</u>
Fund Balances					
Nonspendable	35,935	-	-	-	-
Restricted	752,135	239,225	925,230	-	3,165,890
Committed	-	-	-	36,985	-
Unassigned	-	-	-	-	-
<i>Total Fund Balances</i>	<u>788,070</u>	<u>239,225</u>	<u>925,230</u>	<u>36,985</u>	<u>3,165,890</u>
Total Liabilities and Fund Balances	<u>\$ 1,542,380</u>	<u>\$ 306,339</u>	<u>\$ 946,332</u>	<u>\$ 77,615</u>	<u>\$ 4,558,976</u>

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Crime Lab	Court Computer	Court	Law Department Dispute Resolution	Park	Youth Development
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 38,312	\$ 491,503	\$ 351,644	\$ 709	\$ 158,090	\$ 4,468
Accounts Receivable	-	-	-	-	-	-
Due From Other Governments	2,246	19,188	26,823	-	-	-
Inventories	-	-	-	-	-	-
Total Assets	<u>\$ 40,558</u>	<u>\$ 510,691</u>	<u>\$ 378,467</u>	<u>\$ 709</u>	<u>\$ 158,090</u>	<u>\$ 4,468</u>
Liabilities and Fund Balances						
<i>Current</i>						
Accounts Payable	\$ -	\$ 8,949	\$ 27,227	\$ -	\$ 2,690	\$ -
Accrued Wages and Benefits	-	3,335	6,420	-	-	-
Due to Other Funds	-	-	-	-	19,953	-
Due to Other Governments	-	783	1,509	-	-	-
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>13,067</u>	<u>35,156</u>	<u>-</u>	<u>22,643</u>	<u>-</u>
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	40,558	497,624	343,311	-	37,842	4,468
Committed	-	-	-	709	97,605	-
Unassigned	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>40,558</u>	<u>497,624</u>	<u>343,311</u>	<u>709</u>	<u>135,447</u>	<u>4,468</u>
Total Liabilities and Fund Balances	<u>\$ 40,558</u>	<u>\$ 510,691</u>	<u>\$ 378,467</u>	<u>\$ 709</u>	<u>\$ 158,090</u>	<u>\$ 4,468</u>

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
\$ 344,185	\$ 11,256	\$ 28,039	\$ 116,716	\$ 141,994	\$ 66,864	\$ 19,128	\$ 52,044
10	152	-	-	-	-	-	-
22,770	87	1,603	141	13,453	85,300	903	-
-	-	-	-	-	-	-	-
<u>\$ 366,965</u>	<u>\$ 11,495</u>	<u>\$ 29,642</u>	<u>\$ 116,857</u>	<u>\$ 155,447</u>	<u>\$ 152,164</u>	<u>\$ 20,031</u>	<u>\$ 52,044</u>
\$ 8,712	\$ 195	\$ 1,563	\$ 3,525	\$ 1,896	\$ -	\$ 1,000	\$ -
5,410	-	-	-	1,552	4,400	-	-
-	-	-	-	-	-	-	-
1,271	-	-	-	365	1,034	-	-
-	-	-	-	-	42,650	-	-
<u>15,393</u>	<u>195</u>	<u>1,563</u>	<u>3,525</u>	<u>3,813</u>	<u>48,084</u>	<u>1,000</u>	<u>-</u>
-	-	-	-	-	-	-	-
351,572	11,300	28,079	113,332	151,634	104,080	19,031	52,044
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>351,572</u>	<u>11,300</u>	<u>28,079</u>	<u>113,332</u>	<u>151,634</u>	<u>104,080</u>	<u>19,031</u>	<u>52,044</u>
<u>\$ 366,965</u>	<u>\$ 11,495</u>	<u>\$ 29,642</u>	<u>\$ 116,857</u>	<u>\$ 155,447</u>	<u>\$ 152,164</u>	<u>\$ 20,031</u>	<u>\$ 52,044</u>

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Supplementary Police Forces	Police Grants & Donations	Fire Grants & Donations	Clean Ohio	Other	Total Nonmajor Special Revenue Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 2,553	\$ 108,763	\$ 444,982	\$ 9	\$ 39,204	\$ 6,491,475
Accounts Receivable	-	-	-	-	16,694	36,265
Due From Other Governments	-	243,973	1,307,089	92,527	-	5,121,389
Inventories	-	-	-	-	-	35,935
Total Assets	<u>\$ 2,553</u>	<u>\$ 352,736</u>	<u>\$ 1,752,071</u>	<u>\$ 92,536</u>	<u>\$ 55,898</u>	<u>\$ 11,685,064</u>
Liabilities and Fund Balances						
<i>Current</i>						
Accounts Payable	\$ -	\$ -	\$ 1,721	\$ -	\$ -	\$ 134,648
Accrued Wages and Benefits	-	-	-	-	-	143,152
Due to Other Funds	-	57,131	658,649	-	-	831,927
Due to Other Governments	-	-	-	-	-	162,548
Deferred Revenue	-	225,260	1,307,089	92,527	6,583	3,497,366
Total Liabilities	<u>-</u>	<u>282,391</u>	<u>1,967,459</u>	<u>92,527</u>	<u>6,583</u>	<u>4,769,641</u>
Fund Balances						
Nonspendable	-	-	-	-	-	35,935
Restricted	2,553	70,345	-	9	9,750	6,920,012
Committed	-	-	-	-	39,565	174,864
Unassigned	-	-	(215,388)	-	-	(215,388)
<i>Total Fund Balances</i>	<u>2,553</u>	<u>70,345</u>	<u>(215,388)</u>	<u>9</u>	<u>49,315</u>	<u>6,915,423</u>
Total Liabilities and Fund Balances	<u>\$ 2,553</u>	<u>\$ 352,736</u>	<u>\$ 1,752,071</u>	<u>\$ 92,536</u>	<u>\$ 55,898</u>	<u>\$ 11,685,064</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, 2011

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
Revenues					
Charges for Services	\$ -	\$ -	\$ -	\$ 346,709	\$ -
Licenses, Permits, and Fees	-	-	-	-	224,795
Fines and forfeitures	1,475	-	-	-	-
Intergovernmental	2,986,523	200,887	-	-	-
Interest	159	129	-	-	-
Operating Grants and Contributions	-	-	-	-	3,807,635
Capital Grants and Contributions	-	-	785,717	-	-
Rentals	-	-	-	17,158	-
Other	52,331	-	-	-	157,782
Total Revenues	<u>3,040,488</u>	<u>201,016</u>	<u>785,717</u>	<u>363,867</u>	<u>4,190,212</u>
Expenditures					
Current					
General Government	-	-	-	-	-
Security of Persons and Property	1,138,361	4,000	-	355,277	-
Public Health	-	-	-	-	3,767,664
Transportation	1,743,039	173,859	362,513	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>2,881,400</u>	<u>177,859</u>	<u>362,513</u>	<u>355,277</u>	<u>3,767,664</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>159,088</u>	<u>23,157</u>	<u>423,204</u>	<u>8,590</u>	<u>422,548</u>
Other Financing Sources					
Transfers In	-	-	-	-	40,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Net Change in Fund Balance	159,088	23,157	423,204	8,590	462,548
<i>Fund Balance at Beginning of Year</i>	<u>628,982</u>	<u>216,068</u>	<u>502,026</u>	<u>28,395</u>	<u>2,703,342</u>
<i>Fund Balance at End of Year</i>	<u>\$ 788,070</u>	<u>\$ 239,225</u>	<u>\$ 925,230</u>	<u>\$ 36,985</u>	<u>\$ 3,165,890</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, 2011

	Crime Lab	Court Computer	Court	Law Department Dispute Resolution	Park
Revenues					
Charges for Services	\$ 13,978	\$ 281,566	\$ 375,115	\$ 480	\$ -
Licenses, Permits, and Fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	220
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	-	29,906
Other	-	5,600	438	-	2,223
Total Revenues	<u>13,978</u>	<u>287,166</u>	<u>375,553</u>	<u>480</u>	<u>32,349</u>
Expenditures					
Current					
General Government	-	284,422	450,103	375	-
Security of Persons and Property	-	-	-	-	-
Public Health	-	-	-	-	-
Transportation	-	-	-	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	39,933
Debt Service					
Principal	-	-	30,426	-	-
Interest and Fiscal Charges	-	-	7,561	-	-
Total Expenditures	<u>-</u>	<u>284,422</u>	<u>488,090</u>	<u>375</u>	<u>39,933</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>13,978</u>	<u>2,744</u>	<u>(112,537)</u>	<u>105</u>	<u>(7,584)</u>
Other Financing Sources					
Transfers In	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	13,978	2,744	(112,537)	105	(7,584)
<i>Fund Balance at Beginning of Year</i>	<u>26,580</u>	<u>494,880</u>	<u>455,848</u>	<u>604</u>	<u>143,031</u>
<i>Fund Balance at End of Year</i>	<u>\$ 40,558</u>	<u>\$ 497,624</u>	<u>\$ 343,311</u>	<u>\$ 709</u>	<u>\$ 135,447</u>

Youth Development	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,543	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	34,510	6,009	36,899	27,436	-	-	10,015	-
-	-	-	-	-	-	-	-	-
-	242	-	-	-	-	-	-	4
-	15,078	-	-	-	-	170,601	-	-
-	-	-	-	-	-	-	-	49,600
-	-	-	-	-	-	-	-	-
-	11,285	152	-	-	260	-	-	-
-	61,115	6,161	36,899	27,436	221,803	170,601	10,015	49,604
490	-	-	33,000	-	250,558	161,887	31,250	-
-	249,858	8,788	-	32,008	-	-	-	46,376
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
490	249,858	8,788	33,000	32,008	250,558	161,887	31,250	46,376
(490)	(188,743)	(2,627)	3,899	(4,572)	(28,755)	8,714	(21,235)	3,228
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(490)	(188,743)	(2,627)	3,899	(4,572)	(28,755)	8,714	(21,235)	3,228
4,958	540,315	13,927	24,180	117,904	180,389	95,366	40,266	48,816
\$ 4,468	\$ 351,572	\$ 11,300	\$ 28,079	\$ 113,332	\$ 151,634	\$ 104,080	\$ 19,031	\$ 52,044

(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, 2011

	Supplementary Police Forces	Police Grants & Donations	Fire Grants & Donations	Clean Ohio	Other	Total Nonmajor Special Revenue Funds
Revenues						
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,239,391
Licenses, Permits, and Fees	-	-	-	-	-	224,795
Fines and forfeitures	-	-	-	-	-	116,344
Intergovernmental	-	-	-	-	-	3,187,410
Interest	-	-	-	-	-	534
Operating Grants and Contributions	-	511,719	1,670,003	-	-	6,175,256
Capital Grants and Contributions	-	-	255,746	1,742,343	-	2,833,406
Rentals	-	-	-	-	-	47,064
Other	500	8	-	-	30,544	261,123
Total Revenues	<u>500</u>	<u>511,727</u>	<u>1,925,749</u>	<u>1,742,343</u>	<u>30,544</u>	<u>14,085,323</u>
Expenditures						
Current						
General Government	-	-	-	-	-	1,212,085
Security of Persons and Property	605	547,520	2,748,178	-	-	5,130,971
Public Health	-	-	-	-	-	3,767,664
Transportation	-	-	-	-	-	2,279,411
Community Environment	-	-	-	1,742,343	-	1,742,343
Leisure Time Activities	-	-	-	-	2,435	42,368
Debt Service						
Principal	-	-	-	-	-	30,426
Interest and Fiscal Charges	-	-	-	-	-	7,561
Total Expenditures	<u>605</u>	<u>547,520</u>	<u>2,748,178</u>	<u>1,742,343</u>	<u>2,435</u>	<u>14,212,829</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(105)</u>	<u>(35,793)</u>	<u>(822,429)</u>	<u>-</u>	<u>28,109</u>	<u>(127,506)</u>
Other Financing Sources						
Transfers In	-	-	-	-	4,000	44,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>44,000</u>
Net Change in Fund Balance	(105)	(35,793)	(822,429)	-	32,109	(83,506)
<i>Fund Balance at Beginning of Year</i>	2,658	106,138	607,041	9	17,206	6,998,929
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,553</u>	<u>\$ 70,345</u>	<u>\$ (215,388)</u>	<u>\$ 9</u>	<u>\$ 49,315</u>	<u>\$ 6,915,423</u>

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 163,784	\$ 147,956	\$ (15,828)
Operating Grants	10,543,379	5,340,305	(5,203,074)
Capital Grants	945,670	450,878	(494,792)
Rentals	98,698	98,068	(630)
Other	236,332	373,958	137,626
Total Revenues	11,987,863	6,411,165	(5,576,698)
Expenditures			
Current:			
Community Environment:			
<i>Youth Development Administration:</i>			
Personnel Costs	281,839	249,287	32,552
Materials and Supplies	10,209	6,274	3,935
Contractual Services	109,952	88,417	21,535
Capital Outlay	22,343	16,945	5,398
Other	200	200	-
Total Youth Development Administration	424,543	361,123	63,420
<i>Compliance Administration:</i>			
Personnel Costs	56,289	45,673	10,616
Materials and Supplies	2,500	400	2,100
Contractual Services	8,948	1,683	7,265
Other	2,000	846	1,154
Total Compliance Development Administration	69,737	48,602	21,135
<i>Community Development Administration:</i>			
Personnel Costs	1,172,970	1,034,871	138,099
Materials and Supplies	18,643	16,094	2,549
Contractual Services	1,230,955	1,010,092	220,863
Capital Outlay	29,371	21,901	7,470
Other	4,348,615	3,482,735	865,880
Total Community Development Administration	6,800,554	5,565,693	1,234,861
<i>Federal Stimulus Funding:</i>			
Personnel Costs	67,497	50,708	16,789
Materials and Supplies	4,515	3,312	1,203
Contractual Services	1,199,239	947,473	251,766
Capital Outlay	28,438	26,958	1,480
Other	1,437,692	1,387,130	50,562
Total Federal Stimulus Funding	2,737,381	2,415,581	321,800
<i>Hamilton Ave Storm Sewer:</i>			
Contractual Services	\$ 45,000	\$ 45,000	\$ -

(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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Energy Efficiency Conservation:</i>			
Materials and Supplies	\$ 300,247	\$ 257,659	\$ 42,588
Contractual Services	1,875	1,875	-
Capital Outlay	293,045	277,212	15,833
Other	441,220	441,220	-
<i>Total Energy Efficiency Conservation</i>	<u>1,036,387</u>	<u>977,966</u>	<u>58,421</u>
<i>Community Development Demolition:</i>			
Personnel Costs	136,969	135,600	1,369
Materials and Supplies	18,440	14,324	4,116
Contractual Services	376,108	288,293	87,815
Other	7,000	-	7,000
<i>Total Community Development Demolition</i>	<u>538,517</u>	<u>438,217</u>	<u>100,300</u>
<i>Fair Housing Administration:</i>			
Personnel Costs	31,878	28,237	3,641
Materials and Supplies	5,500	675	4,825
Contractual Services	8,500	-	8,500
Other	8,526	721	7,805
<i>Total Fair Housing Administration</i>	<u>54,404</u>	<u>29,633</u>	<u>24,771</u>
<i>Economic Development Grants/Loans:</i>			
Contractual Services	1,144,453	894,453	250,000
<i>Total Economic Development Grants/Loans</i>	<u>1,144,453</u>	<u>894,453</u>	<u>250,000</u>
<i>Total Community Environment</i>	<u>12,850,976</u>	<u>10,776,268</u>	<u>2,074,708</u>
Excess of Revenues (Under) Expenditures	(863,113)	(4,365,103)	(3,501,990)
Other Financing Sources			
Sale of Capital Assets	14,177	14,757	580
Advances In	-	5,016	5,016
<i>Total Other Financing Sources</i>	<u>14,177</u>	<u>19,773</u>	<u>5,596</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	(848,936)	(4,345,330)	(3,496,394)
<i>Fund Balance (Deficit) Beginning of Year</i>	<i>(3,991,070)</i>	<i>(3,991,070)</i>	<i>-</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>4,916,992</i>	<i>4,916,992</i>	<i>-</i>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 76,986</u></u>	<u><u>\$ (3,419,408)</u></u>	<u><u>\$ (3,496,394)</u></u>

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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services			
Intergovernmental	\$ 2,905,000	\$ 2,951,439	\$ 46,439
Interest	500	159	(341)
Other	50,380	52,631	2,251
Total Revenues	<u>2,955,880</u>	<u>3,004,229</u>	<u>48,349</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Engineer Administration:</i>			
Personnel Costs	300,979	297,013	3,966
Materials and Supplies	3,603	3,387	216
Contractual Services	40,488	39,680	808
Other	966	676	290
Total Traffic Divisions-Traffic Engineer Administration	<u>346,036</u>	<u>340,756</u>	<u>5,280</u>
<i>Traffic Divisions-Traffic Sign and Paint:</i>			
Personnel Costs	261,633	246,003	15,630
Materials and Supplies	59,411	57,616	1,795
Contractual Services	49,977	42,681	7,296
Capital Outlay	3,000	3,000	-
Other	39	2	37
Total Traffic Divisions-Traffic Sign and Paint	<u>374,060</u>	<u>349,302</u>	<u>24,758</u>
<i>Traffic Divisions-Traffic Signal:</i>			
Personnel Costs	318,625	310,111	8,514
Materials and Supplies	63,838	62,869	969
Contractual Services	175,677	168,735	6,942
Capital Outlay	25,980	25,124	856
Other	227	216	11
Total Traffic Divisions-Traffic Signal	<u>584,347</u>	<u>567,055</u>	<u>17,292</u>
Total Security Persons and Property	<u>1,304,443</u>	<u>1,257,113</u>	<u>47,330</u>
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	1,178,822	1,126,839	51,983
Materials and Supplies	553,325	539,587	13,738
Contractual Services	161,924	147,360	14,564
Other	6,786	6,770	16
Total Transportation	<u>1,900,857</u>	<u>1,820,556</u>	<u>80,301</u>
Total Expenditures	<u>3,205,300</u>	<u>3,077,669</u>	<u>127,631</u>
Excess of Revenues (Under) Expenditures	(249,420)	(73,440)	175,980
<i>Fund Balance Beginning of Year</i>	210,183	210,183	-
Prior Year Encumbrances Appropriated	99,298	99,298	-
Fund Balance End of Year	<u>\$ 60,061</u>	<u>\$ 236,041</u>	<u>\$ 175,980</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 199,000	\$ 206,189	\$ 7,189
Interest	200	129	(71)
<i>Total Revenues</i>	<u>199,200</u>	<u>206,318</u>	<u>7,118</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Signal:</i>			
Contractual Services	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	124,576	112,607	11,969
Materials and Supplies	32,194	25,104	7,090
Contractual Services	37,955	35,955	2,000
Other	500	-	500
<i>Total Transportation</i>	<u>195,225</u>	<u>173,666</u>	<u>21,559</u>
<i>Total Expenditures</i>	<u>199,225</u>	<u>177,666</u>	<u>21,559</u>
Excess of Revenues Over (Under) Expenditures	(25)	28,652	28,677
<i>Fund Balance Beginning of Year</i>	189,240	189,240	-
Prior Year Encumbrances Appropriated	494	494	-
<i>Fund Balance End of Year</i>	<u>\$ 189,709</u>	<u>\$ 218,386</u>	<u>\$ 28,677</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 761,547	\$ 802,209	\$ 40,662
Other	16,492	-	(16,492)
Total Revenues	<u>778,039</u>	<u>802,209</u>	<u>24,170</u>
Expenditures			
Current:			
Transportation:			
<i>Engineering-Engineering Administration:</i>			
Contractual Services	354,261	163,102	191,159
Capital Outlay	138,959	57,572	81,387
Total Engineering Administration	<u>493,220</u>	<u>220,674</u>	<u>272,546</u>
 30th St NE Trunk Sewer Imprv:			
Capital Outlay	1,473	-	1,473
 East Side Park Trail & Bridges:			
Capital Outlay	243,011	243,011	-
 Total Expenditures	<u>737,704</u>	<u>463,685</u>	<u>274,019</u>
 Excess of Revenues Over Expenditures	40,335	338,524	298,189
 <i>Fund Balance Beginning of Year</i>	62,721	62,721	-
 Prior Year Encumbrances Appropriated	456,653	456,653	-
 <i>Fund Balance End of Year</i>	<u>\$ 559,709</u>	<u>\$ 857,898</u>	<u>\$ 298,189</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 333,000	\$ 344,333	\$ 11,333
Rentals	13,000	16,408	3,408
<i>Total Revenues</i>	<u>346,000</u>	<u>360,741</u>	<u>14,741</u>
Expenditures			
Current:			
Security of Persons & Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personnel Costs	266,656	252,054	14,602
Materials and Supplies	18,747	11,751	6,996
Contractual Services	90,676	79,507	11,169
Capital Outlay	5,942	4,042	1,900
Other	3,118	2,032	1,086
<i>Total Security of Persons & Property</i>	<u>385,139</u>	<u>349,386</u>	<u>35,753</u>
<i>Total Expenditures</i>	<u>385,139</u>	<u>349,386</u>	<u>35,753</u>
Excess of Revenues Over (Under) Expenditures	(39,139)	11,355	50,494
<i>Fund Balance Beginning of Year</i>	29,034	29,034	-
Prior Year Encumbrances Appropriated	10,101	10,101	-
<i>Fund Balance End of Year</i>	<u>\$ (4)</u>	<u>\$ 50,490</u>	<u>\$ 50,494</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Licenses, Permits and Fees	\$ 241,115	\$ 225,313	\$ (15,802)
Operating Grants	3,827,637	3,260,787	(566,850)
Other	95,824	157,701	61,877
<i>Total Revenues</i>	<u>4,164,576</u>	<u>3,643,801</u>	<u>(520,775)</u>
Expenditures			
Current:			
Public Health:			
Health Administration:			
Personnel Costs	2,649,150	2,186,401	462,749
Materials and Supplies	394,361	109,284	285,077
Contractual Services	347,275	147,088	200,187
Capital Outlay	301,456	109,981	191,475
Other	2,880,683	1,332,885	1,547,798
<i>Total Expenditures</i>	<u>6,572,925</u>	<u>3,885,639</u>	<u>2,687,286</u>
Excess of Revenues (Under) Expenditures	(2,408,349)	(241,838)	2,166,511
Other Financing Sources (Uses)			
Advances Out	(25,000)	-	25,000
Transfers In	40,000	40,000	-
<i>Total Other Financing Sources</i>	<u>15,000</u>	<u>40,000</u>	<u>25,000</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(2,393,349)	(201,838)	2,191,511
<i>Fund Balance Beginning of Year</i>	2,434,179	2,434,179	-
Prior Year Encumbrances Appropriated	83,842	83,842	-
<i>Fund Balance End of Year</i>	<u>\$ 124,672</u>	<u>\$ 2,316,183</u>	<u>\$ 2,191,511</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government:			
<i>Mayor Administration:</i>			
Contractual Services	143	-	143
Excess of Revenues Over (Under) Expenditures	(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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<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, 2011

	Final Budget	Actual	Variance Favorable Over/(Under)
Revenues			
Charges for Services	\$ 10,000	\$ 12,515	\$ 2,515
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Other	14,000	-	14,000
Excess of Revenues Over (Under) Expenditures	(4,000)	12,515	16,515
<i>Fund Balance Beginning of Year</i>	25,797	25,797	-
<i>Fund Balance End of Year</i>	<u>\$ 21,797</u>	<u>\$ 38,312</u>	<u>\$ 16,515</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 320,000	\$ 283,154	\$ (36,846)
Other	-	6,272	6,272
<i>Total Revenues</i>	<u>320,000</u>	<u>289,426</u>	<u>(30,574)</u>
Expenditures			
Current:			
General Government:			
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personnel Costs	197,870	148,984	48,886
Materials and Supplies	43,799	30,263	13,536
Contractual Services	104,034	83,138	20,896
Capital Outlay	74,959	41,589	33,370
Other	11,000	-	11,000
<i>Total Expenditures</i>	<u>431,662</u>	<u>303,974</u>	<u>127,688</u>
Excess of Revenues (Under) Expenditures	(111,662)	(14,548)	97,114
<i>Fund Balance Beginning of Year</i>	467,838	467,838	-
Unexpended Prior Year Encumbrances	13,489	13,489	-
<i>Fund Balance End of Year</i>	<u><u>\$ 369,665</u></u>	<u><u>\$ 466,779</u></u>	<u><u>\$ 97,114</u></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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 5,619	\$ 18,252	\$ 12,633
Expenditures			
Current:			
Transportation:			
<i>Street Maintenance:</i>			
Material and Supplies	1,015	-	1,015
Capital Outlay	7,283	-	7,283
<i>Total Expenditures</i>	8,298	-	8,298
Excess of Revenues Over (Under) Expenditures	(2,679)	18,252	20,931
<i>Fund Balance Beginning of Year</i>	7,283	7,283	-
<i>Fund Balance End of Year</i>	<u>\$ 4,604</u>	<u>\$ 25,535</u>	<u>\$ 20,931</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 1	\$ 1	\$ -
Expenditures			
Current:			
Leisure Time Activities:			
Baseball Stadium			
Other	4,001	2,435	1,566
Excess of Revenues (Under) Expenditures	(4,000)	(2,434)	1,566
Other Financing Sources			
Transfers In	4,000	4,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	-	1,566	1,566
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 1,566</u>	<u>\$ 1,566</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 601,990	\$ 302,960	\$ (299,030)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	206,198	201,988	4,210
Materials and Supplies	43,675	36,740	6,935
Contractual Services	156,741	46,797	109,944
Capital Outlay	449,344	183,183	266,161
Other	20,200	14,929	5,271
<i>Total Judge Administration</i>	876,158	483,637	392,521
Debt Service:			
Principal Retirement	30,426	30,426	-
Interest and Fiscal Charges	7,561	7,561	-
<i>Total Debt Service</i>	37,987	37,987	-
<i>Total Expenditures</i>	914,145	521,624	392,521
Excess of Revenues (Under) Expenditures	(312,155)	(218,226)	93,929
<i>Fund Balance Beginning of Year</i>	309,882	309,882	-
Prior Year Encumbrances Appropriated	2,273	2,273	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 93,929</u>	<u>\$ 93,929</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Charges for Services	\$ 250	\$ 115	\$ (135)
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Materials and Supplies	<u>1,025</u>	<u>383</u>	<u>642</u>
Excess of Revenues (Under) Expenditures	(775)	(268)	507
<i>Fund Balance Beginning of Year</i>	781	781	-
<i>Fund Balance End of Year</i>	<u><u>\$ 6</u></u>	<u><u>\$ 513</u></u>	<u><u>\$ 507</u></u>

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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 500	\$ 480	\$ (20)
Expenditures			
Current:			
General Government:			
<i>Law Director-Administration:</i>			
Contractual Services	385	360	25
Other	15	15	-
<i>Total Expenditures</i>	400	375	25
Excess of Revenues Over Expenditures	100	105	5
<i>Fund Balance Beginning of Year</i>	604	604	-
<i>Fund Balance End of Year</i>	<u>\$ 704</u>	<u>\$ 709</u>	<u>\$ 5</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Charges for Services	\$ 150	\$ -	\$ (150)
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Contractual Services	<u>11,500</u>	<u>-</u>	<u>11,500</u>
Excess of Revenues Over (Under) Expenditures	(11,350)	-	11,350
<i>Fund Balance Beginning of Year</i>	11,384	11,384	-
<i>Fund Balance End of Year</i>	<u><u>\$ 34</u></u>	<u><u>\$ 11,384</u></u>	<u><u>\$ 11,350</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 67,000	\$ 73,741	\$ 6,741
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Contractual Services	48,000	-	48,000
Excess of Revenues Over Expenditures	19,000	73,741	54,741
<i>Fund Balance Beginning of Year</i>	110,671	110,671	-
<i>Fund Balance End of Year</i>	<u>\$ 129,671</u>	<u>\$ 184,412</u>	<u>\$ 54,741</u>

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenue			
Operating Grants	\$ 15,772	\$ -	\$ (15,772)
Rentals	27,000	29,306	2,306
Other	1,000	1,320	320
<i>Total Revenues</i>	<u>43,772</u>	<u>30,626</u>	<u>(13,146)</u>
Expenditures			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and Supplies	84,467	26,857	57,610
Contractual Services	13,325	7,737	5,588
Capital Outlay	50,500	45,020	5,480
Other	178,563	176,954	1,609
<i>Total Expenditures</i>	<u>326,855</u>	<u>256,568</u>	<u>70,287</u>
Excess of Revenues (Under) Expenditures	(283,083)	(225,942)	57,141
<i>Fund Balance Beginning of Year</i>	130,936	130,936	-
Prior Year Encumbrances Appropriated	187,378	187,378	-
<i>Fund Balance End of Year</i>	<u>\$ 35,231</u>	<u>\$ 92,372</u>	<u>\$ 57,141</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government:			
<i>Youth Development Administration:</i>			
Materials and Supplies	5,280	1,737	3,543
Other	600	490	110
<i>Total Expenditures</i>	5,880	2,227	3,653
Excess of Revenues (Under) Expenditures	(5,880)	(2,227)	3,653
<i>Fund Balance Beginning of Year</i>	4,331	4,331	-
Prior Year Encumbrances Appropriated	2,366	2,366	-
<i>Fund Balance End of Year</i>	\$ 817	\$ 4,470	\$ 3,653

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 21,128	\$ 26,195	\$ 5,067
Operating Grants	-	15,078	15,078
Interest	645	283	(362)
Other	10,135	11,285	1,150
<i>Total Revenues</i>	<u>31,908</u>	<u>52,841</u>	<u>20,933</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Personnel Costs	142,730	132,923	9,807
Materials and Supplies	50,187	41,889	8,298
Contractual Services	55,565	53,535	2,030
Capital Outlay	42,962	34,356	8,606
Other	9,550	3,066	6,484
<i>Total Expenditures</i>	<u>300,994</u>	<u>265,769</u>	<u>35,225</u>
Excess of Revenues (Under) Expenditures	(269,086)	(212,928)	56,158
<i>Fund Balance Beginning of Year</i>	532,740	532,740	-
Prior Year Encumbrances Appropriated	7,464	7,464	-
<i>Fund Balance End of Year</i>	<u>\$ 271,118</u>	<u>\$ 327,276</u>	<u>\$ 56,158</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 6,800	\$ 6,430	\$ (370)
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Other	10,320	9,088	1,232
Excess of Revenues (Under) Expenditures	(3,520)	(2,658)	862
<i>Fund Balance Beginning of Year</i>	13,100	13,100	-
Prior Year Encumbrances Appropriated	320	320	-
<i>Fund Balance End of Year</i>	<u>\$ 9,900</u>	<u>\$ 10,762</u>	<u>\$ 862</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 43,000	\$ 45,260	\$ 2,260
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Contractual Services	62,767	37,000	25,767
Excess of Revenues Over (Under) Expenditures	(19,767)	8,260	28,027
<i>Fund Balance Beginning of Year</i>	7,012	7,012	-
Prior Year Encumbrances Appropriated	12,767	12,767	-
<i>Fund Balance End of Year</i>	<u>\$ 12</u>	<u>\$ 28,039</u>	<u>\$ 28,027</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 40,000	\$ 27,859	\$ (12,141)
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Personnel Costs	37,490	11,338	26,152
Materials and Supplies	16,476	8,052	8,424
Contractual Services	23,667	15,449	8,218
Capital Outlay	2,000	2,000	-
Total Expenditures	79,633	36,839	42,794
Excess of Revenues (Under) Expenditures	(39,633)	(8,980)	30,653
<i>Fund Balance Beginning of Year</i>	118,525	118,525	-
Prior Year Encumbrances Appropriated	4,643	4,643	-
Fund Balance End of Year	\$ 83,535	\$ 114,188	\$ 30,653

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ -	\$ 8	\$ 8
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	5,000	600	4,400
Excess of Revenues (Under) Expenditures	(5,000)	(592)	4,408
<i>Fund Balance Beginning of Year</i>	9,660	9,660	-
<i>Fund Balance End of Year</i>	<u>\$ 4,660</u>	<u>\$ 9,068</u>	<u>\$ 4,408</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 200,000	\$ 222,111	\$ 22,111
Other	-	260	260
<i>Total Revenues</i>	<u>200,000</u>	<u>222,371</u>	<u>22,371</u>
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	131,780	102,563	29,217
Materials and Supplies	11,530	9,797	1,733
Contractual Services	21,176	20,143	1,033
Capital Outlay	172,950	138,723	34,227
Other	11,344	7,279	4,065
<i>Total Expenditures</i>	<u>348,780</u>	<u>278,505</u>	<u>70,275</u>
Excess of Revenues (Under) Expenditures	(148,780)	(56,134)	92,646
<i>Fund Balance Beginning of Year</i>	171,424	171,424	-
<i>Fund Balance End of Year</i>	<u>\$ 22,644</u>	<u>\$ 115,290</u>	<u>\$ 92,646</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 127,951	\$ 170,601	\$ 42,650
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	159,873	155,224	4,649
Materials and Supplies	5,100	4,938	162
Other	5,628	997	4,631
<i>Total Courts/Judge-Judge Administration</i>	<u>170,601</u>	<u>161,159</u>	<u>9,442</u>
Excess of Revenues Over (Under) Expenditures	(42,650)	9,442	52,092
<i>Fund Balance Beginning of Year</i>	57,257	57,257	-
<i>Fund Balance End of Year</i>	<u>\$ 14,607</u>	<u>\$ 66,699</u>	<u>\$ 52,092</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 8,000	\$ 9,575	\$ 1,575
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Contractual Services	34,500	34,000	500
Excess of Revenues (Under) Expenditures	(26,500)	(24,425)	2,075
<i>Fund Balance Beginning of Year</i>	39,803	39,803	-
<i>Fund Balance End of Year</i>	<u>\$ 13,303</u>	<u>\$ 15,378</u>	<u>\$ 2,075</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 49,600	\$ 49,600	\$ -
Interest	4	4	-
Total Revenues	<u>49,604</u>	<u>49,604</u>	<u>-</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	1,658	1,658	-
Contractual Services	51,321	1,721	49,600
Other	495	-	495
Total Police Administration	<u>53,474</u>	<u>3,379</u>	<u>50,095</u>
Federal Stimulus Funding for Police:			
Materials and Supplies	906	906	-
Other	42,091	42,091	-
Total Federal Stimulus Funding for Police	<u>42,997</u>	<u>42,997</u>	<u>-</u>
Total Expenditures	<u>96,471</u>	<u>46,376</u>	<u>50,095</u>
Excess of Revenues Over (Under) Expenditures	(46,867)	3,228	50,095
Fund Balance Beginning of Year	48,323	48,323	-
Prior Year Encumbrances Appropriated	495	495	-
Fund Balance End of Year	<u>\$ 1,951</u>	<u>\$ 52,046</u>	<u>\$ 50,095</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies			-
Capital Outlay	9,122	2,000	7,122
<i>Total Expenditures</i>	9,122	2,000	7,122
Excess of Revenues (Under) Expenditures	(9,122)	(2,000)	7,122
<i>Fund Balance Beginning of Year</i>	11,822	11,822	-
<i>Fund Balance End of Year</i>	<u>\$ 2,700</u>	<u>\$ 9,822</u>	<u>\$ 7,122</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 500	\$ 500	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	1,000	23	977
Other	1,000	582	418
Total Expenditures	2,000	605	1,395
Excess of Revenues (Under) Expenditures	(1,500)	(105)	1,395
Fund Balance Beginning of Year	2,651	2,651	-
Fund Balance End of Year	<u>\$ 1,151</u>	<u>\$ 2,546</u>	<u>\$ 1,395</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 487,303	\$ 506,016	\$ 18,713
Expenditures			
Current:			
Security of Persons and Property:			
Federal Stimulus Funding for Police:			
Other	487,357	487,303	54
Excess of Revenues Over (Under) Expenditures	(54)	18,713	18,767
<i>Fund Balance Beginning of Year</i>	54	54	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 18,767</u>	<u>\$ 18,767</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 54,559	\$ 7,442	\$ (47,117)
Expenditures			
Current:			
Security of Persons and Property:			
Federal Stimulus Funding for Police:			
Other	50,559	-	50,559
Excess of Revenues Over Expenditures	4,000	7,442	3,442
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 4,000</u>	<u>\$ 7,442</u>	<u>\$ 3,442</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Capital Outlay	4,216	3,774	442
Excess of Revenues (Under) Expenditures	(4,216)	(3,774)	442
<i>Fund Balance Beginning of Year</i>	4,216	4,216	-
<i>Fund Balance End of Year</i>	\$ -	\$ 442	\$ 442

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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Operating Grants	\$ 36,278	\$ 16,965	\$ (19,313)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Federal Stimulus Funding for Police:</i>			
Contractual Services	30,000	15,000	15,000
Other	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<i>Total Expenditures</i>	<u>35,000</u>	<u>15,000</u>	<u>20,000</u>
Excess of Revenues Over Expenditures	1,278	1,965	687
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u><u>\$ 1,278</u></u>	<u><u>\$ 1,965</u></u>	<u><u>\$ 687</u></u>

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	8,000	-	8,000
Capital Outlay	12,000	-	12,000
Other	44,946	6,999	37,947
<i>Total Expenditures</i>	64,946	6,999	57,947
Excess of Revenues (Under) Expenditures	(64,946)	(6,999)	57,947
<i>Fund Balance Beginning of Year</i>	64,946	64,946	-
<i>Fund Balance End of Year</i>	\$ -	\$ 57,947	\$ 57,947

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 6,950	\$ 3,950	\$ (3,000)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	3,288	2,168	1,120
Capital Outlay	3,044	-	3,044
Other	3,206	700	2,506
<i>Total Expenditures</i>	9,538	2,868	6,670
Excess of Revenues Over (Under) Expenditures	(2,588)	1,082	3,670
<i>Fund Balance Beginning of Year</i>	3,205	3,205	-
Prior Year Encumbrances Appropriated	82	82	-
<i>Fund Balance End of Year</i>	<u>\$ 699</u>	<u>\$ 4,369</u>	<u>\$ 3,670</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 275,675	\$ 275,675	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	42,288	42,288	-
Contractual Services	2,800	2,426	374
Capital Outlay	7,920	7,920	-
Other	344,499	344,389	110
<i>Total Expenditures</i>	<u>397,507</u>	<u>397,023</u>	<u>484</u>
Excess of Revenues (Under) Expenditures	(121,832)	(121,348)	484
<i>Fund Balance Beginning of Year</i>	90,634	90,634	-
Prior Year Encumbrances Appropriated	31,198	31,198	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 484</u>	<u>\$ 484</u>

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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 6,205,298	\$ 1,780,291	\$ (4,425,007)
Expenditures			
Current:			
Community Environment:			
Community Development Administration:			
Capital Outlay	6,069,123	4,222,891	1,846,232
Excess of Revenues Over (Under) Expenditures	136,175	(2,442,600)	(2,578,775)
<i>Fund Balance (Deficit) Beginning of Year</i>	(3,688,411)	(3,688,411)	-
Prior Year Encumbrances Appropriated	3,690,815	3,690,815	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 138,579</u>	<u>\$ (2,440,196)</u>	<u>\$ (2,578,775)</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 1,698,439	\$ 2,136,045	\$ 437,606
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Other	1,698,439	1,698,439	-
<i>Total Expenditures</i>	1,698,439	1,698,439	-
Excess of Revenues Over (Under) Expenditures	-	437,606	437,606
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ 437,606	\$ 437,606

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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 500,000	\$ -	\$ (500,000)
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	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, 2011

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 3,540	\$ -	\$ 3,540
Cash and Cash Equivalents in Segregated Accounts	3,019	-	3,019
Taxes Receivable	-	5,201	5,201
Total Assets	<u>\$ 6,559</u>	<u>\$ 5,201</u>	<u>\$ 11,760</u>
Liabilities and Fund Balances			
<i>Current</i>			
Deferred Revenue	\$ -	\$ 5,201	\$ 5,201
Fund Balances			
Restricted	6,559	-	6,559
<i>Total Fund Balances</i>	6,559	-	6,559
Total Liabilities and Fund Balances	<u>\$ 6,559</u>	<u>\$ 5,201</u>	<u>\$ 11,760</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the year ended December 31, 2011

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Interest	\$ 3,349	\$ -	\$ 3,349
Other	2,940	-	2,940
Total Revenues	<u>6,289</u>	<u>-</u>	<u>6,289</u>
Expenditures			
Current			
General Government	<u>3,168</u>	<u>-</u>	<u>3,168</u>
Net Change in Fund Balance	3,121	-	3,121
<i>Fund Balance at Beginning of Year</i>	<u>3,438</u>	<u>-</u>	<u>3,438</u>
<i>Fund Balance at End of Year</i>	<u>\$ 6,559</u>	<u>\$ -</u>	<u>\$ 6,559</u>

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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ -	\$ 3,349	\$ 3,349
Other	2,930	2,940	10
<i>Total Revenues</i>	<u>2,930</u>	<u>6,289</u>	<u>3,359</u>
Expenditures			
Current:			
General Government:			
Auditor-Auditor Administration:			
Contractual Services	<u>3,349</u>	<u>3,168</u>	<u>181</u>
Excess of Revenues Over (Under) Expenditures	(419)	3,121	3,540
<i>Fund Balance Beginning of Year</i>	419	419	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 3,540</u>	<u>\$ 3,540</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construct/ Reconstruct Bond	Judges Facilities/ City Hall Renovation	Fulton Road & Park Road Improvement	30th St NE Trunk Sewer
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 2,152,681	\$ 525,790	\$ 762,433	\$ 6,992	\$ -	\$ -
Accounts Receivable	-	14	-	-	-	-
Due From Other Governments	22,870	-	-	-	-	-
Total Assets	<u>\$ 2,175,551</u>	<u>\$ 525,804</u>	<u>\$ 762,433</u>	<u>\$ 6,992</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balances						
<i>Current</i>						
Accounts Payable	\$ 211,965	\$ -	\$ 182,457	\$ -	\$ -	\$ -
Fund Balances						
Restricted	1,963,586	525,804	579,976	6,992	-	-
Total Liabilities and Fund Balances	<u>\$ 2,175,551</u>	<u>\$ 525,804</u>	<u>\$ 762,433</u>	<u>\$ 6,992</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Sherrick Road Project</u>	<u>Cleveland Ave Resurfacing</u>	<u>Guilford Ave Bridge Replacement</u>	<u>12th St NW Street Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,447,896
-	-	-	-	14
-	-	-	-	22,870
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,470,780</u>
\$ -	\$ -	\$ -	\$ -	\$ 394,422
-	-	-	-	3,076,358
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,470,780</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the year ended December 31, 2011

	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construct/ Reconstruct Bond	Judges Facilities/ City Hall Renovation	Fulton Road & Park Road Improvement
Revenues					
Interest	\$ 3,246	\$ 409	\$ 3,970	\$ 30	\$ -
Capital Grants and Contributions	504,441	-	-	-	57,818
Total Revenues	<u>507,687</u>	<u>409</u>	<u>3,970</u>	<u>30</u>	<u>57,818</u>
Expenditures					
Current					
Capital Outlay	729,939	-	4,092,607	140,936	57,818
Debt Service					
Principal	-	202,842	-	-	-
Interest and Fiscal Charges	-	50,405	-	-	-
Total Expenditures	<u>729,939</u>	<u>253,247</u>	<u>4,092,607</u>	<u>140,936</u>	<u>57,818</u>
Net Change in Fund Balance	(222,252)	(252,838)	(4,088,637)	(140,906)	-
Fund Balance at Beginning of Year	2,185,838	778,642	4,668,613	147,898	-
Fund Balance at End of Year	<u>\$ 1,963,586</u>	<u>\$ 525,804</u>	<u>\$ 579,976</u>	<u>\$ 6,992</u>	<u>\$ -</u>

30th St NE Trunk Sewer	Sherrick Road Project	Cleveland Ave Resurfacing	Guilford Ave Bridge Replacement	12th St NW Street Project	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,655
5,224	76,786	148,629	124,129	91,407	1,008,434
5,224	76,786	148,629	124,129	91,407	1,016,089
5,224	76,786	148,629	124,129	91,407	5,467,475
-	-	-	-	-	202,842
-	-	-	-	-	50,405
5,224	76,786	148,629	124,129	91,407	5,720,722
-	-	-	-	-	(4,704,633)
-	-	-	-	-	7,780,991
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,076,358

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 8,027,210	\$ 8,187,991	\$ 160,781
Charges for Services	90	90	-
Capital Grants	197,329	282,680	85,351
Proceeds of Bonds	347,035	602,314	255,279
<i>Total Revenues</i>	<u>8,571,664</u>	<u>9,073,075</u>	<u>501,411</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Police Department-Police Administration	82,446	71,158	11,288
Fire Department-Fire Administration	445,000	444,386	614
Traffic Divisions:			
Traffic Signal	81,062	79,191	1,871
Service Director:			
Service Director Administration	567,887	184,480	383,407
Engineering Administration	1,564,469	1,444,743	119,726
Engineering - 30th St. NE Trunk Sewer & Improvement	45,243	-	45,243
Engineering - 25th St. NE Storm Sewer	60,500	60,500	-
Engineering - East Side Park Trail & Bridge	101,324	101,324	-
Street Administration	101,500	25,500	76,000
Street Paving	4,282,473	3,758,061	524,412
Civic Center Administration	8,130	-	8,130
Building Maintenance Administration	16,798	16,673	125
Collection System Department	289,170	240,876	48,294
Health:			
Health Administration	1,931	1,931	-
Park Division:			
Park Administration	133,920	124,654	9,266
Management Information Systems:			
Information Technology Manager	325,274	311,606	13,668
Council:			
Council Administration	54,922	33,243	21,679
Auditor:			
Auditor Administration	158,973	158,840	133
Auditor-Legally Binding Expenses	153,399	153,399	-
<i>Total Capital Outlay</i>	<u>\$ 8,474,421</u>	<u>\$ 7,210,565</u>	<u>\$ 1,263,856</u>

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Debt Service:			
<i>Principle Retirement:</i>			
Various Purpose Loans	\$ 266,102	\$ 266,102	\$ -
Capital Lease	148,131	136,546	11,585
General Obligation Various Improvement Bonds	<u>1,596,130</u>	<u>1,596,130</u>	<u>-</u>
<i>Total Principal Retirement</i>	<u>2,010,363</u>	<u>1,998,778</u>	<u>11,585</u>
Interest and Fiscal Charges:			
Various Purpose Loans	54,438	54,438	-
Capital Lease	8,828	8,828	-
General Obligation Various Improvement Bonds	<u>424,697</u>	<u>424,697</u>	<u>-</u>
<i>Total Interest and Fiscal Charges</i>	<u>487,963</u>	<u>487,963</u>	<u>-</u>
Total Debt Service	2,498,326	2,486,741	11,585
<i>Total Expenditures</i>	<u>10,972,747</u>	<u>9,697,306</u>	<u>1,275,441</u>
Excess of Revenues (Under) Expenditures	(2,401,083)	(624,231)	1,275,441
Other Financing Sources			
Sale of Capital Assets	2,000	11,651	9,651
<i>Total Other Financing Sources</i>	<u>2,000</u>	<u>11,651</u>	<u>9,651</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures	(2,399,083)	(612,580)	1,786,503
<i>Fund Balance Beginning of Year</i>	985,323	985,323	-
Prior Year Encumbrances Appropriated	1,414,608	1,414,608	-
<i>Fund Balance End of Year</i>	<u><u>\$ 848</u></u>	<u><u>\$ 1,787,351</u></u>	<u><u>\$ 1,786,503</u></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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 2,010,000	\$ 2,047,022	\$ 37,022
Other	2,133	10,357	8,224
Total Revenues	<u>2,012,133</u>	<u>2,057,379</u>	<u>45,246</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Safety Director Administration	4,300	4,227	73
Code Enforcement Administration	11,710	11,710	-
Central Communication Administration	239,233	218,175	21,058
Police Department-Police Administration	359,835	359,414	421
Fire Department-Fire Administration	290,181	283,364	6,817
Traffic Divisions-Engineer Administration	4,009	4,009	-
Traffic Divisions-Traffic Sign & Paint	9,737	9,737	-
Traffic Divisions-Traffic Signal	6,676	6,676	-
Service Director:			
Engineering Administration	4,375	4,375	-
Maintenance	451,032	206,032	245,000
Building Maintenance Administration	1,200	1,200	-
Health:			
Health Administration	22,545	22,481	64
Environmental Health Administration	3,592	3,592	-
Park Division:			
Park Administration	165,829	33,329	132,500
Mayor:			
Mayor Administration	4,708	4,708	-
Judges:			
Judge Administration	10,952	10,906	46
Total Capital Outlay	<u>1,589,914</u>	<u>1,183,935</u>	<u>405,979</u>
Debt Service:			
Principal Retirement:			
Capital Lease	376,842	376,814	28
General Obligation Various			
Improvement Bonds	655,000	655,000	-
Total Principal Retirement	<u>1,031,842</u>	<u>1,031,814</u>	<u>28</u>
Interest and Fiscal Charges:			
Capital Lease	77,630	77,573	57
General Obligation Various			
Improvement Bonds	26,200	26,200	-
Total Interest and Fiscal Charges	<u>103,830</u>	<u>103,773</u>	<u>57</u>
Total Debt Service	<u>1,135,672</u>	<u>1,135,587</u>	<u>85</u>
Total Expenditures	<u>\$ 2,725,586</u>	<u>\$ 2,319,522</u>	<u>\$ 406,064</u>

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, 2011

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Excess of Revenues (Under) Expenditures	<u>\$ (713,453)</u>	<u>\$ (262,143)</u>	<u>\$ 451,310</u>
Other Financing Sources			
Sale of Capital Assets	13,343	19,943	6,600
<i>Total Other Financing Sources</i>	<u>13,343</u>	<u>19,943</u>	<u>6,600</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(700,110)	(242,200)	457,910
<i>Fund Balance Beginning of Year</i>	495,609	495,609	-
Prior Year Encumbrances Appropriated	242,211	242,211	-
<i>Fund Balance End of Year</i>	<u><u>\$ 37,710</u></u>	<u><u>\$ 495,620</u></u>	<u><u>\$ 457,910</u></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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 78,804	\$ 481,571	\$ 402,767
Interest	3,220	3,574	354
Other	16,776	16,776	-
<i>Total Revenues</i>	<u>98,800</u>	<u>501,921</u>	<u>403,121</u>
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	644,765	270,808	373,957
Engineering - 41st St NW Storm Sewer Project	80,956	80,956	-
Engineering - 25th St NE Storm Sewer	29,917	-	29,917
Engineering - 55th St NE Storm Sewer Project	193,300	193,300	-
Engineering - 12th St N Corridor Prj	620,363	620,363	-
Engineering - Ford Project	212,175	212,175	-
Engineering - Mahoning Rd Corr Prj	451,406	451,406	-
<i>Total Expenditures</i>	<u>2,232,882</u>	<u>1,829,008</u>	<u>403,874</u>
Excess of Revenues (Under) Expenditures	(2,134,082)	(1,327,087)	806,995
<i>Fund Balance Beginning of Year</i>	1,928,956	1,928,956	-
Prior Year Encumbrances Appropriated	302,926	302,926	-
<i>Fund Balance End of Year</i>	<u>\$ 97,800</u>	<u>\$ 904,795</u>	<u>\$ 806,995</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 450	\$ 472	\$ 22
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	200,087	87	200,000
Debt Service:			
Principal Retirement	202,842	202,842	-
Interest and Fiscal Charges	50,405	50,405	-
<i>Total Debt Service</i>	<u>253,247</u>	<u>253,247</u>	<u>-</u>
<i>Total Expenditures</i>	<u>453,334</u>	<u>253,334</u>	<u>200,000</u>
Excess of Revenues (Under) Expenditures	<u>(452,884)</u>	<u>(252,862)</u>	<u>200,022</u>
<i>Fund Balance Beginning of Year</i>	778,479	778,479	-
Prior Year Encumbrances Appropriated	87	87	-
<i>Fund Balance End of Year</i>	<u>\$ 325,682</u>	<u>\$ 525,704</u>	<u>\$ 200,022</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 4,950	\$ 4,968	\$ 18
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	3,169,378	2,895,461	273,917
Judges:			
Judges City Hall Renovation Project	<u>1,913,242</u>	<u>1,913,242</u>	<u>-</u>
<i>Total Expenditures</i>	<u>5,082,620</u>	<u>4,808,703</u>	<u>273,917</u>
Excess of Revenues (Under) Expenditures	<u>(5,077,670)</u>	<u>(4,803,735)</u>	<u>273,935</u>
<i>Fund Balance Beginning of Year</i>	2,437,185	2,437,185	-
Prior Year Encumbrances Appropriated	2,693,687	2,693,687	-
<i>Fund Balance End of Year</i>	<u>\$ 53,202</u>	<u>\$ 327,137</u>	<u>\$ 273,935</u>

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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 45	\$ 45	\$ -
Expenditures			
Capital Outlay:			
Judges:			
Judges City Hall Renovation Project	148,707	148,707	-
Excess of Revenues (Under) Expenditures	(148,662)	(148,662)	-
<i>Fund Balance Beginning of Year</i>	124,994	124,994	-
Prior Year Encumbrances Appropriated	25,037	25,037	-
<i>Fund Balance End of Year</i>	<u>\$ 1,369</u>	<u>\$ 1,369</u>	<u>\$ -</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, 2011*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Capital Grants	\$ 892,325	\$ 61,320	\$ (831,005)
Expenditures			
Capital Outlay:			
Engineering - Fulton Rd & Park Intersection	<u>61,320</u>	<u>61,320</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	831,005	-	(831,005)
<i>Fund Balance (Deficit) Beginning of Year</i>	(61,320)	(61,320)	-
Prior Year Encumbrances Appropriated	61,320	61,320	-
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 831,005</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (831,005)</u></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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 372,933	\$ -	\$ (372,933)
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 352,331	\$ 29,389	\$ (322,942)
Expenditures			
Capital Outlay:			
Engineering - 30th St. NE Trunk Sewer & Improvement	29,389	29,389	-
Excess of Revenues Over (Under) Expenditures	322,942	-	(322,942)
<i>Fund Balance (Deficit) Beginning of Year</i>	(29,389)	(29,389)	-
Prior Year Encumbrances Appropriated	29,389	29,389	-
<i>Fund Balance End of Year</i>	<u>\$ 322,942</u>	<u>\$ -</u>	<u>\$ (322,942)</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Capital Grants	\$ 816,712	\$ -	\$ (816,712)
Expenditures			
Capital Outlay:			
Engineering - 25th St NE Storm Sewer Project	<u>10,323</u>	<u>-</u>	<u>10,323</u>
Excess of Revenues Over (Under) Expenditures	806,389	-	(806,389)
<i>Fund Balance (Deficit) Beginning of Year</i>	(10,323)	(10,323)	-
Prior Year Encumbrances Appropriated	10,323	10,323	-
<i>Fund Balance End of Year</i>	<u><u>\$ 806,389</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (806,389)</u></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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 507,766	\$ 80,071	\$ (427,695)
Expenditures			
Capital Outlay:			
Engineering - Sherrick Road Project	251,319	80,071	171,248
Excess of Revenues Over (Under) Expenditures	256,447	-	(256,447)
<i>Fund Balance (Deficit) Beginning of Year</i>	(251,319)	(251,319)	-
Prior Year Encumbrances Appropriated	251,319	251,319	-
<i>Fund Balance End of Year</i>	<u>\$ 256,447</u>	<u>\$ -</u>	<u>\$ (256,447)</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, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 613,251	\$ 154,668	\$ (458,583)
Expenditures			
Capital Outlay:			
Engineering - Cleveland Ave Resurfacing Project	214,939	154,668	60,271
Excess of Revenues Over (Under) Expenditures	398,312	-	(398,312)
<i>Fund Balance (Deficit) Beginning of Year</i>	(214,939)	(214,939)	-
Prior Year Encumbrances Appropriated	214,939	214,939	-
<i>Fund Balance End of Year</i>	<u>\$ 398,312</u>	<u>\$ -</u>	<u>\$ (398,312)</u>

City of Canton, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Harmont Ave Sanitary Sewer Project
For the Year Ended December 31, 2011*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 20,227	\$ -	\$ (20,227)
Expenditures			
Capital Outlay:			
Engineering - Harmont Sanitary Sewer Project	20,227	20,227	-
Excess of Revenues Over (Under) Expenditures	-	(20,227)	(20,227)
Other Financing Sources			
Proceeds of Loan	-	20,227	20,227
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-
<i>Fund Balance (Deficit) Beginning of Year</i>	(12,727)	(12,727)	-
Prior Year Encumbrances Appropriated	12,727	12,727	-
<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
Guilford Ave Bridge Replacement
For the Year Ended December 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Capital Grants	\$ 386,380	\$ 325,146	\$ (61,234)
Expenditures			
Capital Outlay:			
Engineering - Guilford Ave Bridge Replacement Project	<u>386,380</u>	<u>325,146</u>	<u>61,234</u>
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance (Deficit) Beginning of Year</i>	(312,607)	(312,607)	-
Prior Year Encumbrances Appropriated	312,607	312,607	-
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ -</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
12th St N Corridor Project
For the Year Ended December 31, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 743,852	\$ 91,407	\$ (652,445)
Expenditures			
Capital Outlay:			
Engineering - 12th St N Corridor Project	735,139	735,139	-
Excess of Revenues Over (Under) Expenditures	8,713	(643,732)	(652,445)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 8,713</u>	<u>\$ (643,732)</u>	<u>\$ (652,445)</u>

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 13,678,510	\$ 13,648,528	\$ (29,982)
Interest	-	19	19
Capital Grants	819,238	12,655	(806,583)
Operating Grants	-	90,580	90,580
Rentals	64,900	67,278	2,378
Other	1,000	43,745	42,745
<i>Total Revenues</i>	<u>14,563,648</u>	<u>13,862,805</u>	<u>(700,843)</u>
Expenses			
Personnel Costs	6,399,327	6,095,521	303,806
Material and Supplies	2,347,393	2,154,656	192,737
Contractual Services	4,168,102	3,623,860	544,242
Capital Outlay	15,549,431	12,043,208	3,506,223
Claims	61,600	5,250	56,350
Other	159,503	130,269	29,234
Debt Service:			
Principal Retirement	1,632,084	1,625,489	6,595
Interest and Fiscal Charges	1,212,803	704,877	507,926
<i>Total Expenses</i>	<u>31,530,243</u>	<u>26,383,130</u>	<u>5,147,113</u>
Excess of Revenues (Under) Expenses	(16,966,595)	(12,520,325)	4,446,270
Other Financing Sources			
Sale of Capital Assets	1,000	3,263	2,263
Proceeds of Loans	13,856,599	9,162,416	(4,694,183)
<i>Total Other Financing Sources</i>	<u>13,857,599</u>	<u>9,165,679</u>	<u>(4,691,920)</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenses	(3,108,996)	(3,354,646)	(245,650)
<i>Fund Balance (Deficit) Beginning of Year</i>	(2,052,780)	(2,052,780)	-
Prior Year Encumbrances Appropriated	12,074,166	12,074,166	-
<i>Fund Balance End of Year</i>	<u>\$ 6,912,390</u>	<u>\$ 6,666,740</u>	<u>\$ (245,650)</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 12,926,709	\$ 12,445,210	\$ (481,499)
Operating Grants	-	33,552	33,552
Rentals	23,000	22,463	(537)
Other	279,291	580,720	301,429
Total Revenues	<u>13,229,000</u>	<u>13,081,945</u>	<u>(147,055)</u>
Expenses			
Personnel Costs	5,528,474	5,061,750	466,724
Material and Supplies	1,395,744	1,056,298	339,446
Contractual Services	6,689,981	5,952,440	737,541
Capital Outlay	1,704,285	736,120	968,165
Claims	13,336	6,147	7,189
Other	128,347	49,124	79,223
Debt Service:			
Principal Retirement	1,011,296	1,011,296	-
Interest and Fiscal Charges	264,766	264,766	-
Total Expenses	<u>16,736,229</u>	<u>14,137,941</u>	<u>2,598,288</u>
Excess of Revenues (Under) Expenses	(3,507,229)	(1,055,996)	2,451,233
Other Financing Sources			
Proceeds of Loans	-	1,229,436	1,229,436
Total Other Financing Sources (Uses)	-	1,229,436	1,229,436
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,507,229)	173,440	3,680,669
Fund Balance Beginning of Year	9,399,660	9,399,660	-
Prior Year Encumbrances Appropriated	1,347,651	1,347,651	-
Fund Balance End of Year	<u>\$ 7,240,082</u>	<u>\$ 10,920,751</u>	<u>\$ 3,680,669</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	6,175,977	6,003,821	(172,156)
Operating Grants	67,095	88,924	21,829
Other	17	962	945
<i>Total Revenues</i>	<u>6,243,089</u>	<u>6,093,707</u>	<u>(149,382)</u>
Expenses			
Personnel Costs	3,511,880	3,214,236	297,644
Material and Supplies	90,662	76,982	13,680
Contractual Services	2,184,553	1,975,914	208,639
Capital Outlay	1,516,148	1,264,544	251,604
Claims	14,500	7,598	6,902
Other	45,519	40,107	5,412
<i>Total Expenses</i>	<u>7,363,262</u>	<u>6,579,381</u>	<u>783,881</u>
Excess of Revenues (Under) Expenses	(1,120,173)	(485,674)	634,499
Other Financing Sources			
Sale of Capital Assets	12,912	31,272	18,360
Excess of Revenues and Other Financing Sources Over Expenses	(1,107,261)	(454,402)	652,859
<i>Fund Balance Beginning of Year</i>	1,330,726	1,330,726	-
Prior Year Encumbrances Appropriated	180,488	180,488	-
<i>Fund Balance End of Year</i>	<u>\$ 403,953</u>	<u>\$ 1,056,812</u>	<u>\$ 652,859</u>

Nonmajor Internal Service Funds

Internal Service Funds are established to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Workers' Compensation Retrospective Fund To account for the charges to 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 Assets
Nonmajor Internal Service Funds
December 31, 2011

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 2,886,959	\$ 215,890	\$ 335,428	\$ 3,438,277
Accounts Receivable	-	99,939	-	99,939
Due From Other Funds	50,240	65,804	1,095,716	1,211,760
Total Assets	<u>\$ 2,937,199</u>	<u>\$ 381,633</u>	<u>\$ 1,431,144</u>	<u>\$ 4,749,976</u>
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 8,483	\$ -	\$ -	\$ 8,483
Accrued Wages and Benefits	2,084	2,106	77,572	81,762
Due to Other Governments	490	495	18,230	19,215
Due Within One Year	-	-	2,081,671	2,081,671
Claims Payable Due Within One Year	1,621,467	1,093,521	-	2,714,988
<i>Total Current</i>	<u>1,632,524</u>	<u>1,096,122</u>	<u>2,177,473</u>	<u>4,906,119</u>
<i>Noncurrent</i>				
Due Within More Than One Year	-	-	7,077,136	7,077,136
<i>Total Noncurrent</i>	<u>-</u>	<u>-</u>	<u>7,077,136</u>	<u>7,077,136</u>
Total Liabilities	<u>1,632,524</u>	<u>1,096,122</u>	<u>9,254,609</u>	<u>11,983,255</u>
<i>Net Assets</i>				
Unrestricted	1,304,675	(714,489)	(7,823,465)	(7,233,279)
Total Net Assets and Liabilities	<u>\$ 2,937,199</u>	<u>\$ 381,633</u>	<u>\$ 1,431,144</u>	<u>\$ 4,749,976</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Internal Service Funds
For the year ended December 31, 2011

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Revenues				
Charges for Services	\$ 1,178,710	\$ 9,198,486	\$ 4,232,314	\$ 14,609,510
Other	32,470	686,562	5,032	724,064
Total Revenue	<u>1,211,180</u>	<u>9,885,048</u>	<u>4,237,346</u>	<u>15,333,574</u>
Operating Expenses				
Personal Services	74,968	78,802	973,731	1,127,501
Contractual Services	45,572	785,948	5,000	836,520
Materials and Supplies	397	3,730	-	4,127
Insurance Claims and Expenses	1,350,547	8,787,643	-	10,138,190
Benefit Claim Expenses	-	-	3,865,778	3,865,778
Other	491	-	-	491
Total Operating Expenses	<u>1,471,975</u>	<u>9,656,123</u>	<u>4,844,509</u>	<u>15,972,607</u>
Change in Net Assets	(260,795)	228,925	(607,163)	(639,033)
<i>Total Net Assets at Beginning of Year</i>	1,565,470	(943,414)	(7,216,302)	(6,594,246)
<i>Total Net Assets at End of Year</i>	<u>\$ 1,304,675</u>	<u>\$ (714,489)</u>	<u>\$ (7,823,465)</u>	<u>\$ (7,233,279)</u>

City of Canton, Ohio
Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the year ended December 31, 2011

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total
Cash Flows From Operating Activities				
Receipts from Customers and Users	\$ 1,128,470	\$ 9,158,962	\$ 3,279,911	\$ 13,567,343
Other Cash Receipts	32,470	641,181	5,032	678,683
Payments to Suppliers	(41,812)	(1,029,879)	(5,000)	(1,076,691)
Payments to Employees	(74,722)	(78,782)	-	(153,504)
Claims Paid	(1,436,936)	(8,648,337)	(3,425,914)	(13,511,187)
Other Cash Payments	(491)	-	-	(491)
Net Cash Provided (Used) by Operating Activities	(393,021)	43,145	(145,971)	(495,847)
 Net Increase (Decrease) in Cash and Cash Equivalents	 (393,021)	 43,145	 (145,971)	 (495,847)
 Balance - Beginning of the Year	 3,279,980	 172,745	 481,399	 3,934,124
Balance - End of the Year	2,886,959	215,890	335,428	3,438,277
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(260,795)	228,925	(607,163)	(639,033)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Change in Assets and Liabilities:				
Accounts Receivables, net	(50,240)	(49,542)	-	(99,782)
Due From Other Funds	-	(35,363)	21,328	(14,035)
Accounts Payables	4,157	(240,201)	-	(236,044)
Accrued Wages Payable	199	16	-	215
Intergovernmental Payable	47	4	4,825	4,876
Compensated Absences Payable:				
Due in One Year			414,511	414,511
Claims Payable	(86,389)	139,306	20,528	73,445
Net Cash Provided (Used) by Operating Activities	\$ (393,021)	\$ 43,145	\$ (145,971)	\$ (495,847)

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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 1,100,000	\$ 1,128,470	\$ 28,470
Other	-	32,470	32,470
<i>Total Revenues</i>	<u>1,100,000</u>	<u>1,160,940</u>	<u>60,940</u>
Expenses			
Personnel Costs	84,238	74,722	9,516
Material and Supplies	1,180	397	783
Contractual Services	420,200	58,280	361,920
Claims	1,800,000	1,436,936	363,064
Other	495	491	4
<i>Total Expenses</i>	<u>2,306,113</u>	<u>1,570,826</u>	<u>735,287</u>
Excess of Revenues (Under) Expenses	(1,206,113)	(409,886)	796,227
<i>Fund Balance Beginning of Year</i>	3,249,976	3,249,976	-
Prior Year Encumbrances Appropriated	30,000	30,000	-
<i>Fund Balance End of Year</i>	<u>\$ 2,073,863</u>	<u>\$ 2,870,090</u>	<u>\$ 796,227</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 9,281,000	\$ 9,158,962	\$ (122,038)
Other	425,000	641,181	216,181
<i>Total Revenues</i>	<u>9,706,000</u>	<u>9,800,143</u>	<u>94,143</u>
Expenses			
Personnel Costs	79,135	78,782	353
Material and Supplies	4,945	3,730	1,215
Contractual Services	1,116,193	1,028,459	87,734
Capital Outlay	1,000	-	1,000
Claims	8,677,474	8,648,337	29,137
<i>Total Expenses</i>	<u>9,878,747</u>	<u>9,759,308</u>	<u>119,439</u>
Excess of Revenues Over (Under) Expenses	(172,747)	40,835	213,582
<i>Fund Balance Beginning of Year</i>	170,814	170,814	-
Prior Year Encumbrances Appropriated	1,932	1,932	-
<i>Fund Balance End of Year</i>	<u>\$ (1)</u>	<u>\$ 213,581</u>	<u>\$ 213,582</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, 2011

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 3,518,977	\$ 3,279,911	\$ (239,066)
Other	5,032	5,032	-
<i>Total Revenues</i>	<u>3,524,009</u>	<u>3,284,943</u>	<u>(239,066)</u>
Expenses			
Contractual Services	5,000	5,000	-
Benefit Claims Expense	4,000,411	3,425,914	574,497
<i>Total Expenses</i>	<u>4,005,411</u>	<u>3,430,914</u>	<u>574,497</u>
Excess of Revenues (Under) Expenses	(481,402)	(145,971)	335,431
<i>Fund Balance Beginning of Year</i>	481,402	481,402	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 335,431</u>	<u>\$ 335,431</u>

Combining Statements-Fiduciary Funds

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

Private Purpose Trust

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

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

Agency Funds

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

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

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

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

Auditor's Transfer Fund To account for and hold receipts from various entities until proper disbursement.

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

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

Building Department State Assessment Fund To account for assessments that are collected by the City on building projects on behalf of the state.

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

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

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the year ended December 31, 2011

	Balance 01/01/11	Additions	Reductions	Balance 12/31/11
Building Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 185,303	\$ 235,806	\$ 319,537	\$ 101,572
Liabilities				
Deposits Held and Due to Others	\$ 185,303	\$ 235,806	\$ 319,537	\$ 101,572
Payroll Clearing				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 999,159	\$ 13,134,857	\$ 13,045,830	\$ 1,088,186
Liabilities				
Due to Other Governments	\$ 999,159	\$ 13,134,857	\$ 13,045,830	\$ 1,088,186
Employee Buyout Incentive				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 59,571	\$ 153,408	\$ 171,967	\$ 41,012
Liabilities				
Deposits Held and Due to Others	\$ 59,571	\$ 153,408	\$ 171,967	\$ 41,012
Auditors Transfer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 75,355	\$ 85,937	\$ 90,937	\$ 70,355
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-
Total Assets	\$ 75,355	\$ 85,937	\$ 90,937	\$ 70,355
Liabilities				
Deposits Held and Due to Others	\$ 75,355	\$ 85,937	\$ 90,937	\$ 70,355
Municipal Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$ 74,426	\$ 8,622,681	\$ 8,593,057	\$ 104,050
Liabilities				
Undistributed Assets	\$ 74,426	\$ 8,622,681	\$ 8,593,057	\$ 104,050

(continued)

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds (continued)
For the year ended December 31, 2011

	Balance 01/01/11	Additions	Reductions	Balance 12/31/11
<i>Ticketmaster</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 87,193	\$ 124,851	\$ 212,044	\$ -
Liabilities				
Undistributed Assets	\$ 87,193	\$ 124,851	\$ 212,044	\$ -
<i>Building Department State Assessment</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 381	\$ 9,189	\$ 8,865	\$ 705
Liabilities				
Deposits Held and Due to Others	\$ 381	\$ 9,189	\$ 8,865	\$ 705
<i>Downtown Special Improvement District</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 187,516	\$ 187,516	\$ -
Liabilities				
Deposits Held and Due to Others	\$ -	\$ 187,516	\$ 187,516	\$ -
<i>Civic Center Event Expense Clearing</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 13,836	\$ 81,988	\$ 95,824	\$ -
Liabilities				
Deposits Held and Due to Others	\$ 13,836	\$ 81,988	\$ 95,824	\$ -
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,420,798	\$ 14,013,552	\$ 14,132,520	\$ 1,301,830
Cash and Cash Equivalents in Segregated Accounts	74,426	8,622,681	8,593,057	104,050
Total Assets	\$ 1,495,224	\$ 22,636,233	\$ 22,725,577	\$ 1,405,880
Liabilities				
Due to Other Governments	\$ 999,159	\$ 13,134,857	\$ 13,045,830	\$ 1,088,186
Undistributed Assets	161,619	8,747,532	8,805,101	104,050
Deposits Held and Due to Others	334,446	753,844	874,646	213,644
Total Liabilities	\$ 1,495,224	\$ 22,636,233	\$ 22,725,577	\$ 1,405,880

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Statistical Section

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

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 Assets by Component,
Last Ten Years*

(accrual basis of accounting)

	2011	2010	Restated 2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities										
Invested in Capital Assets,										
Net of Related Debt	\$ 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	\$ 98,983,621
Restricted	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	28,310,363
Unrestricted	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)	(596,896)
Total Governmental Activities Net Assets	\$ 128,883,922	\$ 126,340,656	\$ 128,691,816	\$ 129,706,746	\$ 130,388,823	\$ 119,345,550	\$ 110,212,981	\$ 113,426,828	\$ 118,427,665	\$ 126,697,088
Business-Type Activities										
Invested in Capital Assets,										
Net of Related Debt	\$ 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	\$ 50,200,502
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	20,809,501
Total Business-Type Activities Net Assets	\$ 99,562,227	\$ 97,456,312	\$ 89,658,350	\$ 86,577,905	\$ 82,717,865	\$ 81,050,027	\$ 81,445,691	\$ 76,116,721	\$ 73,982,712	\$ 71,010,003
Primary Government										
Invested in Capital Assets,										
Net of Related Debt	\$ 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	\$ 149,184,123
Restricted	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	28,310,363
Unrestricted	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	20,212,605
Total Primary Government Net Assets	\$ 228,446,149	\$ 223,796,968	\$ 218,350,166	\$ 216,284,651	\$ 213,106,688	\$ 200,395,577	\$ 191,658,672	\$ 189,543,549	\$ 192,410,377	\$ 197,707,091

City of Canton, Ohio
Changes in Net Assets
Last Ten Years
(accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
<i>Governmental Activities:</i>										
General Government	\$ 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	\$ 16,975,011
Security of Persons and Property	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	32,660,736
Public Health	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	4,481,286
Transportation	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	16,821,177
Community Development	8,563,514	9,206,391	5,393,621	6,011,649	6,012,057	6,554,058	7,898,906	6,523,014	5,002,599	6,530,815
Leisure Time Activities	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	2,721,562
Interest on Long-Term Debt	791,471	815,188	925,828	1,154,014	1,259,708	852,785	923,542	1,140,758	1,252,757	1,416,115
<i>Total Governmental Activities Expenses</i>	<i>88,576,024</i>	<i>88,263,346</i>	<i>91,507,530</i>	<i>87,457,079</i>	<i>86,391,923</i>	<i>78,485,659</i>	<i>83,767,087</i>	<i>80,725,766</i>	<i>79,694,827</i>	<i>81,606,702</i>
<i>Business-Type Activities:</i>										
Water	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	10,815,081
Sewer	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	10,098,802
Refuse	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	4,274,006
<i>Total Business-Type Activities Expenses</i>	<i>31,250,626</i>	<i>27,059,103</i>	<i>28,734,947</i>	<i>26,046,866</i>	<i>26,638,858</i>	<i>26,596,265</i>	<i>23,793,623</i>	<i>24,935,567</i>	<i>23,443,196</i>	<i>25,187,889</i>
Total Primary Government Expenses	\$ 119,826,650	\$ 115,322,449	\$ 120,242,477	\$ 113,503,945	\$ 113,030,781	\$ 105,081,924	\$ 107,560,710	\$ 105,661,333	\$ 103,138,023	\$ 106,794,591
Program Revenues										
<i>Governmental Activities:</i>										
Charges for Service:										
EMS Charges	\$ 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	\$ 2,160,994
Leisure Activities	230,691	593,174	323,320	646,817	798,451	773,910	813,852	232,984	288,023	285,019
Licenses & Permits	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	881,234
Municipal Court Receipts	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	1,808,609
Other Activities	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	5,777,392
Operating Grants & Contributions	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	6,261,103
Capital Grants & Contributions	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	1,211,848
<i>Total Governmental Activities Program Revenues</i>	<i>30,292,068</i>	<i>32,150,732</i>	<i>32,337,025</i>	<i>25,702,692</i>	<i>28,394,911</i>	<i>21,935,402</i>	<i>19,564,178</i>	<i>22,075,558</i>	<i>19,629,764</i>	<i>18,386,199</i>
<i>Business-Type Activities:</i>										
Charges for Service:										
Water	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	10,774,701
Sewer	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	10,458,396
Refuse	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	4,219,995
Operating Grants & Contributions	189,868	87,506	119,426	108,822	56,133	127,712	38,115	24,830	12,809	-
Capital Grants & Contributions	12,655	207,969	2,942,090	1,939,593	1,308,396	895,234	1,083,890	1,492,713	1,466,359	1,573,931
<i>Total Business-Type Activities Program Revenues</i>	<i>33,154,603</i>	<i>34,547,351</i>	<i>30,721,597</i>	<i>29,850,116</i>	<i>27,769,430</i>	<i>27,094,481</i>	<i>26,794,949</i>	<i>26,919,565</i>	<i>26,743,148</i>	<i>27,027,023</i>
Total Primary Government Program Revenues	\$ 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	\$ 45,413,222

City of Canton, Ohio
Changes in Net Assets (Continued)
Last Ten Years
(accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net (Expenses)/Revenues										
Governmental Activities	\$ 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)	\$ (63,220,503)
Business-Type Activities	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	1,839,134
Total Primary Government										
Net Expense	\$ 60,187,933	\$ (48,624,366)	\$ (57,183,855)	\$ (57,951,137)	\$ (56,866,440)	\$ (56,052,041)	\$ (61,201,583)	\$ (56,666,210)	\$ (56,765,111)	\$ (61,381,369)

Governmental Revenues and Other Changes in Net Assets
Governmental Activities:

<i>Taxes:</i>										
Income Tax	\$ 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	\$ 37,737,290
Property Tax	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	2,380,555
Intergovernmental	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	9,845,016
Grants and Contributions	-	-	-	-	145,890	425,686	401,785	10,513	13,811	376,555
Interest & Investment Earnings	88,038	235,190	662,192	1,592,671	3,187,667	2,048,038	1,289,382	654,913	477,079	914,642
Other	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	2,461,050
Proceeds on Sale of Capital Assets	17,398	-	111,217	-	-	148,468	-	-	6,182	83,122
Transfers	-	-	-	-	-	-	-	-	-	(420,982)
Total Governmental Activities	60,827,222	53,761,454	58,155,575	61,072,310	69,040,285	64,011,326	60,989,062	53,649,371	52,521,914	53,377,248

Business-Type Activities:

Intergovernmental	-	-	-	-	-	33,167	33,167	17,992	-	-
Grants and Contributions	-	-	-	-	-	137,190	95,627	-	-	-
Interest & Investment Earnings	15	55	196	40,203	144,713	17,416	10,792	7,264	7,851	10,828
Other	169,404	306,861	989,811	220,621	373,715	141,585	2,188,058	115,130	182,873	102,496
Proceeds on Sale of Capital Assets	32,519	2,798	8,731	6,786	18,838	24,254	-	9,625	-	59,764
Transfers	-	-	-	-	-	-	-	-	-	420,982
Total Business-Type Activities	201,938	309,714	998,738	267,610	537,266	353,612	2,327,644	150,011	190,724	594,070
Total Primary Government	\$ 61,029,160	\$ 54,071,168	\$ 59,154,313	\$ 61,339,920	\$ 69,577,551	\$ 64,364,938	\$ 63,316,706	\$ 53,799,382	\$ 52,712,638	\$ 53,971,318

Change in Net Assets

Governmental Activities	\$ 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)	\$ (9,843,255)
Business-Type Activities	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	2,433,204
Total Primary Government	\$ 4,649,181	\$ 5,446,802	\$ 1,970,458	\$ 3,388,783	\$ 12,711,111	\$ 8,312,897	\$ 2,115,123	\$ (2,866,828)	\$ (4,052,473)	\$ (7,410,051)

City of Canton, Ohio

Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
General Fund							
Reserved	\$ 748,509	\$ 838,116	\$ 1,044,522	\$ 1,009,423	\$ 908,877	\$ 750,688	\$ 790,012
Unreserved	6,947,380	8,358,711	8,067,957	9,662,068	8,292,671	8,540,085	9,306,674
Total General Fund	\$ 7,695,889	\$ 9,196,827	\$ 9,112,479	\$ 10,671,491	\$ 9,201,548	\$ 9,290,773	\$ 10,096,686
All Other							
Governmental Funds							
Reserved	\$ 10,955,266	\$ 13,060,640	\$ 10,532,025	\$ 8,967,059	\$ 12,683,479	\$ 10,820,672	\$ 9,784,826
Unreserved, reported in:							
Special Revenue							
Funds	3,806,492	4,742,049	1,633,424	2,111,575	2,009,268	2,206,052	2,460,107
Capital Projects							
Funds	10,284,524	8,878,112	15,670,214	2,714,187	1,260,394	2,442,560	4,029,681
Debt Service Funds	6,239	6,239	141,751	3,019	3,019	21,540	21,540
Total All Other	\$ 25,052,521	\$ 26,687,040	\$ 27,977,414	\$ 13,795,840	\$ 15,956,160	\$ 15,490,824	\$ 16,296,154
Governmental Funds							

	2011	2010	2009
General Fund			
Nonspendable	\$ 281,811	\$ 262,064	\$ 176,964
Restricted	62,514	50,320	281,200
Committed	711,295	620,913	808,009
Unassigned	5,235,907	3,797,436	3,406,438
Total General Fund	\$ 6,291,527	\$ 4,730,733	\$ 4,672,611
All Other			
Governmental Funds			
Nonspendable	\$ 1,726,284	\$ 1,864,369	\$ 1,783,687
Restricted	11,534,643	16,648,605	19,478,655
Committed	3,693,165	2,744,056	3,433,796
Unassigned	(215,388)	-	(3,648)
Total All Other	\$ 16,738,704	\$ 21,257,030	\$ 24,692,490
Governmental Funds			

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)

	2011	2010	2009	2008	2007
Revenues					
Property and Other Taxes	\$ 2,679,060	\$ 3,692,536	\$ 3,710,390	\$ 4,385,206	\$ 4,010,683
Municipal Income Tax	42,268,045	39,995,514	41,105,833	44,532,380	44,556,112
Charges for Services	11,672,616	12,277,821	11,428,095	10,613,296	10,878,541
Licenses, Permits, and Fees	1,496,552	1,540,878	1,544,393	1,548,479	1,161,430
Fines and Forfeitures	387,942	548,171	443,673	1,001,384	1,582,608
Intergovernmental	9,022,823	9,246,604	9,521,398	10,378,440	11,375,148
Interest	88,038	235,190	662,192	1,592,671	3,187,667
Operating Grants and Contributions	11,768,162	11,635,287	9,664,268	6,054,006	8,091,451
Capital Grants and Contributions	4,731,620	6,639,897	4,447,416	3,635,597	5,065,148
Rentals	230,131	414,189	450,788	413,470	452,450
Other	4,704,783	2,200,776	1,874,355	1,293,285	2,692,726
Total Revenues	<u>89,049,772</u>	<u>88,426,863</u>	<u>84,852,801</u>	<u>85,448,214</u>	<u>93,053,964</u>
Expenditures					
General Government	17,472,868	16,961,740	18,597,391	18,576,448	20,015,769
Security of Persons and Property	37,583,710	35,892,847	35,973,764	37,208,163	36,419,061
Public Health	6,201,749	6,631,976	6,136,493	6,005,406	6,052,678
Transportation	3,762,830	3,730,733	3,826,361	4,170,057	4,447,301
Community Environment	8,534,770	9,176,385	5,289,321	4,862,896	6,613,047
Leisure Time Activities	1,688,857	2,243,340	2,204,394	2,290,022	2,531,251
Capital Outlay	12,357,459	13,286,944	13,859,942	11,554,194	13,986,290
Debt Service:					
Principal	3,659,941	3,159,790	3,039,749	3,166,213	3,672,211
Interest and Fiscal Charges	791,471	815,188	925,828	1,154,014	1,259,708
Total Expenditures	<u>92,053,655</u>	<u>91,898,943</u>	<u>89,853,243</u>	<u>88,987,413</u>	<u>94,997,316</u>
Excess of Revenues Over (Under) Expenditures	(3,003,883)	(3,472,080)	(5,000,442)	(3,539,199)	(1,943,352)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	46,351	40,101	223,066	54,166	54,020
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	643,788
Transfers In	44,000	40,000	40,000	40,000	62,776
Transfers Out	(44,000)	(40,000)	(40,000)	(40,000)	(62,776)
Total Other Financing Sources (Uses)	<u>46,351</u>	<u>94,742</u>	<u>1,638,976</u>	<u>414,700</u>	<u>697,808</u>
Net Change in Fund Balances	<u>\$ (2,957,532)</u>	<u>\$ (3,377,338)</u>	<u>\$ (3,361,466)</u>	<u>\$ (3,124,499)</u>	<u>\$ (1,245,544)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	5.36%	4.82%	4.89%	5.43%	5.87%

(continued)

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

	2006	2005	2004	2003	2002
Revenues					
Property and Other Taxes	\$ 3,610,790	\$ 3,277,108	\$ 3,365,270	\$ 3,796,530	\$ 1,798,881
Municipal Income Tax	43,084,333	41,602,373	39,412,489	37,675,217	37,994,777
Charges for Services	10,325,731	9,575,642	8,912,605	8,543,008	8,056,371
Licenses, Permits, and Fees	1,274,175	1,390,410	1,763,050	1,304,683	1,075,767
Fines and Forfeitures	412,659	447,482	684,146	865,628	640,344
Intergovernmental	10,414,121	10,276,283	9,917,733	9,198,241	10,958,112
Interest	2,048,038	1,242,630	527,075	475,363	912,257
Operating Grants and Contributions	9,108,680	8,873,767	8,418,812	6,537,512	8,073,254
Capital Grants and Contributions	1,517,020	2,004,520	1,131,680	865,422	1,244,749
Rentals	425,220	395,741	240,364	197,605	172,880
Other	3,033,021	1,575,116	1,308,413	1,468,410	1,891,633
Total Revenues	<u>85,253,788</u>	<u>80,661,072</u>	<u>75,681,637</u>	<u>70,927,619</u>	<u>72,819,025</u>
Expenditures					
General Government	20,031,972	17,522,987	15,863,178	15,087,910	16,786,625
Security of Persons and Property	34,117,057	31,771,722	31,834,597	31,208,197	32,844,347
Public Health	5,513,038	5,233,094	4,834,353	4,705,880	4,406,174
Transportation	3,467,363	3,388,270	3,190,067	3,073,759	3,672,284
Community Environment	6,623,411	7,858,937	6,537,550	4,988,427	6,597,736
Leisure Time Activities	2,383,428	2,414,290	1,945,545	1,909,681	2,306,005
Capital Outlay	10,616,931	9,765,750	7,546,563	7,708,011	13,646,316
Debt Service:					
Principal	2,731,941	2,978,916	2,846,457	2,678,898	2,636,815
Interest and Fiscal Charges	852,785	923,542	1,140,758	1,252,757	1,416,115
Total Expenditures	<u>86,337,926</u>	<u>81,857,508</u>	<u>75,739,068</u>	<u>72,613,520</u>	<u>84,312,417</u>
Excess of Revenues Over (Under) Expenditures	(1,084,138)	(1,196,436)	(57,431)	(1,685,901)	(11,493,392)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	652,505	34,849	364,314	33,955	513,021
Issuance of Refunding Bonds	-	-	-	-	-
Refunded Bonds Redeemed	-	-	-	-	-
Bond Issuance Costs	(236,199)	-	-	-	-
Bond Premiums	236,199	-	-	-	-
Issuance of Debt	13,350,000	245,611	237,935	197,266	-
Transfers In	55,000	100,783	78,377	55,000	7,113,205
Transfers Out	(55,000)	(100,783)	(78,377)	(55,000)	(5,761,399)
Total Other Financing Sources (Uses)	<u>14,002,505</u>	<u>280,460</u>	<u>602,249</u>	<u>231,221</u>	<u>1,864,827</u>
Net Change in Fund Balances	<u>\$ 12,918,367</u>	<u>\$ (915,976)</u>	<u>\$ 544,818</u>	<u>\$ (1,454,680)</u>	<u>\$ (9,628,565)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	4.61%	5.27%	5.74%	5.81%	5.71%

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
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
2002	2.00	39,388,494	33,149,784	84.16	2,109,187	5.35	3,012,244	7.65	1,117,279	2.84

* = 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 2011 and 2002

Tax Year 2011

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	682	2.15 %	\$ 101,444,310	15.31 %
\$75,001-\$100,000	923	2.91	79,228,067	11.96
\$50,001-\$75,000	2,428	7.65	147,849,321	22.32
\$25,001-\$50,000	5,803	18.28	204,921,485	30.94
Under \$25,000	21,910	69.01	128,953,960	19.47
Total	31,746	100.00	\$ 662,397,143	100.00

Tax Year 2002

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	584	1.80 %	\$ 108,756,024	14.08 %
\$75,001-\$100,000	784	2.42	66,759,443	8.65
\$50,001-\$75,000	2,759	8.53	165,984,310	21.50
\$25,000-\$50,000	7,263	22.45	258,954,118	33.54
Under \$25,000	20,966	64.80	171,631,483	22.23
Total	32,356	100.00	\$ 772,085,378	100.00

(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				Percent of Personal Income	Pop. (1)	Per Capita	
	General Obligation Bonds	Loans	Notes Payable	Capital Lease	General Obligation Bonds	Loans	Capital Lease	Total Primary Government				Total Personal Income
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
2002	22,580,000	5,149,947	-	-	18,570,000	19,940,180	-	66,240,127	1,808,101,400	3.66	80,369	824

(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				
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
2002	22,580,000	18,570,000	41,150,000	3,121,013,277	1.32		512.01

(1) Source: Stark County Auditor's Office

City of Canton, Ohio
Direct and Overlapping Government Activities Debt
As of December 31, 2011

	General Obligation Debt Outstanding (1)	Percentage Applicable to City (2)	Amount Applicable to City of Canton
Direct			
City of Canton	\$ 13,835,411	100.00%	\$ 13,835,411
Overlapping Debt			
Stark County	-	12.23%	-
Canton City Schools	44,135,000	91.51%	40,387,939
Plain Local Schools	52,837,626	21.32%	11,264,982
Canton Local Schools	701,767	2.60%	18,246
Osnaburg Local Schools	8,432,430	2.30%	193,946
Total Overlapping Debt	<u>106,106,823</u>		<u>51,865,113</u>
Total	<u>\$ 119,942,234</u>		<u>\$ 65,700,524</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

	2011	2010	2009	2008	2007
Overall Debt Limitation (10.5% of Assessed Valuation)	\$ 90,978,118	\$ 91,928,124	\$ 98,857,297	\$ 104,291,997	\$ 110,800,481
Net Debt Within 10.5% Limitations	15,583,224	18,567,954	19,483,363	17,573,728	19,461,900
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$ 75,394,894</u>	<u>\$ 73,360,170</u>	<u>\$ 79,373,934</u>	<u>\$ 86,718,269</u>	<u>\$ 91,338,581</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.13%	20.20%	19.71%	16.85%	17.56%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$ 47,655,205	\$ 48,152,827	\$ 51,782,394	\$ 54,629,141	\$ 58,038,347
Net Debt Within 5.5% Limitations	15,583,224	18,567,954	19,483,363	17,573,728	19,461,900
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$ 32,071,981</u>	<u>\$ 29,584,873</u>	<u>\$ 32,299,031</u>	<u>\$ 37,055,413</u>	<u>\$ 38,576,447</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	32.70%	38.56%	37.63%	32.17%	33.53%

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.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 106,126,404	\$ 109,151,590	\$ 106,935,582	\$ 97,338,180	\$ 102,180,167
<u>21,976,356</u>	<u>10,710,000</u>	<u>12,835,000</u>	<u>14,841,477</u>	<u>22,561,477</u>
<u>\$ 84,150,048</u>	<u>\$ 98,441,590</u>	<u>\$ 94,100,582</u>	<u>\$ 82,496,703</u>	<u>\$ 79,618,690</u>
20.71%	9.81%	12.00%	15.25%	22.08%
\$ 55,590,021	\$ 57,174,642	\$ 56,013,876	\$ 50,986,666	\$ 53,522,945
<u>21,976,356</u>	<u>10,710,000</u>	<u>12,835,000</u>	<u>14,841,477</u>	<u>22,561,477</u>
<u>\$ 33,613,665</u>	<u>\$ 46,464,642</u>	<u>\$ 43,178,876</u>	<u>\$ 36,145,189</u>	<u>\$ 30,961,468</u>
39.53%	18.73%	22.91%	29.11%	42.15%

City of Canton, Ohio
Computation of Legal Debt Margin
As of December 31, 2011

Total Assessed Property Value	<u>\$ 866,458,270</u>
Overall Debt Limitation (10 1/2 % of Assessed Valuation)	<u>\$ 90,978,118</u>
Gross Indebtedness	55,693,279
Less: Enterprise Funds' G.O. Bonds	(5,059,076)
OWDA Loans	(32,558,341)
OPWC Loan	(871,467)
SIB Loan	(633,005)
Millennium Parking Deck	(559,826)
Capital Lease	(424,800)
Debt Service Fund Balance	<u>(3,540)</u>
Net Debt Within 10 1/2 % Limitations	<u>15,583,224</u>
Legal Debt Margin Within 10 1/2 % Limitations	<u>\$ 75,394,894</u>
Unvoted Debt Limitation (5 1/2 % of Assessed Valuation)	\$ 47,655,205
Gross Indebtedness	55,693,279
Less: Enterprise Funds' G.O. Bonds	(5,059,076)
OWDA Loans	(32,558,341)
OPWC Loan	(871,467)
SIB Loan	(633,005)
Millennium Parking Deck	(559,826)
Capital Lease	(424,800)
Debt Service Fund Balance	<u>(3,540)</u>
Net Debt Within 5 1/2 % Limitations	<u>15,583,224</u>
Legal Debt Margin Within 5 1/2 % Limitations	<u>\$ 32,071,981</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	
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
2002	11,663,776	8,797,197	2,866,579	115,822	95,803	13.55

(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	
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
2002	11,245,738	7,324,071	3,921,667	969,387	440,054	2.78

(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</u>
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
2002	80,369	1,808,101,400	22,497	5.6

(1) Source: US Census Bureau.

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

2011

Employer	Nature of Activity	Employees	Percentage of Total City Employment	
Aultman Hospital	Health Service	4,056	12.78	%
Timken Company	Tapered roller bearings and steel	3,714	11.70	
Stark County Government	Government	2,781	8.76	
Mercy Medical Center	Health Service	2,109	6.64	
Canton City Schools	Education	1,494	4.71	
Freshmark	Meat Processing	1,327	4.18	
City of Canton	Municipal Government	900	2.84	
Republic Engineered Products	Hot-rolled and cold finisher steel bars and specialty steels	816	2.57	
Nationwide Insurance	Insurance Provider	780	2.46	
Republic Storage Systems	Manufacturer, Metal Lockers & Equip.	395	1.24	
Total		18,372	57.88	
Total Employment (Filing) within the City		31,746		

2002

Employer	Nature of Activity	Employees	Percentage of Total City Employment	
Timken Company	Tapered roller bearings and steel	5,640	17.43	%
Aultman Hospital	Health Service	3,800	11.74	
Stark County Government	Government	2,860	8.84	
Mercy Medical Center	Health Service	2,516	7.78	
Canton City Schools	Education	1,850	5.72	
Republic Engineered Products	Hot-rolled and cold finisher steel bars and specialty steels	1,660	5.13	
City of Canton	Municipal Government	1,850	5.72	
Freshmark	Meat Processing	957	2.96	
Nationwide Insurance	Insurance Provider	665	2.06	
Republic Storage Systems	Manufacturer, Metal Lockers & Equip.	495	1.53	
Total		22,293	68.91	
Total Employment (Filing) within the City		32,356		

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Employees										
General Government	181	183	181	193	194	196	187	193	193	197
Security of Persons and Property	375	396	409	434	428	423	400	407	416	424
Public Health	47	51	50	53	52	51	53	50	51	53
Transportation	46	45	50	49	50	44	42	43	44	50
Community Development	19	23	23	22	17	18	20	22	23	22
Leisure Time Activities	16	21	21	27	27	26	28	26	23	26
Total Governmental Employees	684	719	734	778	768	758	730	741	750	772
Business-Type Employees										
Water	88	87	91	96	101	97	97	94	89	93
Sewer	71	73	80	79	79	76	76	76	75	68
Refuse	57	54	58	58	58	59	58	59	57	54
Total Business-Type Employees	216	214	229	233	238	232	231	229	221	215
Total Employees	900	933	963	1,011	1,006	990	961	970	971	987

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	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Departmental Vehicles	22	22	22	23	24	21	18	16	16	20
Security of Persons and Property										
Police Stations	5	5	5	5	5	5	5	4	3	3
Police Department Vehicles	123	124	129	110	124	124	85	87	89	110
Fire Stations	8	8	8	8	8	8	8	8	9	9
Fire Department Vehicles	39	40	40	37	39	36	32	30	30	33
Intersections with										
Traffic Lights	213	224	226	227	228	230	232	231	230	230
Traffic Department Vehicles	17	17	19	20	29	23	21	21	20	19
Public Health										
Departmental Vehicles	12	12	14	14	23	24	22	18	18	17
Transportation										
Area (in square miles)	25.70	25.70	25.50	25.40	25.40	25.30	23.94	23.94	23.29	20.99
Miles of Streets	414.11	414.30	414.40	413.83	413.87	411.39	412.19	409.50	408.96	405.79
Bridges	23	23	23	23	23	23	23	23	23	23
Miles of Storm Sewers	217.48	217.40	214.56	214.33	214.09	211.92	211.70	209.40	209.40	208.82
Departmental Vehicles	110	112	114	110	124	116	114	108	114	119
Leisure Time Activities										
Number of Parks	61	61	61	61	61	61	60	60	60	60
Park Acreage	812	812	812	800	710	710	700	700	700	700
Number of Shelters	23	23	22	22	22	21	21	21	21	21
Number of Baseball Fields	43	43	43	43	43	42	43	43	43	43
Walking Tracks	4	4	4	4	4	4	4	4	4	4
Walking Bridges	16	16	14	14	14	13	13	13	13	13
Play Equipment Sets	39	37	37	36	36	35	35	35	34	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	7
Swimming Pools	0	0	0	0	0	1	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	1	2
Departmental Vehicles	45	46	47	44	46	47	46	43	43	45
Water										
Miles of Water Mains	660.03	658.80	658.69	658.68	655.89	651.36	649.58	646.27	642.32	632.34
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	39,000	39,000	39,000	39,000	39,000	40,800	40,800
Number of Fire Hydrants	3,258	3,252	3,252	3,243	3,212	3,163	3,141	3,094	3,063	3,002
Departmental Vehicles	71	68	62	59	60	56	60	58	60	62
Sewer										
Miles of Sanitary Sewers	360.00	363.00	362.83	360.10	359.70	357.51	357.26	357.08	356.27	355.95
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	52	59	59	47	40	30	30	27
Refuse										
Departmental Vehicles	20	23	25	28	37	35	32	30	31	33

Source: Various City of Canton Departments

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Auditor										
Purchase Orders Issued	6,666	7,228	6,988	6,811	7,141	6,787	6,551	6,440	6,078	6,438
Checks Issued	16,542	16,431	16,817	17,513	18,195	18,545	19,735	16,780	16,256	17,764
Payroll Checks Issued	28,285	29,027	30,031	31,847	30,540	29,844	30,401	33,796	30,424	33,008
Civil Service										
Tests Administered	15	12	12	21	13	18	17	13	15	15
Courts										
Cases Heard	30,649	39,557	32,403	32,201	36,014	34,457	30,730	29,351	31,444	32,824
Trials Held	215	290	217	208	218	270	256	234	234	218
Probation Cases	418	395	423	513	388	413	354	393	294	383
Community Service										
Cases	2,080	2,681	2,578	2,416	2,494	2,197	2,488	2,510	2,689	3,017
House Arrest Cases	164	120	183	694	155	164	292	243	489	616
Income Tax										
Refunds Issued	2,935	2,870	3,182	3,332	3,145	3,378	3,965	3,486	5,922	5,793
Tax Notifications Mailed	34,908	32,693	35,484	34,258	36,347	35,091	34,884	35,089	35,365	34,672
Law Department										
Claims	245	176	127	216	180	131	276	282	236	155
Trials Conducted	84	22	44	116	121	143	112	93	102	124
Pretrials Conducted	6,829	7,735	7,428	7,719	8,102	7,401	6,515	7,092	7,182	8,077
Prosecutor Hearings	55	121	109	151	307	297	278	411	626	643
Criminal Intakes	1,966	2,107	2,241	2,188	1,987	2,086	2,468	2,306	2,400	2,904
Security of Persons and Property										
Code Enforcement										
Building Permits Issued	1,071	819	4,097	2,449	1,364	4,715	5,506	5,415	1,469	1,450
Building Permits Estimated										
Value (in millions)	\$ 68,127	\$ 42,510	\$ 73,781	\$ 59,247	\$ 90,644	\$ 103,290	\$ 174,606	\$ 122,004	\$ 104,411	\$ 86,955
Police										
Physical Arrests	3,471	4,201	4,466	5,228	5,218	4,620	4,964	4,758	4,606	4,368
Traffic Violations	8,850	15,328	6,162	6,189	6,429	8,638	5,971	7,287	5,212	7,230
Parking Violations	8,556	10,422	10,789	9,966	10,188	8,000	14,949	19,282	18,523	22,771
Fire										
Calls Answered	13,429	20,687	12,602	12,952	15,904	10,475	5,639	14,467	14,376	13,666
Public Health										
Birth Certificates Issued	10,263	12,413	14,859	16,136	20,653	18,442	16,673	16,854	17,294	19,754
Death Certificates Issued	8,144	7,875	9,715	10,040	9,321	9,572	10,180	10,661	11,653	11,819
Nursing										
Home Vists	395	408	425	350	267	49	62	112	114	160
Air Pollution Complaints										
Investigated	282	63	167	222	486	1,999	222	339	257	384
Food Service Inspections	946	971	1,240	926	1,429	966	1,319	1,193	1,296	1,440
Transportation										
Road Salt Expense	\$817,201	\$516,835	\$681,366	\$630,012	\$353,321	\$456,317	\$366,801	\$496,357	\$445,584	\$404,192
Leisure Time Activities										
Shelter/Bldg Permits Issued	473	453	520	371	481	470	534	592	604	N/A
Water										
Number of Service										
Connections	44,184	44,171	44,179	44,200	44,152	43,961	43,777	43,285	42,878	42,495
Daily Average Consumption										
in Gallons (in millions)	19,106	19,970	19,983	23,660	22,475	21,763	22,468	22,151	22,577	22,226
Sewer										
Number of Active										
Sewer Accounts	26,804	27,000	27,178	27,274	28,354	27,624	28,066	28,241	33,046	28,995
Daily Average Treatment										
in Gallons (in millions)	34,030	30,326	27,800	29,230	28,330	30,120	30,760	33,290	31,460	26,350

Source: Various City of Canton Departments

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CANTON, OHIO

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