



Mary Taylor, CPA
Auditor of State

CITY OF CANTON
STARK COUNTY

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Mary Taylor, CPA

Auditor of State

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

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

To the Honorable Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Canton, Stark County, Ohio, (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 6, 2008. 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*. Other auditors audited the financial statements of the Canton Community Improvement Corporation, as described in our opinion on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the City's management in a separate letter dated June 6, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 6, 2008.

We intend this report solely for the information and use of management, City Council, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 6, 2008



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Honorable Mayor and City Council:

Compliance

We have audited the compliance of the City of Canton, Stark County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2007. The summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

The City's basic financial statements include the operations of the Canton Community Improvement Corporation, which received \$755,171 in federal awards which is not included in the Federal Awards Receipts and Expenditures Schedule for the year ended December 31, 2007. Our audit of Federal awards, described below, did not include the operations of the Canton Community Improvement Corporation because the component unit engaged another auditor to audit its Federal award programs in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Canton complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying Schedule of Findings and Questioned Costs as item 2007-001.

In a separate letter to the City's management dated June 6, 2008, we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that the City's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We also noted other matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 6, 2008.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Canton as of and for the year ended December 31, 2007, and have issued our report thereon dated June 6, 2008, wherein we noted the financial statements of the City's component unit were audited by other auditors, and our opinion, insofar as it relates to the amounts included for this component unit, is based on the report of the other auditors. Our audit was performed to form an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying Federal Awards Receipts and Expenditures Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The City's response to the finding we identified is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

June 6, 2008

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**CITY OF CANTON
STARK COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/ Pass Through Grantor/ Program Title	Entity Number	Federal CFDA Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>(Direct)</i>				
Community Development Block Grants/ Entitlement Grants	B-06-MC-390002 B-07-MC-390002	14.218	\$ 1,822,467 904,089 <u>2,726,556</u>	\$ 1,816,817 894,930 <u>2,711,747</u>
Emergency Shelter Grants Program	S-06-MC-390002 S-07-MC-390002	14.231	62,516 29,857 <u>92,373</u>	62,516 29,857 <u>92,373</u>
HOME Investment Partnerships Program	M-01-MC-390203 M-02-MC-390203 M-03-MC-390203 M-04-MC-390203 M-06-MC-390203 M-07-MC-390203	14.239	297,259 495,467 160,009 252,186 148,724 6,990 <u>1,360,635</u>	297,259 495,467 144,282 252,186 148,724 6,990 <u>1,344,908</u>
Federal Fair Housing Grant Program	FF205K065032 FF205K075032	14.401	120,000 120,000 <u>240,000</u>	12,675 - <u>12,675</u>
EDI Special Projects Grant	B-04-SP-OH-0611	14.246	758,577	957,332
Total U.S. Department of Housing and Urban Development			5,178,141	5,119,035
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>(Direct)</i>				
Stop Violence Against Women Formula Grant Program	2006-WF-VA2-8223	16.588	15,000	15,000
Public Safety-Bullet Proof Vest	BUBX-3153	16.607	30,713 3,398 <u>34,111</u>	30,713 3,398 <u>34,111</u>
<i>(Passed through the State of Ohio Office of Criminal Justice Services)</i>				
Bryne Memorial Justice Assistance Grant	F1254OH-DJ	16.738	57,554	-
Total U.S. Department of Justice			106,665	49,111
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>(Passed through the State of Ohio Environmental Protection Agency)</i>				
Air Pollution Control Program Support	AP-19-91-76-020007	66.001	199,502	199,502
Congressionally Mandated Projects	XP-96514201-0	66.202	315,600	315,600
Total U.S. Environmental Protection Agency			515,102	515,102
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>(Passed through the State of Ohio Department of Health)</i>				
Preventive Health Services - Sexually Transmitted Diseases	76-2-001-ST01006/07	93.977	28,343	52,715
HIV Prevention	76-2-0012-HP0106/07	93.940	375,077	248,770
Center for Disease Control and Prevention	76-2-001-2-BI07/ 76-2-001-2-P10108	93.283	409,741	408,763
Immunization Grants	76-1-001-2-AZ06/07	93.268	156,662	174,960
Maternal and Child Health Services Block Grant	76-2-001-1-AJ06/07	93.994	29,028	51,913
<i>(Passed through the Stark County Family Council)</i>				
Temporary Assistance for Needy Families	N/A	93.558	7,475	-
Total U.S. Department of Health and Human Services			1,006,326	937,121

CITY OF CANTON
STARK COUNTY

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/ Pass Through Grantor/ Program Title	Entity Number	Federal CFDA Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>(Passed through the State of Ohio Department of Health)</i>				
Special Supplemental Nutrition Program for for Women, Infants and Children	76-2-001-1-CL007/ 76-2-001-WA0108	10.557	1,121,255	1,117,766
<i>(Passed through the State of Ohio Department of Education)</i>				
Summer Food Service Program for Children	114306	10.559	<u>32,224</u>	<u>32,224</u>
Total U.S. Department of Agriculture			<u>1,153,479</u>	<u>1,149,990</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>(Passed through the State of Ohio Department of Transportation)</i>				
Highway Planning and Construction	FAN-E033386	20.205	2,487,512	2,487,512
<i>(Passed through the State of Ohio Department of Public Safety)</i>				
State and Community Highway Safety	2007-SC-N/ 2006-SC-N/ 2005-SC-N/	20.600	35,584 11,526 -	22,131 36,092 8,231
			<u>47,110</u>	<u>66,454</u>
Total U.S. Department of Transportation			<u>2,534,622</u>	<u>2,553,966</u>
Total			<u>\$ 10,494,335</u>	<u>\$ 10,324,325</u>

The notes to this schedule are an integral part of this schedule.

**CITY OF CANTON
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The City passes-through certain Federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the City records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C - SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes and local businesses. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property or the asset acquired. At December 31, 2007, the gross amount of loans outstanding under this program was \$1,786,145. Delinquent amounts due are \$305,921.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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**CITY OF CANTON
STARK COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grants – Entitlement Grants – CFDA #14.218; Highway Planning and Construction – CFDA #20.205; EPA Congressionally Mandated Projects – CFDA #66.202; Center for Disease Control and Prevention – CFDA #93.283
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 309,729 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Finding Number	2007-001
CFDA Title and Number	Community Development Block Grants – Entitlement Grants – CFDA #14.218
Federal Award Number / Year	2007
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Direct

Federal Questioned Costs

2 C.F.R. Part 230, Appendix B, Selected Items of Cost, paragraph 14 (formerly known as OMB Circular A-122, Appendix B, paragraph 14) states costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

In addition, **2 C.F.R. Part 230, Appendix A, General Principles, paragraph (A)(2)(g)** states that, among other things, costs must be "...adequately documented" in order to be allowable under an award.

Further, **Circular A-133 Subpart D § .400(d)(3)** and the grant agreements between the City of Canton Community and Economic Development Planning Department (Department) and the not for profit subrecipients require the Department to monitor the subrecipients for Community Development Block Grant (CDBG) monies received directly from Housing and Urban Development. Specifically, the City, as a pass through entity, is responsible to monitor the activities of subrecipients as necessary to ensure Federal Awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved.

During our testing of 2007 Community Development Block Grant expenditures, we noted the City reimbursed certain subrecipients for entertainment and social activities, which do not meet the definitions of allowable costs. In addition, the City could not provide documentation to support the allowability of these activities under the program agreement or CDBG guidelines. We noted the following instances of questioned costs:

<u>Subrecipient</u>	<u>Amount</u>	<u>Description</u>
Present Your Talents for Peace	\$6,460	P.E.A.C.E. TV
Prime Time Basketball	3,106	Basketball League
Multi-Development Services	2,406	NuZone Multi-Cultural Festival
Canton Negro Oldtimers	1,874	Christmas Party
Total	<u>\$13,846</u>	

Accordingly, total expenditures of \$13,846 are actual federal questioned costs and expenditures of \$26,643 are projected questioned costs out of \$2,711,747 total expenditures.

The Department should monitor the activities of their subrecipients to ensure Federal Awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved.

**FINDING NUMBER 2007-001
(Continued)**

Officials' Response

The questioned costs for the Multi-Development Services NuZone Festival and the Canton Negro Oldtimers Christmas Party were funds that were committed in 2006, but not expended until 2007. No funds were committed to this type of project in 2007.

The expenditures for Present Your Talents for Peace and Prime Time Basketball are not entertainment expenses, but are programs designed to engage troubled youth by providing educational assistance, job training, mentoring, and social skills training. Present Your Talents for Peace produces a television program where the students are involved in all aspects of production. Prime Time Basketball provides a recreational outlet for the youth who are enrolled in the program as part of the overall program.

The City believes the latter two projects are in compliance with CDBG regulations. However, we recognize our records do not contain sufficient documentation to demonstrate full compliance. The City will update reporting forms to capture details needed to demonstrate compliance in future projects.

**CITY OF CANTON
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Material Noncompliance – Ohio Rev. Code Section 5705.41(D) – During 2006, 100% of expenditures made to subrecipients tested for the WIC Program Grant were not certified by the City Auditor and the Health Commissioner prior to incurring the obligation.	Yes	Finding No Longer Valid
2006-002	Federal Questioned Costs – 2 CFR Part 230, Appendix B, Section 14 states costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs are unallowable. 24 CFR Section 570.207(b)(2) provides the general rule that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible.	No	Partially Corrected – Refer to Finding Number 2007-001
2006-003	Noncompliance – 42 U.S.C. 11375 requires each subrecipient to match dollar-for-dollar the ESG funding provided by HUD with funds from other public or private sources.	Yes	Finding No Longer Valid

City of Canton, Ohio

Comprehensive Annual

Financial Report

For the Year Ended December 31, 2007

Richard A Mallonn II

City Auditor

Prepared by the City Auditor's Office

City of Canton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007
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RICHARD A. MALLONN II

CANTON CITY AUDITOR

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

June 6, 2008

To Council Members and Citizens of the City of Canton

The Comprehensive Annual Financial Report (CAFR) of the City of Canton as of December 31, 2007 is hereby submitted. This letter and the following report represent the City's continuing commitment to excellence in financial reporting. The purpose of this letter is to acquaint the reader with the CAFR. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

The City's 2000 population of 80,806 placed it as the largest city in the County and the ninth largest in the State.

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

The City's legislative authority is vested in a twelve-member Council of whom three are elected at-large and nine are elected from their respective ward, for a term of two years. The presiding officer is the

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

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

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

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

City Services

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

Proprietary Operations: The City operates Water, Sewer and Refuse Departments. The revenue generated from the Water activities was sufficient to meet all expenses. For 2007, the Refuse Department and Sewer Departments had operating deficits and required the use of previously existing cash balances to meet expenses. Refuse and Sewer rates have been adjusted to correct the problem for 2008.

Reporting Entity

The City has reviewed its reporting entity definition to ensure conformance with the Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity." In defining the City for financial reporting purposes, management has identified all agencies, departments and organizations making up the City of Canton the primary government and its potential component units. The City will present the Canton Community Improvement Corporation (CCIC) as a discretely presented component unit for the year 2007.

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

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

Economic Condition and Outlook

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

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

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

In 2007, the Canton City School District largely completed its Design for the Future Program. The \$176 million seven-year project included nine new elementary buildings, one new middle school, and major renovations to almost all of the Districts other buildings. The final piece of the project is renovation work to McKinley Senior High School, which should be completed in the fall of 2008. Also in 2007, site work was completed on the \$35 million renovation project at the Timken High School Regional Campus. The Campus consists of six buildings and encompasses a ten-block area in the City's Downtown. It includes two outdoor amphitheaters, a student run restaurant, a satellite branch of the Stark State College of Technology, an Early College High School program, and a vocational high school program that offers a wide variety of career options. The City believes these major public works have dramatically improved the condition of the School District's facilities and will enhance the City's ability to attract families to the area.

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

The City is served by two acute care hospitals located in the City: Aultman Hospital (682 beds) and Mercy Medical Center (476 beds), and two additional acute care hospitals located in the County: Alliance Community Hospital (204 beds) and Affinity Medical Center (Doctors Campus, 183 beds; Massillon Campus, 268 beds). Massillon Psychiatric Center, a 157-bed public adult psychiatric hospital operated by the State, is also located in the County. In 2006, Aultman Hospital completed a three year \$80 million dollar expansion projected, the largest in its history. The project included a new four-story 320,000 square foot addition that houses a new Aultman Heart Program, Emergency/Trauma Program, Women's Program (including Labor & Delivery) and the Neonatal Intensive Care Unit. Aultman Hospital continues to play a pivotal role in the financial stability of the City of Canton.

The Canton Park System maintains 61 parks and covers approximately 710 acres. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium. The City's cultural assets include the Canton Art Institute, the Symphony Orchestra Association, the Canton Civic Opera Association and the Players Guild, all of which are housed in the Cultural Center (Center) for the Arts and host a variety of exhibits, musical and dramatic performances and other cultural events each year. The Center, a gift of the Timken Foundation, is a building complex located on 8-1/2 acres in the center of the City, which cost \$13,000,000 to build in 1971. Adjacent to the center is the City-owned auditorium, an air-conditioned arena-type facility with a seating capacity of 6,000. The Cultural Center and the auditorium accommodate conventions. The City's greater metropolitan area has approximately 37 hotels and motels with over 1,950 rooms.

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

The City is the home of the National Professional Football Hall of Fame, which attracts more than 200,000 visitors annually. In 2006, the Hall of Fame, in cooperation with Canton City Schools, began a \$5 million fund raising drive for the renovation of nearby Fawcett Stadium. Money raised will be used for a multi-year project that will include structural repairs, a new west end scoreboard and video board, restroom renovations, north stands concourse expansion, a new press box and an outdoor plaza designed to connect the museum and the school owned stadium. Sufficient funds were raised in 2006 to install the new scoreboard and to begin the structural repair. In 2007, structural repairs were completed on the north stands and fundraising remained ongoing. The renovation work is being done to ensure the future viability of the Hall of Fame Football Game as part of the annual induction ceremonies, as well as create opportunities for future museum expansion. Also in 2007, the Hall of Fame began work on a renovated and modernized Enshrinee mementos gallery. The new gallery, which includes space for traveling exhibits, is slated for completion in May 2008.

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

The Stark Area Regional Transit Authority (SARTA), a separate political subdivision, provides daily public transportation in and around the City. The bus service initially was only a citywide service, but became a countywide system with the passage of a .25 percent county sales tax in 1997. The sales tax,

renewed in 2002 and 2006, serves as the primary revenue source for SARTA. In addition to the sales tax, SARTA operations are supported, in part, from payments for contract services, State and Federal operating grants, and rider fares. In 2003, SARTA opened its roughly \$2.5 million Cornerstone Transfer Station, which included a 3,163 square foot customer service building in downtown Canton. In 2005, SARTA finished renovating its primary administrative and maintenance facility in Canton. The project was funded by grants from the Federal Transit Authority, the Ohio Department of Transportation, and the Ohio Public Transit Association. The renovations were needed to address the functionality and space issues in the old facility.

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

The Akron-Canton Regional Airport (Airport), a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,700 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport has 40 daily departures on six airlines and averages 1.4 million passengers each year. In late 2006, the Airport completed its 5-year \$60 million STAR Expansion Project which included extending runways, a new baggage claim area, a new food court, a new security screening area, enlarged gathering space, additional parking, and a terminal gate renovation that will allow the Airport to handle up to 1.6 million passengers annually. In 2007, the Airport invested \$10 million in a new deicing facility. In early 2008, the Airport announced its new 10-year \$110 million capital improvement plan called CAK 2018. The plan will include a runway extension and border patrol facility to allow for international flights, expanded aircraft parking, expanded auto parking, a wider entrance road, expanded ticket wing, expanded security screening area, a new aircraft rescue and fire fighting maintenance facility, expand the concourse to allow for three more gates, and partner with the nearby City of Green for a new Industrial Park.

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

MAJOR INITIATIVES

In 2007, the City annexed approximately 932 acres and continues to explore further annexation options.

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Information

Accounting Policies and Budgetary Control

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

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

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

The City Auditor continually monitors the encumbrances and expenditures against the budget appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over cash balances less carry over encumbrances at year end, the County Auditor arrives at and issues the certificate of estimated resources for the City. The City Auditor submits amendments to the certificate of estimated resources to the County Auditor as deemed appropriate throughout the year. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's Certificate.

Internal Accounting and Reporting Control

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

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

Debt Administration

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

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

The City has maintained its A-2 rating formerly known as A+ by Moody's Investor Services, Inc and an A+ rating by Standard & Poor's and Fitch Rating Services on general obligation bond issue. The general obligation indebtedness of the City is subject to two statutory debt limitations referred to as the "direct debt limitation" (by Ohio Revised Code Section 133.05). The total principal amount of voted and unvoted nonexempt net indebtedness of the City may not exceed 10.5 percent of its assessed value of real and personal property, and in addition, the net principal amount of unvoted nonexempt debt may not exceed 5.5 percent of the same total assessed value. The City's overall legal debt margin was \$91,338,581 and an unvoted debt margin of \$38,576,447 as of December 31, 2007.

Risk Management

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

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

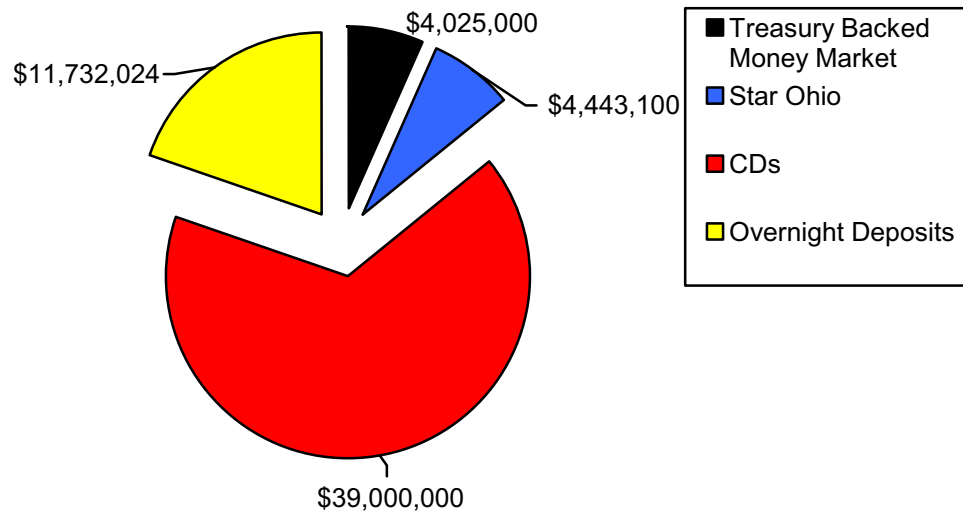
Municipal League for automobile combined coverage, which has a \$5,000,000 limit and a \$125,000 deductible. The City also contracts with the Ohio Municipal League for general liability. This coverage has a \$5,000,000 limit and a \$125,000 deductible for bodily injury and property damage, fire damage,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

The City has elected to provide employees' major medical, hospitalization, prescription, and dental/vision coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The City purchases stop-loss coverage of \$150,000 specific per employee. Third party administrators, Aultcare and Benefit Services Inc., review all claims prior to payment by the City. Advantages of the self-insurance arrangement include holding the reserves and earning interest on them and saving on administrative costs. Control of the plans rests with the City.

Cash Management

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

Allocation of City of Canton Investment Resources



Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2006. The Certificate of Achievement is the highest form of recognition for excellence in state and local government.

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

Independent Audit

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2007, have been audited by the Auditor of State Mary Taylor's Office. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation, as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

Acknowledgements

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard A. Mallonn II". The signature is fluid and cursive, with a large initial "R" and "M".

Richard A Mallonn II
City Auditor

CITY OF CANTON

CITY OFFICIALS

Mayor

Janet Weir Creighton

Council Members

Allen Schulman, President

Joseph Carbenia
Donald Casar
Mary Cirelli
David Dougherty
James E. Griffin
Richard D. Hart

Gregory Hawk
Karl Kraus
Terry Prater
Bill Smuckler
Thomas West
Kelly Zachary

City Auditor

Richard A. Mallonn II

City Treasurer

Robert C. Schirack

Law Director

Joseph Martuccio

Director of Income Tax

Cynthia Allensworth

Chief of Staff

Chip Conde

Director of Public Safety

Bernard Hunt

Director of Public Service

Joseph Concatto

Fire Chief

James Scott

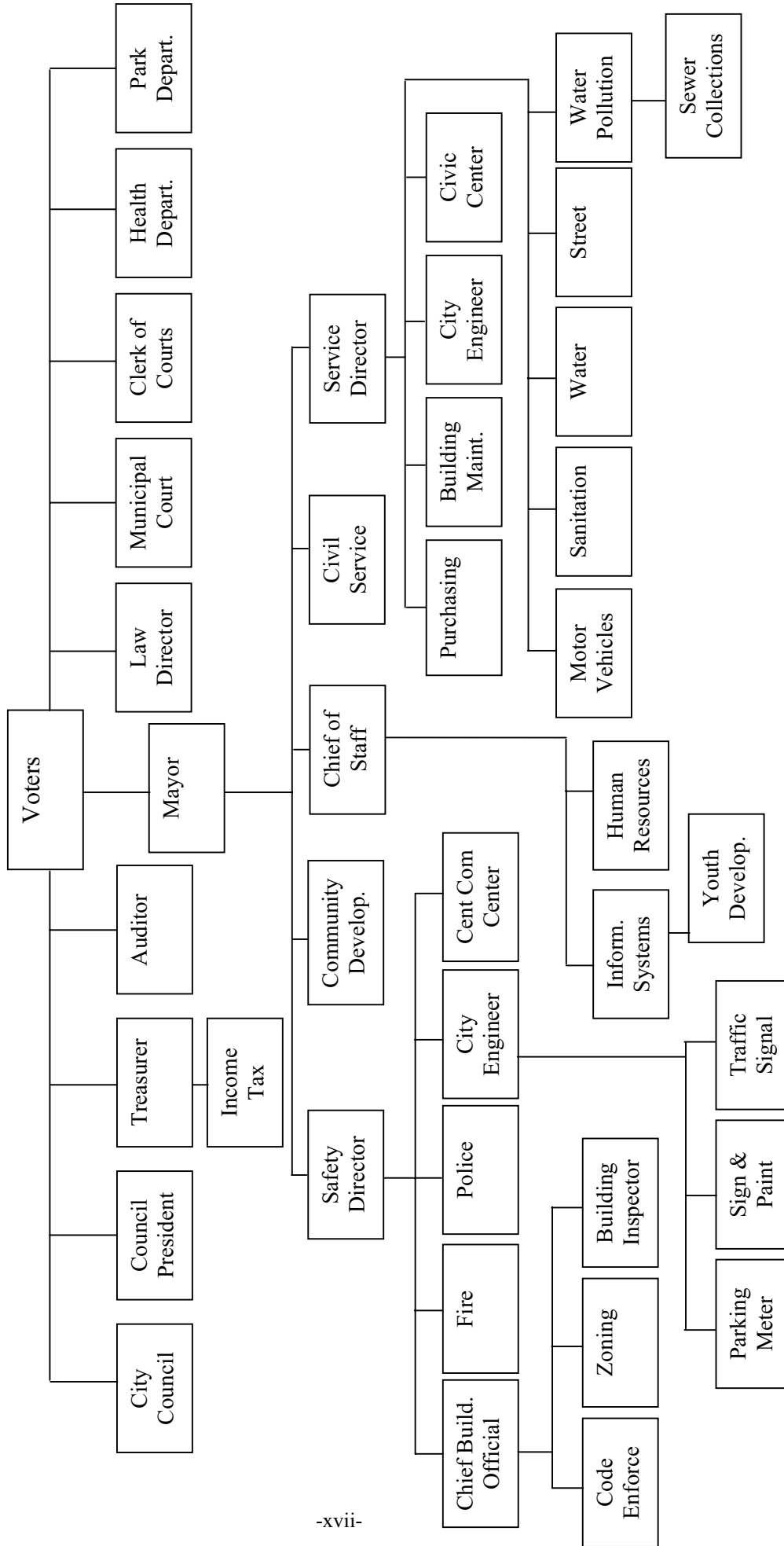
Police Chief

Dean McKimm

City Engineer

Dan Moeglin

City of Canton Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Canton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and City Council:

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

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Canton, Stark County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund and the Community and Economic Development Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

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



Mary Taylor, CPA
Auditor of State

June 6, 2008

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- The City's net assets increased \$12.0 million as a result of this year's operations. Net assets of our business-type activities increased by \$1.7 million, or 2.0 percent, and net assets of governmental activities increased by \$10.3 million, or 8.6 percent.
- The City maintained Bond Ratings of A-2 per Moody's and it's A+ status from Standards and Poor's, and Fitch in 2007.
- In 2007, the City was able to reduce its unfunded compensated absence debt from \$4,791,346 at the end of 2006 to \$4,710,430 at the end of 2007.

USING THIS ANNUAL FINANCIAL REPORT

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

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 16. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes (Ex. Southeast Community Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (Ex. grants received from the U.S. Department of Housing and Urban Development). The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

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

Proprietary funds: When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in

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

THE CITY AS A WHOLE

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

Table 1
Net Assets
(In Millions)

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

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

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

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

Table 2
Change in Net Assets
(In Millions)

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

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

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

Governmental Activities

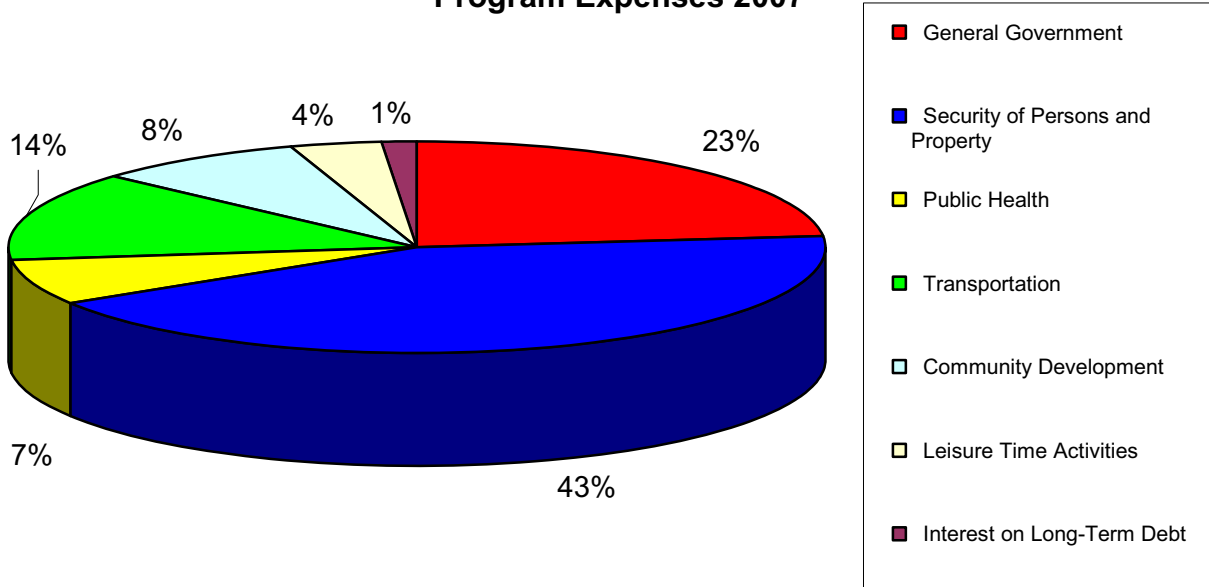
The 2.0 percent income tax is the largest revenue source for the City. Designated by ordinance, the Capital Acquisition and Improvement Fund receives 20 percent of net income tax received. In addition, the Motor Vehicle Fund receives 5 percent of net income tax received. The remaining 75 percent is allocated 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 15.7 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another 13.4 percent. The remaining revenues are primarily generated locally through property (4.2 percent) and income taxes (48.4 percent).

Chart 3 represents the cost of each of the City's Governmental programs: Security of Persons and Property, General Government, Transportation, Public Health, Leisure Time Activities, Community Development, and Interest on Long Term Debt. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. The increase in the net cost demonstrates the inability to recover the increased cost of the program under the current revenue policies. As indicated by Governmental Program Expenses, citizen's safety, health, and well-being is emphasized.

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**Chart 3
 Program Expenses 2007**



Business-Type Activities

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

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

The City's Funds

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

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Absences Claim Fund. The new fund is receiving biweekly premiums from all other funds presently paying a salary. The money set aside will be used to pay for the salaries of employees using sick leave and cover the cost of benefits paid to employees at the point of termination. The success of this new fund is obvious. The City has been successful in reducing its potential unfunded compensated absence obligation from \$11,500,997 at the end of 2003 to \$4,710,430 at the end of 2007, including a reduction of \$2,250,359 since the end of 2005.

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

General Fund Budgeting Highlights

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

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

The City Auditor continually monitors the encumbrances and expenditures against the budgeted appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over balances

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less carry over encumbrances at year-end, the County Auditor arrives at and issues the Certificate of Estimated Resources for the City. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's certificate.

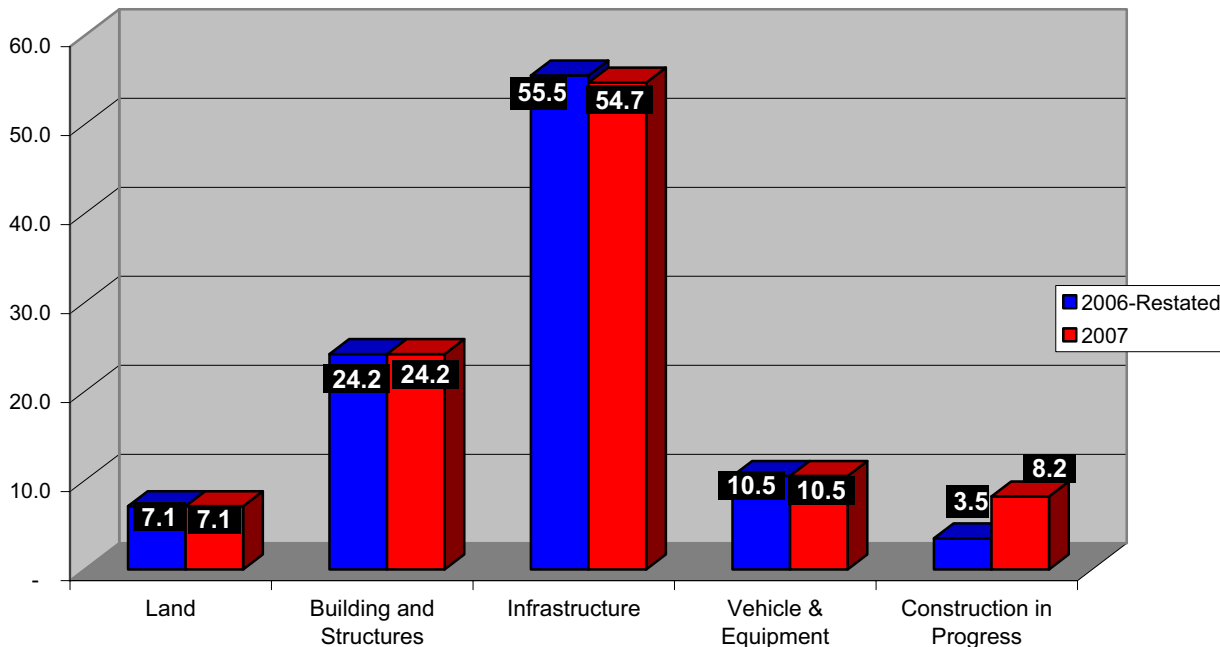
The City's General Fund variance from original estimated revenues increased by \$552,016 increasing the overall General Fund estimated revenues to \$59,284,855 as indicated on page 20. This change represents 0.9% of total revenue. The General Fund variance from original appropriations to final appropriations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

CAPITAL ASSET AND DEBT ADMINISTRATION

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

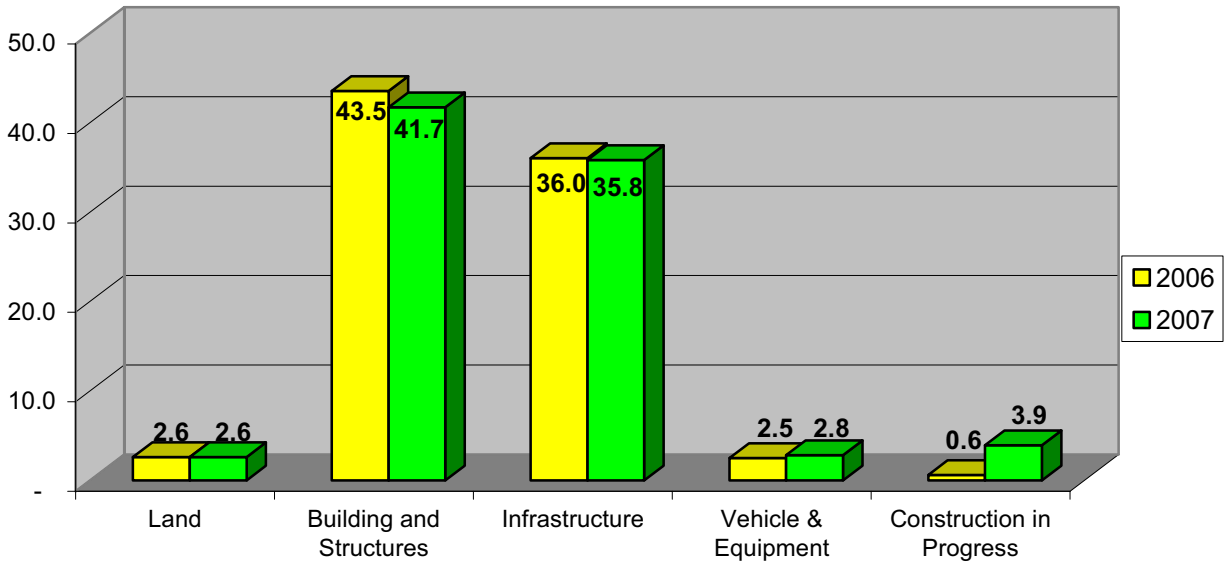
This year's major additions in the Governmental Activities included a new city wide phone system, a new ambulance and fire truck, 15 police cruisers, improvements to the Civic Center, and the initial stages of a substantial roadway improvement project for Tuscarawas Ave.

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



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



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

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

Debt

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

Table 6
General Obligation Bond Debt Outstanding at Year End

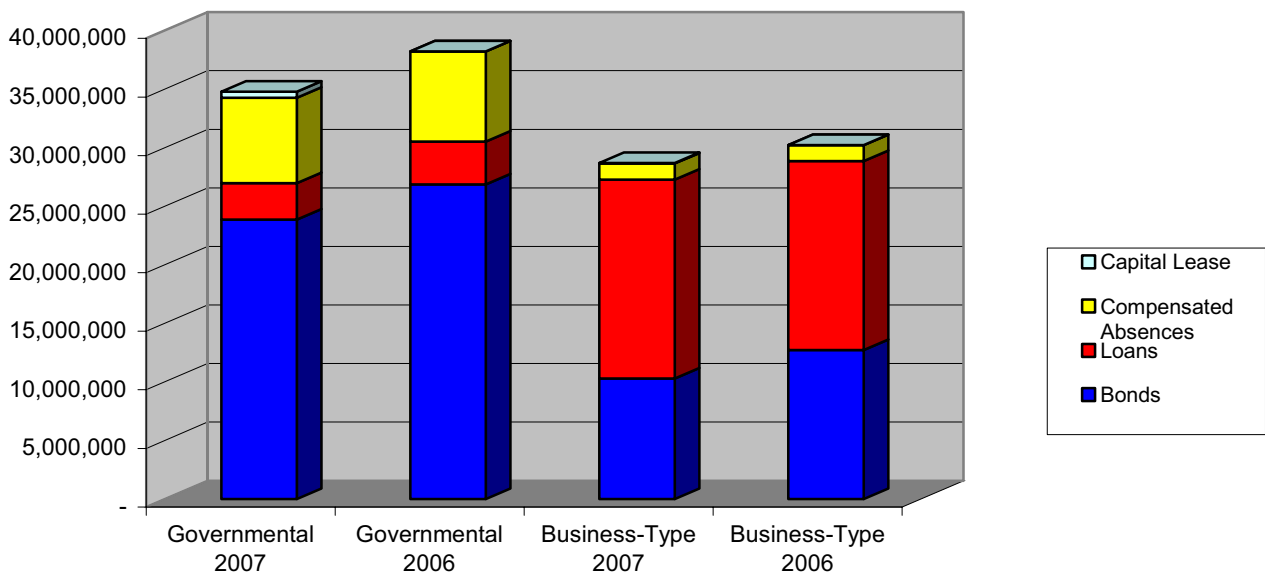
	Governmental Activities	
	2007	2006
Unvoted General Obligation Bonds:		
1993 Various Refunding Bonds	\$ -	\$ 615,000
1998 Pension Refunding Bonds	4,400,000	4,705,000
1999 Various Purpose Refunding	4,825,000	5,155,000
2001 Radio Communication	2,475,000	3,040,000
2006 Various Purpose	12,165,120	13,350,000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

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

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

**Graph 7
 Total Debt Outstanding by Type**



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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

City of Canton, Ohio

Statement of Net Assets

December 31, 2007

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

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Activities
For the year ended December 31, 2007

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

General revenues:

Taxes:

 City Income Taxes

 Property Taxes

Intergovernmental-Unrestricted

Grants and Contributions-Unrestricted

Interest and Investment Earnings

Other

Gains on Sale of Assets

 Total General Revenues

 Change in Net Assets

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

Net Assets -- Ending

See accompanying notes to the basic financial statements

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

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

City of Canton, Ohio

Balance Sheet Governmental Funds December 31, 2007

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

See accompanying notes to the basic financial statements

City of Canton, Ohio

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

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

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

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Revenues				
Property and Other Taxes	\$ 4,010,683	\$ -	\$ -	\$ -
Municipal Income Tax	34,238,286	-	8,254,260	2,063,566
Charges for Services	9,687,442	98,578	-	-
Licenses, Permits, and Fees	905,167	-	-	-
Fines and forfeitures	257,765	2,500	-	-
Intergovernmental	7,155,089	-	-	-
Interest	2,428,285	26,060	-	-
Operating Grants and Contributions	59,388	4,862,740	-	-
Capital Grants and Contributions	-	-	2,625	-
Rentals	409,846	-	-	20,573
Other	772,394	1,503,160	197,740	4,030
Total Revenues	<u>59,924,345</u>	<u>6,493,038</u>	<u>8,454,625</u>	<u>2,088,169</u>
Expenditures				
Current				
General Government	18,269,063	-	-	-
Security of Persons and Property	34,094,717	-	-	-
Public Health	2,741,900	-	-	-
Transportation	1,638,150	-	-	-
Community Environment	-	5,769,780	-	-
Leisure Time Activities	2,521,949	-	-	-
Capital Outlay	-	-	7,138,589	1,516,924
Debt Service				
Principal	305,000	335,000	2,329,121	565,000
Interest and Fiscal Charges	214,725	38,919	891,171	114,893
Total Expenditures	<u>59,785,504</u>	<u>6,143,699</u>	<u>10,358,881</u>	<u>2,196,817</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>138,841</u>	<u>349,339</u>	<u>(1,904,256)</u>	<u>(108,648)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	4	4	-	54,012
Inception of Capital Lease	-	-	643,788	-
Transfers In	-	-	-	-
Transfers Out	(62,776)	-	-	-
Total Other Financing Sources and Uses	<u>(62,772)</u>	<u>4</u>	<u>643,788</u>	<u>54,012</u>
Net Change in Fund Balance	76,069	349,343	(1,260,468)	(54,636)
<i>Fund Balance at Beginning of Year</i>	9,112,479	3,620,203	3,511,542	1,153,002
<i>Increase (Decrease) in Reserve for Inventory</i>	8,279	-	-	-
Fund Balance at End of Year	<u>\$ 9,196,827</u>	<u>\$ 3,969,546</u>	<u>\$ 2,251,074</u>	<u>\$ 1,098,366</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, 2007

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

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

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

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

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Health				
Administration	\$ 1,000,723	\$ 1,104,523	\$ 1,062,062	\$ 42,461
Nurses	742,979	757,979	742,626	15,353
Lab	256,264	248,264	237,820	10,444
Environmental Administration	720,062	716,562	706,812	9,750
Total Health	<u>2,720,028</u>	<u>2,827,328</u>	<u>2,749,320</u>	<u>78,008</u>
Transportation				
Engineering - Daily Operations	116,691	116,691	97,017	19,674
Street Department	1,355,944	1,539,444	1,513,088	26,356
Total Transportation	<u>1,472,635</u>	<u>1,656,135</u>	<u>1,610,105</u>	<u>46,030</u>
Leisure Time Activities				
Civic Center - Administration	1,441,872	1,509,672	1,378,977	130,695
Park	1,233,677	1,183,677	1,129,991	53,686
Baseball Stadium	37,257	37,257	33,626	3,631
Total Leisure Time Activities	<u>2,712,806</u>	<u>2,730,606</u>	<u>2,542,594</u>	<u>188,012</u>
Debt Service				
Principal	305,000	305,000	305,000	-
Interest and Fiscal Charges	214,725	214,725	214,725	-
Total Debt Service	<u>519,725</u>	<u>519,725</u>	<u>519,725</u>	<u>-</u>
Total Expenditures	<u>59,636,422</u>	<u>61,109,471</u>	<u>59,332,527</u>	<u>1,776,944</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(903,583)</u>	<u>(1,824,616)</u>	<u>395,492</u>	<u>2,220,108</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	4	4
Advances In	57,000	57,000	7,224	(49,776)
Advances Out	(30,000)	(38,224)	(8,224)	30,000
Transfers Out	(180,000)	(62,776)	(62,776)	-
Total Other Financing (Uses)	<u>(153,000)</u>	<u>(44,000)</u>	<u>(63,772)</u>	<u>(19,772)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,056,583)</u>	<u>(1,868,616)</u>	<u>331,720</u>	<u>2,200,336</u>
<i>Fund Balance at Beginning of Year</i>	3,433,674	3,433,674	3,433,674	-
Unexpended Prior Year Encumbrances	380,899	380,899	380,899	-
Fund Balance at End of Year	<u>\$ 2,757,990</u>	<u>\$ 1,945,957</u>	<u>\$ 4,146,293</u>	<u>\$ 2,200,336</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, 2007

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

See the accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2007

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
Assets					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 7,893,590	\$ 8,273,218	\$ 465,051	\$ 16,631,859	\$ 10,432,120
Accounts Receivable	2,920,643	2,215,826	1,517,971	6,654,440	724,340
Due From Other Funds	-	-	-	-	1,030,537
Due From Other Governments	363,014	130,981	26,177	520,172	-
Inventories	1,451,477	506,923	-	1,958,400	-
<i>Total Current Assets</i>	<u>12,628,724</u>	<u>11,126,948</u>	<u>2,009,199</u>	<u>25,764,871</u>	<u>12,186,997</u>
<i>Noncurrent Assets</i>					
Capital Assets:					
Land and Construction in Progress	4,891,712	1,621,550	-	6,513,262	-
Other Capital Assets, Net of Depreciation	<u>34,523,872</u>	<u>45,076,845</u>	<u>724,697</u>	<u>80,325,414</u>	<u>-</u>
<i>Total Noncurrent Assets</i>	<u>39,415,584</u>	<u>46,698,395</u>	<u>724,697</u>	<u>86,838,676</u>	<u>-</u>
Total Assets	<u><u>\$ 52,044,308</u></u>	<u><u>\$ 57,825,343</u></u>	<u><u>\$ 2,733,896</u></u>	<u><u>\$ 112,603,547</u></u>	<u><u>\$ 12,186,997</u></u>
Liabilities					
<i>Current</i>					
Accounts Payable	\$ 687,435	\$ 902,315	\$ 73,007	\$ 1,662,757	\$ 222,782
Accrued Wages and Benefits	248,371	197,683	124,701	570,755	5,774
Due to Other Funds	16,902	6,854	4,671	28,427	-
Due to Other Governments	57,622	45,863	28,931	132,416	34,800
Retainage Payable	-	124,844	-	124,844	-
Due Within One Year	1,756,807	1,614,933	27,067	3,398,807	1,472,725
Capital Lease Due Within One Year	4,931	7,181	-	12,112	-
Claims Payable	-	-	-	-	2,936,068
<i>Total Current</i>	<u>2,772,068</u>	<u>2,899,673</u>	<u>258,377</u>	<u>5,930,118</u>	<u>4,672,149</u>
<i>Noncurrent</i>					
Due Within More Than One Year	12,441,776	11,193,009	246,318	23,881,103	7,190,137
Capital Lease Due Within More Than One Year	<u>14,793</u>	<u>21,545</u>	<u>-</u>	<u>36,338</u>	<u>-</u>
<i>Total Noncurrent</i>	<u>12,456,569</u>	<u>11,214,554</u>	<u>246,318</u>	<u>23,917,441</u>	<u>7,190,137</u>
Total Liabilities	<u>15,228,637</u>	<u>14,114,227</u>	<u>504,695</u>	<u>29,847,559</u>	<u>11,862,286</u>
<i>Net Assets</i>					
Invested in Capital Assets, Net of Related Debt Unrestricted	25,197,277	35,713,388	724,697	61,635,362	-
	<u>11,618,394</u>	<u>7,997,728</u>	<u>1,504,504</u>	<u>21,120,626</u>	<u>324,711</u>
<i>Total Net Assets</i>	<u>36,815,671</u>	<u>43,711,116</u>	<u>2,229,201</u>	<u>82,755,988</u>	<u>324,711</u>
Total Net Assets and Liabilities	<u><u>\$ 52,044,308</u></u>	<u><u>\$ 57,825,343</u></u>	<u><u>\$ 2,733,896</u></u>	<u><u>\$ 112,603,547</u></u>	<u><u>\$ 12,186,997</u></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, 2007

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007

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

See accompanying notes to the basic financial statements

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

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

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, 2007

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. A primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government of the City includes City departments and agencies that provide the following services: police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water, sewer and sanitation.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City will report the financial status of the Canton Community Improvement Corporation (CCIC) as a discretely presented component unit in its basic financial statements. A complete copy of the CCIC financial statements can be obtained by contacting the City's Community and Economic Development Department.

The City is associated with the Stark Area Regional Transit Authority, the Stark Council of Governments and the Stark County Regional Planning Commission as jointly governed organizations; Canton Tomorrow Inc., and the Downtown Canton Special Improvement District as joint ventures; and the Joint Recreation District as a related organization. See Notes 12, 13 and 14.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The City has not elected to apply FASB statements and interpretations issued after November 30, 1989. The most significant of the City's accounting policies are described below.

Basis of Presentation

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

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, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

Fiduciary Funds

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end. Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, tuition, grants, fees and rentals.

Unearned/Deferred Revenue

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

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

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

Expenses/Expenditures

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

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

Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the account level split between salary and non-salary line items. The appropriation ordinance may be amended during the year by action of Council, as new information becomes available, provided that total

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Lapsing of Appropriations

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

Cash and Cash Equivalents

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

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

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

During 2007, investments were limited to certificates of deposit, a money market investment, repurchase agreements, and STAROhio.

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

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price investments could be sold for on December 31, 2007.

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

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

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, storm sewers, streets, street lights, traffic signals and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances

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

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

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

Net Assets

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in business-type activities. Interfund transfers are eliminated when reported in the entity wide financial statements for both the governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2007.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash (cash on hand) represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current 5-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds with the City Auditor by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreements must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments in stripped principal or interest obligation, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

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

Deposits with Financial Institutions

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

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City.

Investments

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

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

The weighted average maturity is .21 years.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statements as of December 31, 2007:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 4,881,785
Investments	54,318,339
Total	<u>\$ 59,200,124</u>
<u>Cash and Investments per Statement of Net Assets</u>	
Governmental Activities	\$ 40,737,231
Business Type Activities	16,631,859
Fiduciary Funds	1,831,034
Total	<u>\$ 59,200,124</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 5 - RECEIVABLES

Receivables at December 31, 2007, consisted of taxes, accounts (billings for user charged services), loans and intergovernmental receivables. All of these receivables, except loans receivable, are considered fully collectible.

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

Special assessments expected to be collected in more than one-year amount to \$15,584 in the Debt Service Fund, and \$1,338,793 for the other governmental funds. Special assessments are included in either accounts receivable or taxes receivable.

Property Taxes

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

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

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

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

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

Real property taxes are payable annually or semiannually. If paid annually, the payment is due by December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county including the City of Canton. The County Auditor periodically remits to the City its portion of the taxes. Property taxes other

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 5 - RECEIVABLES (Continued)

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

Income Taxes

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

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

Due From Other Governments

A summary of intergovernmental receivables follows:

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

Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$1,786,145. The loans receivable represent the principal owed to the City for Community Development Block Grants. The loans bear interest at annual rates between 0 and 11 percent. The loans are to be repaid over periods ranging from 2 months to 20 years.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 6 - RISK MANAGEMENT

Workers' Compensation

Since 1989, the City has participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan. Under the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in 2007 are \$200,000 per claim.

A minimum premium for fixed costs is charged by the Ohio Bureau of Workers' Compensation. A maximum premium, the employer's experience-rated premium multiplied by the maximum percentage selected by the employer, may be charged back to the City for a ten-year evaluation period per claim. For the policy year 2007, the City selected Tier 1 which calls for no claim limit and a 150 percent maximum premium limit.

The claims liability of \$2,010,722 reported in the Workers Compensation Internal Service Fund at December 31, 2007, is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for the past two years are as follows:

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

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City contracts with Affiliated FM Insurance Company through Leonard Insurance Services for commercial property coverage, which has a \$396,000,000 limit and a \$100,000 deductible. The City also contracts with Cincinnati Insurance Company through Leonard Insurance Services Agency Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible. The City contracts with Ohio Municipal League for automobile combined coverage, which has a \$5,000,000 limit and a \$125,000 deductible. The City also contracts with the Ohio Municipal League for general liability. This coverage has a \$5,000,000 limit and a \$125,000 deductible for bodily injury and property damage, fire damage, employee benefit liability, and personal and advertising.

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 6 - RISK MANAGEMENT (Continued)

Medical

The City has elected to provide employees' major medical, hospitalization, prescription, dental and vision coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The City purchases stop-loss coverage of \$150,000 specific per employee. The third party administrators, Aultcare and Benefit Services Inc., review all claims, which are then paid by the City.

The claims liability of \$781,118 reported in the Health Insurance Internal Service Fund at December 31, 2007, is estimated by the third-party administrators and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

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

NOTE 7 - CAPITAL ASSETS

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

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

(Continued)

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 7 - CAPITAL ASSETS (Continued)

	(Restated) Balance 12/31/06	Additions	Deductions	Balance 12/31/07
Less Accumulated Depreciation				
Buildings and Structures	\$ (15,972,356)	\$ (1,020,928)	\$ 10,500	\$ (16,982,784)
Vehicles and Equipment	(17,169,142)	(1,947,435)	541,036	(18,575,541)
Infrastructure	(281,715,150)	(3,975,652)	24,908	(285,665,894)
Total Accumulated Depreciation	<u>(314,856,648)</u>	<u>(6,944,015)</u> *	<u>576,444</u>	<u>(321,224,219)</u>
Total Capital Assets, being Depreciated, net	<u>90,191,531</u>	<u>(602,530)</u>	<u>(142,415)</u>	<u>89,446,586</u>
Governmental Activities Capital Assets, net	<u>\$ 100,847,475</u>	<u>\$ 6,107,763</u>	<u>\$ (2,218,132)</u>	<u>\$ 104,737,106</u>
 Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 2,631,525	\$ -	\$ -	\$ 2,631,525
Construction in Progress	635,221	3,700,412	(453,896)	3,881,737
Total Capital Assets, not being Depreciated	<u>3,266,746</u>	<u>3,700,412</u>	<u>(453,896)</u>	<u>6,513,262</u>
Capital Assets, being Depreciated				
Buildings and Structures	89,873,727	125,787	-	89,999,514
Vehicles and Equipment	11,018,011	815,133	(61,620)	11,771,524
Infrastructure	149,113,599	1,266,966	-	150,380,565
Total Capital Assets, being Depreciated	<u>250,005,337</u>	<u>2,207,886</u>	<u>(61,620)</u>	<u>252,151,603</u>
Less Accumulated Depreciation				
Buildings and Structures	(46,395,617)	(1,892,476)	-	(48,288,093)
Vehicles and Equipment	(8,520,591)	(488,617)	56,370	(8,952,838)
Infrastructure	(113,146,032)	(1,439,226)	-	(114,585,258)
Total Accumulated Depreciation	<u>(168,062,240)</u>	<u>(3,820,319)</u>	<u>56,370</u>	<u>(171,826,189)</u>
Total Capital Assets, being Depreciated, net	<u>81,943,097</u>	<u>(1,612,433)</u>	<u>(5,250)</u>	<u>80,325,414</u>
Business-Type Activities Capital Assets, net	<u>\$ 85,209,843</u>	<u>\$ 2,087,979</u>	<u>\$ (459,146)</u>	<u>\$ 86,838,676</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 7 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

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

NOTE 8 - COMPENSATED ABSENCES

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

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

Employees earn sick leave at the rate 4.6 hours per 80 hours worked. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid 100 percent to a maximum of 150 days of accumulated, unused sick leave. Firefighters and police can be paid 100 percent to a maximum of 187.5 days or 1,500 hours, respectively. All other employees can be paid 100 percent to a maximum of 150 days or 1,200 hours.

In 2004, the City established a Compensated Absences Claim Fund for the purpose of depositing sick expense premiums from the employees labor fund distribution to pay both current and previous unfunded compensated absences. The expense associated with current and future obligations is being charged as a direct claim against the Compensated Absences Claim Fund. The premium supporting the fund is included in the personal service charge for each fund. The premium is equal to 125% of the total cost of the sick leave accrued on biweekly payrolls.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

Note 9 – LONG-TERM OBLIGATIONS

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The City's most recent general obligation bond issuance was for 10 years and came in 2006 at a total value of \$23,220,000. The purpose was for building construction and renovation, infrastructure and roadway improvements, recreational facility construction, and refinancing of existing bonds.

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

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

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

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

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

Housing and Urban Development Loan		
Year Ending	<u>Governmental Activities</u>	
December 31	<u>Principal</u>	<u>Interest</u>
2008	335,000	26,792
2009	310,000	13,392
Total	<u>\$ 645,000</u>	<u>\$ 40,184</u>

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

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

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

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

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

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

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

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

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

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

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

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Ohio Police and Fire Pension Fund

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

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

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional and the combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. The Ohio Revised Code permits, but does not require OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

Ohio Police and Fire Pension Fund

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

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

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan. The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

NOTE 12 - JOINT VENTURES

Canton Tomorrow Inc.

The City participates in Canton Tomorrow, Inc., formed under Chapter 1702 of the Ohio Revised Code. Of the 26 member board, the City appoints three members. The degree of control exercised by any participating government is limited to its representation on the board. Canton Tomorrow, Inc., was formed to serve as a catalyst to bring together the vision, initiative and action necessary for the continuing revitalization of the City. Continued existence of Canton Tomorrow, Inc. is dependent on the City's continued participation, despite its minimal contribution to the overall budget; however, the City does not have an equity interest in Canton Tomorrow, Inc. (Agency). The Agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. Canton Tomorrow's funding comes from a grant given by the City to the Canton Regional Chamber of Commerce. In 2007, the grant was for \$175,000 and the Chamber of Commerce is responsible for dividing it up amongst is various agencies like Canton Tomorrow. Complete financial statements can be obtained from Canton Tomorrow, Inc.

Downtown Canton Special Improvement District

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 13 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The District was created for the purpose of developing and implementing plans for public improvements and public services. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. In 2007, the City contributed \$152,520 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 13 – RELATED ORGANIZATION

Joint Recreation District

The City appoints three of the five members of the Joint Recreation District (District) Board. The District manages recreational activities at sites within the City at facilities owned by either the City or Canton City Schools. The District hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the District nor is the District financially dependent on the City. The District serves as its own budgeting, taxing and debt issuance authority. The City did not make any contributions during 2007. Complete financial statements can be obtained from the Canton Recreation Department.

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

Stark Area Regional Transit Authority

The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon and Alliance. A nine-member board of trustees oversees the operation of the Authority whose purpose is to provide a low cost mass transportation system for Stark County. The City appoints three of the nine members. Each member's control over the operation of the Authority is limited to its representation on the Board. The Board exercises total authority for the day-to-day operations of the Authority, which include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Authority's liabilities. The City made no monetary contributions to assist in the operational expenses of the Authority during 2007. Complete financial statements may be obtained from the Stark Area Regional Transit Authority.

Stark Council of Governments

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities and villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is dependent on the City's continued participation; however, the City does not have an equity interest in the agency. The agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. The City contributed \$654,500 from the General Fund for 2007 for the operation of SCOG, which represents 48.5 percent of total contributions. Complete financial statements may be obtained from the Stark Council of Governments.

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the State. The commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 78-member board, the City appoints 5 members. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

NOTE 15 – DISCRETELY PRESENTED COMPONENT UNIT

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

Canton Community Improvement Corporation

Canton Community Improvement Corporation (CCIC) is a legally separate, not-for-profit, community improvement corporation, as authorized under Chapter 1724 of the Ohio Revised Code. The seven-member board is comprised of the following; the City's Mayor, three appointed or elected officials, chosen by the Mayor, and three recommended by the Mayor and approved by the other three board members. The CCIC was organized for the purpose of advancing, encouraging, and promoting the industrial, economic, and commercial and civic development of the community. The City's Community and Economic Development Department, as authorized by City Council, provides an annual grant to pay for all operational costs associated with the CCIC. In 2007, the CCIC had a beginning balance restatement for a \$400,000 loan payable that was improperly omitted from previous financial statements.

NOTE 16 - CONTRACTUAL COMMITMENTS

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

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

NOTE 17 – LEASES

Operating Leases

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

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 17 – LEASES (Continued)

<u>Year Ending</u>	<u>Amount</u>
2008	\$ 200,560
2009	187,967
2010	129,067
2011	129,067
2012	129,067
Total	<u>\$ 775,728</u>

Capital Leases

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

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

NOTE 18 - CONTINGENT LIABILITIES

Grants

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

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 18 - CONTINGENT LIABILITIES (Continued)

Litigation

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

<u>Year Ending</u>	<u>Amount</u>
2008	\$ 27,600
2009	27,600
2010	27,600
2011	27,600
2012	27,600
2013-2017	11,500
Total	<u>\$ 149,500</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 litigation that could be successful against the City would in all likelihood not exceed a maximum exposure of \$600,000.

NOTE 19 - NOTES PAYABLE

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

NOTE 20 - INTERFUND BALANCES AND TRANSFERS

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

<u>Transfer to</u>	<u>Transfer From</u>	
	<u>General Fund</u>	<u>Total</u>
Nonmajor Special Revenue	\$ 62,776	\$ 62,776
<i>Total</i>	<u>\$ 62,776</u>	<u>\$ 62,776</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.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2007

NOTE 20 - INTERFUND BALANCES AND TRANSFERS (Continued)

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

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

NOTE 21 – ACCOUNTABILITY AND COMPLIANCE

Accountability

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

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

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

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2007

NOTE 22 – RESTATEMENT OF NET ASSETS

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

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

NOTE 23 – CHANGES IN ACCOUNTING PRINCIPLES

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

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

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

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

**Combining, Statements and
Individual Fund Schedules**

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 used for the upkeep of the Cornerstone Parking Deck.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 3,946,000	\$ 4,010,683	\$ 64,683
Municipal Income Tax	34,207,932	34,392,261	184,329
Charges for Services	9,673,399	9,487,026	(186,373)
Licenses, Permits and Fees	897,478	909,214	11,736
Fines and Forfeitures	291,200	252,564	(38,636)
Intergovernmental	7,115,450	7,038,616	(76,834)
Operating Grants	55,300	68,920	13,620
Interest	2,145,500	2,426,046	280,546
Rentals	378,137	390,956	12,819
Other	574,459	751,733	177,274
Total Revenue	<u>59,284,855</u>	<u>59,728,019</u>	<u>443,164</u>
Expenditures			
Current:			
General Governmental:			
<i>Service Director-Support Administration :</i>			
Personal Services	2,000	933	1,067
Materials and Supplies	60,198	59,850	348
Contractual Services	295,938	288,832	7,106
Other	104,163	104,126	37
<i>Total Service Director-Support Administration</i>	<u>462,299</u>	<u>453,741</u>	<u>8,558</u>
<i>Service Director-Service Director Administration:</i>			
Personal Services	74,551	72,171	2,380
Materials and Supplies	200	59	141
Contractual Services	14,860	13,948	912
Other	3,300	1,689	1,611
<i>Total Service Director-Service Director Admin</i>	<u>92,911</u>	<u>87,867</u>	<u>5,044</u>
<i>Service Director-Scenic Train:</i>			
Materials and Supplies	1,050	1,023	27
Contractual Services	13,950	8,995	4,955
Other	21,000	19,710	1,290
<i>Total Service Director-Scenic Train</i>	<u>36,000</u>	<u>29,728</u>	<u>6,272</u>
<i>Service Director-Purchase Administration:</i>			
Personal Services	255,917	248,446	7,471
Materials and Supplies	273,905	258,911	14,994
Contractual Services	10,033	9,712	321
<i>Total Service Director-Purchase Administration</i>	<u>539,855</u>	<u>517,069</u>	<u>22,786</u>
<i>Service Director-Annexation:</i>			
Personal Services	11,095	10,044	1,051
Materials and Supplies	3,100	1,214	1,886
Contractual Services	15,658	1,313	14,345
<i>Total Service Director-Annexation</i>	<u>29,853</u>	<u>12,571</u>	<u>17,282</u>
<i>Building and Maintenance-Other Building:</i>			
Personal Services	892,626	839,154	53,472
Materials and Supplies	89,285	83,942	5,343
Contractual Services	549,811	461,922	87,889
Other	4,122	3,917	205
<i>Total Building and Maintenance-Other Building</i>	<u>\$ 1,535,844</u>	<u>\$ 1,388,935</u>	<u>\$ 146,909</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Total Income Tax-Income Tax Administration</i>			
Personal Services	\$ 1,118,086	\$ 985,335	\$ 132,751
Materials and Supplies	92,427	85,708	6,719
Contractual Services	96,782	87,450	9,332
Capital Outlay	3,886	-	3,886
Other	465,666	425,258	40,408
<i>Total Income Tax - Income Tax Administration</i>	<u>1,776,847</u>	<u>1,583,751</u>	<u>193,096</u>
<i>Mayor - Administration</i>			
Personal Services	462,252	456,304	5,948
Materials and Supplies	2,467	2,467	-
Contractual Services	169,638	169,611	27
Other	73,620	31,114	42,506
<i>Total Mayor-Mayor Administration</i>	<u>707,977</u>	<u>659,496</u>	<u>48,481</u>
<i>Mayor-Human Resources Administration:</i>			
Personal Services	140,253	132,213	8,040
Materials and Supplies	1,588	1,468	120
Contractual Services	19,991	17,204	2,787
<i>Total Mayor-Human Resources Administration</i>	<u>161,832</u>	<u>150,885</u>	<u>10,947</u>
<i>Mayor-Youth Development Administration:</i>			
Personal Services	171,674	128,577	43,097
Materials and Supplies	475	419	56
Contractual Services	8,847	7,948	899
Other	50	50	-
<i>Total Mayor-Youth Development Administration</i>	<u>181,046</u>	<u>136,994</u>	<u>44,052</u>
<i>Council-Council Administration:</i>			
Personal Services	569,056	557,184	11,872
Materials and Supplies	34,160	32,520	1,640
Contractual Services	237,613	229,177	8,436
Capital Outlay	3,000	-	3,000
Other	545,125	544,217	908
<i>Total Council-Council Administration</i>	<u>1,388,954</u>	<u>1,363,098</u>	<u>25,856</u>
<i>Courts/Judge-Judge Administration:</i>			
Personal Services	1,760,251	1,688,682	71,569
Materials and Supplies	43,829	42,702	1,127
Contractual Services	49,453	46,179	3,274
Capital Outlay	2,000	1,538	462
Other	3,670	540	3,130
<i>Total Courts/Judge-Judge Administration</i>	<u>1,859,203</u>	<u>1,779,641</u>	<u>79,562</u>
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personal Services	1,330,691	1,315,533	15,158
Materials and Supplies	62,636	47,962	14,674
Contractual Services	40,784	35,595	5,189
Other	3,343	2,017	1,326
<i>Total Courts/Clerk-Clerk of Courts Admin</i>	<u>\$ 1,437,454</u>	<u>\$ 1,401,107</u>	<u>\$ 36,347</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Law Director-Law Administration:</i>			
Personal Services	\$ 1,527,138	\$ 1,476,886	\$ 50,252
Materials and Supplies	8,583	7,245	1,338
Contractual Services	253,369	204,331	49,038
Other	323,426	281,448	41,978
<i>Total Law Director-Law Administration</i>	<u>2,112,516</u>	<u>1,969,910</u>	<u>142,606</u>
<i>Law Director-Police Settlement</i>			
Legal Claims	27,600	27,600	-
<i>Total Law Director-Police Settlement</i>	<u>27,600</u>	<u>27,600</u>	<u>-</u>
<i>Auditor-Auditor Administration:</i>			
Personal Services	1,020,040	1,015,248	4,792
Materials and Supplies	30,842	29,826	1,016
Contractual Services	685,200	683,310	1,890
Other	115,217	61,028	54,189
<i>Total Auditor-Auditor Administration</i>	<u>1,851,299</u>	<u>1,789,412</u>	<u>61,887</u>
<i>Treasurer- Administration & Operations:</i>			
Personal Services	241,814	234,528	7,286
Materials and Supplies	1,350	539	811
Contractual Services	7,150	2,707	4,443
Other	400	366	34
<i>Total Treasurer-Operations</i>	<u>250,714</u>	<u>238,140</u>	<u>12,574</u>
<i>Board of Commission-Civil Service:</i>			
Personal Services	240,807	230,340	10,467
Materials and Supplies	4,854	4,683	171
Contractual Services	52,128	49,452	2,676
<i>Total Board of Commission-Civil Service</i>	<u>297,789</u>	<u>284,475</u>	<u>13,314</u>
<i>Board of Commission-Zoning Board:</i>			
Planning and Zoning:			
Personal Services	8,900	8,549	351
<i>Total Board of Commission-Zoning Board</i>	<u>8,900</u>	<u>8,549</u>	<u>351</u>
<i>Motor Vehicle-Administration:</i>			
Personal Services	191,048	190,677	371
Materials and Supplies	5,290	5,277	13
Contractual Services	159,379	155,585	3,794
Other	15	15	-
<i>Total Motor Vehicle-Administration</i>	<u>355,732</u>	<u>351,554</u>	<u>4,178</u>
<i>Motor Vehicle-Service and Repair:</i>			
Personal Services	960,967	960,700	267
Materials and Supplies	1,582,957	1,518,305	64,652
Contractual Services	78,551	76,080	2,471
Capital Outlay	17,684	17,634	50
Other	281,192	281,126	66
<i>Total Motor Vehicle-Service and Repair</i>	<u>\$ 2,921,351</u>	<u>\$ 2,853,845</u>	<u>\$ 67,506</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Management Information Systems:</i>			
Personal Services	\$ 1,005,264	\$ 969,190	\$ 36,074
Materials and Supplies	36,241	33,353	2,888
Contractual Services	150,179	140,229	9,950
Capital Outlay	9,200	8,933	267
Other	15,976	13,950	2,026
<i>Total Management Information Systems</i>	<u>1,216,860</u>	<u>1,165,655</u>	<u>51,205</u>
Total General Government	<u>19,252,836</u>	<u>18,254,023</u>	<u>998,813</u>
Security of Persons and Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personal Services	148,029	144,363	3,666
Materials and Supplies	400	46	354
Contractual Services	7,957	5,176	2,781
Capital Outlay	174	174	-
Other	4,295	2,245	2,050
<i>Total Safety Director-Safety Director Admin</i>	<u>160,855</u>	<u>152,004</u>	<u>8,851</u>
<i>Safety Director-Code Enforcement Admin:</i>			
Personal Services	897,931	860,441	37,490
Materials and Supplies	26,719	24,875	1,844
Contractual Services	126,382	100,381	26,001
Other	8,289	7,661	628
<i>Total Safety Director-Code Enforcement Admin</i>	<u>1,059,321</u>	<u>993,358</u>	<u>65,963</u>
<i>Safety Director-Code Enforcement Demolition:</i>			
Contractual Services	1,508	-	1,508
<i>Total Safety Director-Code Enforcement Demo</i>	<u>1,508</u>	<u>-</u>	<u>1,508</u>
<i>Safety Director-School Police Administration:</i>			
Personal Services	147,300	136,359	10,941
Materials and Supplies	1,200	-	1,200
<i>Total Safety Director-School Police Admin</i>	<u>148,500</u>	<u>136,359</u>	<u>12,141</u>
<i>Safety Director-Central Communication Admin:</i>			
Salaries and Wages	1,085,249	1,080,392	4,857
Materials and Supplies	8,970	8,623	347
Contractual Services	52,266	48,257	4,009
<i>Total Safety Director-Central Communication Admin</i>	<u>1,146,485</u>	<u>1,137,272</u>	<u>9,213</u>
<i>Police Administration:</i>			
Personal Services	16,007,351	15,809,476	197,875
Materials and Supplies	66,716	65,980	736
Contractual Services	421,723	409,884	11,839
Capital Outlay	12,541	1,855	10,686
Other	16,501	16,400	101
<i>Total Police Administration</i>	<u>16,524,832</u>	<u>16,303,595</u>	<u>221,237</u>
<i>Fire Administration:</i>			
Personal Services	14,107,560	14,095,261	12,299
Materials and Supplies	225,208	219,430	5,778
Contractual Services	489,620	372,494	117,126
Other	23,579	22,770	809
<i>Total Fire Administration</i>	<u>\$ 14,845,967</u>	<u>\$ 14,709,955</u>	<u>\$ 136,012</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Traffic Divisions-Traffic Engineer/Parking Meter:</i>			
Personal Services	\$ 211,478	\$ 203,587	\$ 7,891
Materials and Supplies	19,353	16,747	2,606
Contractual Services	2,272	1,861	411
Other	2,270	2,022	248
<i>Total Traffic Divisions-Traffic Engineer/Parking Meter</i>	<u>235,373</u>	<u>224,217</u>	<u>11,156</u>
Total Security of Persons and Property	<u>34,122,841</u>	<u>33,656,760</u>	<u>466,081</u>
Public Health:			
<i>Health Administration:</i>			
Personal Services	599,293	596,189	3,104
Materials and Supplies	15,976	11,477	4,499
Contractual Services	153,670	141,253	12,417
Capital Outlay	1,800	829	971
Other	333,784	312,314	21,470
<i>Total Health Administration</i>	<u>1,104,523</u>	<u>1,062,062</u>	<u>42,461</u>
<i>Health-Nurses:</i>			
Personal Services	711,308	708,548	2,760
Materials and Supplies	40,953	30,800	10,153
Contractual Services	3,698	1,515	2,183
Other	2,020	1,763	257
<i>Total Health-Nurses</i>	<u>757,979</u>	<u>742,626</u>	<u>15,353</u>
<i>Health-Lab:</i>			
Personal Services	213,874	210,161	3,713
Materials and Supplies	23,455	21,551	1,904
Contractual Services	8,805	5,370	3,435
Capital Outlay	630	-	630
Other	1,500	738	762
<i>Total Health-Lab</i>	<u>248,264</u>	<u>237,820</u>	<u>10,444</u>
<i>Health-Environmental Health Administration:</i>			
Personal Services	701,693	700,551	1,142
Materials and Supplies	3,293	2,008	1,285
Contractual Services	9,576	2,627	6,949
Other	2,000	1,626	374
<i>Total Health-Environmental Health Administration</i>	<u>716,562</u>	<u>706,812</u>	<u>9,750</u>
Total Public Health	<u>2,827,328</u>	<u>2,749,320</u>	<u>78,008</u>
Transportation:			
<i>Engineering-Daily Operations:</i>			
Personal Services	112,671	93,164	19,507
Contractual and Services	4,020	3,853	167
<i>Total Engineering-Daily Operations</i>	<u>116,691</u>	<u>97,017</u>	<u>19,674</u>
<i>Street-Maintenance:</i>			
Personal Services	470,729	447,843	22,886
Materials and Supplies	241,091	239,969	1,122
Contractual Services	824,270	821,976	2,294
Other	3,354	3,300	54
<i>Total Street-Maintenance</i>	<u>\$ 1,539,444</u>	<u>\$ 1,513,088</u>	<u>\$ 26,356</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, 2007

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

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

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

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

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

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

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

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

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

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

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

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

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

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
Revenues					
Charges for Services	\$ 1,480	\$ -	\$ -	\$ 332,112	\$ -
Licenses, Permits, and Fees	-	-	-	-	256,263
Fines and forfeitures	-	-	-	-	108,803
Intergovernmental	3,263,688	267,647	688,724	-	-
Interest	15,129	3,593	-	-	-
Operating Grants and Contributions	-	-	-	-	2,995,052
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	1,700	-
Other	28,514	-	-	-	42,249
Total Revenues	<u>3,308,811</u>	<u>271,240</u>	<u>688,724</u>	<u>333,812</u>	<u>3,402,367</u>
Expenditures					
Current					
General Government	-	-	-	-	-
Security of Persons and Property	1,420,965	36,039	-	371,895	-
Public Health	-	-	-	-	3,310,778
Transportation	1,816,526	215,218	777,407	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Total Expenditures	<u>3,237,491</u>	<u>251,257</u>	<u>777,407</u>	<u>371,895</u>	<u>3,310,778</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>71,320</u>	<u>19,983</u>	<u>(88,683)</u>	<u>(38,083)</u>	<u>91,589</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	71,320	19,983	(88,683)	(38,083)	131,589
<i>Fund Balance at Beginning of Year</i>	756,799	93,196	869,531	151,084	2,256,378
<i>Increase in Reserve for Inventory</i>	31,239	-	-	-	-
Fund Balance at End of Year	<u>\$ 859,358</u>	<u>\$ 113,179</u>	<u>\$ 780,848</u>	<u>\$ 113,001</u>	<u>\$ 2,387,967</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, 2007

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

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

(continued)

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

	Police Donation	Supplementary Police Forces	Fire Donation	Clean Ohio	Other	Total Nonmajor Special Revenue Funds
Revenues						
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,092,521
Licenses, Permits, and Fees	-	-	-	-	-	256,263
Fines and forfeitures	-	-	-	-	914,099	1,322,343
Intergovernmental	-	-	-	-	-	4,220,059
Interest	-	-	-	-	12,786	32,451
Operating Grants and Contributions	-	-	22,050	-	114,944	3,169,323
Capital Grants and Contributions	-	-	-	1,062,897	-	1,120,451
Rentals	-	-	-	-	20,331	22,031
Other	-	5,726	-	-	138,726	215,402
Total Revenues	<u>-</u>	<u>5,726</u>	<u>22,050</u>	<u>1,062,897</u>	<u>1,200,886</u>	<u>11,450,844</u>
Expenditures						
Current						
General Government	-	-	-	219,630	82,942	1,746,706
Security of Persons and Property	-	5,881	21,054	-	379,694	2,324,344
Public Health	-	-	-	-	-	3,310,778
Transportation	-	-	-	-	-	2,809,151
Community Environment	-	-	-	843,267	-	843,267
Leisure Time Activities	-	-	-	-	9,302	9,302
Total Expenditures	<u>-</u>	<u>5,881</u>	<u>21,054</u>	<u>1,062,897</u>	<u>471,938</u>	<u>11,043,548</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(155)</u>	<u>996</u>	<u>-</u>	<u>728,948</u>	<u>407,296</u>
Other Financing Sources						
Transfers In	-	-	-	-	-	62,776
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,776</u>
Net Change in Fund Balance	-	(155)	996	-	728,948	470,072
<i>Fund Balance at Beginning of Year</i>	2,000	3,828	2,080	14	585,018	6,008,263
<i>Increase in Reserve for Inventory</i>	-	-	-	-	-	31,239
Fund Balance at End of Year	<u>\$ 2,000</u>	<u>\$ 3,673</u>	<u>\$ 3,076</u>	<u>\$ 14</u>	<u>\$ 1,313,966</u>	<u>\$ 6,509,574</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, 2007*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 233,435	\$ 98,578	\$ (134,857)
Fines and Forfeitures	9,000	5,000	(4,000)
Operating Grants	13,420,868	5,178,141	(8,242,727)
Interest	16,000	22,244	6,244
Other	2,061,368	2,782,007	720,639
<i>Total Revenues</i>	<u>15,740,671</u>	<u>8,085,970</u>	<u>(7,654,701)</u>
Expenditures			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Personnel Costs	1,386,387	1,029,828	356,559
Materials and Supplies	34,490	14,796	19,694
Contractual Services	3,223,617	1,307,365	1,916,252
Capital Outlay	708,610	433,378	275,232
Other	8,058,568	4,123,771	3,934,797
<i>Total Community Environment</i>	<u>13,411,672</u>	<u>6,909,138</u>	<u>6,502,534</u>
Debt Service:			
Principal Retirement	335,000	335,000	-
Interest and Fiscal Charges	38,919	38,919	-
<i>Total Debt Service</i>	<u>373,919</u>	<u>373,919</u>	<u>-</u>
<i>Total Expenditures</i>	<u>13,785,591</u>	<u>7,283,057</u>	<u>6,502,534</u>
Excess of Revenues Over Expenditures	1,955,080	802,913	(1,152,167)
Other Financing Sources			
Sale of Capital Assets	-	4	4
Excess of Revenues and Other Financing Sources Over Expenditures	1,955,080	802,917	(1,152,163)
<i>Fund Balance (Deficit) Beginning of Year</i>	(3,598,171)	(3,598,171)	-
Unexpended Prior Year Encumbrances	2,292,031	2,292,031	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 648,940</u>	<u>\$ (503,223)</u>	<u>\$ (1,152,163)</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, 2007*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ -	\$ 1,480	\$ 1,480
Intergovernmental	2,997,000	3,134,768	137,768
Interest	3,000	15,129	12,129
Other	11,008	27,864	16,856
<i>Total Revenues</i>	<u>3,011,008</u>	<u>3,179,241</u>	<u>168,233</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Engineer Administration:</i>			
Personnel Costs	273,273	268,465	4,808
Materials and Supplies	25,195	24,213	982
Contractual Services	56,389	53,746	2,643
Capital Outlay	15,708	10,770	4,938
Other	1,506	1,024	482
<i>Total Traffic Divisions-Traffic Engineer Administration</i>	<u>372,071</u>	<u>358,218</u>	<u>13,853</u>
<i>Traffic Divisions-Traffic Sign and Paint:</i>			
Personnel Costs	290,094	289,360	734
Materials and Supplies	86,852	77,547	9,305
Contractual Services	79,172	72,154	7,018
Capital Outlay	1,072	1,072	-
Other	873	786	87
<i>Total Traffic Divisions-Traffic Sign and Paint</i>	<u>458,063</u>	<u>440,919</u>	<u>17,144</u>
<i>Traffic Divisions-Traffic Signal:</i>			
Personnel Costs	337,363	331,226	6,137
Materials and Supplies	69,604	68,881	723
Contractual Services	303,515	252,544	50,971
Capital Outlay	11,048	11,044	4
Other	1,727	1,690	37
<i>Total Traffic Divisions-Traffic Signal</i>	<u>723,257</u>	<u>665,385</u>	<u>57,872</u>
<i>Total Security Persons and Property</i>	<u>1,553,391</u>	<u>1,464,522</u>	<u>88,869</u>
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	1,263,736	1,170,152	93,584
Materials and Supplies	238,730	237,143	1,587
Contractual Services	378,633	376,082	2,551
Capital Outlay	584	584	-
Other	22,794	21,440	1,354
<i>Total Transportation</i>	<u>1,904,477</u>	<u>1,805,401</u>	<u>99,076</u>
<i>Total Expenditures</i>	<u>3,457,868</u>	<u>3,269,923</u>	<u>187,945</u>
Excess of Revenues (Under) Expenditures	(446,860)	(90,682)	356,178
<i>Fund Balance Beginning of Year</i>	414,466	414,466	-
Unexpended Prior Year Encumbrances	32,394	32,394	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 356,178</u>	<u>\$ 356,178</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 239,000	\$ 238,207	\$ (793)
Interest	3,500	3,593	93
<i>Total Revenues</i>	<u>242,500</u>	<u>241,800</u>	<u>(700)</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Signal:</i>			
Contractual Services	54,171	43,000	11,171
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	133,293	110,700	22,593
Materials and Supplies	57,175	55,608	1,567
Contractual Services	51,384	51,384	-
<i>Total Transportation</i>	<u>241,852</u>	<u>217,692</u>	<u>24,160</u>
<i>Total Expenditures</i>	<u>296,023</u>	<u>260,692</u>	<u>35,331</u>
Excess of Revenues (Under) Expenditures	(53,523)	(18,892)	34,631
<i>Fund Balance Beginning of Year</i>	57,418	57,418	-
Unexpended Prior Year Encumbrances	12,546	12,546	-
<i>Fund Balance End of Year</i>	<u>\$ 16,441</u>	<u>\$ 51,072</u>	<u>\$ 34,631</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 688,724	\$ 688,724	\$ -
Expenditures			
Current:			
Transportation:			
<i>Engineering-Engineering Administration:</i>			
Materials and Supplies	818,670	730,833	87,837
<i>Midway Ave Imprv:</i>			
Capital Outlay	69,050	63,785	5,265
<i>Total Expenditures</i>	<u>887,720</u>	<u>794,618</u>	<u>93,102</u>
Excess of Revenues (Under) Expenditures	(198,996)	(105,894)	93,102
<i>Fund Balance Beginning of Year</i>	802,521	802,521	-
Unexpended Prior Year Encumbrances	42,109	42,109	-
<i>Fund Balance End of Year</i>	<u>\$ 645,634</u>	<u>\$ 738,736</u>	<u>\$ 93,102</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 324,000	\$ 332,506	\$ 8,506
Rentals	1,400	1,800	400
<i>Total Revenues</i>	<u>325,400</u>	<u>334,306</u>	<u>8,906</u>
Expenditures			
Current:			
General Government:			
<i>Service Director-Service Director Administration:</i>			
Contractual Services	1,410	-	1,410
Capital Outlay	2,340	-	2,340
<i>Total General Government</i>	<u>3,750</u>	<u>-</u>	<u>3,750</u>
Security of Persons & Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personnel Costs	146,974	130,378	16,596
Materials and Supplies	34,051	19,558	14,493
Contractual Services	331,625	209,534	122,091
Capital Outlay	12,000	-	12,000
Other	6,221	2,185	4,036
<i>Total Security of Persons & Property</i>	<u>530,871</u>	<u>361,655</u>	<u>169,216</u>
<i>Total Expenditures</i>	<u>534,621</u>	<u>361,655</u>	<u>172,966</u>
Excess of Revenues (Under) Expenditures	(209,221)	(27,349)	181,872
<i>Fund Balance Beginning of Year</i>	202,375	202,375	-
Unexpended Prior Year Encumbrances	6,846	6,846	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 181,872</u>	<u>\$ 181,872</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Licenses, Permits and Fees	\$ 272,091	\$ 270,263	\$ (1,828)
Fines and Forfeitures	-	53,450	53,450
Operating Grants	3,211,046	3,110,145	(100,901)
Contributions and Donations	1,000	1,150	150
Other	51,000	43,389	(7,611)
<i>Total Revenues</i>	<u>3,535,137</u>	<u>3,478,397</u>	<u>(56,740)</u>
Expenditures			
Current:			
Public Health:			
<i>Health Administration:</i>			
Personnel Costs	2,479,946	1,974,730	505,216
Materials and Supplies	500,128	152,428	347,700
Contractual Services	393,402	111,880	281,522
Capital Outlay	396,406	50,448	345,958
Other	1,357,291	1,069,496	287,795
<i>Total Expenditures</i>	<u>5,127,173</u>	<u>3,358,982</u>	<u>1,768,191</u>
Excess of Revenues Over (Under) Expenditures	(1,592,036)	119,415	1,711,451
Other Financing Sources			
Transfers In	40,000	40,000	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	(1,552,036)	159,415	1,711,451
<i>Fund Balance Beginning of Year</i>	1,822,307	1,822,307	-
Unexpended Prior Year Encumbrances	24,897	24,897	-
<i>Fund Balance End of Year</i>	<u>\$ 295,168</u>	<u>\$ 2,006,619</u>	<u>\$ 1,711,451</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, 2007

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<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, 2007

	Final Budget	Actual	Variance Favorable Over/(Under)
Revenues			
Charges for Services	\$ -	\$ 103	\$ 103
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	103	103
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 103</u>	<u>\$ 103</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 280,000	\$ 306,108	\$ 26,108
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	156,988	125,822	31,166
Materials and Supplies	15,870	12,976	2,894
Contractual Services	58,576	55,416	3,160
Capital Outlay	24,524	24,524	-
Other	200	-	200
<i>Total Expenditures</i>	<u>256,158</u>	<u>218,738</u>	<u>37,420</u>
Excess of Revenues Over Expenditures	23,842	87,370	63,528
<i>Fund Balance Beginning of Year</i>	125,506	125,506	-
Unexpended Prior Year Encumbrances	10,469	10,469	-
<i>Fund Balance End of Year</i>	<u><u>\$ 159,817</u></u>	<u><u>\$ 223,345</u></u>	<u><u>\$ 63,528</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, 2007

	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, 2007*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 1,489	\$ 1,489	\$ -
Expenditures	-	-	-
Excess of Revenues Over Expenditures	1,489	1,489	-
<i>Fund Balance Beginning of Year</i>	5,794	5,794	-
<i>Fund Balance End of Year</i>	<u>\$ 7,283</u>	<u>\$ 7,283</u>	<u>\$ -</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, 2007

	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
Court Capital Improvement Special Project Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 250,000	\$ 272,571	\$ 22,571
Other	-	187	187
<i>Total Revenues</i>	<u>250,000</u>	<u>272,758</u>	<u>22,758</u>
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	171,816	99,597	72,219
Materials and Supplies	22,314	16,375	5,939
Contractual Services	55,007	16,033	38,974
Capital Outlay	10,108	9,408	700
Other	41,295	13,833	27,462
<i>Total Expenditures</i>	<u>300,540</u>	<u>155,246</u>	<u>145,294</u>
Excess of Revenues Over (Under) Expenditures	(50,540)	117,512	168,052
<i>Fund Balance Beginning of Year</i>	130,988	130,988	-
Unexpended Prior Year Encumbrances	1,190	1,190	-
<i>Fund Balance End of Year</i>	<u>\$ 81,638</u>	<u>\$ 249,690</u>	<u>\$ 168,052</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 500	\$ 346	\$ (154)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Materials and Supplies	500	500	-
Capital Outlay	2,000	1,684	316
<i>Total Expenditures</i>	2,500	2,184	316
Excess of Revenues (Under) Expenditures	(2,000)	(1,838)	162
<i>Fund Balance Beginning of Year</i>	2,113	2,113	-
<i>Fund Balance End of Year</i>	<u>\$ 113</u>	<u>\$ 275</u>	<u>\$ 162</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, 2007*

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government:			
<i>Mayor Administration:</i>			
Contractual Services	723,975	723,975	-
Excess of Revenues (Under) Expenditures	(723,975)	(723,975)	-
<i>Fund Balance Beginning of Year</i>	723,975	723,975	-
<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
Park Fund
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenue			
Fines and Forfeitures	\$ -	\$ 156	\$ 156
Capital Grants	198,000	-	(198,000)
Contributions and Donations	1,000	1,215	215
Rentals	19,062	20,331	1,269
Other	1,900	3,875	1,975
<i>Total Revenues</i>	<u>219,962</u>	<u>25,577</u>	<u>(194,385)</u>
Expenditures			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and Supplies	98,917	5,874	93,043
Contractual Services	19,350	7,322	12,028
Capital Outlay	198,000	-	198,000
Total Leisure Time Activities	<u>316,267</u>	<u>13,196</u>	<u>303,071</u>
<i>Total Expenditures</i>	<u>316,267</u>	<u>13,196</u>	<u>303,071</u>
Excess of Revenues Over (Under) Expenditures	(96,305)	12,381	108,686
<i>Fund Balance Beginning of Year</i>	98,198	98,198	-
Unexpended Prior Year Encumbrances	2,162	2,162	-
<i>Fund Balance End of Year</i>	<u>\$ 4,055</u>	<u>\$ 112,741</u>	<u>\$ 108,686</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, 2007

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 207,697	\$ 210,005	\$ 2,308
Interest	15,000	13,771	(1,229)
Other	8,000	130,222	122,222
<i>Total Revenues</i>	<u>230,697</u>	<u>353,998</u>	<u>123,301</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Personnel Costs	20,000	7,900	12,100
Materials and Supplies	86,109	72,146	13,963
Contractual Services	64,748	55,581	9,167
Capital Outlay	190,581	187,731	2,850
Other	50,243	44,719	5,524
<i>Total Expenditures</i>	<u>411,681</u>	<u>368,077</u>	<u>43,604</u>
Excess of Revenues (Under) Expenditures	(180,984)	(14,079)	166,905
<i>Fund Balance Beginning of Year</i>	386,315	386,315	-
Unexpended Prior Year Encumbrances	11,681	11,681	-
<i>Fund Balance End of Year</i>	<u>\$ 217,012</u>	<u>\$ 383,917</u>	<u>\$ 166,905</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 11,500	\$ 17,112	\$ 5,612
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	1,500	1,290	210
Other	13,035	8,619	4,416
<i>Total Expenditures</i>	14,535	9,909	4,626
Excess of Revenues Over (Under) Expenditures	(3,035)	7,203	10,238
<i>Fund Balance Beginning of Year</i>	11,783	11,783	-
Unexpended Prior Year Encumbrances	1,535	1,535	-
<i>Fund Balance End of Year</i>	<u>\$ 10,283</u>	<u>\$ 20,521</u>	<u>\$ 10,238</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, 2007*

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

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

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	\$ 1,500	\$ 1,500	\$ -
Other	3,140	3,140	-
<i>Total Revenues</i>	<u>4,640</u>	<u>4,640</u>	<u>-</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	9,879	865	9,014
Contractual Services	4,000	4,000	-
Capital Outlay	<u>7,500</u>	<u>3,043</u>	<u>4,457</u>
<i>Total Expenditures</i>	<u>21,379</u>	<u>7,908</u>	<u>13,471</u>
Excess of Revenues (Under) Expenditures	(16,739)	(3,268)	13,471
<i>Fund Balance Beginning of Year</i>	21,379	21,379	-
<i>Fund Balance End of Year</i>	<u>\$ 4,640</u>	<u>\$ 18,111</u>	<u>\$ 13,471</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Charges for Services	\$ 180,000	\$ 179,633	\$ (367)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	174,154	172,484	1,670
Materials and Supplies	11,759	9,043	2,716
Contractual Services	3,789	898	2,891
Capital Outlay	11,371	10,867	504
Other	<u>15,000</u>	<u>8,471</u>	<u>6,529</u>
<i>Total Expenditures</i>	<u>216,073</u>	<u>201,763</u>	<u>14,310</u>
Excess of Revenues (Under) Expenditures	(36,073)	(22,130)	13,943
<i>Fund Balance Beginning of Year</i>	55,069	55,069	-
<i>Fund Balance End of Year</i>	<u>\$ 18,996</u>	<u>\$ 32,939</u>	<u>\$ 13,943</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, 2007*

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 10,000	\$ 10,713	\$ 713
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	3,750	-	3,750
Excess of Revenues Over Expenditures	6,250	10,713	4,463
<i>Fund Balance Beginning of Year</i>	6,914	6,914	-
<i>Fund Balance End of Year</i>	<u>\$ 13,164</u>	<u>\$ 17,627</u>	<u>\$ 4,463</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, 2007

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

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

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	2,000	2,000	-
<i>Fund Balance End of Year</i>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</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, 2007

	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, 2007

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

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

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

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

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

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

	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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 3,000	\$ 3,000	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	8,328	4,661	3,667
Excess of Revenues (Under) Expenditures	(5,328)	(1,661)	3,667
<i>Fund Balance Beginning of Year</i>	5,328	5,328	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 3,667</u>	<u>\$ 3,667</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	<u>4,625</u>	<u>4,462</u>	<u>163</u>
Excess of Revenues (Under) Expenditures	(4,625)	(4,462)	163
<i>Fund Balance Beginning of Year</i>	4,625	4,625	-
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ 163</u></u>	<u><u>\$ 163</u></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, 2007*

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

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

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

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

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

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

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

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

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

Street & Storm Sewer Improvement	Civic Center Improvement	Tuscarawas Improvement	Midway Avenue Improvement	38th Street Improvement	Steese Drainage Project	Total Nonmajor Capital Projects Funds
\$ -	\$ 2,217	\$ -	\$ -	\$ -	\$ -	\$ 12,931,178
-	-	-	-	-	-	20,266
-	-	-	9,733	-	-	9,733
<u>\$ -</u>	<u>\$ 2,217</u>	<u>\$ -</u>	<u>\$ 9,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,961,177</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,554
-	-	-	9,733	-	-	102,382
-	-	-	9,733	-	-	108,936
-	-	1,970,383	-	597,920	1,158,840	5,595,187
-	2,217	(1,970,383)	-	(597,920)	(1,158,840)	7,257,054
-	2,217	-	-	-	-	12,852,241
<u>\$ -</u>	<u>\$ 2,217</u>	<u>\$ -</u>	<u>\$ 9,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,961,177</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, 2007

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

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

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

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Council:			
Council Administration	\$ 11,000	\$ 9,669	\$ 1,331
Judges:			
Judge Administration	19,618	13,901	5,717
Court-Clerks:			
Clerk of Courts Administration	4,632	3,672	960
Auditor:			
Auditor Administration	138,006	138,006	-
Treasurer:			
Treasurer Administration	18,400	7,526	10,874
Boards and Comissions:			
Civil Services	17,500	-	17,500
<i>Total Capital Outlay</i>	8,154,759	7,386,045	768,714
Debt Service:			
Principal Retirement	2,318,391	2,318,391	-
Interest and Fiscal Charges	889,942	889,942	-
<i>Total Debt Service</i>	3,208,333	3,208,333	-
<i>Total Expenditures</i>	11,363,092	10,594,378	768,714
Excess of Revenues (Under) Expenditures	(1,895,568)	(1,681,193)	214,375
<i>Fund Balance Beginning of Year</i>	1,509,925	1,509,925	-
Unexpended Prior Year Encumbrances	385,643	385,643	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 214,375</u>	<u>\$ 214,375</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, 2007

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Safety Director:			
Radio Communication System Bond	1,785	1,190	595
Excess of Revenues (Under) Expenditures	(1,785)	(1,190)	595
<i>Fund Balance Beginning of Year</i>	1,785	1,785	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 595</u>	<u>\$ 595</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, 2007

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Safety Director:			
Traffic Divisions:			
Traffic Divisions-Engineering Administration	26	-	26
Excess of Revenues Over (Under) Expenditures	(26)	-	26
<i>Fund Balance Beginning of Year</i>	-	-	-
Unexpended Prior Year Encumbrances	26	26	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 26</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 90,000	\$ 108,026	\$ 18,026
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	1,000,000	43,414	956,586
Park - Willig Field	1,050,000	1,048,050	1,950
<i>Total Expenditures</i>	<u>2,050,000</u>	<u>1,091,464</u>	<u>958,536</u>
Excess of Revenues (Under) Expenditures	<u>(1,960,000)</u>	<u>(983,438)</u>	<u>976,562</u>
<i>Fund Balance Beginning of Year</i>	2,000,000	2,000,000	-
<i>Fund Balance End of Year</i>	<u><u>\$ 40,000</u></u>	<u><u>\$ 1,016,562</u></u>	<u><u>\$ 976,562</u></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, 2007

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 151,991	\$ -	\$ (151,991)
Other	8,170	-	(8,170)
<i>Total Revenues</i>	<u>160,161</u>	<u>-</u>	<u>(160,161)</u>
Expenditures			
Capital Outlay:			
Engineering Administration	<u>217,737</u>	<u>57,576</u>	<u>160,161</u>
Excess of Revenues (Under) Expenditures	(57,576)	(57,576)	-
<i>Fund Balance Beginning of Year</i>	(102,585)	(102,585)	-
Unexpended Prior Year Encumbrance	160,161	160,161	-
<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
Civic Center Improvement Fund
For the Year Ended December 31, 2007

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

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

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

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

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

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

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

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

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 11,573,867	\$ 12,310,096	\$ 736,229
Interest	7,000	8,298	1,298
Capital Grants	346,800	315,600	(31,200)
Rentals	44,000	58,528	14,528
Other	72,300	257,679	185,379
<i>Total Revenues</i>	<u>12,043,967</u>	<u>12,950,201</u>	<u>906,234</u>
Expenses			
Personnel Costs	6,442,521	6,160,521	282,000
Material and Supplies	1,357,014	1,260,839	96,175
Contractual Services	3,063,104	2,892,187	170,917
Capital Outlay	5,796,130	4,904,012	892,118
Claims	96,500	32,206	64,294
Other	166,497	139,350	27,147
Debt Service:			
Principal Retirement	1,733,186	1,733,186	-
Interest and Fiscal Charges	739,113	602,307	136,806
<i>Total Expenses</i>	<u>19,394,065</u>	<u>17,724,608</u>	<u>1,669,457</u>
Excess of Revenues (Under) Expenses	(7,350,098)	(4,774,407)	2,575,691
Other Financing Sources (Uses)			
Sale of Capital Assets	11,200	19,864	8,664
Proceeds of Loans	5,467,781	2,136,955	(3,330,826)
Transfers Out	(133,630)	-	133,630
<i>Total Other Financing Sources</i>	<u>5,345,351</u>	<u>2,156,819</u>	<u>(3,188,532)</u>
Excess of Revenues and Other Financing Sources (Under) Expenses	(2,004,747)	(2,617,588)	(612,841)
<i>Fund Equity Beginning of Year</i>	6,467,766	6,467,766	-
Unexpended Prior Year Encumbrances	661,300	661,300	-
<i>Fund Equity End of Year</i>	<u>\$ 5,124,319</u>	<u>\$ 4,511,478</u>	<u>\$ (612,841)</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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 10,875,526	\$ 9,743,964	\$ (1,131,562)
Interest	95,000	118,814	23,814
Rentals	15,000	15,975	975
Other	810,040	851,486	41,446
<i>Total Revenues</i>	<u>11,795,566</u>	<u>10,730,239</u>	<u>(1,065,327)</u>
Expenses			
Personnel Costs	5,647,383	4,851,593	795,790
Material and Supplies	1,177,445	694,901	482,544
Contractual Services	4,300,759	2,914,622	1,386,137
Capital Outlay	5,871,821	4,268,171	1,603,650
Claims	25,000	2,854	22,146
Other	147,435	48,312	99,123
Debt Service:			
Principal Retirement	2,309,192	2,309,192	-
Interest and Fiscal Charges	461,413	461,413	-
<i>Total Expenses</i>	<u>19,940,448</u>	<u>15,551,058</u>	<u>4,389,390</u>
Excess of Revenues (Under) Expenses	(8,144,882)	(4,820,819)	3,324,063
Other Financing Sources (Uses)			
Sale of Capital Assets	-	4,224	4,224
Transfers Out	(100,000)	-	100,000
<i>Total Other Financing Sources (Uses)</i>	<u>(100,000)</u>	<u>4,224</u>	<u>104,224</u>
Excess of Revenues and Other Financing Sources (Under) Expenses and Other Financing (Uses)	(8,244,882)	(4,816,595)	3,428,287
<i>Fund Equity Beginning of Year</i>	8,625,987	8,625,987	-
Unexpended Prior Year Encumbrances	457,017	457,017	-
<i>Fund Equity End of Year</i>	<u>\$ 838,122</u>	<u>\$ 4,266,409</u>	<u>\$ 3,428,287</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, 2007

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

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

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 3,781,447	\$ 2,698,241	\$ 3,952,432	\$ 10,432,120
Accounts Receivable	43,850	680,490	-	724,340
Due From Other Funds	901,515	-	129,022	1,030,537
Total Assets	<u>\$ 4,726,812</u>	<u>\$ 3,378,731</u>	<u>\$ 4,081,454</u>	<u>\$ 12,186,997</u>
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 1,867	\$ 220,915	\$ -	\$ 222,782
Accrued Wages and Benefits	2,357	3,417	-	5,774
Due to Other Governments	547	792	33,461	34,800
Due Within One Year	-	-	1,472,725	1,472,725
Claims Payable - Current	2,010,722	781,118	144,228	2,936,068
<i>Total Current</i>	<u>2,015,493</u>	<u>1,006,242</u>	<u>1,650,414</u>	<u>4,672,149</u>
<i>Noncurrent</i>				
Due Within More Than One Year	-	-	7,190,137	7,190,137
Total Liabilities	<u>2,015,493</u>	<u>1,006,242</u>	<u>8,840,551</u>	<u>11,862,286</u>
<i>Net Assets</i>				
Unrestricted	2,711,319	2,372,489	(4,759,097)	324,711
Total Net Assets and Liabilities	<u>\$ 4,726,812</u>	<u>\$ 3,378,731</u>	<u>\$ 4,081,454</u>	<u>\$ 12,186,997</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, 2007

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

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

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

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

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 1,200,000	\$ 1,350,978	\$ 150,978
Other	-	41,733	41,733
<i>Total Revenues</i>	<u>1,200,000</u>	<u>1,392,711</u>	<u>192,711</u>
Expenses			
Personnel Costs	73,423	62,306	11,117
Material and Supplies	3,290	3,251	39
Contractual Services	108,628	36,825	71,803
Claims	1,500,000	1,465,520	34,480
Other	650	555	95
<i>Total Expenses</i>	<u>1,685,991</u>	<u>1,568,457</u>	<u>117,534</u>
Excess of Revenues (Under) Expenses	(485,991)	(175,746)	310,245
Other Financing Sources			
Advances In	873,015	-	(873,015)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	387,024	(175,746)	(562,770)
<i>Fund Equity Beginning of Year</i>	3,952,485	3,952,485	-
Unexpended Prior Year Encumbrances	<u>2,568</u>	<u>2,568</u>	<u>-</u>
<i>Fund Equity End of Year</i>	<u><u>\$ 4,342,077</u></u>	<u><u>\$ 3,779,307</u></u>	<u><u>\$ (562,770)</u></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, 2007

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 8,752,000	\$ 8,452,769	\$ (299,231)
Other	480,000	88,694	(391,306)
<i>Total Revenues</i>	<u>9,232,000</u>	<u>8,541,463</u>	<u>(690,537)</u>
Expenses			
Personnel Costs	91,481	90,350	1,131
Material and Supplies	2,432	2,382	50
Contractual Services	625,915	586,318	39,597
Claims	10,639,964	8,847,534	1,792,430
<i>Total Expenses</i>	<u>11,359,792</u>	<u>9,526,584</u>	<u>1,833,208</u>
Excess of Revenues (Under) Expenses	(2,127,792)	(985,121)	1,142,671
<i>Fund Equity Beginning of Year</i>	1,751,380	1,751,380	-
Unexpended Prior Year Encumbrances	896,661	896,661	-
<i>Fund Equity End of Year</i>	<u>\$ 520,249</u>	<u>\$ 1,662,920</u>	<u>\$ 1,142,671</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Charges for Services	\$ 2,845,000	\$ 3,306,008	\$ 461,008
Expenses			
Contractual Services	5,000	5,000	-
Benefit Claims Expense	<u>4,042,000</u>	<u>3,559,808</u>	<u>482,192</u>
<i>Total Expenses</i>	<u>4,047,000</u>	<u>3,564,808</u>	<u>482,192</u>
Excess of Revenues (Under) Expenses	(1,202,000)	(258,800)	943,200
<i>Fund Equity Beginning of Year</i>	4,211,233	4,211,233	-
<i>Fund Equity End of Year</i>	<u>\$ 3,009,233</u>	<u>\$ 3,952,433</u>	<u>\$ 943,200</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, 2007

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

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

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

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-S14

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information

S15-S16

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

S17-S20

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

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

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

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

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

City of Canton, Ohio

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

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

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

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

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

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

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

(continued)

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

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

City of Canton, Ohio
Income Tax Revenue Base and Collections
Last Ten Years
(cash basis of accounting)

Tax Year	Tax Rate *	Total Tax Collected	Percentage of Taxes from		Percentage of Taxes from		Percentage of Taxes from		Percentage of Taxes from	
			Taxes from Withholding	Withholding	Taxes from Corporations	Corporations	Taxes from Individuals	Individuals	Taxes from Delinquent Accounts	Delinquent Accounts
2007	2.00 %	\$ 45,750,000	\$ 36,943,041	80.75 %	\$ 4,946,090	10.81 %	\$ 2,503,996	5.47 %	\$ 1,356,873	2.97 %
2006	2.00	43,790,171	36,222,083	82.72	3,798,488	8.67	2,401,463	5.48	1,368,137	3.12
2005	2.00	42,124,201	34,617,380	82.18	3,152,772	7.48	2,649,296	6.29	1,704,753	4.05
2004	2.00	38,841,304	32,302,994	83.17	1,751,090	4.51	2,671,442	6.88	2,115,778	5.45
2003	2.00	39,077,338	32,998,125	84.44	1,971,188	5.04	2,777,089	7.11	1,330,936	3.41
2002	2.00	39,388,494	33,149,784	84.16	2,109,187	5.35	3,012,244	7.65	1,117,279	2.84
2001	2.00	39,760,207	33,304,873	83.76	2,070,375	5.21	3,104,528	7.81	1,280,431	3.22
2000	2.00	37,753,345	31,759,298	84.12	1,796,264	4.76	3,031,718	8.03	1,166,065	3.09
1999	2.00	37,556,061	30,201,855	80.42	2,676,172	7.13	3,079,030	8.20	1,599,004	4.26
1998	2.00	36,554,256	30,171,331	82.54	2,427,078	6.64	2,750,824	7.53	1,205,023	3.30

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

City of Canton, Ohio
Income Tax Filers by Income Level
Tax Years 2007 and 2000 (1)

Tax Year 2007

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

Tax Year 2000

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

(1) Earliest information available

(2) Source: City of Canton Income Tax Department

City of Canton, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years

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

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

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

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

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

(2) Source: Stark County Auditor's Office

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

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

Source: Stark County, Ohio ; County Auditor

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

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

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

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

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

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 104,920,357	\$ 90,852,901	\$ 90,718,553	\$ 89,063,913
<u>24,681,477</u>	<u>20,763,460</u>	<u>26,765,286</u>	<u>20,629,329</u>
<u>\$ 80,238,880</u>	<u>\$ 70,089,441</u>	<u>\$ 63,953,267</u>	<u>\$ 68,434,584</u>

23.52%	22.85%	29.50%	23.16%
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\$ 54,958,282	\$ 47,589,615	\$ 47,519,242	\$ 46,652,526
<u>24,681,477</u>	<u>20,763,460</u>	<u>26,765,286</u>	<u>20,629,329</u>
<u>\$ 30,276,805</u>	<u>\$ 26,826,155</u>	<u>\$ 20,753,956</u>	<u>\$ 26,023,197</u>

44.91%	43.63%	56.33%	44.22%
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City of Canton, Ohio
Computation of Legal Debt Margin
As of December 31, 2007

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

Source: Stark County, Ohio: County Auditor

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

	Population (1)	Total Personal Income	Per Capita Income	Unemployment Rate
2007	78,924	\$ 1,972,351,850	\$ 24,991	5.9%
2006	79,478	1,931,177,300	24,298	5.6
2005	79,478	1,863,333,800	23,445	6.4
2004	79,946	1,748,721,800	21,874	6.6
2003	80,243	1,788,760,700	22,292	6.8
2002	80,369	1,808,101,400	22,497	5.6
2001	80,604	1,820,470,050	22,585	6.4
2000	80,806	1,739,550,800	21,527	6.6
1999	78,582	1,664,044,250	21,176	7.1
1998	79,258	1,646,107,750	20,769	6.5

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

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

2007

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

1998

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

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

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

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

Method: Part-time and seasonal employees are not included

(1) Earliest information available

Source: City of Canton Auditor's Office

City of Canton, Ohio
Capital Assets Statistics by Function/Program
Last Seven Years (1)

Function/Program	2007	2006	2005	2004	2003	2002	2001
General Government							
Departmental Vehicles	24	21	18	16	16	20	18
Security of Persons and Property							
Police Stations	5	5	5	4	3	3	3
Police Department Vehicles	124	124	85	87	89	110	107
Fire Stations	8	8	8	8	9	9	9
Fire Department Vehicles	39	36	32	30	30	33	32
Intersections with Traffic Lights	228	230	232	231	230	230	230
Traffic Department Vehicles	29	23	21	21	20	19	21
Public Health							
Departmental Vehicles	23	24	22	18	18	17	12
Transportation							
Area (in square miles)	25.40	25.30	23.94	23.94	23.29	20.99	20.99
Miles of Streets	413.87	411.39	412.19	409.50	408.96	405.79	405.39
Bridges	23	23	23	23	23	23	23
Miles of Storm Sewers	214.09	211.92	211.70	209.40	209.40	208.82	205.60
Departmental Vehicles	124	116	114	108	114	119	124
Leisure Time Activities							
Number of Parks	61	61	60	60	60	60	60
Park Acreage	710	710	700	700	700	700	700
Number of Shelters	22	21	21	21	21	21	21
Number of Baseball Fields	43	42	43	43	43	43	43
Walking Tracks	4	4	4	4	4	4	4
Walking Bridges	14	13	13	13	13	13	13
Play Equipment Sets	36	35	35	35	34	34	34
Restrooms	19	19	19	19	19	19	19
Number of Tennis Courts	8	8	8	8	8	7	7
Swimming Pools	0	1	1	1	1	1	1
Community Centers	1	1	1	1	1	2	2
Departmental Vehicles	46	47	46	43	43	45	41
Water							
Miles of Water Mains	655.89	651.36	649.58	646.27	642.32	632.34	609.63
Water Treatment Plants	3	3	3	3	3	3	3
Maximum Daily Capacity in Gallons (in millions)	39,000	39,000	39,000	39,000	40,800	40,800	40,800
Number of Fire Hydrants	3,212	3,163	3,141	3,094	3,063	3,002	2,739
Departmental Vehicles	60	56	60	58	60	62	64
Sewer							
Miles of Sanitary Sewers	359.70	357.51	357.26	357.08	356.27	355.95	352.98
Sewer Treatment Plants	1	1	1	1	1	1	1
Maximum Daily Capacity in Gallons (in millions)							
Wet Weather	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Dry Weather	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Departmental Vehicles	59	47	40	30	30	27	28
Refuse							
Departmental Vehicles	37	35	32	30	31	33	33

(1) Earliest information available

Source: Various City of Canton Departments

City of Canton, Ohio
Operating Indicators by Function/Program
Last Seven Years (1)

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

(continued)

City of Canton, Ohio
Operating Indicators by Function/Program
Last Seven Years (1)

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

(1) Earliest information available

N/A - Information is not available for these years

Source: Various City of Canton Departments



Mary Taylor, CPA
Auditor of State

CITY OF CANTON

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 22, 2008**