

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Richard A. Mallonn II • Auditor, City of Canton



For The Year Ended December 31, 2015



Dave Yost • Auditor of State

City Council
City of Canton
218 Cleveland Avenue SW
Canton, Ohio 44702

We have reviewed the Independent Auditor's Report of the City of Canton, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Canton is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 25, 2016

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CITY OF CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

RICHARD A MALLONN II
CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

**CITY OF CANTON
STARK COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015**

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CITY OF CANTON, OHIO



RICHARD A. MALLONN II

CANTON CITY AUDITOR

City Hall, Canton, Ohio 44702

Phone: (330) 489-3226

August 25, 2016

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, 2015 is hereby submitted. This letter and the following report represent the City's continuing commitment to excellence in financial reporting. The purpose of this letter is to acquaint the reader with the CAFR. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2015, have been audited by the certified public accounting firm of Julian & Grube, Inc. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation, as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

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

City Organization and Background

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

The City's 2015 population of 73,007 placed it as the largest city in the County and the eighth largest in the State.

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

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

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

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

City Services

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

Proprietary Operations: The City operates Water, Sewer and Refuse Departments. The revenue generated from Water and Sewer Departments were sufficient to meet all expenses in 2015.

Reporting Entity

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

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

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

Financial Information

Accounting Policies and Budgetary Control

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

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

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

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

Internal Accounting and Reporting Control

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

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

Local Economy

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

The City is home to a number of steel industrial manufacturers and suppliers. The City has benefited from the consistent financial success of the Timken Company. Although a small portion of its office operations has been moved to a location outside the city, the City remains optimistic of continued positive impact from The Timken Company and TimkenSteel resulting from the split that occurred from the Timken Company in late 2014. The City continues to benefit from the diversity of its business base including: Nationwide Insurance, M K Morse Company, Fresh Mark Incorporated, Ironrock Capital Incorporated, Republic Engineered Products, is essential in order to create a climate for financial stability. Unfortunately, due to an announcement from Nationwide in early 2014, the City can expect significant reduction in employment for the insurance company over the course of the next 4 years as Nationwide consolidates its Ohio presence in Columbus, Ohio.

Malone University, a private four-year college, is located in the City. University of Mount Union and Walsh University, private four-year schools, Stark State College of Technology, a public two-year school, and a branch of Kent State University, Ashland University and Brown Mackie College 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 (202 beds) and Affinity Medical Center (112 beds). Massillon Psychiatric Center, a 156-bed public adult psychiatric hospital operated by the State, is also located in the County. In 2006, Aultman Hospital completed a three year \$80 million dollar expansion project, the largest in its history. The project included a new four-story 320,000 square foot addition that houses a new Aultman Heart Program, Emergency/Trauma Program, Women's Program (including Labor & Delivery) and the Neonatal Intensive Care Unit. In 2009, Mercy Medical Center unveiled its new state of the art 24-unit Mercy Intensive Care Unit. The \$20.5 million project was started in 2007 and also includes an expansion of the surgery center parking garage and relocation of the hospital's helipad to the roof of the new structure. Both Aultman Hospital and Mercy Medical Center continue to play a pivotal role in the financial stability of the City of Canton and come in as two of our top employers.

The Canton Park System maintains 61 parks and covers approximately 812 acres. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium. In 2013, the citizens of Canton voted on a park levy that will begin generating approximately \$2.4 million dollars annually to assist with the maintenance and capital investment into the City's 61 parks which is up for renewal in 2015. The renewal levy was voted on and passed by the voters of the City and included new language to combine both the Canton Parks with the Canton Joint Recreation District. The merger process has begun of these two entities has begun.

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 36 hotels, motels and bed and breakfasts with over 3,000 rooms.

The Canton Palace Theatre is both the literal and figurative cornerstone of the Downtown Canton Arts District. Harry Harper Ink, Canton native and inventor of the patent medicine, Tonsiline, gave the one million dollars to build the Theatre in 1926. Designed by the noted theatre architect, John Eberson, The Palace is considered an atmospheric theatre, meaning as you sit in the auditorium, you feel as if you are lounging between two Spanish castles, under a Mediterranean blue sky, complete with stars, and floating clouds. The Theatre is home to its original Kilgen Theatre Pipe Organ. This 3 manual, 11 rank instrument is the last remaining Kilgen Theatre Organ still playing in its original home. The famed organist Banks Kennedy opened the theatre November 22, 1926, to a sold out crowd, with the first feature silent film, *Tin Hats*.

Recently, the Palace completed a capital project totaling \$1.3 million including new plumbing, roof, windows, service doors, ADA compliant hearing system, live event sound system, Digital Cinema Projection and interior carpet. A vital multi-purpose entertainment facility, its marquee burns brightly sixty feet above Market Avenue, welcoming you to enter its grand foyer and become a part of Canton's nostalgic past. Hosting over 300 events a year, with an attendance of over 100,000 guests, the Palace also strives to be an important part of Canton's future.

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. In 2011 the Education and Research Center was donated to the National Park Service and then was made a part of the First Ladies National Historic Site. The National First Ladies' Library remains as the managing/operating partner of the site for the National Park Service. The First Ladies Park and the gated parking lot continue to be owned by the National First Ladies' Library.

Also located in the City's downtown area is the main branch of the Stark County District Library. The library's main branch, 9 satellite branches, 2 bookmobiles and 2 kidmobiles serve 150,000 library cardholders from throughout the county. More than 1.4 visitors patronize the library each year. Holdings number more than 884,000 items and annual circulation for 2015 was 3.6 million items. The collection includes books, audio-visual materials and periodicals. In addition, the Library provides programs and classes for all ages, computer and Internet access, inter-library loans, reference and genealogy services, traveling collections and outreach services to shut-ins, nursing homes and housing units. It is one of the nine largest library systems in Ohio and serves 12 local school districts.

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

In 2015, the Canton City School District, the City of Canton and the Pro Football Hall of Fame began discussions on the improvement of the district campus which includes McKinley High School, the C.T. Branin Natatorium and Fawcett Stadium for the expansion and improvement of the stadium and surrounding areas. This project has evolved into a potential multi-phase construction and expansion of the Pro Football Hall of Fame campus at an estimated cumulative value of \$400 million will include retail shopping and dining facilities. Also, a potential convention and events center will occupy these grounds. As of the submission of this report, the City Canton pledged and financed a bond anticipation note of \$5 million and the state has committed \$10 million in their capital budget. The Hall of Fame has received and the City Schools has agreed to accept a \$10 million donation from Tom Benson for the renaming of the Fawcett Stadium. The 25 million cited above is expected to be a part of the phase 1, \$40 million renovation to the stadium which is set to break ground in October 2015. The first part of the stadium

renovation was completed in August 2016 and the second phase has begun. Fawcett stadium serves as the football facility for the District High School, area colleges, and the annual Pro Football Hall of Fame game held annually in accordance with the Hall of Fame which sits adjacent to the stadium.

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

The Stark Area Regional Transit Authority (SARTA), a separate political subdivision, provides daily public transportation in and around the City. The bus service initially was only a citywide service, but became a countywide system with the passage of a .25 percent county sales tax in 1997. The sales tax, renewed in 2002, 2006 and 2011, serves as the primary revenue source for SARTA. On July 20, 2016, SARTA has filed with the Stark County Board of Elections to place a 10 year renewal on the November 8, 2016 ballot. 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 addition to its regular service within Stark County, SARTA runs one bus route, multiple times, between Canton and downtown Akron connecting to Akron's Metro RTA bus system and also serves the Akron-Canton Regional Airport from both cities and one route to Cleveland starting March 4, 2013.

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

The Akron-Canton Regional Airport (Airport), a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,900 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport has six airlines offering nonstop service and had 1,548,897 customers in 2015 a 2% decrease from the Airport's 2014 numbers. In late 2006, the Airport completed its 5-year \$60 million STAR Expansion Project which included extending runways, a new baggage claim area, a new food court, a new security screening area, enlarged gathering space, additional parking, and a terminal gate renovation that will allow the Airport to handle up to 1.6 million passengers annually. In 2007, the Airport invested \$10 million in a new deicing facility. In 2008, the Airport announced its new 10-year \$110 million capital improvement plan called CAK 2018. The plan includes a runway extension and border patrol facility to allow for international flights, expanded aircraft parking, expanded auto parking, a wider entrance road, expanded ticket wing, expanded security screening area, a new aircraft rescue and fire fighting maintenance facility, expand the concourse to allow for three more gates, and partner with the nearby City of Green for a new Industrial Park. The runway extension portion of the project was completed in 2010. The new aircraft rescue, border patrol facility, expanded parking lot, and expanded security-screening area were completed in 2011. In 2012, CAK completed the Firefighting Maintenance Facility (ARFF) and continued to add additional parking. Future improvements include expanding the new concourse \$3.65 million, an expanded ticket wing \$2.5 million, and widening of the entrance road \$5.0 million. In 2016 the airport unveiled a \$240 million dollar 20 year Master Plan that was approved by the Federal Aviation Administration (FAA) in 2015 which will guide capital investments and improvements at CAK and will include construction projects isolated to the years 2017-2019.

Long-Term Financial Planning

During 2015, the City has experienced a decrease in overall revenue, excluding other financing sources, for the general fund of \$639,572 from 2014. The City as a whole experienced an increase in GAAP-basis revenue (total of all program revenues and general revenues from the statement of activities) of \$4,977,110 from 2014. This provides the City with the fourth straight year of revenue growth for the City as a whole. The City's income tax revenue decreased by \$5,687,957 and property tax revenue decreased by \$452,884. Charges for service (program revenue) increased by \$2,468,862 while capital grants and contributions (program revenue) increased by \$7,563,897. The City continues to feel the effects of federal reserves interest rate reductions in the fourth quarter of 2007 through 2012 have led to net decreases in general fund interest revenue of \$1,243,235 in 2008, \$595,900 in 2009, \$444,900

in 2010, \$141,433 in 2011, and an additional \$37,396 in 2012. General fund interest revenue increased \$1,446 in 2013, \$120,885 in 2014, and \$227,300 in 2015, due to a more aggressive investment portfolio.

The immediate economic future is predicted to be relatively stable with slight declines expected in early 2015 with downward pressure from continued staff relocations to facilities outside of city limits from the likes of the Timken Company, U.S. Post Office, Chesepeak Energy and Nationwide Insurance to name a few. The fact remains that these relocations continue to bode well for the regional economy and yet will provide downward pressure on City income tax collections. The City's unemployment rate changed from 5.3% at the end of 2014 to 5.5% at the end of 2015. The City commitment to increase certain departments to pre-2008 economic downturn levels will make it difficult to control costs. These personnel increases coupled with anticipated income tax revenue declines in 2015 will result in the City needing to freeze salaries, workforce reduction through attrition and potential layoffs and health care costs sharing and the likely hood that the city will need to in 2016 as was used to deal with the 2008 economic downturn.

The City had \$541,436 in cash, of which \$316,272 remained uncommitted 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 scaled down version of the water park, renovation of city buildings and reconstruction of existing recreational facilities. As of the release of this report the fire station, sewer collection facilities and waterpark projects are complete. A major expansion to Canton City Hall to expand operations for the Canton Municipal Court and City Council began in November of 2010. The City expansion was completed in early 2012. However, further evidence of the very difficult economic conditions of the City, is the decision at this point to scale back the size and scope of the projects outlined in the City's 2006 Recreational Bond Issuance. In January 2014, City Council entered into an agreement for the construction of the Water Park. The Water Park was completed in 2016 and the operation of the park began in June of 2016.

Relevant Financial Policies

During 2015, the City issued manuscript debt within the general fund to finance land reutilization projects and NIP acquisition and demolition; however, this balance is eliminated on a GAAP-basis. In addition, during 2015, the issued manuscript debt between the general fund and the water fund to provide for adequate reserves in the general fund. This manuscript debt is reported as and interfund loan payable and receivable between the general fund and the water fund on the fund financial statements and as a component of "internal balance" on the government-wide statement of net position. It is anticipated that general fund will repay this interfund loan obligation in 2016. See Note 21.B to the basic financial statements for further detail on the City's manuscript debt issuance and obligations.

During 2015, the City continued to make biweekly sick expense premium deposits into its compensated absences claim fund to help offset the cost of current and previous unfunded compensated absences. The City was not in a financial position to make additional lump sum contributions to the fund as had been done in some previous years. The City previously changed the premium calculation from 125% of the total cost of the sick leave accrued on biweekly payrolls to 105% for 2010. However, the premium returned to 125% January 1, 2011, remained 125% through 2015, and will continue throughout 2016. The City was unable to deposit additional contributions into the compensated absences claim fund in 2015.

Major Initiatives

In 2015, the City annexed approximately 186 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 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 and construction. Commercial properties in the area can receive 100 percent abatement for the increased value all qualifying improvements, restoration and construction for the first 5 years and a 20 percent reduction per year over the remaining five-year period. The construction must be over \$50,000 for commercial projects and \$5,000 for residential projects to qualify.

In 2011, the City was awarded an additional \$1,233,756 in Neighborhood Stabilization (NSP3) funds. These funds have been used to target one hard hit area within the city. With this funding, \$987,000 will be invested in rehabilitating housing units for sale and rent. In addition, \$123,000 has been used to demolish blighted structures in the area. In 2015, the City used program income received from the sale of some of the houses to maintain the remaining properties until they are sold.

In 2013, the City established two HUD Neighborhood Revitalization Strategy Areas – the Eastside and Central Area NRSAs. During 2015, the City expended almost \$1 million in Federal Community Development Block Grant (CDBG) Program funds on NRSA activities, including housing rehabilitation and demolition, neighborhood clean-up projects, , and youth programs and services.. Over 43 housing projects were completed in both the Eastside and Central target areas. Since the NRSA was established in 2013, the City has invested over \$ 3.6 million in the NRSA areas.

In 2014, the City applied for and received a \$4.2 million grant from the State of Ohio, known as the Neighborhood Initiative Program. This program is contracted through the Stark County Land Reutilization Corporation and is an acquisition for demolition program. The City intends to demolish a total of 240 homes through the program. In 2015, the City acquired and demolished 106 properties and expended over \$1.5 million dollars

The City received a \$3 million CORF grant in 2007 for remediation at the former Hercules site. Work at this site resumed in 2012 after a delay due to the weak economy. The property will be transformed into a multi-use facility with a convention center, market rate housing, and a business and retail space. The project has also received a state tax credit worth \$10 million. The project experienced additional delays in 2014, but it is expected that by the third quarter of 2015 the project will be back on track with 140 market rate housing units being Phase I of the project.

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

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2015, the City completed: \$4.8 million Walnut/Cherry Complete Streets and 37th Street Project (including water and sewer lines and \$1,86 million of road resurfacing projects throughout the City. Some of the larger engineering projects in various stages of planning, development, and construction include: 41ST St. Reconstruction, Mahoning Rd. Corridor, 12th St. Corridor, 12th Street Bridge Replacement, Navarre Road Signal System, West Tuscarawas Corridor, 11th Street SE Realignment Project, and Fulton Rd resurfacing project and 38th St. project..

In 2015, there were \$3.5 million of projects in progress. There were eight projects for water lines in varying stages of planning, development and construction including: Hartville III, Faircrest, Avondale, Applegrove I and II, Harrison and 44th St, and Westmoreland. Through December 2015, the City had expended \$8.9 million for the electronic water meter replacement project estimated at \$15 million funded through OWDA.

In 2015, the City's Water Reclamation Department continued its progress in the \$92.0 million replacement of its Water Reclamation Facilities and membrane. The membrane purchase, installation, and corresponding construction, is estimated to continue until through 2018. Through December 2015, the City had expended \$40 million of the \$92.0 million project.

Debt Administration

At the end of 2015, the gross indebtedness of the City was \$94,154,842. The gross indebtedness of the City was \$53,097,741 at the end of 2014. During 2015, the City continued drawing down from three pre-existing Ohio Water Development Agency (OWDA) loans and did not issue any new OWDA loans. In 2015, the City received \$7,289,694 from the 2013 water meter planning and design loan, \$20,054,960 from the 2010 Water Reclamation Facility (WRF) phosphorus/nitrogen removal project loan, and \$9,535,949 from the 2014 WRF phosphorus – MBR equipment loan. These projects will take almost seven years to complete at an estimated cost of over \$92 million. At December 31, 2015, the City had \$73,609,169 in OWDA loans outstanding in the enterprise funds and business-type activities and \$42,934 in OWDA loans outstanding in the governmental activities. During 2015, the City received loan proceeds from the Ohio Public Works Commission (OPWC) to finance various projects. The City received \$1,338,046 in OPWC loan proceeds in the enterprise funds and business-type activities and \$341,800 in OPWC loan proceeds in the governmental activities. At December 31, 2015, the City had \$1,416,827 in OPWC loans outstanding in the enterprise funds and business-type activities and \$1,285,919 in OPWC loans outstanding in the governmental activities. The City also had \$772,770 in general obligation bonds outstanding in the enterprise funds and business-type activities and \$4,142,229 in general obligation bonds outstanding in the governmental activities. The City had \$687,743 in long-term State Infrastructure Bank (SIB) Loans outstanding as of December 31, 2015, all of which are reported in the governmental activities.

In 2015, Moody's Investor Services made no change to its stable outlook for the City. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City a negative outlook on general obligation bond issue. Fitch Rating Service also downgraded the City from AA- to A+ but said its outlook is stable. Neither Moody's Investor Services nor Fitch Rating Services adjusted these ratings in 2015. 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 \$72,497,309 and an unvoted debt margin of \$36,025,699 as of December 31, 2015.

Awards

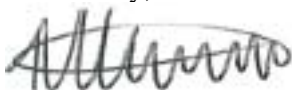
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2014. The Certificate of Achievement is the highest form of recognition for excellence in state and local government.

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

Acknowledgements

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

Sincerely,



Richard A Mallonn II
City Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Canton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

**CITY OF CANTON
STARK COUNTY, OHIO**

CITY OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2015

Mayor

William J. Healy II

Council Members

Allen Schulman, President

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

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

City Auditor

Richard A. Mallonn II

City Treasurer

Kim Perez

Law Director

Joseph Martuccio

Director of Income Tax

Cynthia Allensworth

Director of Public Service

William Bartos

Director of Public Safety

Andrea Perry

Fire Chief

Stephen J. Rich

Police Chief

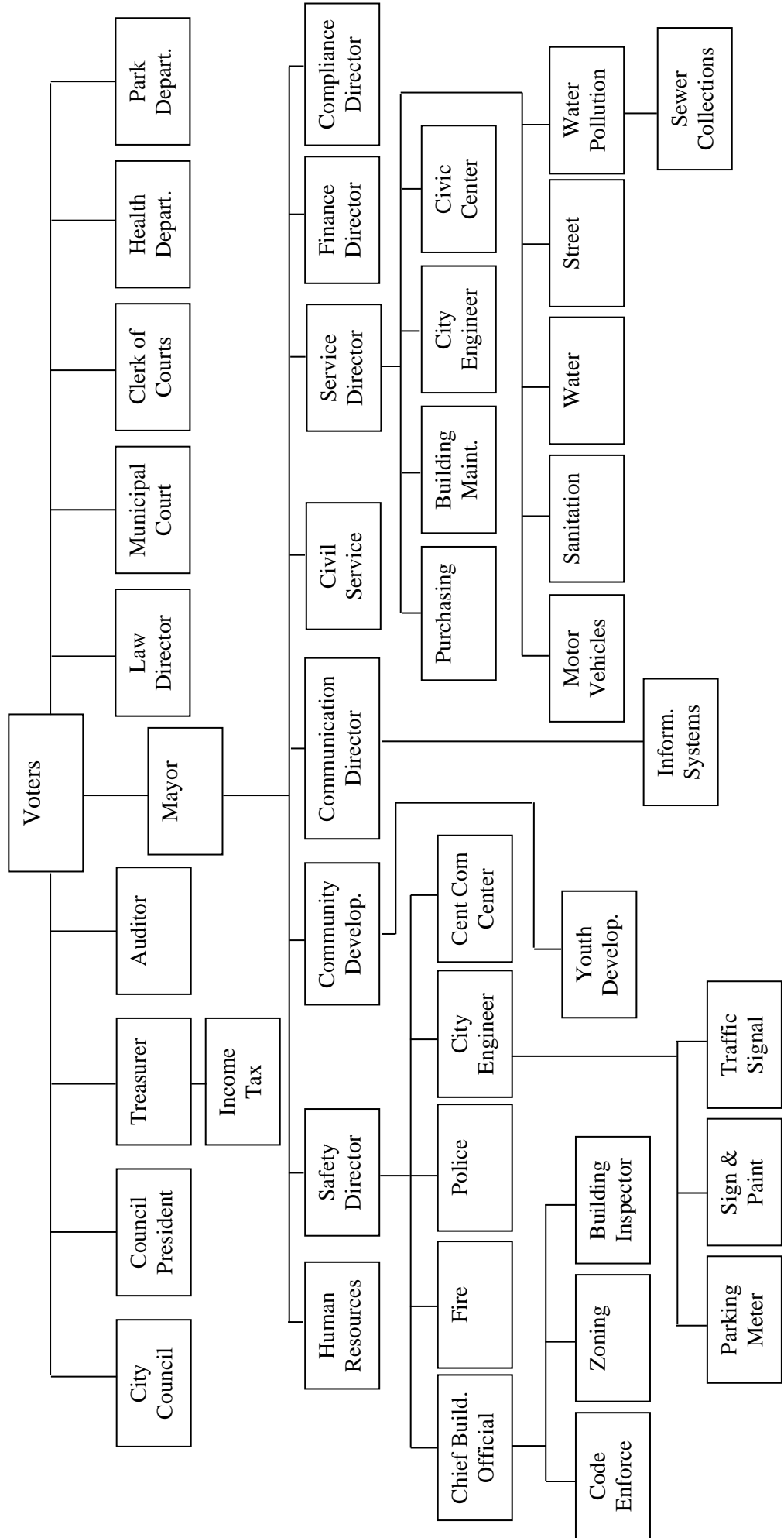
Bruce Lawver

City Engineer

Dan Moeglin

CITY OF CANTON
STARK COUNTY, OHIO

ORGANIZATIONAL CHART





CITY OF CANTON, OHIO

FINANCIAL
City of Canton, Ohio



Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the City of Canton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

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

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

City of Canton
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of December 31, 2015, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Community and Economic Development Funds, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City of Canton adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

City of Canton
Independent Auditor's Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2016, on our consideration of the City of Canton's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Canton's internal control over financial reporting and compliance.



Julian & Grube, Inc.
August 25, 2016

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CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

The management's discussion and analysis (MD&A) of the City of Canton's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City's net position increased \$2.5 million as a result of this year's operations (as restated – see Note 3). Net position of the business-type activities increased by \$4.6 million, or 4.38 percent, and net position of governmental activities decreased by \$2.0 million, or 2.75 percent (as restated – see Note 3).
- General revenues accounted for \$60.8 million, or 61.73 percent, of total governmental activities revenue. Program specific revenues accounted for \$37.7 million, or 38.27 percent, of total governmental activities revenue.
- The City had \$100.5 million in expenses related to governmental activities; \$37.7 million of these expenses was offset by program specific charges for services and sales, grants or contributions. The remaining expenses of the governmental activities of \$62.8 million were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$60.8 million.
- The City's business-type activities consist of water, sewer and refuse operations. The City had \$34.7 million in expenses related to business-type activities. All of these expenses were offset by \$38.4 million of program specific charges for services and sales, grants or contributions. Program revenues were sufficient to cover expenses of the business-type activities in 2015. General revenues of the business-type activities were \$0.9 million for 2015. Overall, total revenues of the business-type activities exceeded expenses by \$4.6 million.
- The general fund had revenues of \$58.0 million in 2015. This represents a decrease of \$.6 million from 2014 revenues. The expenditures of the general fund, which totaled \$67.3 million in 2015, increased \$6.4 million from 2014. The net decrease in fund balance for the general fund was \$9.3 million, or 153.03 percent.
- The City received no rating change in 2015; Moody's maintains a stable outlook on the City's debt.
- The City reported an operating loss of \$1.0 million in its compensated absences claim internal service fund. The total liability for compensated absences increased \$0.7 million from \$7.5 million at December 31, 2014 to \$8.2 million at December 31, 2015. During 2015, the City continued to deposit premiums equal to 125% of earned benefits of employees into the fund. The compensated absences claim internal service fund had a deficit net position of \$6.9 million at December 31, 2015.

USING THIS ANNUAL FINANCIAL REPORT

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

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

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2015?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in this position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

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

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

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

The City's statement of net position and statement of activities can be found on pages 21 through 23 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, the community and economic development fund, the capital projects fund and the motor vehicles purchase fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 24 through 33 of this report.

Proprietary funds

When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as a statement of cash flows. We use internal service funds, health insurance, worker's compensation insurance, and compensated absences claim funds, (the other component of proprietary funds) to report activities that provide a service to the City's other programs and activities. The basic proprietary fund financial statements can be found on pages 34 through 37 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Private-purpose trust and agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 38 and 39 of this report.

Required Supplementary Information (RSI)

The RSI contains information regarding the City's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and Ohio Police and Fire Retirement System (OP&F) net pension liability/net pension asset and the City's schedule of contributions to OPERS and OP&F. The RSI can be found on pages 99-106 of this report.

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 41 through 98 of this report.

Government-Wide Financial Analysis

The table below (Table 1) provides a summary of the City's net position at December 31, 2015 and 2014.

Table 1
Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
<u>Assets</u>						
Current and other assets	\$ 51.9	\$ 58.1	\$ 46.3	\$ 44.7	\$ 98.2	\$ 102.8
Capital assets, net	123.9	113.7	153.6	111.5	277.5	225.2
Deferred outflows of resources	9.9	6.5	1.8	1.3	11.7	7.8
Total assets and deferred outflows	<u>\$ 185.7</u>	<u>\$ 178.3</u>	<u>\$ 201.7</u>	<u>\$ 157.5</u>	<u>\$ 387.4</u>	<u>\$ 335.8</u>
<u>Liabilities and Deferred Inflows</u>						
Current and other liabilities	\$ 26.4	\$ 20.0	\$ 9.7	\$ 5.7	\$ 36.1	\$ 25.7
Long-term liabilities:						
Due in more than one year	10.3	11.6	72.8	37.6	83.1	49.2
Net pension liability	70.1	66.6	9.8	9.6	79.9	76.2
Deferred inflows of resources	5.2	4.4	0.2	-	5.4	4.4
Total liabilities and deferred inflows of resources	<u>112.0</u>	<u>102.6</u>	<u>92.5</u>	<u>52.9</u>	<u>204.5</u>	<u>155.5</u>
<u>Net position</u>						
Net investment in capital assets	114.3	106.7	75.5	70.6	189.8	177.3
Restricted	21.7	19.0	-	-	21.7	19.0
Unrestricted	(62.3)	(50.0)	33.7	34.0	(28.6)	(16.0)
Total net position	<u>\$ 73.7</u>	<u>\$ 75.7</u>	<u>\$ 109.2</u>	<u>\$ 104.6</u>	<u>\$ 182.9</u>	<u>\$ 180.3</u>

During 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability/asset to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability/asset not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability/asset and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, for governmental activities from \$135.8 million to \$75.7 million and business-type activities from \$112.9 million to \$104.6 million.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$182.9 million. At year-end, net position was \$73.7 million and \$109.2 million for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets, net represented 71.66 percent of total assets. Capital assets include land, construction in progress, buildings and structures, vehicles, equipment and infrastructure. The net investment in capital assets at December 31, 2015, was \$114.3 million and \$75.5 million in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets are not used to liquidate these liabilities.

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As of December 31, 2015, the City is not able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. A portion of the City's net position, \$21.7 million represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$28.6 million may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements.

The table below (Table 2) shows the changes in net position for fiscal year 2015 and 2014.

Table 2
Change in Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 14.0	\$ 14.9	\$ 38.3	\$ 34.9	\$ 52.3	\$ 49.8
Operating grants and contributions	9.8	12.2	0.1	0.1	9.9	12.3
Capital grants and contributions	13.9	5.7	-	0.6	13.9	6.3
Total program revenues	<u>37.7</u>	<u>32.8</u>	<u>38.4</u>	<u>35.6</u>	<u>76.1</u>	<u>68.4</u>
General revenues:						
City income taxes	45.0	50.7	-	-	45.0	50.7
Property taxes	4.5	4.9	-	-	4.5	4.9
Intergovernmental (grants and entitlements)	6.9	5.1	-	-	6.9	5.1
Interest and investment earnings	0.4	0.2	-	-	0.4	0.2
Other	4.0	2.9	0.9	0.6	4.9	3.5
Total general revenues	<u>60.8</u>	<u>63.8</u>	<u>0.9</u>	<u>0.6</u>	<u>61.7</u>	<u>64.4</u>
Total revenues	<u>98.5</u>	<u>96.6</u>	<u>39.3</u>	<u>36.2</u>	<u>137.8</u>	<u>132.8</u>
<u>Expenses</u>						
Program expenses:						
General government	20.8	19.6	-	-	20.8	19.6
Security of persons and property	42.9	38.8	-	-	42.9	38.8
Public health	6.2	6.2	-	-	6.2	6.2
Transportation	14.5	12.1	-	-	14.5	12.1
Community environment	12.0	8.1	-	-	12.0	8.1
Leisure time activities	3.4	3.5	-	-	3.4	3.5
Economic development	0.3	-	-	-	0.3	-
Interest and fiscal charges	0.4	0.4	-	-	0.4	0.4
Water	-	-	14.2	15.4	14.2	15.4
Sewer	-	-	14.2	12.8	14.2	12.8
Refuse	-	-	6.3	6.3	6.3	6.3
Total program expenses	<u>100.5</u>	<u>88.7</u>	<u>34.7</u>	<u>34.5</u>	<u>135.2</u>	<u>123.2</u>
Increase (decrease) in net position	(2.0)	7.9	4.6	1.7	2.6	9.6
Net position at						
beginning of year (restated)	75.7	N/A	104.6	N/A	180.3	N/A
Net position at end of year	<u>\$ 73.7</u>	<u>\$ 75.7</u>	<u>\$ 109.2</u>	<u>\$ 104.6</u>	<u>\$ 182.9</u>	<u>\$ 180.3</u>

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$7.8 million computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$8.2 million.

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$ 100.5	\$ 34.7	\$ 135.2
Pension expense under GASB 68	(7.1)	(1.1)	(8.2)
2015 contractually required contributions	<u>6.7</u>	<u>1.3</u>	<u>8.0</u>
Adjusted 2015 program expenses	100.1	34.9	135.0
Total 2014 program expenses under GASB 27	<u>(88.7)</u>	<u>(34.5)</u>	<u>(123.2)</u>
Increase in program expenses not related to pension	<u>\$ 11.4</u>	<u>\$ 0.4</u>	<u>\$ 11.8</u>

Governmental Activities

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

When looking at sources of income to support governmental activities, it should be noted that charges for services are only 14.2 percent of governmental activities revenue. Revenues provided by sources other than city residents in the form of operating grants and contributions, capital grants and contributions and grants and entitlements not restricted to specific programs comprise another 31.0 percent. The remaining revenues are primarily generated locally through property taxes (4.5 percent) and income taxes (45.7 percent).

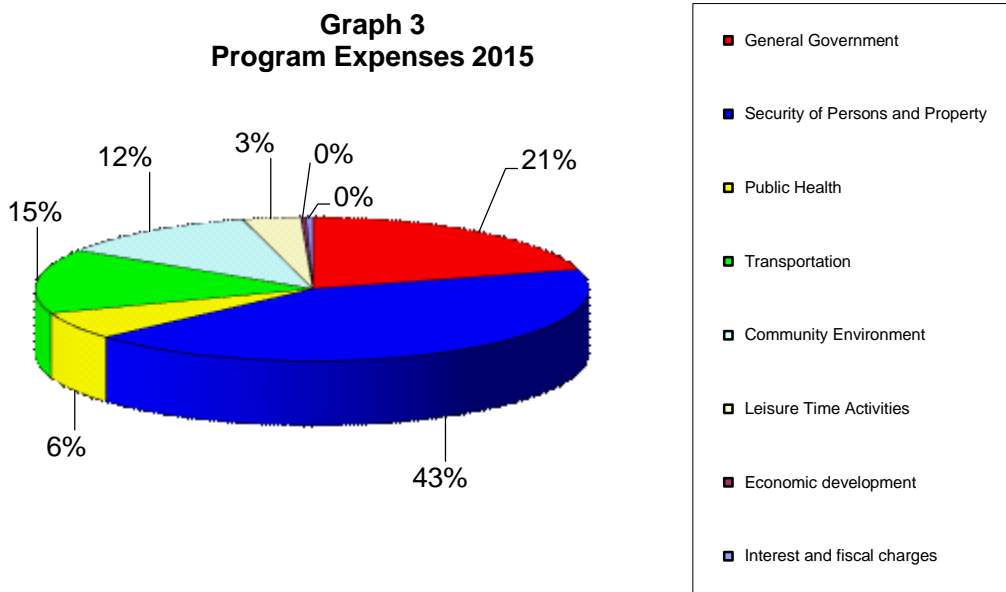
Overall, governmental activities revenues increased \$1.9 million primarily due to increases in capital grants and contributions (\$8.2 million) being offset by decreases in income taxes (\$5.7 million) and property taxes (\$0.5 million). Capital grants and contributions increased primarily due to increased grant activity supporting police operations and community environment projects. Income taxes decreased due to a decrease in the resident tax credit from 100 percent to 85 percent which became effective January 1, 2013, and more aggressive income collection tax practices implemented by the City. Property taxes decreased due to the passage of the 4 mill tax levy in November 2013 supporting the City's Parks. Collections on the 4 mill tax levy began in 2014.

Overall, governmental activities expenses increased \$11.8 million primarily due to increases in general government (\$1.2 million) and community environment (\$3.9 million). General government increased primarily due to increased expenses related to the equipping and operating the City's income tax administration coupled with increased expenses related to (1) motor vehicle service and repair, (2) courts/judges administration, and (3) law director administration.

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

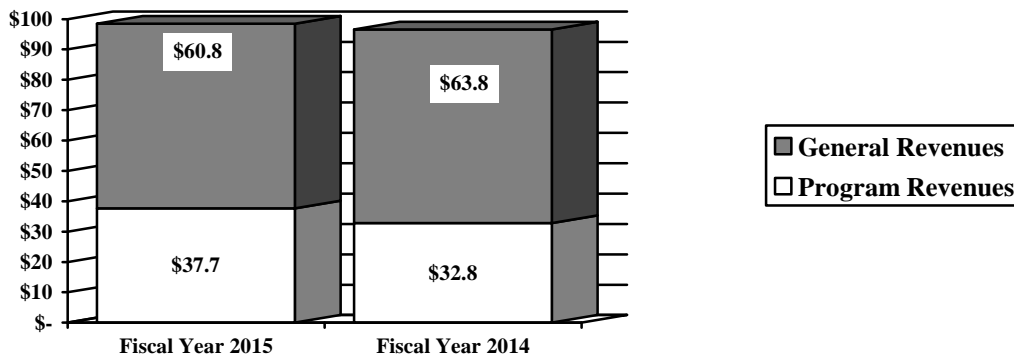
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**Graph 3
Program Expenses 2015**



The graph below compares the City's general revenues (which includes property taxes, income taxes and unrestricted grants and entitlements) and program revenues for fiscal year 2015 and 2014.

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



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

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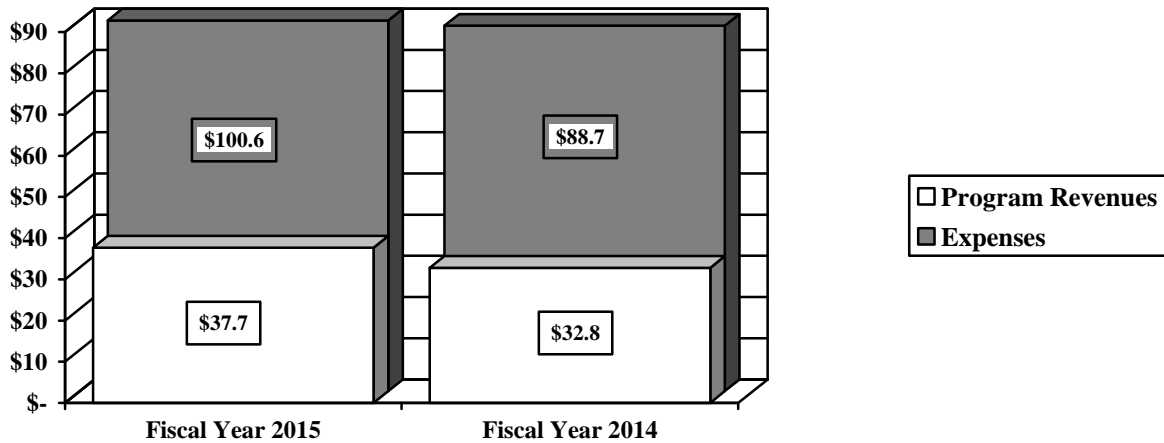
Table 5
Governmental Activities (In Millions)

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Program expenses:				
General government	\$ 20.8	\$ 13.4	\$ 19.6	\$ 11.8
Security of persons and property	42.9	35.9	38.8	30.9
Public health	6.2	2.1	6.2	2.4
Transportation	14.6	(1.2)	12.1	4.8
Community environment	12.0	9.2	8.1	2.6
Leisure time activities	3.4	2.8	3.5	3.0
Economic development	0.3	0.3	-	-
Interest and fiscal charges	0.4	0.4	0.4	0.4
Total	\$ 100.6	\$ 62.9	\$ 88.7	\$ 55.9

The dependence upon general revenues for governmental activities is apparent, with 62.54 percent of expenses supported through taxes and other general revenues.

The graph below compares the City's governmental activities program revenues and total governmental activities expenses for fiscal year 2015 and 2014.

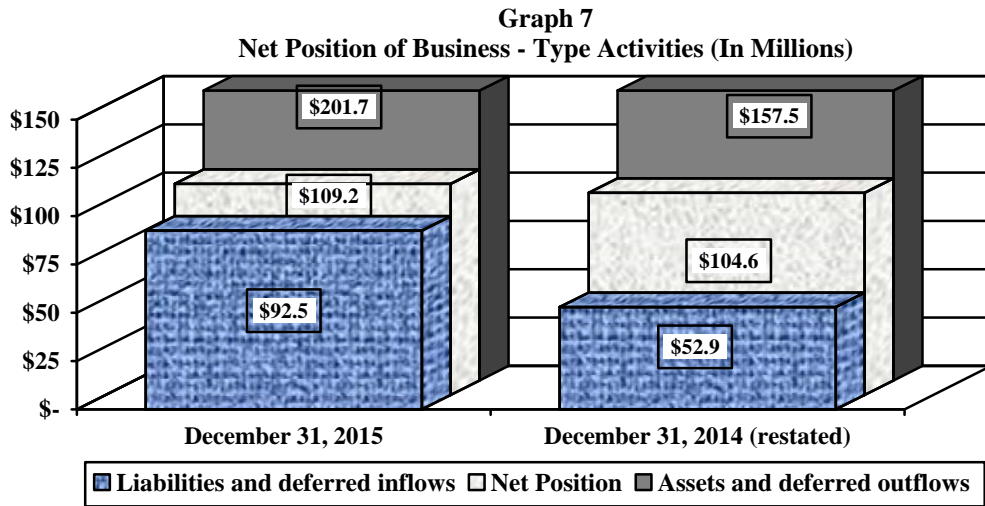
Graph 6
Governmental Activities – Program Revenues vs. Total Expenses (In Millions)



Business-Type Activities

The net position of the business-type activities, include the water, sewer and refuse enterprise funds. For a description of these funds, see the accompanying notes to the basic financial statements. These programs had program revenues of \$38.4 million and general revenues of \$0.9 million which were sufficient to support the total expenses of \$34.7 million. Total revenues exceeded total expenses by \$4.6 million in 2015. The graph below shows the business-type activities assets, liabilities and deferred inflows and net position at year-end.

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The basic financial statements for the major funds are included in this report. Because the focus on business-type activities is a cost of service measurement or capital maintenance, we have included an assessment of the capital asset balances for the business-type activities in Graph 10 which is located on page 18.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end. The City's governmental funds (as presented on the balance sheet on pages 24 and 25) reported a combined fund balance of \$12.9 million which is \$7.4 lower than last year's total of \$20.3 million. The schedule below indicates the fund balances as of December 31, 2015 and 2014 for the governmental funds.

**Table 8
Fund Balances (deficit) (In Millions)**

	12/31/15	12/31/14	Increase (Decrease)
Major funds:			
General	\$ (3.2)	\$ 6.1	\$ (9.3)
Community and economic development	1.4	1.5	(0.1)
Capital projects	3.3	3.4	(0.1)
Motor vehicle purchase	0.3	0.6	(0.3)
Nonmajor governmental funds	11.1	8.7	2.4
Total	\$ 12.9	\$ 20.3	\$ (7.4)

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General Fund

Fund balance of the general fund decreased \$9.3 million from 2014 primarily due to a decrease of \$1.4 million in income tax revenue and by increases in expenditures of approximately \$6.3 million primarily in the areas of general government operations and security of persons and property. Income tax revenue decreased due primarily to a decrease in the resident tax credit from 100 percent to 85 percent which became effective January 1, 2013 coupled with more aggressive income tax collection practices implemented by the City. Community environment expenditures increased primarily in the area of the hall of fame village which reported expenditures of approximately \$5.0 million compared to \$.0 million for 2014. This increase is due to remodeling in the hall of fame village. Security of persons and property expenditures increased primarily due to increased costs related to police and traffic administration operations. Police expenditures increased approximately \$.4 million and traffic administration expenditures increased approximately \$.3 million.

Community and Economic Development Fund

Fund balance of the community and economic development fund decreased \$.1 million from the prior year. Revenues decreased \$.2 million from \$4.1 million in 2014 to \$3.8 million in 2015 primarily due to decreased operating grants. Expenditures decreased \$.9 million from \$4.9 million in 2014 to \$4.0 million in 2015 due to decreased community environment projects funded by the decrease in operating grants. The community and economic development fund had \$1.0 million in economic development loans receivable at December 31, 2015.

Capital Projects Fund

Fund balance of the capital projects fund decreased \$0.1 million from \$3.4 million at December 31, 2014 to \$3.3 million at December 31, 2015. Revenues and expenditures in the fund remained comparable to 2014 levels.

Motor Vehicle Purchase Fund

Fund balance of the motor vehicle purchase fund decreased \$0.3 million from \$0.6 million at December 31, 2014 to \$0.3 million at December 31, 2015. Revenues decreased \$0.1 million from 2014 levels at \$2.2 million. Expenditures decreased \$1.3 million from \$3.8 million in 2014 to \$2.5 million in 2015 due to decreased capital purchases made by the City in 2015. In addition, the City entered into capital lease agreements for the acquisition of equipment in 2014. Capital lease proceeds of \$.6 million were reported in the motor vehicle purchase fund in 2014.

Nonmajor Governmental Funds

Fund balance of the nonmajor governmental funds increased \$2.4 million from \$8.7 million at December 31, 2014 to \$11.1 million at December 31, 2015. Revenues increased \$12.5 million from \$18.3 million in 2014 to \$30.8 million in 2015 due to increase in capital grants of approximately \$8.0 million. Expenditures increased \$10.6 million from \$17.9 million in 2014 to \$28.5 million in 2015 primarily in the areas of security of persons and property and capital outlays. In addition, the City entered into notes and OPWC loan agreements in 2015. Loan proceeds in the amount of \$4.1 million were reported in the nonmajor governmental funds in 2015.

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General Fund Budgeting Highlights

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

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

The City Auditor continually monitors the encumbrances and expenditures against the budgeted appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over balances less carry over encumbrances at year-end, the County Auditor arrives at and issues the Certificate of Estimated Resources for the City. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's certificate.

The City's general fund reported a \$8.5 million increase to original estimated revenues of \$57.4 million to arrive at the final estimated revenues of \$65.9 million. The primary increases were in the areas of notes issued (\$7.0) and other debt issuances of (\$1.0). The actual revenue was less than final budgeted revenue by \$1.0 million.

The general fund variance from original budgeted expenditures to final budgeted expenditures was an increase of \$9.9 million. The primary areas of increase were \$7.1 million in community environment due to the \$5.0 million Hall of Fame Village Project not being reported in the original budgeted expenditures and due to increased appropriations for community development administration and in debt service which did not report the repayment as manuscript debt of \$2.0 million in the original budgeted expenditures. The final budgeted expenditures of \$70.5 million exceeded actual expenditures of \$69.6 million by \$0.9 million. The actual expenditures of \$69.6 million were approximately \$9.0 million higher than the original budgeted expenditures.

The original budgeted other financing sources were \$4.3 million and final budgeted other financing sources were \$12.3 million. The increase is due primarily to \$7.0 million in Hall of Fame Village note proceeds and \$1.0 million in manuscript debt proceeds not being reported in the original budget amounts but being included in the final budget amounts. The actual other financing sources approximated the final budgeted amounts.

Financial Analysis of the Proprietary Funds

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

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The water operating fund and the sewer operating fund had net position increases of \$3.5 million and \$1.6 million, respectively. The refuse operating fund had a decrease in net position of \$.6 million. The water operating fund experienced an increase in operating revenue of 13.35 percent while the sewer operating fund experienced an increase in operating revenue of 12.84 percent, respectively, from the prior year. The water operating fund had a decrease in operating expenses of 7.97 percent from the prior year while the sewer operating fund had an increase in operating expenses of 11.32 percent from the prior year. The Refuse Fund's operating revenue decreased \$.2 million from 2014 while expenses increased \$.1 million. These two factors caused the refuse operating fund to report a decrease in net position of \$.6 in 2015 versus a decrease in net position of \$.2 million in 2014.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the City had \$277.5 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 from prior year.

Major additions for the governmental activities include both projects completed in 2015 and removed from construction in progress as well as projects that remain construction in progress at December 31, 2015. These projects include ongoing major road and storm sewer projects, park equipment additions and renovations, and a major street lighting upgrade.

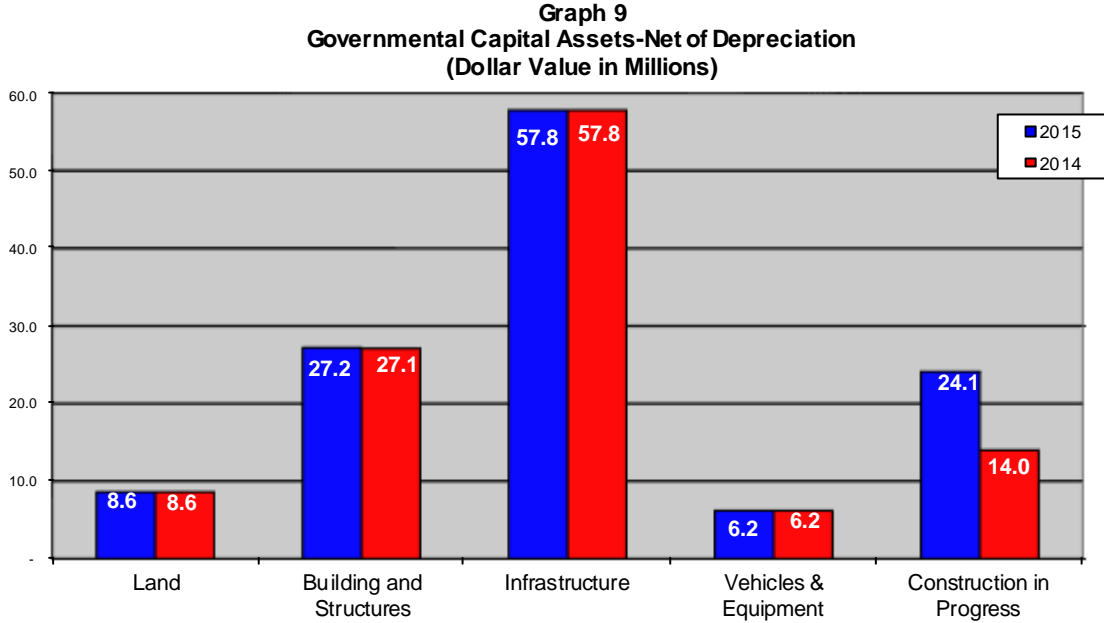
Additions to Business-Type Activities included additional water and sewer line construction, the continuation of a major renovation project at the City's Water Reclamation Plant, and ongoing restoration work at two of the City's water plants

The City's 2015 capital budget anticipates a spending level of \$3.5 million for capital projects. The City will continue to spend the balance remaining of the \$3.4 generated from the sale of general obligation bonds during 2006 to construct a scaled back version of a community water park for the youth of the City. The water park plans have been greatly reduced since its inception in 2006. In fact, in 2009, 2010, and 2011 the City spent a portion of the unspent portion of the 2006 issuance, dedicated for both Mallonn Park and the water park, to retire the corresponding years principal and interest due on the aforementioned bonds. In early 2014, the City entered into contracts for a scaled down version of the water park. The prior portion of this issuance expended was use for constructing a fire station, additional building improvement and expansion to City Hall, improve infrastructure and city parks expansion and developments

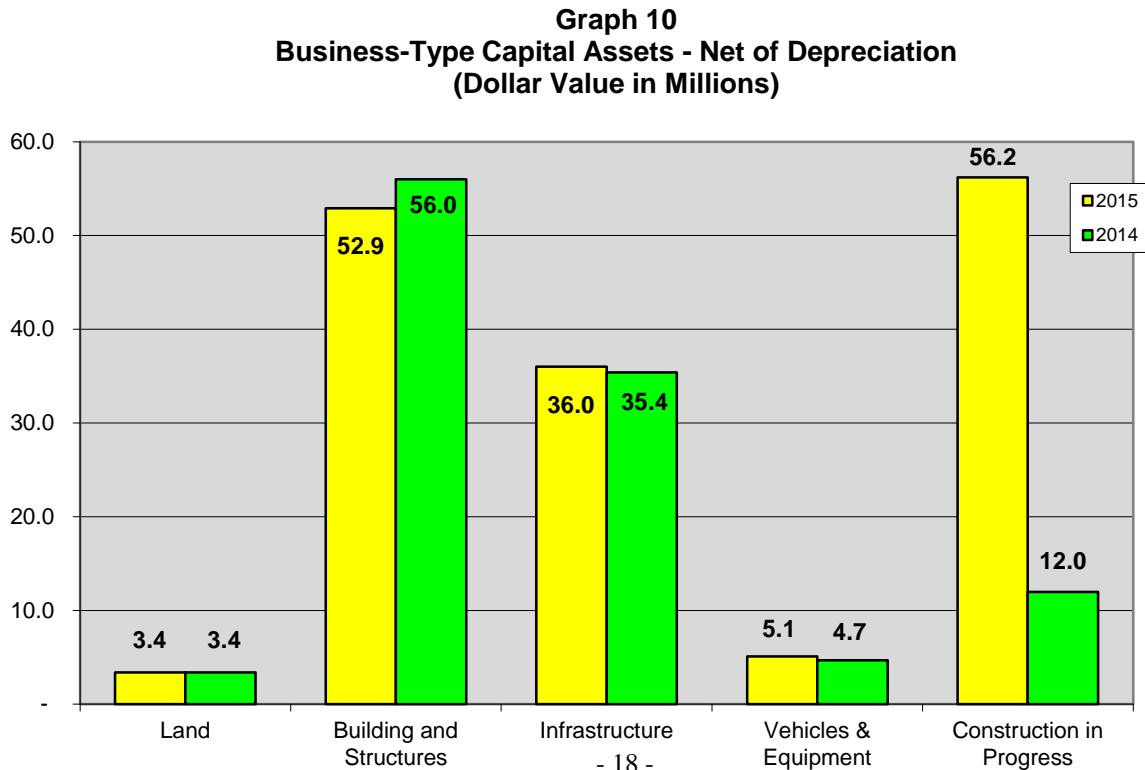
More detailed information about the City's capital assets is presented in Note 7 to the basic financial statements.

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The graph below reflects the City's governmental activities capital assets, net of accumulated depreciation, for December 31, 2015 and 2014:



The graph below reflects the City's business-type activities capital assets, net of accumulated depreciation, for December 31, 2015 and 2014:



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Debt

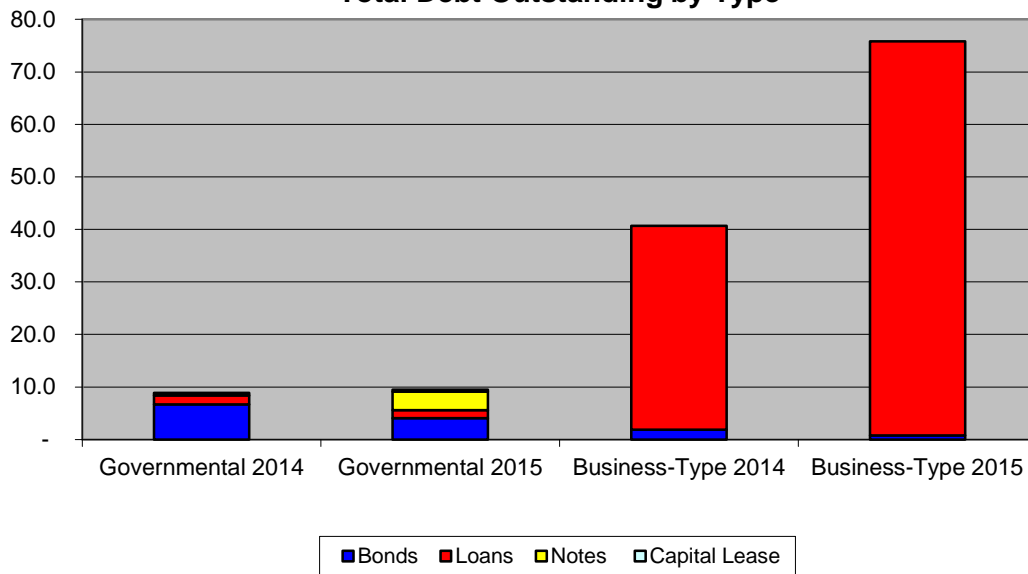
At December 31, 2015, the City had \$4.1 million in governmental activities general obligation bonds.

Table 11
General Obligation Bond Debt Outstanding at Year End

	Governmental Activities	
	2015	2014
Unvoted General Obligation Bonds:		
2009 Refunding Bonds	\$ 3.0	\$ 4.0
2006 Various Purpose	1.1	2.7
Total Unvoted General Obligation Bonds	\$ 4.1	\$ 6.7

At December 31, 2015, the City had outstanding long-term debt obligations in the amount of \$4.1 million down from \$6.7 million in 2014 for the governmental activities this represents a 38.81 percent decrease. The City's business-type activities debt obligation as of December 31, 2015 was \$75.8 million which is an increase from \$40.8 million in 2014 this represents an increase of 46.17 percent. The breakout on debt is presented in the graph below.

Graph 12
Total Debt Outstanding by Type



During 2015, the City issued \$8.3 million in notes payable and retired \$3.4 million in notes payable. The balance of the City's notes payable at December 31, 2015 is \$8.3 million. See Note 11 to the basic financial statements for more information on the City's note obligations.

In 2015, no adjustments were made to the City's credit rating; however, in 2012 Moody's Investor Services confirmed the City's rating of A1 and changed its negative outlook to stable. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City negative outlook on a general obligation bond issue. Fitch Rating service did not evaluate the City in 2013; however, Fitch had previously downgraded the City from AA- to A+ but said its outlook is stable. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 9 to the basic financial statements.

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FOR THE YEAR ENDED DECEMBER 31, 2015**

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).

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CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets:				
Equity in pooled cash and cash equivalents	\$ 21,204,487	\$ 31,158,828	\$ 52,363,315	\$ 18,434
Cash with fiscal agent	3,019	-	3,019	-
Receivables:				
Income taxes	7,760,179	-	7,760,179	-
Property taxes	6,272,050	-	6,272,050	-
Accounts	4,915,389	9,807,719	14,723,108	-
Accrued interest	92,334	-	92,334	-
Due from other governments	10,182,641	814,835	10,997,476	-
Loans receivable	2,906,739	-	2,906,739	-
Materials and supplies inventory	411,940	2,407,241	2,819,181	-
Net pension asset	85,384	44,162	129,546	-
Internal balance	(1,970,261)	1,970,261	-	-
Capital assets:				
Land and construction in progress	32,709,419	59,624,450	92,333,869	701,061
Depreciable capital assets, net	91,229,530	93,982,122	185,211,652	1,836,893
Total capital assets, net	<u>123,938,949</u>	<u>153,606,572</u>	<u>277,545,521</u>	<u>2,537,954</u>
Total assets	<u>175,802,850</u>	<u>199,809,618</u>	<u>375,612,468</u>	<u>2,556,388</u>
Deferred outflows of resources:				
Pension	<u>9,892,077</u>	<u>1,798,066</u>	<u>11,690,143</u>	<u>-</u>
Liabilities:				
Accounts payable	3,155,184	3,699,493	6,854,677	2,452
Accrued wages and benefits payable	2,214,561	581,286	2,795,847	2,032
Due to other governments	569,413	104,782	674,195	-
Retainage payable	1,004,298	2,274,619	3,278,917	-
Accrued interest payable	54,527	2,576	57,103	-
Note payable	8,300,000	-	8,300,000	-
Claims payable	3,128,969	-	3,128,969	-
Long-term liabilities:				
Due within one year	7,993,064	3,021,787	11,014,851	-
Due in more than one year:				
Net pension liability	70,140,155	9,792,219	79,932,374	-
Other amounts due in more than one year	10,274,545	72,776,979	83,051,524	-
Total liabilities	<u>106,834,716</u>	<u>92,253,741</u>	<u>199,088,457</u>	<u>4,484</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	4,784,043	-	4,784,043	-
Pension	<u>383,996</u>	<u>185,506</u>	<u>569,502</u>	<u>-</u>
Total deferred inflows of resources	<u>5,168,039</u>	<u>185,506</u>	<u>5,353,545</u>	<u>-</u>
Net position:				
Net investment in capital assets	114,318,575	75,533,187	189,851,762	2,537,954
Restricted for:				
Community development programs	7,546,271	-	7,546,271	-
Street construction, maintenance, and repair	2,473,285	-	2,473,285	-
Public health service programs	2,620,036	-	2,620,036	-
Safety and security programs and supplies	1,456,536	-	1,456,536	-
Court programs	1,610,779	-	1,610,779	-
City-owned parking decks	5,380	-	5,380	-
Other purposes	1,660,518	-	1,660,518	-
Debt service	54,923	-	54,923	-
Capital projects	4,216,076	-	4,216,076	-
Unrestricted (deficit)	<u>(62,270,207)</u>	<u>33,635,250</u>	<u>(28,634,957)</u>	<u>13,950</u>
Total net position	<u>\$ 73,692,172</u>	<u>\$ 109,168,437</u>	<u>\$ 182,860,609</u>	<u>\$ 2,551,904</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
<i>Governmental activities:</i>				
General government.	\$ 20,813,879	\$ 6,874,453	\$ 480,440	\$ -
Security of persons and property	42,879,044	4,165,429	2,752,007	-
Public health	6,186,052	833,992	3,246,157	-
Transportation.	14,538,968	28,361	2,242,098	13,546,094
Community environment	12,051,165	2,044,571	815,893	-
Leisure time activities.	3,417,987	45,781	250,846	364,262
Economic development	263,186	-	-	-
Interest and fiscal charges.	386,900	168	-	-
Total governmental activities	<u>100,537,181</u>	<u>13,992,755</u>	<u>9,787,441</u>	<u>13,910,356</u>
<i>Business-type activities:</i>				
Water	14,174,629	17,576,612	-	9,770
Sewer	14,155,798	14,925,552	-	-
Refuse.	6,354,269	5,762,077	121,130	-
Total business-type activities.	<u>34,684,696</u>	<u>38,264,241</u>	<u>121,130</u>	<u>9,770</u>
Total primary government	<u>\$ 135,221,877</u>	<u>\$ 52,256,996</u>	<u>\$ 9,908,571</u>	<u>\$ 13,920,126</u>
Component Unit:				
CCIC	<u>\$ 334,901</u>	<u>\$ -</u>	<u>\$ 201,731</u>	<u>\$ -</u>

General revenues:

Municipal income taxes levied for:

General purposes	
Capital outlay	
Property and other taxes	
Payment in lieu of taxes.	
Grants and entitlements not restricted to specific programs. . .	
Interest and investment earnings	
Increase in fair value of investments.	
Loss on disposal of capital assets	
Miscellaneous	

Total general revenues.

Change in net position.

Net position at beginning of year (restated)

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	CCIC
\$ (13,458,986)	\$ -	\$ (13,458,986)	\$ -
(35,961,608)	-	(35,961,608)	-
(2,105,903)	-	(2,105,903)	-
1,277,585	-	1,277,585	-
(9,190,701)	-	(9,190,701)	-
(2,757,098)	-	(2,757,098)	-
(263,186)	-	(263,186)	-
(386,732)	-	(386,732)	-
<u>(62,846,629)</u>	<u>-</u>	<u>(62,846,629)</u>	<u>-</u>
-	3,411,753	3,411,753	-
-	769,754	769,754	-
-	(471,062)	(471,062)	-
<u>-</u>	<u>3,710,445</u>	<u>3,710,445</u>	<u>-</u>
<u>(62,846,629)</u>	<u>3,710,445</u>	<u>(59,136,184)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(133,170)</u>
34,413,587	-	34,413,587	-
10,601,170	-	10,601,170	-
4,463,752	-	4,463,752	-
43,687	-	43,687	-
6,815,424	-	6,815,424	-
433,892	-	433,892	-
75	-	75	-
-	(10,410)	(10,410)	(82,079)
<u>4,060,485</u>	<u>877,805</u>	<u>4,938,290</u>	<u>76,565</u>
<u>60,832,072</u>	<u>867,395</u>	<u>61,699,467</u>	<u>(5,514)</u>
<u>(2,014,557)</u>	<u>4,577,840</u>	<u>2,563,283</u>	<u>(138,684)</u>
<u>75,706,729</u>	<u>104,590,597</u>	<u>180,297,326</u>	<u>2,690,588</u>
<u>\$ 73,692,172</u>	<u>\$ 109,168,437</u>	<u>\$ 182,860,609</u>	<u>\$ 2,551,904</u>

CITY OF CANTON
STARK COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	<u>General</u>	<u>Community and Economic Development</u>	<u>Capital Projects</u>	<u>Motor Vehicle Purchase</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,524,076	\$ 663,580	\$ 2,255,893	\$ 21,113
Cash with fiscal agent.	-	-	-	-
Receivables:				
Accounts	2,059,986	2,705,512	14,165	-
Interfund loans.	61,960	-	-	-
Accrued interest	92,334	-	-	-
Municipal income taxes	5,820,134	-	1,552,036	388,009
Property and other taxes	2,754,516	-	-	-
Due from other funds.	47,798	-	154,576	-
Due from other governments.	3,186,599	3,294,210	26,778	-
Loans receivable	1,949,995	956,744	-	-
Materials and supplies inventory.	308,956	-	-	-
Total assets.	<u>\$ 17,806,354</u>	<u>\$ 7,620,046</u>	<u>\$ 4,003,448</u>	<u>\$ 409,122</u>
Liabilities:				
Accounts payable.	\$ 884,725	\$ 206,905	\$ 243,575	\$ 800
Accrued wages and benefits payable.	1,804,146	7,201	68,929	-
Retainage payable	-	-	-	-
Interfund loans payable.	2,000,000	-	-	-
Due to other funds	127,574	187,857	2,947	-
Due to other governments	459,742	19,535	11,966	-
Note payable	8,300,000	-	-	-
Accrued interest payable	11,370	-	-	-
Total liabilities	<u>13,587,557</u>	<u>421,498</u>	<u>327,417</u>	<u>800</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,043,713	-	-	-
Delinquent property tax revenue not available	710,803	-	-	-
Accrued interest not available	34,644	-	-	-
Miscellaneous revenue not available	271,965	-	-	-
Income tax revenue not available.	1,441,271	-	384,339	96,085
Charges for services revenue not available	1,342,420	2,705,452	-	-
Intergovernmental revenue not available	1,598,037	3,041,960	-	-
Total deferred inflows of resources.	<u>7,442,853</u>	<u>5,747,412</u>	<u>384,339</u>	<u>96,085</u>
Fund balances:				
Nonspendable.	409,573	-	-	-
Restricted	-	1,451,136	-	312,237
Committed	836,374	-	3,291,692	-
Unassigned (deficit).	(4,470,003)	-	-	-
Total fund balances (deficit)	<u>(3,224,056)</u>	<u>1,451,136</u>	<u>3,291,692</u>	<u>312,237</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 17,806,354</u>	<u>\$ 7,620,046</u>	<u>\$ 4,003,448</u>	<u>\$ 409,122</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 11,929,708	\$ 16,394,370
3,019	3,019
23,157	4,802,820
-	61,960
-	92,334
-	7,760,179
3,517,534	6,272,050
11,044	213,418
3,675,054	10,182,641
-	2,906,739
102,984	411,940
<u>\$ 19,262,500</u>	<u>\$ 49,101,470</u>
\$ 1,817,274	\$ 3,153,279
217,412	2,097,688
1,004,298	1,004,298
61,960	2,061,960
28,462	346,840
60,113	551,356
-	8,300,000
-	11,370
<u>3,189,519</u>	<u>17,526,791</u>
2,740,330	4,784,043
777,204	1,488,007
-	34,644
12,204	284,169
-	1,921,695
5,767	4,053,639
1,423,361	6,063,358
<u>4,958,866</u>	<u>18,629,555</u>
102,984	512,557
10,762,049	12,525,422
1,187,634	5,315,700
(938,552)	(5,408,555)
<u>11,114,115</u>	<u>12,945,124</u>
<u>\$ 19,262,500</u>	<u>\$ 49,101,470</u>

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CITY OF CANTON
STARK COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015

Total governmental fund balances		\$	12,945,124
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			123,938,949
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Delinquent property taxes receivable	\$	1,488,007	
Income taxes receivable		1,921,695	
Accounts receivable		4,337,808	
Intergovernmental receivable		6,063,358	
Accrued interest receivable		34,644	
Total		34,644	13,845,512
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund, including an internal balance of \$13,232, are included in governmental activities on the statement of net position.			(6,391,490)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(43,157)
The net pension asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:			
Deferred outflows of resources - pension		9,892,077	
Deferred inflows of resources - pension		(383,996)	
Net pension asset		85,384	
Net pension liability		(70,140,155)	
Total		(70,140,155)	(60,546,690)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(4,142,229)	
Loans payable		(2,016,596)	
Notes payable		(3,500,000)	
Capital lease obligations		(397,251)	
Total		(10,056,076)	(10,056,076)
Net position of governmental activities		\$	73,692,172

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>General</u>	<u>Community and Economic Development</u>	<u>Capital Projects</u>	<u>Motor Vehicle Purchase</u>
Revenues:				
Property and other taxes	\$ 1,888,100	\$ -	\$ -	\$ -
Municipal income taxes	35,672,559	-	8,816,663	2,204,164
Charges for services	9,282,812	99,175	-	-
Licenses, permits, and fees.	1,277,878	-	-	-
Fines and forfeitures	275,027	-	-	-
Intergovernmental	7,101,914	-	26,778	-
Interest and investment income	374,430	19,982	-	-
Rental income	8,175	-	-	1,000
Contributions and donations	-	-	-	-
Operating grants	713,864	3,621,227	-	-
Capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Increase in fair value of investments.	75	-	-	-
Other.	1,361,329	98,395	46,915	11,650
Total revenues	<u>57,956,163</u>	<u>3,838,779</u>	<u>8,890,356</u>	<u>2,216,814</u>
Expenditures:				
Current:				
General government	17,769,806	-	636,613	347,965
Security of persons and property.	35,959,750	-	324,308	906,543
Public health.	2,317,356	-	-	6,423
Transportation	1,987,044	-	1,927,821	272,337
Community environment.	7,959,977	3,991,763	-	-
Leisure time activities	333,118	-	-	-
Economic development.	263,186	-	-	-
Capital outlay	-	-	3,645,326	869,262
Debt service:				
Principal retirement	445,000	-	2,372,801	107,361
Interest and fiscal charges	145,153	-	210,046	13,524
Total expenditures	<u>67,180,390</u>	<u>3,991,763</u>	<u>9,116,915</u>	<u>2,523,415</u>
Deficiency of revenues under expenditures	<u>(9,224,227)</u>	<u>(152,984)</u>	<u>(226,559)</u>	<u>(306,601)</u>
Other financing sources:				
Issuance of notes	-	-	-	-
Issuance of loans.	-	-	110,458	-
Sale of capital assets.	-	56,034	3,954	18,029
Transfers in	-	-	-	-
Transfers (out).	(80,000)	-	-	-
Total other financing sources	<u>(80,000)</u>	<u>56,034</u>	<u>114,412</u>	<u>18,029</u>
Net change in fund balances.	(9,304,227)	(96,950)	(112,147)	(288,572)
Fund balances at beginning of year	<u>6,080,171</u>	<u>1,548,086</u>	<u>3,403,839</u>	<u>600,809</u>
Fund balances (deficit) at end of year	<u>\$ (3,224,056)</u>	<u>\$ 1,451,136</u>	<u>\$ 3,291,692</u>	<u>\$ 312,237</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,428,878	\$ 4,316,978
-	46,693,386
1,656,348	11,038,335
221,231	1,499,109
188,547	463,574
3,447,142	10,575,834
32,273	426,685
60,637	69,812
29,356	29,356
4,520,870	8,855,961
13,546,094	13,546,094
43,687	43,687
-	75
453,204	1,971,493
<u>26,628,267</u>	<u>99,530,379</u>
1,090,887	19,845,271
2,901,913	40,092,514
3,652,696	5,976,475
2,353,761	6,540,963
80,243	12,031,983
2,352,729	2,685,847
-	263,186
15,821,464	20,336,052
75,115	3,000,277
6,410	375,133
<u>28,335,218</u>	<u>111,147,701</u>
<u>(1,706,951)</u>	<u>(11,617,322)</u>
3,500,000	3,500,000
563,277	673,735
-	78,017
80,000	80,000
-	(80,000)
<u>4,143,277</u>	<u>4,251,752</u>
2,436,326	(7,365,570)
8,677,789	20,310,694
<u>\$ 11,114,115</u>	<u>\$ 12,945,124</u>

CITY OF CANTON
STARK COUNTY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Net change in fund balances - total governmental funds \$ (7,365,570)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.

Capital asset additions	\$ 18,051,946	
Current year depreciation	(8,033,748)	
Total	10,018,198	

Contributed capital assets are not reported in the governmental funds; however, these contributions increase assets on the statement of net position. 364,262

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (143,817)

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

Property and other taxes	146,774	
Municipal income taxes	(1,678,629)	
Intergovernmental revenue	22,421	
Operating grants	(2,881,707)	
Charges for services	922,965	
Interest	7,207	
Miscellaneous	3,614	
Total	(3,457,355)	

The issuance of loans and notes are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position. (4,173,735)

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

General obligation bond principal payments	2,554,541	
Loan principal payments	312,621	
Capital lease principal payments	133,115	
Total	3,000,277	

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. (11,767)

Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows. 6,664,444

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities. (7,106,583)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds, including an internal balance activity of \$56,309, is reported with the governmental activities on the government-wide statement of net position. 197,089

Change in net position of governmental activities \$ (2,014,557)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 1,820,800	\$ 1,820,800	\$ 1,888,100	\$ 67,300
Municipal income taxes	34,800,000	33,577,409	33,132,643	(444,766)
Charges for services	7,330,579	8,839,792	8,569,029	(270,763)
Licenses, permits, and fees	1,300,200	1,304,200	1,279,552	(24,648)
Fines and forfeitures	157,000	188,000	257,504	69,504
Intergovernmental	6,258,113	5,828,491	5,831,029	2,538
Interest and investment income	157,000	257,000	303,838	46,838
Rental income	7,494	7,494	8,175	681
Operating grants	90,000	558,435	714,079	155,644
Other	1,205,071	1,230,002	1,175,710	(54,292)
Total revenues	<u>53,126,257</u>	<u>53,611,623</u>	<u>53,159,659</u>	<u>(451,964)</u>
Expenditures:				
Current:				
General government:				
Service director support administration	814,600	791,028	780,523	10,505
Service director	123,439	119,656	116,294	3,362
Purchase administration	466,675	458,836	458,723	113
Annexation	9,505	8,075	8,060	15
Building and maintenance	1,266,692	1,235,910	1,213,533	22,377
Mayor administration	422,885	410,130	409,274	856
Human resources	134,422	140,964	140,698	266
Council	670,956	662,173	661,528	645
Judges	2,331,798	2,323,259	2,321,875	1,384
Clerk of Courts	1,591,533	1,598,769	1,598,280	489
Law department	1,577,368	1,562,374	1,558,974	3,400
Auditor's office	1,839,469	1,860,425	1,837,815	22,610
Treasurer's office	462,973	588,111	583,680	4,431
Civil service	343,063	350,848	350,814	34
Zoning board	8,605	8,605	8,567	38
Management information systems	1,170,250	1,210,919	1,210,063	856
Total general government	<u>13,234,233</u>	<u>13,330,082</u>	<u>13,258,701</u>	<u>71,381</u>
Security of persons and property:				
Safety director	189,841	187,563	187,413	150
Code enforcement	982,767	875,287	872,959	2,328
Safety director school police administration	135,010	122,465	122,457	8
Central communication	1,690,589	1,820,163	1,818,984	1,179
Police	16,622,507	16,646,353	16,641,327	5,026
Fire	14,854,800	15,363,566	15,339,769	23,797
Traffic administration	395,497	678,001	677,855	146
Traffic engineer/parking meters	139,997	160,303	160,035	268
Total security of persons and property	<u>35,011,008</u>	<u>35,853,701</u>	<u>35,820,799</u>	<u>32,902</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health:				
Administration	780,089	798,267	795,846	2,421
Nurses	822,014	820,182	815,582	4,600
Lab.	320,783	286,093	284,720	1,373
Air pollution.	-	-	-	-
Environmental health administration	481,019	502,153	501,654	499
Total public health	<u>2,403,905</u>	<u>2,406,695</u>	<u>2,397,802</u>	<u>8,893</u>
Transportation:				
Engineering - daily operations.	66,862	66,376	66,321	55
Street department	1,992,974	2,044,224	2,039,060	5,164
Total transportation	<u>2,059,836</u>	<u>2,110,600</u>	<u>2,105,381</u>	<u>5,219</u>
Community environment:				
Community development administration.	1,296,746	3,378,111	3,252,863	125,248
Community Improvement Corporation.	250,000	256,361	256,362	(1)
Land reutilization.	-	27,425	27,426	(1)
HOF village Project	-	5,000,000	5,000,000	-
Total community environment	<u>1,546,746</u>	<u>8,661,897</u>	<u>8,536,651</u>	<u>125,246</u>
Leisure time activities:				
Civic Center administration	371,327	409,619	395,374	14,245
Total leisure time activities.	<u>371,327</u>	<u>409,619</u>	<u>395,374</u>	<u>14,245</u>
Debt service:				
Principal retirement	4,645,000	6,645,000	6,645,000	-
Interest and fiscal charges	271,400	295,681	141,564	154,117
Total debt service.	<u>4,916,400</u>	<u>6,940,681</u>	<u>6,786,564</u>	<u>154,117</u>
Total expenditures	<u>59,543,455</u>	<u>69,713,275</u>	<u>69,301,272</u>	<u>412,003</u>
Excess of revenues over (under) expenditures	<u>(6,417,198)</u>	<u>(16,101,652)</u>	<u>(16,141,613)</u>	<u>(39,961)</u>
Other financing sources (uses):				
Issuance of notes.	1,300,000	8,300,000	8,300,000	-
Issuance of manuscript debt.	2,400,000	3,400,000	3,500,000	100,000
Transfers in	114,000	114,000	-	(114,000)
Transfers (out).	(385,200)	(241,200)	(241,200)	-
Advances in	500,000	500,000	-	(500,000)
Advances (out).	(700,000)	(561,960)	(61,960)	500,000
Total other financing sources (uses).	<u>3,228,800</u>	<u>11,510,840</u>	<u>11,496,840</u>	<u>(14,000)</u>
Net change in fund balance.	(3,188,398)	(4,590,812)	(4,644,773)	(53,961)
Fund balance at beginning of year (restated)	3,496,220	3,496,220	3,496,220	-
Prior year encumbrances appropriated (restated)	1,805,718	1,805,718	1,805,718	-
Fund balance at end of year	<u>\$ 2,113,540</u>	<u>\$ 711,126</u>	<u>\$ 657,165</u>	<u>\$ (53,961)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY AND ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 99,175	\$ 79,175
Operating grants	6,353,983	9,618,236	4,021,857	(5,596,379)
Other	150,000	174,149	261,083	86,934
Total revenues	<u>6,523,983</u>	<u>9,812,385</u>	<u>4,382,115</u>	<u>(5,430,270)</u>
Expenditures:				
Current:				
Community environment:				
Youth development	-	2,300	2,300	-
Community development administration	2,889,438	7,437,121	4,807,574	2,629,547
Federal stimulus funding	-	31,770	14,730	17,040
Community development demolition	220,000	1,561,280	558,916	1,002,364
Fair housing administration.	156,513	80,286	67,430	12,856
Total expenditures	<u>3,265,951</u>	<u>9,112,757</u>	<u>5,450,950</u>	<u>3,661,807</u>
Excess of revenues over (under) expenditures	<u>3,258,032</u>	<u>699,628</u>	<u>(1,068,835)</u>	<u>(1,768,463)</u>
Other financing sources:				
Sale of assets	-	-	56,034	56,034
Total other financing sources.	<u>-</u>	<u>-</u>	<u>56,034</u>	<u>56,034</u>
Net change in fund balance	3,258,032	699,628	(1,012,801)	(1,712,429)
Fund balance (deficit) at beginning of year.	(2,001,987)	(2,001,987)	(2,001,987)	-
Prior year encumbrances appropriated	2,266,815	2,266,815	2,266,815	-
Fund balance (deficit) at end of year	<u>\$ 3,522,860</u>	<u>\$ 964,456</u>	<u>\$ (747,973)</u>	<u>\$ (1,712,429)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents.	\$ 9,661,793	\$ 20,454,095	\$ 1,042,940	\$ 31,158,828	\$ 4,810,117
Receivables:					
Accounts	4,110,431	3,683,446	2,013,842	9,807,719	112,569
Interfund loans.	2,000,000	-	-	2,000,000	-
Due from other funds.	-	-	-	-	149,929
Due from other governments	-	729,182	85,653	814,835	-
Materials and supplies inventory	1,366,507	1,040,734	-	2,407,241	-
Total current assets	<u>17,138,731</u>	<u>25,907,457</u>	<u>3,142,435</u>	<u>46,188,623</u>	<u>5,072,615</u>
Non-current assets:					
Net pension asset	18,751	14,581	10,830	44,162	-
Capital assets:					
Land and construction in progress	14,665,513	44,814,937	144,000	59,624,450	-
Depreciable capital assets, net	55,745,592	36,231,988	2,004,542	93,982,122	-
Total capital assets, net.	<u>70,411,105</u>	<u>81,046,925</u>	<u>2,148,542</u>	<u>153,606,572</u>	<u>-</u>
Total assets.	<u>87,568,587</u>	<u>106,968,963</u>	<u>5,301,807</u>	<u>199,839,357</u>	<u>5,072,615</u>
Deferred outflows of resources:					
Pension	763,438	593,673	440,955	1,798,066	-
Liabilities:					
Current liabilities:					
Accounts payable.	622,316	2,958,902	118,275	3,699,493	1,905
Retainage payable	273,832	2,000,787	-	2,274,619	-
Accrued wages and benefits payable	254,533	193,430	133,323	581,286	116,873
Due to other funds	11,646	2,863	1,998	16,507	-
Due to other governments	53,481	30,685	20,616	104,782	18,057
Accrued interest payable	1,984	592	-	2,576	-
General obligation bonds payable	595,122	177,648	-	772,770	-
OWDA loans payable	1,263,040	887,928	-	2,150,968	-
OPWC loans payable.	89,588	8,461	-	98,049	-
Compensated absences payable	-	-	-	-	2,100,043
Claims payable.	-	-	-	-	1,965,808
Total current liabilities	<u>3,165,542</u>	<u>6,261,296</u>	<u>274,212</u>	<u>9,701,050</u>	<u>4,202,686</u>
Non-current liabilities:					
OWDA loans payable	28,434,504	43,023,697	-	71,458,201	-
OPWC loans payable	1,258,810	59,968	-	1,318,778	-
Compensated absences payable	-	-	-	-	6,111,490
Claims payable.	-	-	-	-	1,163,161
Net pension liability	4,157,658	3,233,130	2,401,431	9,792,219	-
Total non-current liabilities.	<u>33,850,972</u>	<u>46,316,795</u>	<u>2,401,431</u>	<u>82,569,198</u>	<u>7,274,651</u>
Total liabilities.	<u>37,016,514</u>	<u>52,578,091</u>	<u>2,675,643</u>	<u>92,270,248</u>	<u>11,477,337</u>
Deferred inflows of resources:					
Pension	78,764	61,249	45,493	185,506	-
Net position:					
Net investment in capital assets.	38,496,209	34,888,436	2,148,542	75,533,187	-
Unrestricted (deficit)	12,740,538	20,034,860	873,084	33,648,482	(6,404,722)
Total net position (deficit).	<u>\$ 51,236,747</u>	<u>\$ 54,923,296</u>	<u>\$ 3,021,626</u>	<u>109,181,669</u>	<u>\$ (6,404,722)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(13,232)	
Net position of business-type activities				<u>\$ 109,168,437</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	
Operating revenues:					
Charges for services	\$ 17,550,627	\$ 14,925,052	\$ 5,762,077	\$ 38,237,756	\$ 15,392,230
Rental income	25,985	500	-	26,485	-
Other	58,468	818,774	563	877,805	2,085,338
Total operating revenues	<u>17,635,080</u>	<u>15,744,326</u>	<u>5,762,640</u>	<u>39,142,046</u>	<u>17,477,568</u>
Operating expenses:					
Personal services	6,695,022	5,286,079	3,887,122	15,868,223	169,298
Contract services	2,596,706	5,747,635	1,874,314	10,218,655	1,148,270
Materials and supplies	1,149,145	688,901	268,430	2,106,476	278
Benefit claim expenses	-	-	-	-	4,608,929
Insurance claims and expenses	34,192	32,604	5,115	71,911	11,296,115
Depreciation	2,998,016	2,233,976	315,931	5,547,923	-
Other	14,912	49,345	16,276	80,533	1,280
Total operating expenses	<u>13,487,993</u>	<u>14,038,540</u>	<u>6,367,188</u>	<u>33,893,721</u>	<u>17,224,170</u>
Operating income (loss)	<u>4,147,087</u>	<u>1,705,786</u>	<u>(604,548)</u>	<u>5,248,325</u>	<u>253,398</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(711,282)	(136,002)	-	(847,284)	-
Gain (loss) on disposal of capital assets	2,799	70,367	(83,576)	(10,410)	-
Operating grants	-	-	121,130	121,130	-
Total nonoperating revenues (expenses)	<u>(708,483)</u>	<u>(65,635)</u>	<u>37,554</u>	<u>(736,564)</u>	<u>-</u>
Income (loss) before capital contributions	3,438,604	1,640,151	(566,994)	4,511,761	253,398
Capital contributions	9,770	-	-	9,770	-
Change in net position	3,448,374	1,640,151	(566,994)	4,521,531	253,398
Net position (deficit) at beginning of year (restated)	<u>47,788,373</u>	<u>53,283,145</u>	<u>3,588,620</u>		<u>(6,658,120)</u>
Net position (deficit) at end of year	<u>\$ 51,236,747</u>	<u>\$ 54,923,296</u>	<u>\$ 3,021,626</u>		<u>\$ (6,404,722)</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				56,309	
Change in net position of business-type activities				<u>\$ 4,577,840</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	
Cash flows from operating activities:					
Cash received from charges for services	\$ 16,793,513	\$ 14,229,448	\$ 5,861,276	\$ 36,884,237	\$ 15,392,230
Cash received from rents	25,985	500	-	26,485	-
Cash received from other operations	33,818	666,735	563	701,116	2,082,517
Cash payments for personal services	(6,731,951)	(5,333,575)	(3,908,037)	(15,973,563)	(168,686)
Cash payments for contractual services	(2,565,336)	(5,713,678)	(1,869,258)	(10,148,272)	(1,306,318)
Cash payments for materials and supplies	(1,154,649)	(661,512)	(261,548)	(2,077,709)	(278)
Cash payments for claims	(34,192)	(32,604)	(5,115)	(71,911)	-
Cash payments for insurance claims	-	-	-	-	(12,679,256)
Cash payments for benefits claims	-	-	-	-	(3,833,286)
Cash payments for other expenses	(22,411)	(54,100)	(16,535)	(93,046)	(1,280)
Net cash provided by (used in) operating activities	<u>6,344,777</u>	<u>3,101,214</u>	<u>(198,654)</u>	<u>9,247,337</u>	<u>(514,357)</u>
Cash flows from noncapital financing activities:					
Issuance of manuscript debt	(2,000,000)	-	-	(2,000,000)	-
Cash received from grants and subsidies	-	-	52,335	52,335	-
Net cash provided by (used in) noncapital financing activities	<u>(2,000,000)</u>	<u>-</u>	<u>52,335</u>	<u>(1,947,665)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(12,390,340)	(31,122,664)	(279,045)	(43,792,049)	-
Capital contributions	9,770	-	-	9,770	-
Proceeds from sale of capital assets	2,799	70,367	32,674	105,840	-
Proceeds of loans	8,597,076	28,892,391	-	37,489,467	-
Principal paid on bonds	(874,434)	(261,026)	-	(1,135,460)	-
Interest paid on bonds	(58,782)	(17,547)	-	(76,329)	-
Principal paid on OPWC loans	(6,310)	(5,395)	-	(11,705)	-
Principal paid on OWDA loans	(1,223,758)	(864,083)	-	(2,087,841)	-
Interest paid on OWDA loans	(655,415)	(119,325)	-	(774,740)	-
Net cash used in capital and related financing activities	<u>(6,599,394)</u>	<u>(3,427,282)</u>	<u>(246,371)</u>	<u>(10,273,047)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(2,254,617)	(326,068)	(392,690)	(2,973,375)	(514,357)
Cash and cash equivalents at beginning of year	<u>11,916,410</u>	<u>20,780,163</u>	<u>1,435,630</u>	<u>34,132,203</u>	<u>5,324,474</u>
Cash and cash equivalents at end of year	<u>\$ 9,661,793</u>	<u>\$ 20,454,095</u>	<u>\$ 1,042,940</u>	<u>\$ 31,158,828</u>	<u>\$ 4,810,117</u>

(Continued)

CITY OF CANTON
 STARK COUNTY, OHIO
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 4,147,087	\$ 1,705,786	\$ (604,548)	\$ 5,248,325	\$ 253,398
Adjustments:					
Depreciation	2,998,016	2,233,976	315,931	5,547,923	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable.	(771,014)	(853,018)	93,824	(1,530,208)	(2,821)
(Increase) decrease in materials and supplies inventory	22,992	(60)	-	22,932	-
Decrease in due from other funds	-	5,375	5,375	10,750	36,053
Increase (decrease) in accounts payable	(4,417)	58,546	11,661	65,790	(158,048)
Increase (decrease) in accrued wages and benefits	31,178	14,748	21,916	67,842	(8,449)
(Decrease) in due to other funds	(10,105)	(6,814)	(3,354)	(20,273)	-
Increase (decrease) in due to other governments	5,252	383	3,404	9,039	(1,305)
(Increase) in net pension asset	(13,641)	(10,607)	(7,878)	(32,126)	-
(Increase) in deferred outflows of resources - pension	(233,243)	(181,376)	(134,719)	(549,338)	-
Increase in deferred inflows of resources - pension	78,764	61,249	45,493	185,506	-
Increase in net pension liability	93,908	73,026	54,241	221,175	-
Increase in compensated absences payable.	-	-	-	-	749,956
(Decrease) in claims payable	-	-	-	-	(1,383,141)
Net cash provided by (used in) operating activities.	<u>\$ 6,344,777</u>	<u>\$ 3,101,214</u>	<u>\$ (198,654)</u>	<u>\$ 9,247,337</u>	<u>\$ (514,357)</u>

Non-Cash Transactions:

As of December 31, 2015, the water operating fund and sewer operating fund had purchased \$501,088 and \$4,507,855, in capital assets on account, respectively

As of December 31, 2014, the water operating fund, sewer operating fund, and refuse operating fund had purchased \$152,754, \$826,276, and \$1,442 in capital assets on account, respectively.

During 2015, the City reported a \$729,182 receivable for OWDA loan proceeds disbursed by OWDA but not received by the City by year-end.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

	Private-Purpose Trust	
	Hartford Houtz	Agency
Assets:		
Equity in pooled cash and cash equivalents.	\$ -	\$ 2,649,105
Cash and cash equivalents in segregated accounts	34,391	65,109
Investments in segregated accounts	118,534	-
Receivables:		
Accounts	-	6,570
Total assets	\$ 152,925	\$ 2,720,784
Liabilities:		
Due to other governments.	\$ -	\$ 305,850
Undistributed assets	-	65,109
Deposits held and due to others	-	2,349,825
Total liabilities	-	\$ 2,720,784
Net position:		
Held in trust for individuals.	152,925	
Total net position	\$ 152,925	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Private-Purpose Trust
	Hartford Houtz
Additions:	
Investment income.	\$ 5,344
Net increase in fair market value of investments	331
Total additions.	5,675
Change in net position.	5,675
Net position at beginning of year.	147,250
Net position at end of year	\$ 152,925

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s Governing Board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the City has one component unit, the Canton Community Improvement Corporation (CCIC). The City has the voting majority on the CCIC’s Board with no other subdivisions having any representation, and the CCIC is completely dependent on the City for financial support. The City reports the financial status of the CCIC as a discretely presented component unit in its basic financial statements. A complete copy of the CCIC financial statements can be obtained by contacting the City’s Community and Economic Development Department. See Note 18 for detail.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

B. Fund Accounting

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

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

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

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

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

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

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5.A). Revenue from income taxes is recognized in the period in which the income is earned (see Note 5.B). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, delinquent property tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, and fees.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources have been reported for the following items related to the City's net pension liability: (1) the net difference between projected and actual investment earnings on pension plan assets, (2) the City's contributions to the pension systems subsequent to the measurement date and (3) differences between employer's contributions and the employer's proportional share of contributions.

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The City also reports deferred inflow of resources for the following items related to the City's net pension liability: (1) differences between expected and actual experience and (2) differences between employer's contributions and the employer's proportional share of contributions. These deferred inflows of resources are only reported on the government-wide statement of net position.

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.

E. Appropriations

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

F. Lapsing of Appropriations

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

G. Cash and Cash Equivalents

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

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

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

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

During 2015, investments were limited to Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Home Loan Bank (FHLB) securities, Commercial Paper, U.S. Treasury Notes, Repurchase Agreement and U.S. Government Money Market Mutual Funds. 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, are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2015 amounted to \$374,430, which includes \$341,223, assigned from other City funds.

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

H. Inventory

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

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City has no prepaid items.

J. Capital Assets

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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

K. Interfund Balances

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

L. Compensated Absences

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance

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

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes. When unassigned fund balance is a deficit in the general fund, assigned fund balance may not be presented in the general fund.

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

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

O. Net Position

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

P. Operating Revenues and Expenses

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

Q. Contributions of Capital

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

During 2015, the City recognized capital contributions of \$9,770 in the water operating fund related to capital grants funding.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

Additionally, the governmental activities received donated capital assets consisting of \$364,262 in land improvements and facility improvements to enhance City parks. These donated assets are reported as a component of capital grants and contributions on the statement of activities.

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2015.

T. Estimates

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

U. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For 2015, the City implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68".

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the City's pension plan disclosures, as presented in Note 13 to the financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

A net position restatement is required in order to implement GASB Statement No 68 and 71. The governmental activities and business-type activities at January 1, 2015 have been restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position as previously reported	\$ 135,811,280	\$ 112,900,877
Deferred outflows - payments subsequent to measurement date	6,519,376	1,248,728
Net pension asset	23,269	12,036
Net pension liability	<u>(66,647,196)</u>	<u>(9,571,044)</u>
Restated net position at January 1, 2015	<u>\$ 75,706,729</u>	<u>\$ 104,590,597</u>

In addition, the net position of the enterprise funds at January 1, 2015 have been restated as follows:

	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Refuse Operating Fund</u>
Net position as previously reported	\$ 51,316,818	\$ 56,026,978	\$ 5,626,622
Deferred outflows - payments subsequent to measurement date	530,195	412,297	306,236
Net pension asset	5,110	3,974	2,952
Net pension liability	<u>(4,063,750)</u>	<u>(3,160,104)</u>	<u>(2,347,190)</u>
Restated net position at January 1, 2015	<u>\$ 47,788,373</u>	<u>\$ 53,283,145</u>	<u>\$ 3,588,620</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on governmental fund balances.

B. Restatement of Budgetary Fund Balance

Fund balance at December 31, 2014 of the general fund as reported on the statement of revenues, expenditures and changes in fund balance – budget and actual (non-GAAP budgetary basis) has been restated to properly exclude funds that are combined for inclusion as the City’s general fund for reporting purposes but have legally separate adopted budgets. Restatement had the following effect on fund balance as previously reported:

Fund balance as previously reported	\$4,203,922
Exclude funds with legally separate adopted budgeted	<u>(707,702)</u>
Restated fund balance, January 1, 2015	<u>\$3,496,220</u>

In addition, the prior year encumbrances appropriated for the general fund as reported on the statement of revenues, expenditures and changes in fund balance – budget and actual (non-GAAP budgetary basis) has been restated from \$2,432,809 to \$1,805,718 to properly exclude prior year encumbrances appropriated for funds that are combined for inclusion as the City’s general fund for reporting purposes but have legally separate adopted budgets.

C. Deficit Fund Balances

Fund balances at December 31, 2015 included the following individual fund deficits:

	<u>Deficit</u>
<u>Major Governmental Fund</u>	
General	\$3,224,056
<u>Nonmajor Governmental Funds</u>	
Youth Development	13,070
12th Street N. Corridor Project Fund	658,661
Mahoning Road Corridor Project	194,147
Fulton Road Resurface Project	72,674
<u>Internal Service Funds:</u>	
Health Insurance Fund	699,647
Compensated Absences Claim Fund	6,898,721

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit in the general fund is primarily due to the issuance of short-term notes for various projects. The deficit fund balances resulted from adjustments for accrued liabilities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 (STAR Ohio).

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

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

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

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

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

Cash and Cash Equivalents in Segregated Accounts: At year end, the City had \$65,109 deposited with a financial institution for monies related to the municipal court agency fund. In addition, the City had \$1,680 deposited with a financial institution related to the private-purpose trust fund and \$32,711 of nonnegotiable certificates of deposit held in trust by financial institutions for the private-purpose trust fund. These accounts are maintained separate from the City's internal investment pool. The balances in these accounts are included in "deposits with financial institutions" below.

Investments in Segregated Accounts: At year end, the City had \$118,534 in municipal bond mutual funds held in trust for the private-purpose trust fund. The mutual funds are maintained separate from the City's internal investment pool. The balances of the mutual funds are included in "investments" below.

A. Deposits with Financial Institutions

At December 31, 2015, the carrying amount of all City deposits was \$12,251,743. Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*," as of December 31, 2015, \$12,569,518 of the City's bank balance of \$13,606,928 was exposed to custodial risk as discussed below, while \$1,037,410 was covered by the FDIC.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

As of December 31, 2015, the City had the following investments and maturity:

Investment type	Balance at Fair Value	Investment Maturity			
		1 Year or Less	1 to 2 Years	2 to 3 Years	Greater Than 3 Years
FFCB	\$ 4,088,350	\$ -	\$ 500,158	\$ 2,571,833	\$ 1,016,359
FHLB	8,957,991	998,859	2,143,299	4,824,092	991,741
FHLMC	4,865,818	-	997,246	1,994,990	1,873,582
FNMA	8,380,344	-	4,985,680	3,394,664	-
Commercial Paper	1,509,108	1,509,108	-	-	-
U.S. Treasury Notes	2,515,753	1,997,500	-	518,253	-
Repurchase Agreement	12,504,284	12,504,284	-	-	-
U.S. Government Money Market Mutual Funds	159,082	159,082	-	-	-
Total	\$ 42,980,730	\$ 17,168,833	\$ 8,626,383	\$ 13,303,832	\$ 3,881,682

Credit Risk: The City's investments in federal agency securities, U.S. Treasury notes and the federal agency securities that underlie repurchase agreement were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment in commercial paper was rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The municipal bond mutual funds were rated AAAM by Standard & Poor's. The City has no policy further restricting credit risk beyond the statutory guidelines, which limit investment choices.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The federal agency securities and U.S. Treasury notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the City Auditor or qualified trustee.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2015:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FFCB	\$ 4,088,350	9.51
FHLB	8,957,991	20.84
FHLMC	4,865,818	11.32
FNMA	8,380,344	19.50
Commercial Paper	1,509,108	3.51
U.S. Treasury Notes	2,515,753	5.85
Repurchase Agreement	12,504,284	29.10
U.S. Government Money		
Market Mutual Funds	<u>159,082</u>	<u>0.37</u>
Total	<u>\$ 42,980,730</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statements as of December 31, 2015:

Cash and investments per note:

Carrying amount of deposits	\$ 12,251,743
Investments	42,980,730
Cash on hand	<u>1,000</u>
Total	<u>\$ 55,233,473</u>

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

Governmental activities	\$ 21,207,506
Business-type activities	31,158,828
Fiduciary funds	<u>2,867,139</u>
Total	<u>\$ 55,233,473</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 5 - RECEIVABLES

Receivables at December 31, 2015, 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 \$929,100 in the general fund, \$2,705,452 in the community and economic development fund, and \$5,767 in the debt service fund (a nonmajor governmental fund). Special assessments are reported among accounts receivable on the statement of net position and the balance sheet and charges for services revenue on the statement of activities and the statement of revenues, expenditures, and changes in fund balance.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Auditor collects property taxes on behalf of all taxing districts in the County, including the City of Findlay. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2015 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2015 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2015, for all City operations applied to taxable property in the following taxing districts within the City limits was \$3.40 for District 2 - Canton City School District, \$2.00 for District 3 - Plain Local School District, \$2.60 for District 4 - Canton Local School District, and \$2.30 for District 90 - Osnaburg Local School District.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - RECEIVABLES - (Continued)

The assessed values of real and public utility property upon which 2015 property tax receipts were based are as follows:

Real property	\$ 672,985,680
Real and personal public utility	<u>56,446,530</u>
Total assessed value	<u>\$ 729,432,210</u>

B. Income Taxes

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 75 percent to the general fund, 20 percent to the capital projects fund and 5 percent to the motor vehicle purchase Fund. The allocation to the motor vehicle purchase fund is the only allocation that was actually voted upon and approved by the voters of the City. This requires the fund balance for the motor vehicle purchase fund to be reported as restricted as seen on page 97.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - RECEIVABLES - (Continued)

C. Due From Other Governments

A summary of intergovernmental receivables follows:

	Amounts
Governmental activities	
Local government and local government revenue assistance	\$ 1,561,832
Hotel tax	17,893
Charges for services	219,057
Fines and forfeitures	32,234
Casino revenue	1,142,224
Gasoline and excise tax	1,024,676
\$5 license plate tax	212,395
Motor vehicle tax	240,035
Grants	5,732,295
Total governmental activities	10,182,641
Business-type activities	
Loan proceeds	729,182
Grants	85,653
Total business-type activities	814,835
Grand total	\$ 10,997,476

D. Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$956,744. 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%. The loans will be repaid over periods up to 20 years.

The general fund has reported a loan receivable in the amount of \$1,949,995. The loan receivable represents an economic development loan made to Historic Onesto, LLC for betterments and improvements to The Historic Onesto which is being converted from a hotel (closed in 1974) to luxury loft apartments and private event space. The loan bears an annual interest rate of 3% with a repayment period not to exceed 10 years.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 6 - RISK MANAGEMENT

A. Workers' Compensation

Since 1989, the City has participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan. Under the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in 2015 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 2015, the City selected Tier 1 which calls for no claim limit and a 150 percent maximum premium limit.

The claims liability of \$1,739,100 reported in the workers compensation internal service fund at December 31, 2015, is estimated by the third-party administrators and is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

Year	Balance Beginning of Year	Claims Incurred	Claim Payments	Balance End of Year
2014	\$ 2,330,285	\$ 1,614,125	\$ 1,360,089	\$ 2,584,321
2015	2,584,321	745,937	1,591,158	\$ 1,739,100

B. Property and Liability

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 6 - RISK MANAGEMENT - (Continued)

C. Medical

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

The claims liability of \$1,389,869 reported in the Health Insurance Internal Service Fund at December 31, 2015, is estimated by the third-party administrators and is based on the requirements of GASB Statement No. 10, "*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*", as amended by GASB Statement No. 30, "*Risk Financing Omnibus*", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

Year	Balance Beginning of Year	Claims Incurred	Claim Payments	Balance End of Year
2014	\$ 1,515,362	\$ 9,705,963	\$ 9,293,536	\$ 1,927,789
2015	1,927,789	10,550,178	11,088,098	1,389,869

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance 12/31/14	Additions	Deductions	Balance 12/31/15
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 8,566,048	\$ -	\$ (60,000)	\$ 8,506,048
Construction in progress	13,953,745	17,057,555	(6,807,929)	24,203,371
Total capital assets, not being depreciated	<u>22,519,793</u>	<u>17,057,555</u>	<u>(6,867,929)</u>	<u>32,709,419</u>
Capital assets, being depreciated:				
Buildings and structures	51,929,855	1,472,254	(522,751)	52,879,358
Vehicles and equipment	32,069,232	1,416,004	(236,554)	33,248,682
Infrastructure	375,770,951	5,278,324	(171,284)	380,877,991
Total capital assets, being depreciated	<u>459,770,038</u>	<u>8,166,582</u>	<u>(930,589)</u>	<u>467,006,031</u>
Less accumulated depreciation:				
Buildings and structures	(24,817,442)	(1,346,897)	522,751	(25,641,588)
Vehicles and equipment	(25,855,303)	(1,358,707)	202,223	(27,011,787)
Infrastructure	(317,916,780)	(5,328,144)	121,798	(323,123,126)
Total accumulated depreciation	<u>(368,589,525)</u>	<u>(8,033,748)</u>	<u>846,772</u>	<u>(375,776,501)</u>
Total capital assets, being depreciated, net	<u>91,180,513</u>	<u>132,834</u>	<u>(83,817)</u>	<u>91,229,530</u>
Governmental activities capital assets, net	<u>\$ 113,700,306</u>	<u>\$ 17,190,389</u>	<u>\$ (6,951,746)</u>	<u>\$ 123,938,949</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 552,288
Security of persons and property	1,040,669
Public health	115,547
Transportation	5,590,066
Community environment	22,263
Leisure time activities	712,915
Total depreciation expense	<u>\$ 8,033,748</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - CAPITAL ASSETS - (Continued)

For the business-type activities, the City has reclassified \$714,531 in accumulated depreciation at December 31, 2014 between the categories “buildings and structures” and “vehicles and equipment” to properly report accumulated depreciation in the correct asset category. This reclassification had no effect on total accumulated depreciation previously reported at December 31, 2014.

	Balance 12/31/14	Additions	Deductions	Balance 12/31/15
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 3,366,114	\$ -	\$ -	\$ 3,366,114
Construction in progress	11,963,064	44,697,283	(402,011)	56,258,336
Total capital assets, not being depreciated	15,329,178	44,697,283	(402,011)	59,624,450
Capital assets, being depreciated:				
Buildings and structures	117,963,845	-	-	117,963,845
Vehicles and equipment	13,717,599	1,381,713	(878,107)	14,221,205
Infrastructure	160,529,548	2,143,535	-	162,673,083
Total capital assets, being depreciated	292,210,992	3,525,248	(878,107)	294,858,133
Less accumulated depreciation:				
Buildings and structures	(61,917,600)	(3,161,977)	-	(65,079,577)
Vehicles and equipment	(9,017,110)	(812,568)	761,857	(9,067,821)
Infrastructure	(125,155,235)	(1,573,378)	-	(126,728,613)
Total accumulated depreciation	(196,089,945)	(5,547,923)	761,857	(200,876,011)
Total capital assets, being depreciated, net	96,121,047	(2,022,675)	(116,250)	93,982,122
Business-type activities capital assets, net	<u>\$ 111,450,225</u>	<u>\$ 42,674,608</u>	<u>\$ (518,261)</u>	<u>\$ 153,606,572</u>

Depreciation expense was charged to the enterprise funds as follows:

Water operating	\$ 2,998,016
Sewer operating	2,233,976
Refuse operating	315,931
Total depreciation expense	<u>\$ 5,547,923</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 8 - COMPENSATED ABSENCES

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

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

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

In 2004, the City established a compensated absences claim fund for the purpose of depositing sick expense premiums from the employees' labor fund distribution to pay both current and previous unfunded compensated absences. The expense associated with current and future obligations is being charged as a direct claim against the compensated absences claim fund. The premium supporting the fund is included in the personal service charge for each fund. Prior to 2009, and the collapse of the City of Canton operational income, the premium was equal to 125% of the total cost of the sick leave accrued on biweekly payrolls. In an attempt to maintain an adequate workforce in light of this revenue decline, the premium was reduced to 105% of the total cost of the sick leave accrued on a biweekly payroll for 2009 and 2010. The premium reset to 125% effective January 1, 2011 and remained unchanged for 2012, 2013, 2014 and 2015.

NOTE 9 - LONG-TERM OBLIGATIONS

General Obligation Bonds

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ending December 31	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 2,077,229	\$ 165,689	\$ 772,770	\$ 30,911
2017	1,015,000	82,600	-	-
2018	1,050,000	42,000	-	-
Total	\$ 4,142,229	\$ 290,289	\$ 772,770	\$ 30,911

State Infrastructure Bank (SIB) Loans and Other Loans

The City has annual debt requirements for the following loans, all related to governmental activities. A SIB loan was entered into in 1998 for the Market Avenue Streetscape project. The interest rate for this loan was 4% for the period 1998 through 2008 and changed to is 3% effective in 2009. The original issue amount of the SIB loan was \$1,179,031 with a scheduled maturity in 2019.

A additional SIB loan was entered into in 2014 for the 12th Street North Corridor Safety project. The interest rate for this loan is 3%. As of December 31, 2015, the City has drawn \$374,530 of the available borrowings. This SIB loan is not included in the schedule of annual debt service requirements to maturity below as the loan is not closed as of December 31, 2015 and a final amortization schedule is not available.

Also, a State of Ohio Urban Redevelopment loan was issued in 2000, with an interest rate of 4% and an original issue amount of \$1,650,916 and was used to build the Millennium Parking Deck. This loan was issued as part of the City's continuing effort to improve its downtown business district. The Urban Redevelopment loan was repaid in 2015.

The annual debt service requirements to maturity for the 1998 SIB loan is as follows:

Year Ending December 31	1998 State Infrastructure Bank Loan	
	Governmental Activities	
	Principal	Interest
2016	\$ 85,913	\$ 9,487
2017	88,728	6,672
2018	91,635	3,765
2019	46,937	763
Total	\$ 313,213	\$ 20,687

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Ohio Public Works Commission (OPWC) Loans

The City entered into various loan agreements with the OPWC for the purpose of improving the water pollution control system, improving storm sewer operations and installing water lines. These are interest free loans. The City has pledged future revenues, net of certain operating expenses, in the water operating fund and sewer operating fund to repay the loans reported in the water and sewer operating activities. The debt is payable from net revenues and is payable through 2036. Annual principal payments on the debt issues are expected to require 0.09 percent of net revenues for water and 0.1 percent of net revenues for sewer. The total principal remaining to be paid on the debt is \$1,348,398 for water and \$68,429 for sewer. Principal paid for the current year and total net revenues were \$6,310 and \$7,145,103, respectively, for water and \$5,395 and \$3,939,762, respectively, for sewer.

During 2015, the City received OPWC loans proceeds for the following projects: Mahoning Road Corridor, Faircrest Street waterline extension, and for a 37th Street Project that includes street, water and sewer improvements. The Mahoning Road Corridor loan is not included in the schedule of annual debt service requirements to maturity below as the loan is not closed as of December 31, 2015 and a final amortization schedule is not available. The Faircrest Street waterline extension loan is included in the schedule of annual debt service requirements to maturity below. As of December 31, 2015, the City has received a total of \$1,073,180 of the total permissible borrowings of \$1,197,150 under this loan agreement. A final amortization schedule has been provided based upon total permissible borrowings.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental activities, 35th Street N.E. storm sewer reconstruction	0.00%	\$ 380,812
Governmental activities, Market Avenue North sewer replacement	0.00%	300,000
Governmental activities, 30th Street N.E. storm sewer improvement	0.00%	494,000
Governmental activities, 55th Street N.E. storm sewer improvement	0.00%	413,000
Governmental activities, 37th Street Project (street portion)	0.00%	110,457
Governmental activities, Mahoning Road corridor	0.00%	900,000 *
Business-type activities, Harrisburg waterline	0.00%	63,102
Business-type activities, Harmont Avenue pump station	0.00%	107,900
Business-type activities, 37th Street Project (water and sewer portions)	0.00%	264,866
Business-type activities, Faircrest Street waterline extension	0.00%	1,197,150 *
		\$ 4,231,287

* Total permissible borrowings under the loan agreement.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Ohio Public Works Commission Loans

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 89,900	\$ -	\$ 98,049	\$ -
2017	89,900	-	98,049	-
2018	77,206	-	98,049	-
2019	64,512	-	98,049	-
2020	64,512	-	98,049	-
2021 - 2025	315,062	-	451,976	-
2026 - 2030	167,633	-	299,288	-
2031 - 2035	68,834	-	175,318	-
2036 - 2040	68,834	-	-	-
2041 - 2045	48,183	-	-	-
Total	<u>\$ 1,054,576</u>	<u>\$ -</u>	<u>\$ 1,416,827</u>	<u>\$ -</u>

As stated above, for the business-type activities, the schedule of annual debt service requirements to maturity includes the Faircrest Street waterline extension loan based upon total permissible borrowings (\$1,197,150) rather than amounts actually received by December 31, 2015 (\$1,073,180) as a final amortization schedule for this loan has been established. For the governmental activities, the schedule above does not include the Mahoning Road Corridor loan as the loan is not closed as of December 31, 2015 and a final amortization schedule is not available.

Ohio Water Development Authority (OWDA) Loans

The City entered into various loan agreements with the OWDA for the purpose of improving and expanding both the water and the water pollution control operations. The City has pledged future revenues, net of certain operating expenses, to repay these loans in the water operating fund and sewer operating fund. The debt is payable from net revenues and is payable through 2031. Annual principal and interest payments on the debt issues are expected to require 26.0 percent of net revenues for water and 24.95 percent of net revenues for sewer. The total principal and interest remaining to be paid on the debt is \$26,451,324 for water and 4,425,339 for sewer. Principal and interest paid for the current year and total net revenues were \$1,879,175 and \$7,145,103, respectively, for water and \$983,409 and \$3,939,762, respectively, for sewer.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The City has both closed and open OWDA loans at December 31, 2015. The closed loans are those that OWDA has made the final disbursements and the City has final amortization schedules for the future debt payments. The following is the City's closed OWDA loans:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental activities, Harmont Avenue NE improvement	3.25%	\$ 60,100
Business-type activities, Plain Township waterline extension (55th St)	4.74%	1,653,459
Business-type activities, Lake Local Schools waterline	4.64%	1,980,974
Business-type activities, Lawrence Chester water main extension	5.01%	250,606
Business-type activities, Osnaburg water main extension	3.62%	1,402,001
Business-type activities, Sugarcreek water plant improvement	3.25%	3,365,682
Business-type activities, NW water plant improvement	3.52%	7,094,093
Business-type activities, NE water plant improvement	5.39%	14,903,080
Business-type activities, water pollution system	2.64%	14,230,181
Business-type activities, discharge line (J.L.)	3.81%	835,606
		\$ 45,775,782

During 2015, the water meter planning and design project (water fund), the phosphorus/nitrogen removal project (sewer fund) and the WRF phosphorus - MBR equipment project (sewer fund) received OWDA loan proceeds. As of the end of the audit period, the final amount borrowed for these three loans had not been determined and no final reconciliation has been completed by OWDA. Due to these issues, no payment schedules were available for either of these loans. Consequently, these loans were not included in the yearly schedule shown above nor were they used in calculating the amount due within one year in the schedule that follows. These loans are considered open since final disbursements have not been made. The total amount borrowed and the total permissible borrowing under the loan agreements are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount Borrowed as of 12/31/15</u>	<u>Total Permissible Borrowings</u>
Business-type activities, water meter planning and design	3.33%	\$ 8,965,024	\$ 10,513,168
Business-type activities, WRF phosphorus/nitrogen removal project	3.38%	29,199,413	52,547,928
Business-type activities, WRF phosphorus project - MBR equipment	3.39%	11,010,671	30,234,835
		\$ 49,175,108	\$ 93,295,931

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Ohio Water Development Authority Loans

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 2,361	\$ 1,376	\$ 2,150,968	\$ 711,614
2017	2,438	1,299	2,216,128	646,455
2018	2,518	1,219	2,283,390	579,193
2019	2,600	1,137	2,352,827	509,756
2020	2,685	1,051	1,434,359	444,816
2021 - 2025	14,806	3,878	6,934,214	1,551,378
2026 - 2030	15,526	1,289	6,176,831	551,095
2031 - 2032	-	-	885,344	17,003
Total	<u>\$ 42,934</u>	<u>\$ 11,249</u>	<u>\$ 24,434,061</u>	<u>\$ 5,011,310</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2015 were as follows:

	Outstanding 12/31/14	Additions	Reductions	Outstanding 12/31/15	Due Within One Year
<i>Business-type activities</i>					
OPWC loans:					
Water operations:					
2012 Harrisburg waterline 0%	\$ 47,326	\$ -	\$ (6,310)	\$ 41,016	\$ 6,310
2014 37th Street waterline project 0%	-	234,202	-	234,202	23,420
2015 Faircrest Street waterline extension 0%	-	1,073,180	-	1,073,180	59,858
Sewer operations:					
2014 37th Street sewerline project 0%	-	30,664	-	30,664	3,066
2003 Harmont pump station 0%	43,160	-	(5,395)	37,765	5,395
Total OPWC loans	90,486	1,338,046	(11,705)	1,416,827	98,049
OWDA loans:					
Water operations:					
2001 Plain Township waterline extension (55th St) 4.74%	805,459	-	(91,763)	713,696	96,164
2002 Lake School waterline 4.64%	1,013,386	-	(107,292)	906,094	112,328
2007 Osnaburg water main extension 3.62%	992,705	-	(64,078)	928,627	66,419
2007 SC water plant improvements 3.25%	2,278,150	-	(136,879)	2,141,271	141,364
2008 NW water plant improvements 3.52%	4,464,257	-	(230,491)	4,233,766	238,676
2009 NE water plant improvements 5.39%	12,402,321	-	(593,255)	11,809,066	608,089
2013 water meter planning and design 3.33%	1,675,330	7,289,694	-	8,965,024	-
Sewer operations:					
1997 water pollution system 2.64%	4,294,445	-	(813,862)	3,480,583	835,776
1999 discharge line (J.L.) 3.81%	271,179	-	(50,221)	220,958	52,152
2010 WRF phosphorus/nitrogen removal project 3.38%	9,144,453	20,054,960	-	29,199,413	-
2014 WRF phosphorus - MBR equipment 3.39%	1,474,722	9,535,949	-	11,010,671	-
Total OWDA loans	38,816,407	36,880,603	(2,087,841)	73,609,169	2,150,968
General obligation bonds:					
Water operations:					
2006 refunding bonds 4.0%	1,469,556	-	(874,434)	595,122	595,122
Sewer operations:					
2006 various purpose 4.0%	438,674	-	(261,026)	177,648	177,648
Total general obligation bonds	1,908,230	-	(1,135,460)	772,770	772,770
Net pension liability:					
OPERS	9,571,044	221,175	-	9,792,219	-
Compensated absences	1,169,798	426,597	(302,256)	1,294,139	362,972
Total business-type activities	\$ 51,555,965	\$ 38,866,421	\$ (3,537,262)	\$ 86,885,124	\$ 3,384,759

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

	Outstanding 12/31/14	Additions	Reductions	Outstanding 12/31/15	Due Within One Year
<i>Governmental activities</i>					
General obligation bonds:					
2009 pension refunding bonds 3.0%-4.0%	\$ 1,885,000	\$ -	\$ (445,000)	\$ 1,440,000	\$ 465,000
2009 refunding bonds 3.0%-4.0%	2,090,000	-	(490,000)	1,600,000	510,000
2006 various purpose 4.0%	2,721,770	-	(1,619,541)	1,102,229	1,102,229
Total general obligation bonds	<u>6,696,770</u>	<u>-</u>	<u>(2,554,541)</u>	<u>4,142,229</u>	<u>2,077,229</u>
1998 SIB loan 3.0%	396,399	-	(83,186)	313,213	85,913
2014 SIB loan 3.0%	42,595	331,935	-	374,530	-
2000 Millenium parking deck loan 4.0%	148,295	-	(148,295)	-	-
OWDA loan:					
2010 Harmont Avenue sewer extension 3.25%	45,220	-	(2,286)	42,934	2,361
OPWC loans:					
2014 55th Street NE storm sewer 0%	406,117	-	(13,767)	392,350	13,767
2015 Mahoning Road Corridor	-	231,343	-	231,343	-
2003 35th Street NE storm sewer 0%	88,856	-	(25,387)	63,469	25,387
2004 Market Avenue sewer 0%	157,500	-	(15,000)	142,500	15,000
2014 37th Street road project	-	110,457	-	110,457	11,046
2009 30th Street NE storm sewer 0%	370,500	-	(24,700)	345,800	24,700
Total OPWC loans	<u>1,022,973</u>	<u>341,800</u>	<u>(78,854)</u>	<u>1,285,919</u>	<u>89,900</u>
Compensated absences	6,291,779	2,073,697	(1,448,082)	6,917,394	1,737,071
Note payable	-	3,500,000	-	3,500,000	3,500,000
Net pension liability:					
OPERS	18,504,564	427,614	-	18,932,178	-
OP&F	48,142,632	3,065,345	-	51,207,977	-
Capital leases	530,366	-	(133,115)	397,251	137,618
<i>Total governmental activities</i>	<u>81,821,593</u>	<u>9,740,391</u>	<u>(4,448,359)</u>	<u>87,113,625</u>	<u>7,630,092</u>
Totals	<u>\$ 133,377,558</u>	<u>\$ 48,606,812</u>	<u>\$ (7,985,621)</u>	<u>\$ 173,998,749</u>	<u>\$ 11,014,851</u>

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

A reconciliation of the schedule of long-term obligations to the statement of net position at December 31, 2015 were as follows:

	Governmental Activities	Business-Type Activities	Total
Long-term obligations per schedule above	\$ 87,113,625	\$ 86,885,124	\$ 173,998,749
Consolidation of compensated absences claim internal service fund into governmental activities	1,294,139	(1,294,139)	-
Long-term liabilities on government-wide statement of net position	\$ 88,407,764	\$ 85,590,985	\$ 173,998,749

Of the \$1,294,139 of business-type compensated absences to be paid from the compensated absences claim internal service fund (which is consolidated with the governmental activities on the statement of net position), \$362,972 is due within one year.

Notes Payable

On April 22, 2015, the City issued \$3,500,000 of long-term notes payable for the purpose of paying the cost of acquiring, constructing, reconstructing and improving City buildings, including, without limitation, the replacement of the City Hall roof, the Civic Center roof and improvements to other City facilities. The notes bear an interest rate not to exceed 5%. These notes were refinanced on a long-term basis on April 21, 2016 and now have a stated maturity of April 21, 2017.

Net Pension Liability

The City pays obligations related to employee compensation from the fund benefitting from their services. See Note 13 for further information.

Capital Lease Obligation

See Note 10 for further detail on the City's capital lease obligations.

Legal Debt Margin

The City's overall legal debt margin was \$72,497,309 and an unvoted debt margin of \$36,025,699 at December 31, 2015.

NOTE 10 - CAPITAL LEASES

In 2014, the City entered into four new capital lease agreements for the acquisition of police sedans, a street sweeper, an ambulance and a salt truck. In addition, in a previous year, the City entered into capital lease agreement for the acquisition of a fire truck. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital assets acquired by the leases have been capitalized in the amount of \$1,602,932, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2015 was \$961,759, leaving a current book value of \$641,173.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - CAPITAL LEASES - (Continued)

A corresponding liability was recorded on the statement of net position. In 2015, principal payments of \$133,115 are reflected as debt service principal retirement in the motor vehicle purchase fund and the federal forfeiture fund (a nonmajor governmental fund). The principal payments are reported as a reduction to the long-term liabilities reported on the statement of net position. The following is a schedule of the future minimum lease payments for all of the City's capital leases and the present value of the minimum lease payments as of December 31, 2015.

Year Ending	Governmental Activities
2016	\$ 150,655
2017	150,656
2018	120,886
Total minimum lease payments	422,197
Less: amount representing interest	(24,946)
Present value of minimum lease payments	\$ 397,251

NOTE 11 - NOTES PAYABLE

The following is a summary of short-term note transactions for the year ended December 31, 2015 reflected in the general fund on the fund financial statements and in the governmental activities on the government-wide financial statements:

	Balance 12/31/2014	Issued	Retired	Balance 12/31/2015
Notes Payable:				
Civil Suit Settlement	\$ 1,400,000	\$ 1,300,000	\$ (1,400,000)	\$ 1,300,000
Historic Onesto Project	2,000,000	2,000,000	(2,000,000)	2,000,000
Hall of Fame Village Project	-	5,000,000	-	5,000,000
	\$ 3,400,000	\$ 8,300,000	\$ (3,400,000)	\$ 8,300,000

The civil suit settlement note was issued on June 24, 2015 and had an outstanding balance of \$1,300,000 at December 31, 2015. This note was issued to refinance notes previously issued on June 24, 2014 which matured June 24, 2015. The note was issued at an interest rate of 1% and matures on June 24, 2016. The purpose of the issuances was to pay for the settlement of a civil suit in which the City agreed to pay the plaintiff \$1,800,000. This note is a fund of the fund which is responsible for payment for the settlement.

The Historic Onesto project note was issued on December 22, 2015 and had an outstanding balance of \$2,000,000 at December 31, 2015. This note was issued to refinance notes previously issued on December 23, 2014 which matured December 22, 2015. The note was issued at an interest rate ranging from 1.5% to 4.0% and mature on December 22, 2016. The note was issued in anticipation of a long-term bond financing for improvements to Historic Onesto property.

The Hall of Fame Village project note was issued on December 1, 2015 and had an outstanding balance of \$5,000,000 at December 31, 2015. The note was issued at an interest rate ranging from 1% to 4% and matures on December 1, 2016. The note was issued in anticipation of a long-term bond financing for improvements to Hall of Fame Village related to economic development.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - BUDGETARY BASIS OF ACCOUNTING

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

The major differences between the budget basis and GAAP basis are as follows:

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

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

Net Change in Fund Balance

	General Fund	Community and Economic Development Fund
	<u> </u>	<u> </u>
Budget basis	\$ (4,644,773)	\$ (1,012,801)
Net adjustment for revenue accruals	(180,284)	(543,336)
Net adjustment for expenditure accruals	5,679,807	47,634
Net adjustment for other financing sources (uses) accruals	(11,738,040)	-
Funds budgeted elsewhere	14,199	-
Encumbrances	<u>1,564,864</u>	<u>1,411,553</u>
GAAP basis	<u>\$ (9,304,227)</u>	<u>\$ (96,950)</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments/pension obligation payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for both the Traditional Pension Plan and the Combined Plan was \$3,725,924 for 2015. Of this amount, \$230,938 is reported as due to other governments at year-end on the basic financial statements.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension 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 and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$4,208,696 for 2015. Of this amount \$233,940 is reported as due to other governments at year-end on the basic financial statements.

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2014, and the total pension liability or asset used to the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 28,724,397	\$ 51,207,977	\$ 79,932,374
Proportionate share of the net pension asset	129,546	-	129,546
Proportion of the net pension liability	0.23815700%	0.98849140%	
Proportion of the net pension asset	0.33646500%	-	
Pension expense	\$ 3,213,209	\$ 4,988,761	\$ 8,201,970

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 1,540,554	\$ 2,207,016	\$ 3,747,570
Difference between employer contributions and proportionate share of contributions	7,953	-	7,953
City contributions subsequent to the measurement date	<u>3,725,924</u>	<u>4,208,696</u>	<u>7,934,620</u>
Total deferred outflows of resources	<u>\$ 5,274,431</u>	<u>\$ 6,415,712</u>	<u>\$ 11,690,143</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 544,162	\$ -	\$ 544,162
Difference between employer contributions and proportionate share of contributions	<u>-</u>	<u>25,340</u>	<u>25,340</u>
Total deferred inflows of resources	<u>\$ 544,162</u>	<u>\$ 25,340</u>	<u>\$ 569,502</u>

\$7,934,620 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2016	\$ 151,267	\$ 545,419	\$ 696,686
2017	151,267	545,419	696,686
2018	342,098	545,419	887,517
2019	380,436	545,419	925,855
2020	(4,702)	-	(4,702)
2021 - 2024	<u>(16,021)</u>	<u>-</u>	<u>(16,021)</u>
Total	<u>\$ 1,004,345</u>	<u>\$ 2,181,676</u>	<u>\$ 3,186,021</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	3 percent, simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled male mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.31 %
Domestic equities	19.90	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 52,844,657	\$ 28,724,397	\$ 8,409,234
Combined Plan	\$ 16,823	\$ (129,546)	\$ (245,619)

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation date	January 1, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2014 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 70,828,378	\$ 51,207,977	\$ 34,595,461

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2015, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2015 was 2.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$620,986, \$623,331, and \$298,668, respectively; 94.69% has been contributed for 2015 and 100% has been contributed for 2014 and 2013. The remaining 2015 post-employment health care benefits liability has been accrued as due to other governments at year-end on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OPF, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$100,560, \$97,006, and \$663,702, respectively. The full amount has been contributed for 2014 and 2013. 94.54% has been contributed for police officers and firefighters for 2015. The remaining 2015 post-employment health care benefits liability has been accrued as due to other governments at year-end on the basic financial statements.

NOTE 15 - JOINT VENTURES

Canton Tomorrow, Inc.

The City participates in Canton Tomorrow, Inc., formed under Chapter 1702 of the Ohio Revised Code. Of the 26 member board, the City appoints three members. The degree of control exercised by any participating government is limited to its representation on the board. Canton Tomorrow, Inc., was formed to serve as a catalyst to bring together the vision, initiative and action necessary for the continuing revitalization of the City. Continued existence of Canton Tomorrow, Inc. is dependent on the City's continued participation, despite its minimal contribution to the overall budget; however, the City does not have an equity interest in Canton Tomorrow, Inc. (Agency). The Agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. Canton Tomorrow Inc.'s funding comes from a grant given by the City through the Canton Community Improvement Corporation to the Canton Regional Chamber of Commerce. In 2015, the grant was for \$175,000; however, this amount was not disbursed until 2016. The Chamber of Commerce is responsible for dividing it up amongst its various agencies like Canton Tomorrow, Inc. Complete financial statements can be obtained from Canton Tomorrow, Inc.

Downtown Canton Special Improvement District

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 13 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The District was created for the purpose of developing and implementing plans for public improvements and public services. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. In 2015, the City contributed \$193,058 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

NOTE 16 - RELATED ORGANIZATION

Joint Recreation District

The City appoints three of the five members of the Joint Recreation District (District) Board. The District manages recreational activities at sites within the City at facilities owned by either the City or Canton City Schools. The District hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the District nor is the District financially dependent on the City. The District serves as its own budgeting, taxing and debt issuance authority. The City did not make any contributions during 2015. Complete financial statements can be obtained from the Canton Recreation Department.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Stark Area Regional Transit Authority

The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon and Alliance. A nine-member board of trustees oversees the operation of the Authority whose purpose is to provide a low cost mass transportation system for Stark County. The City appoints three of the nine members. Each member's control over the operation of the Authority is limited to its representation on the Board. The Board exercises total authority for the day-to-day operations of the Authority, which include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Authority's liabilities. The City made no monetary contributions to assist in the operational expenses of the Authority during 2015. 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 \$163,596 from the general fund for 2015 for the operation of SCOG. Complete financial statements may be obtained from the Stark Council of Governments.

Stark County Regional Planning Commission

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

The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2015, the City contributed \$6,552 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT

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

Canton Community Improvement Corporation

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

A. Summary of Significant Accounting Policies

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

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

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

In-Kind Contributions - City of Canton employees perform services for CCIC. This portion of salaries and related fringe benefits for these services are paid by the City of Canton. The estimated fair value of in-kind contribution is reported as revenue and an expense in the period in which the services are used. CCIC also benefited from the Board of Directors' time to attend board meetings. The estimated fair value of these members' contributions is not reflected in these statements since it is not susceptible to objective valuation. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. CCIC had no in-kind contributions in 2015.

Net Position - Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the statement of net position. CCIC's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations. CCIC had no restricted net position as of December 31, 2015.

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

B. Cash and Investments

At December 31, 2015, the carrying value and the bank balance of CCIC was \$18,434. The entire bank balance was covered by the Federal Deposit Insurance Corporation. CCIC has not experienced any losses on this account and management of CCIC believes it is not exposed to any significant credit risk.

At December 31, 2015, CCIC had no investments.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2015, is as follows:

	Balance 12/31/14	Additions	Deductions	Balance 12/31/15
Capital assets, not being depreciated:				
Land	\$ 41,700	\$ -	\$ -	\$ 41,700
Land improvements	172,400	-	-	172,400
Land held for future use	486,961	-	-	486,961
Total capital assets, not being depreciated	<u>701,061</u>	<u>-</u>	<u>-</u>	<u>701,061</u>
Capital assets, being depreciated				
Buildings	2,172,500	-	(91,700)	2,080,800
Building improvements	34,569	-	-	34,569
Total capital assets, being depreciated	<u>2,207,069</u>	<u>-</u>	<u>(91,700)</u>	<u>2,115,369</u>
Less accumulated depreciation				
Buildings	(233,485)	(52,020)	9,621	(275,884)
Building improvements	<u>(1,728)</u>	<u>(864)</u>	<u>-</u>	<u>(2,592)</u>
Total accumulated depreciation	<u>(235,213)</u>	<u>(52,884)</u>	<u>9,621</u>	<u>(278,476)</u>
Total capital assets, being depreciated, net	<u>1,971,856</u>	<u>(52,884)</u>	<u>(82,079)</u>	<u>1,836,893</u>
Governmental activities total capital assets, net	<u>\$ 2,672,917</u>	<u>\$ (52,884)</u>	<u>\$ (82,079)</u>	<u>\$ 2,537,954</u>

D. Community Development Loans

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

E. Commitments

In 2015, there were no loans or grants committed to or approved by the Board of Directors

F. In-Kind Contributions, Donated Facilities and Services

The City of Canton provides CCIC with office space and various office services without charge. The value of the donated facilities is not recognized in the financial statements because no objective basis is available to measure the value of the donated facilities. No in-kind wages were received from the City of Canton in 2015.

NOTE 19 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 20 - COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance to the extent fund balance is available. For the general fund, fund balance is not reported as assigned for encumbrances as unassigned fund balance is negative. At year end, the City's commitments for encumbrances (less amounts already reported as payables) in the governmental funds were as follows:

	Encumbrances as of 12/31/15
Major Funds	
General Fund	\$ 1,116,343
Community and Economic Development Fund	1,208,331
Capital Project Fund	1,224,409
Motor Vehicle Purchase Fund	934
Nonmajor Governmental Funds	16,709,229
<i>Total</i>	\$ 20,259,246

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 20 - COMMITMENTS - (Continued)

As of December 31, 2015, the City had significant contractual commitments as follows:

Company	Project	Amount Remaining On Contract
Lockhart Construction	I-77 Faircrest Street	\$ 50,644
Lockhart Construction	41st St NW Storm Sewer Improvement	51,102
Lockhart Construction	East Side Interceptor Project	105,680
Lockhart Construction	Allenford Sanitary Sewer Project	135,626
Transystems RE Consulting	Mahoning Road Corridor Improvement Project	451,321
GDP	Mahoning Road Corridor Improvement Project	125,966
JR Coleman	Mahoning Road Corridor Improvement Project	18,595
Michael Baker, Jr.	Mahoning Road Corridor Improvement Project	468,813
Wenger	Mahoning Road Corridor Improvement Project	4,259,124
Brownfield Restoration	Ohio Casting Products Remediation Project	16,606
Cormony Development Corp	Remediation at Hercules Factory Project	1,618,291
CT Consultants	Water Reclamation Facility Phosphorus Project	590,788
Burgess and Nipples	Water Meter Replacement	136,188
PMI	Water Meter Replacement	1,024,460
Badger Meter	Water Meter Replacement	33,325
ACLARA	Water Meter Replacement	43,393
OVIO USA LLL	Water Reclamation Facility Membrane	18,025,721
Shook Construction	Water Reclamation Facility Membrane	21,907,484
Metro Regional Transit Authority	12th St N Corridor	215,432
ME Company	12Th St N.W. Corridor Project	9,177
Central Allied	12th St N Corridor	6,648,145
Omni Pro Services	12th St NW	524,402
CMAQ	12th St NW	1,012,217
ML Construction Corp Inc	Spray Park	48,135
Total		<u>\$ 57,520,635</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 21 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2015, consisted of the following, as reported on the fund financial statements:

Transfers Out	Transfer In	Amount
General Fund	Nonmajor Governmental Funds	<u>\$ 80,000</u>

Transfers are used to 1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds.

Interfund transfers between governmental funds are eliminated for reporting on the statement of activities.

B. Interfund Loans and Manuscript Debt

Interfund loans receivable/payable consisted of the following at December 31, 2015, as reported on the fund financial statements:

Interfund Loan Payable	Interfund Loan Receivable		
	General Fund	Water Operating Fund	Total
General fund	\$ -	\$ 2,000,000	\$ 2,000,000
Nonmajor governmental funds	61,960	-	61,960
Total	<u>\$ 61,960</u>	<u>\$ 2,000,000</u>	<u>\$ 2,061,960</u>

During 2015, the health services fund (a nonmajor governmental fund) received a \$61,960 advance in from the general fund. The advance was not repaid by December 31, 2015. The interfund loan is expected to be repaid in the subsequent year.

On May 22, 2015, the general fund issued \$1,500,000 in manuscript notes which were purchased by the land reutilization and note fund (a component of the general fund on a GAAP basis). The manuscript notes bear an interest rate of 1.0 percent and mature on May 22, 2016.

On July 22, 2015 the general fund issued \$2,000,000 in manuscript notes which were purchased by the NIP acquisition demo debt fund (a component of the general fund on a GAAP basis). The manuscript notes bear an interest rate of 1.0 percent and mature on July 21, 2016.

On December 31, 2015, the water operating fund issued \$2,000,000 in manuscript notes which were purchased by the general fund. The manuscript notes bear an interest rate of 1.0 percent and mature on December 31, 2016.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 21 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES

On a GAAP basis, manuscript debt is reported as an interfund loan receivable in the issuing fund and an interfund loan payable in the purchasing fund. In accordance with GASB Statements No. 54, the land reutilization and note fund and the NIP acquisition demo debt fund are considered part of the City's general fund for financial reporting purposes. As such, the interfund balances are eliminated in the general fund for reporting on the balance sheet and for reporting in the governmental activities statement of net position.

Interfund receivables and payables between governmental activities are eliminated for reporting on the government-wide statement of net position. Interfund receivables and payables between governmental activities and business-type activities are reported as a component of internal balance on the government-wide statement of net position.

C. Interfund Balances

Due To Other Funds (Payable)	Due From Other Funds (Receivable)				Total
	General Fund	Capital Projects	Nonmajor Governmental	Internal Service Funds	
General fund	\$ -	\$ -	\$ -	\$ 127,574	\$ 127,574
Community and economic development fund	33,281	154,576	-	-	187,857
Capital projects fund	-	-	-	2,947	2,947
Water operating fund	-	-	-	11,646	11,646
Sewer operating fund	-	-	-	2,863	2,863
Refuse operating fund	-	-	-	1,998	1,998
Nonmajor governmental funds	14,517	-	11,044	2,901	28,462
Total	\$ 47,798	\$ 154,576	\$ 11,044	\$ 149,929	\$ 363,347

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 22 - FUND BALANCES

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

Fund Balances	General Fund	Community and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>						
Materials & supplies	\$ 308,956	\$ -	\$ -	\$ -	\$ 102,984	\$ 411,940
Unclaimed monies	100,617	-	-	-	-	100,617
<i>Total nonspendable</i>	<u>409,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,984</u>	<u>512,557</u>
<i>Restricted for:</i>						
Road improvements	-	-	-	-	1,407,819	1,407,819
Community development grants & programs	-	1,451,136	-	-	65,737	1,516,873
Public health service grants & programs	-	-	-	-	2,546,217	2,546,217
Police department grants, donations & programs	-	-	-	-	1,225,862	1,225,862
Fire department grants, donations & programs	-	-	-	-	7,204	7,204
Judicial system grants & programs	-	-	-	-	1,611,734	1,611,734
Park donations	-	-	-	-	24,357	24,357
Cornerstone parking deck operations	-	-	-	-	5,380	5,380
Youth development donations & programs	-	-	-	-	862	862
Employee recognition program	-	-	-	-	143	143
Debt service payments	-	-	-	-	49,156	49,156
Infrastructure improvements	-	-	-	-	121,192	121,192
Recreational facility improvements	-	-	-	-	347,699	347,699
Construction projects	-	-	-	-	3,337,119	3,337,119
City hall renovations	-	-	-	-	1,744	1,744
Canton merchandising	-	-	-	-	9,824	9,824
Motor vehicle purchases	-	-	-	312,237	-	312,237
<i>Total restricted</i>	<u>\$ -</u>	<u>\$ 1,451,136</u>	<u>\$ -</u>	<u>\$ 312,237</u>	<u>\$ 10,762,049</u>	<u>\$ 12,525,422</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 22 - FUND BALANCES - (Continued)

Fund Balances	General Fund	Community and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i>Committed to:</i>						
Vehicle self-insurance	\$ 571,397	\$ -	\$ -	\$ -	\$ -	\$ 571,397
Motor vehicle maintenance	264,977	-	-	-	-	264,977
Park department operations	-	-	-	-	767,747	767,747
Community environment	-	-	-	-	347,123	347,123
Capital improvements	-	-	3,291,692	-	-	3,291,692
Other purposes	-	-	-	-	72,764	72,764
<i>Total committed</i>	<u>836,374</u>	<u>-</u>	<u>3,291,692</u>	<u>-</u>	<u>1,187,634</u>	<u>5,315,700</u>
Unassigned (deficit)	<u>(4,470,003)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(938,552)</u>	<u>(5,408,555)</u>
Total fund balances	<u>\$ (3,224,056)</u>	<u>\$ 1,451,136</u>	<u>\$ 3,291,692</u>	<u>\$ 312,237</u>	<u>\$ 11,114,115</u>	<u>\$ 12,945,124</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TWO YEARS

	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>		
City's proportion of the net pension liability	0.238157%	0.238157%
City's proportionate share of the net pension liability	\$ 28,724,397	\$ 28,075,608
City's covered-employee payroll	\$ 29,295,150	\$ 28,672,100
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	98.05%	97.92%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	86.36%
<i>Combined Plan:</i>		
City's proportion of the net pension asset	0.336465%	0.336465%
City's proportionate share of the net pension asset	\$ 129,546	\$ 35,305
City's covered-employee payroll	\$ 1,229,908	\$ 1,194,669
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	10.53%	2.96%
Plan fiduciary net position as a percentage of the total pension asset	114.83%	104.56%

Note: Information prior to 2013 was unavailable.

Amounts presented as of the City's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

LAST TWO YEARS

	<u>2014</u>	<u>2013</u>
City's proportion of the net pension liability	0.98849140%	0.98849140%
City's proportionate share of the net pension liability	\$ 51,207,977	\$ 48,142,632
City's covered-employee payroll	\$ 19,409,588	\$ 21,641,256
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	263.83%	222.46%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	73.00%

Note: Information prior to 2013 was unavailable.

Amounts presented as of the City's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, OHIO

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST THREE YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>			
Contractually required contribution	\$ 3,584,026	\$ 3,515,418	\$ 3,727,373
Contributions in relation to the contractually required contribution	<u>(3,584,026)</u>	<u>(3,515,418)</u>	<u>(3,727,373)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 29,866,883	\$ 29,295,150	\$ 28,672,100
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%
<i>Combined Plan:</i>			
Contractually required contribution	\$ 141,898	\$ 147,589	\$ 155,307
Contributions in relation to the contractually required contribution	<u>(141,898)</u>	<u>(147,589)</u>	<u>(155,307)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,182,483	\$ 1,229,908	\$ 1,194,669
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CANTON, OHIO

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Police:</i>				
Contractually required contribution	\$ 1,915,238	\$ 1,925,993	\$ 1,781,676	\$ 1,766,663
Contributions in relation to the contractually required contribution	<u>(1,915,238)</u>	<u>(1,925,993)</u>	<u>(1,781,676)</u>	<u>(1,766,663)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 10,080,200	\$ 10,136,805	\$ 11,219,622	\$ 13,856,180
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	15.88%	12.75%
 <i>Fire:</i>				
Contractually required contribution	\$ 2,293,458	\$ 2,179,104	\$ 2,123,929	\$ 2,188,878
Contributions in relation to the contractually required contribution	<u>(2,293,458)</u>	<u>(2,179,104)</u>	<u>(2,123,929)</u>	<u>(2,188,878)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 9,759,396	\$ 9,272,783	\$ 10,421,634	\$ 12,689,148
Contributions as a percentage of covered-employee payroll	23.50%	23.50%	20.38%	17.25%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 1,928,444	\$ 1,936,464	\$ 1,992,982	\$ 2,007,463	\$ 2,028,394	\$ 1,938,374
<u>(1,928,444)</u>	<u>(1,936,464)</u>	<u>(1,992,982)</u>	<u>(2,007,463)</u>	<u>(2,028,394)</u>	<u>(1,938,374)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,125,051	\$ 15,187,953	\$ 15,631,231	\$ 15,744,808	\$ 15,908,973	\$ 16,496,800
12.75%	12.75%	12.75%	12.75%	12.75%	11.75%
\$ 2,257,140	\$ 2,452,065	\$ 2,412,232	\$ 2,389,567	\$ 2,260,930	\$ 2,103,337
<u>(2,257,140)</u>	<u>(2,452,065)</u>	<u>(2,412,232)</u>	<u>(2,389,567)</u>	<u>(2,260,930)</u>	<u>(2,103,337)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,084,870	\$ 14,214,870	\$ 13,983,954	\$ 13,852,562	\$ 13,106,841	\$ 12,557,236
17.25%	17.25%	17.25%	17.25%	17.25%	16.75%

CITY OF CANTON, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Major Governmental Funds

General Fund

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

Community and Economic Development Fund

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

Capital Projects Fund

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

Motor Vehicle Purchase Fund

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

Nonmajor Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

State Highway Fund

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

Municipal Road Fund

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

Cornerstone Parking Deck Fund

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

Mills Industrial Park TIF Fund

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

Gervasi 1700, LLC TIF Fund

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

Lesh Rd./30th St. TIF Fund

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

Health Services Fund

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

Crime Lab Fund

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

Court Computer Fund

To account for monies used to maintain court computer systems.

Court Funds

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

Law Department Dispute Resolution Fund

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

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

SARTA Area Improvement Fund

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

Park Department Fund

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

Youth Development Fund

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

Federal Forfeiture Fund

To account for the proceeds from seizures in federal cases.

Enforcement and Education Fund

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

Indigent Driver Alcohol Treatment Fund

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

Law Enforcement Trust Fund

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

Municipal Probation Services Fund

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

Misdemeanor Community Sanction Grant Fund

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

Prisoner Housing Fund

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

Local Law Enforcement Block Grant Fund

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

Supplementary Police Forces Funds

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

Police Funds

To account for the receipt and expenditure of various grants and donations received by the City's police department. These include the D.A.R.E. program fund, probation improvement and incentive grant fund, safe neighborhood heroes grant fund, police grants and donations fund, Byrne memorial recovery act fund, 2010 local solicitation Byrne grant fund, police EMS training and equipment grant fund, 2014 Byrne grant fund, 2013 cops hiring program fund, 2012 cops hiring program fund, and the 2014 cops hiring program fund.

Fire Funds

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

Vacant/Forclosed Registry Fund

To account for registration fees, penalties and interest levied as established in Chapter 1353 of the Codified Ordinances and the administrative fee withheld from the maintenance bond used to enforce laws regarding foreclosed and/or vacant properties.

Clean Ohio Revitalization Fund

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

Canton Merchandising Fund

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

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

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

Other

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

Income Tax Fund

To account for the receipts from the assessment of an income tax. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the nonmajor special revenue funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule is presented in this section.

Nonmajor Debt Service Funds

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

General Obligation Bond Retirement Fund

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

Special Assessment Bond Retirement Fund

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

Nonmajor Capital Projects Funds

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

2015 Construction/Reconstruction Note Fund

To account for the portions of a 2015 City note for building renovations and construction being done throughout the City.

2006 City Infrastructure Bond Fund

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

2006 Recreational Bond Fund

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

2006 Construction/Reconstruction Bond Fund

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

2006 Judges Facilities/City Hall Renovation Bond Fund

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

12th St. N Corridor Project Fund

To account for capital grants and all costs associated with infrastructure improvements related to the the 12th St. North Corridor project.

Mahoning Rd. Corridor Project Fund

To account for capital grants and all costs associated with infrastructure improvements to the Mahoning Road Corridor.

Walnut/Cherry Avenue Project Fund

To account for capital grants and all costs associated with the Walnut/Cherry Avenue project infrastructure improvements.

11th St. NW Improvement Project Fund

To account for capital grants and all costs associated with the 11th Street North West infrastructure road project.

41st St. NW Roadway Reconstruction Project

To account for capital grants and all costs associated with the 41st St. North West roadway reconstruction infrastructure project.

Railroad Crossing/Traffic Signal Upgrade Fund

To account for capital grants and all costs associated with railroad crossing and traffic signal upgrades.

Harrisburg Rd. Resurfacing Project Fund

To account for capital grants and all costs associated with the Harrisburg Road resurfacing infrastructure project.

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

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

37th St. NW Water Main Replacement Fund

To account for capital grants and all costs associated with the 37th Street Water Main replacement infrastructure project.

SIB Loan 12th St. N Corridor Project Fund

To account for loan proceeds and all costs related to the 12th Street North Corridor Safety project.

Fulton Road Resurfacing Project Fund

To account for capital grants and all costs associated with the Fulton Road resurfacing infrastructure project.

Tuscarawas Street W. Corridor Safety Project Fund

To account for loan proceeds and all costs related to the Tuscarawas Street West Corridor Safety project.

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes	\$ 1,820,800	\$ 1,888,100	\$ 67,300
Municipal income taxes	33,577,409	33,132,643	(444,766)
Charges for services	8,839,792	8,569,029	(270,763)
Licenses, permits, and fees	1,304,200	1,279,552	(24,648)
Fines and forfeitures	188,000	257,504	69,504
Intergovernmental.	5,828,491	5,831,029	2,538
Interest and investment income.	257,000	303,838	46,838
Rental income.	7,494	8,175	681
Operating grants.	558,435	714,079	155,644
Other	1,230,002	1,175,710	(54,292)
Total revenues	53,611,623	53,159,659	(451,964)
Expenditures:			
Current:			
General government:			
<i>General Government - Support Administration:</i>			
Materials and supplies	5,500	5,500	-
Contractual services	754,474	743,969	10,505
Other	31,054	31,054	-
<i>Total Service Director - Support Administration</i>	<i>791,028</i>	<i>780,523</i>	<i>10,505</i>
<i>Service Director - Service Director Administration:</i>			
Personal services	105,669	105,598	71
Materials and supplies	520	270	250
Contractual services	8,720	5,679	3,041
Other	4,747	4,747	-
<i>Total Service Director - Service Director Administration.</i>	<i>119,656</i>	<i>116,294</i>	<i>3,362</i>
<i>Service Director - Purchase Administration:</i>			
Personal services	262,784	262,679	105
Materials and supplies	186,393	186,385	8
Contractual services	1,929	1,929	-
Other	7,730	7,730	-
<i>Total Service Director - Purchase Administration</i>	<i>458,836</i>	<i>458,723</i>	<i>113</i>
<i>Service Director - Annexation:</i>			
Personal services	6,055	6,040	15
Contractual services	2,020	2,020	-
<i>Total Service Director - Annexation</i>	<i>8,075</i>	<i>8,060</i>	<i>15</i>
<i>Building and Maintenance - Other Building:</i>			
Personal services	765,289	764,101	1,188
Materials and supplies	42,602	41,770	832
Contractual services	415,212	394,980	20,232
Capital outlay.	6,743	6,618	125
Other	6,064	6,064	-
<i>Total Building and Maintenance - Other Building</i>	<i>1,235,910</i>	<i>1,213,533</i>	<i>22,377</i>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Mayor - Administration:</i>			
Personal services	380,733	380,355	378
Materials and supplies	4,545	4,109	436
Contractual services	9,188	9,188	-
Other	15,664	15,622	42
<i>Total Mayor - Administration</i>	<u>410,130</u>	<u>409,274</u>	<u>856</u>
<i>Mayor - Human Resources Administration:</i>			
Personal services	121,804	121,538	266
Materials and supplies	1,649	1,649	-
Contractual services	16,826	16,826	-
Other	685	685	-
<i>Total Mayor - Human Resources Administration</i>	<u>140,964</u>	<u>140,698</u>	<u>266</u>
<i>Council - Council Administration:</i>			
Personal services	606,357	605,712	645
Materials and supplies	875	875	-
Contractual services	54,691	54,691	-
Other	250	250	-
<i>Total Council - Council Administration</i>	<u>662,173</u>	<u>661,528</u>	<u>645</u>
<i>Courts/Judge - Judge Administration:</i>			
Personal services	2,230,206	2,230,060	146
Materials and supplies	37,721	36,483	1,238
Contractual services	48,622	48,622	-
Capital outlay	6,350	6,350	-
Other	360	360	-
<i>Total Courts/Judge - Judge Administration</i>	<u>2,323,259</u>	<u>2,321,875</u>	<u>1,384</u>
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	1,534,323	1,534,161	162
Materials and supplies	44,116	43,927	189
Contractual services	17,697	17,559	138
Capital outlay	2,400	2,400	-
Other	233	233	-
<i>Total Courts/Clerk - Clerk of Courts Administration</i>	<u>1,598,769</u>	<u>1,598,280</u>	<u>489</u>
<i>Law Director - Law Administration:</i>			
Personal services	1,449,390	1,449,068	322
Materials and supplies	15,724	15,724	-
Contractual services	27,289	27,146	143
Other	69,971	67,036	2,935
<i>Total Law Director - Law Administration</i>	<u>1,562,374</u>	<u>1,558,974</u>	<u>3,400</u>
<i>Auditor - Auditor Administrations:</i>			
Personal services	1,119,009	1,118,897	112
Materials and supplies	8,417	8,417	-
Contractual services	23,637	23,885	(248)
Other	151,115	128,143	22,972
<i>Total Auditor - Auditor Administration</i>	<u>1,302,178</u>	<u>1,279,342</u>	<u>22,836</u>
<i>Auditor - Legally Binding Expenses:</i>			
Contractual services	443,571	443,797	(226)
Other	114,676	114,676	-
<i>Total Auditor - Legally Binding Expenses</i>	<u>558,247</u>	<u>558,473</u>	<u>(226)</u>

(Continued)

**CITY OF CANTON
STARK COUNTY, OHIO**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Treasurer - Administration & Operations:</i>			
Personal services	232,023	227,592	4,431
Materials and supplies	640	640	-
Contractual services	51,048	51,048	-
Other	304,400	304,400	-
<i>Total Treasurer - Administration & Operations</i>	<u>588,111</u>	<u>583,680</u>	<u>4,431</u>
<i>Board of Commission - Civil Service:</i>			
Personal services	293,085	293,051	34
Materials and supplies	4,948	4,948	-
Contractual services	48,303	48,303	-
Capital outlay	2,941	2,941	-
Other	1,571	1,571	-
<i>Total Board of Commission - Civil Service</i>	<u>350,848</u>	<u>350,814</u>	<u>34</u>
<i>Board of Commission - Zoning Board:</i>			
Personal services	8,605	8,567	38
<i>Management Information Systems:</i>			
Personal services	1,076,601	1,076,518	83
Materials and supplies	4,878	4,210	668
Contractual services	127,713	127,705	8
Other	1,727	1,630	97
<i>Total Management Information Systems</i>	<u>1,210,919</u>	<u>1,210,063</u>	<u>856</u>
<i>Total general government</i>	<u>13,330,082</u>	<u>13,258,701</u>	<u>71,381</u>
<i>Security of persons and property:</i>			
<i>Safety Director - Safety Director Administration:</i>			
Personal services	165,917	165,913	4
Materials and supplies	353	215	138
Contractual services	20,457	20,449	8
Other	836	836	-
<i>Total Safety Director - Safety Director Administration</i>	<u>187,563</u>	<u>187,413</u>	<u>150</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Safety Director - Code Enforcement Administration:</i>			
Personal services	788,477	788,418	59
Materials and supplies	12,011	10,706	1,305
Contractual services	70,756	69,892	864
Other	4,043	3,943	100
<i>Total Safety Director - Code Enforcement Administration</i>	<u>875,287</u>	<u>872,959</u>	<u>2,328</u>
<i>Safety Director - School Police Administration:</i>			
Personal services	122,465	122,457	8
<i>Safety Director - Central Communication Administration:</i>			
Personal services	1,759,421	1,759,033	388
Materials and supplies	2,575	2,556	19
Contractual services	57,001	56,229	772
Other	1,166	1,166	-
<i>Total Safety Director - Central Communication Administration</i>	<u>1,820,163</u>	<u>1,818,984</u>	<u>1,179</u>
<i>Police Administration:</i>			
Personal services	15,661,524	15,659,996	1,528
Materials and supplies	253,080	253,080	-
Contractual services	678,398	674,900	3,498
Other	53,351	53,351	-
<i>Total Police Administration</i>	<u>16,646,353</u>	<u>16,641,327</u>	<u>5,026</u>
<i>Fire Administration:</i>			
Personal services	14,621,722	14,616,881	4,841
Materials and supplies	292,271	279,011	13,260
Contractual services	378,064	372,299	5,765
Capital outlay	2,269	2,269	-
Other	69,240	69,309	(69)
<i>Total Fire Administration</i>	<u>15,363,566</u>	<u>15,339,769</u>	<u>23,797</u>
<i>Traffic Administration:</i>			
Personal services	678,001	677,855	146
<i>Traffic Divisions - Traffic Engineer/Parking Meter:</i>			
Personal services	149,144	148,876	268
Materials and supplies	8,804	8,804	-
Contractual services	1,855	1,855	-
Other	500	500	-
<i>Total Traffic Divisions - Traffic Engineer/Parking Meter</i>	<u>160,303</u>	<u>160,035</u>	<u>268</u>
<i>Total security of persons and property</i>	<u>35,853,701</u>	<u>35,820,799</u>	<u>32,902</u>
Public health:			
<i>Health - Administration:</i>			
Personal services	439,825	439,713	112
Materials and supplies	26,258	24,626	1,632
Contractual services	101,076	101,076	-
Other	231,108	230,431	677
<i>Total Health - Administration</i>	<u>798,267</u>	<u>795,846</u>	<u>2,421</u>
<i>Health - Nurses:</i>			
Personal services	670,701	670,658	43
Materials and supplies	24,024	23,932	92
Contractual services	121,744	118,244	3,500
Other	3,713	2,748	965
<i>Total Health - Nurses</i>	<u>820,182</u>	<u>815,582</u>	<u>4,600</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Health - Lab:</i>			
Personal services	223,020	222,917	103
Materials and supplies	42,667	42,398	269
Contractual services	19,661	18,660	1,001
Other	745	745	-
<i>Total Health - Lab</i>	<u>286,093</u>	<u>284,720</u>	<u>1,373</u>
<i>Health - Environmental Health Administration:</i>			
Personal services	492,814	492,757	57
Materials and supplies	2,684	2,684	-
Contractual services	4,590	4,267	323
Other	2,065	1,946	119
<i>Total Health - Environmental Health Administration</i>	<u>502,153</u>	<u>501,654</u>	<u>499</u>
<i>Total public health</i>	<u>2,406,695</u>	<u>2,397,802</u>	<u>8,893</u>
<i>Transportation:</i>			
<i>Engineering - Daily Operations:</i>			
Personal services	63,453	63,445	8
Materials and supplies	405	358	47
Contractual services	1,518	1,518	-
Capital outlay	1,000	1,000	-
<i>Total Engineering - Daily Operations</i>	<u>66,376</u>	<u>66,321</u>	<u>55</u>
<i>Street - Maintenance:</i>			
Personal services	518,820	518,612	208
Materials and supplies	263,325	263,325	-
Contractual services	1,247,380	1,242,424	4,956
Other	14,699	14,699	-
<i>Total Street - Maintenance</i>	<u>2,044,224</u>	<u>2,039,060</u>	<u>5,164</u>
<i>Total transportation</i>	<u>2,110,600</u>	<u>2,105,381</u>	<u>5,219</u>
<i>Community environment:</i>			
<i>Community Development - Community Development Administration:</i>			
Personal services	1,014,546	1,014,521	25
Contractual services	2,127,641	2,008,418	119,223
Capital outlay	15,924	9,924	6,000
Other	220,000	220,000	-
<i>Total Community Development - Community Development Administration</i>	<u>3,378,111</u>	<u>3,252,863</u>	<u>125,248</u>
<i>Community Improvement Corporation:</i>			
Other	256,361	256,362	(1)
<i>Land Reutilization:</i>			
Contractual services	27,425	27,426	(1)
<i>HOF Village Project:</i>			
Other	5,000,000	5,000,000	-
<i>Total community environment</i>	<u>8,661,897</u>	<u>8,536,651</u>	<u>125,246</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Civic Center - Civic Center Administration:</i>			
Materials and supplies	332	332	-
Contractual services	409,287	395,042	14,245
<i>Total Civic Center - Civic Center Administration</i>	<u>409,619</u>	<u>395,374</u>	<u>14,245</u>
<i>Total leisure time activities</i>	<u>409,619</u>	<u>395,374</u>	<u>14,245</u>
Debt service:			
Principal retirement	6,645,000	6,645,000	-
Interest and fiscal charges	295,681	141,564	154,117
<i>Total debt service.</i>	<u>6,940,681</u>	<u>6,786,564</u>	<u>154,117</u>
Total expenditures	<u>69,713,275</u>	<u>69,301,272</u>	<u>412,003</u>
Excess of expenditures over revenues.	<u>(16,101,652)</u>	<u>(16,141,613)</u>	<u>(39,961)</u>
Other financing sources (uses):			
Issuance of notes	8,300,000	8,300,000	-
Issuance of manuscript debt	3,400,000	3,500,000	100,000
Transfers in	114,000	-	(114,000)
Transfers (out).	(241,200)	(241,200)	-
Advances in	500,000	-	(500,000)
Advances (out).	(561,960)	(61,960)	500,000
Total other financing sources (uses)	<u>11,510,840</u>	<u>11,496,840</u>	<u>(14,000)</u>
Net change in fund balance	(4,590,812)	(4,644,773)	(53,961)
Fund balance at beginning of year (restated)	3,496,220	3,496,220	-
Prior year encumbrances appropriated (restated)	1,805,718	1,805,718	-
Fund balance at end of year	<u>\$ 711,126</u>	<u>\$ 657,165</u>	<u>\$ (53,961)</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY AND ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 20,000	\$ 99,175	\$ 79,175
Operating grants	9,618,236	4,021,857	(5,596,379)
Other	174,149	261,083	86,934
Total revenues	9,812,385	4,382,115	(5,430,270)
Expenditures:			
Current:			
Community environment:			
<i>Youth Development Administration:</i>			
Contractual services	2,300	2,300	-
<i>Community Development Administration:</i>			
Personal services	-	-	-
Materials and supplies	27,193	18,582	8,611
Contractual services	367,116	186,815	180,301
Capital outlay.	493,634	487,843	5,791
Other	6,549,178	4,114,334	2,434,844
Total Community Development Administration	7,437,121	4,807,574	2,629,547
<i>Federal Stimulus Funding:</i>			
Contractual services	4,000	4,000	-
Capital outlay.	6,779	6,779	-
Other	20,991	3,951	17,040
Total Federal Stimulus Funding	31,770	14,730	17,040
<i>Community Development Demolition:</i>			
Contractual services	1,453,398	518,246	935,152
Other	107,882	40,670	67,212
Total Community Development Demolition	1,561,280	558,916	1,002,364
<i>Fair Housing Administration:</i>			
Personal services	59,587	48,084	11,503
Materials and supplies	425	319	106
Contractual services	646	313	333
Capital outlay.	2,401	2,401	-
Other	17,227	16,313	914
Total Fair Housing Administration	80,286	67,430	12,856

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY AND ECONOMIC DEVELOPMENT FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total expenditures	9,112,757	5,450,950	3,661,807
Excess of expenditures over revenues	699,628	(1,068,835)	(1,768,463)
Other financing sources:			
Sale of assets	-	56,034	56,034
Net change in fund balance.	699,628	(1,012,801)	(1,712,429)
Fund balance (deficit) at beginning of year	(2,001,987)	(2,001,987)	-
Prior year encumbrances appropriated	2,266,815	2,266,815	-
Fund balance (deficit) at end of year.	<u>\$ 964,456</u>	<u>\$ (747,973)</u>	<u>\$ (1,712,429)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes	\$ 9,274,000	\$ 8,835,371	\$ (438,629)
Capital grants	-	2,053	2,053
Other	-	32,750	32,750
Total revenues	9,274,000	8,870,174	(403,826)
Expenditures:			
Capital outlay:			
<i>Safety Director:</i>			
Police Department - Police Administration	173,096	147,604	25,492
Fire Department - Fire Administration.	474,090	473,359	731
<i>Total Safety Director</i>	<u>647,186</u>	<u>620,963</u>	<u>26,223</u>
<i>Traffic Divisions:</i>			
Traffic Signal	53,965	53,945	20
<i>Service Director:</i>			
Service Director Administration	359,911	210,791	149,120
Engineering Administration.	1,554,855	1,523,171	31,684
Engineering - 3rd Street SE Bridge Rehabilitation Project	74,461	74,461	-
Engineering - 11th Street Improvement Project.	37,687	37,687	-
Engineering - Tuscarawas Street W. Corridor Safety Project	44,563	44,563	-
Street Administration	118,096	65,366	52,730
Street Paving	3,812,809	3,718,620	94,189
Collection System Department	355,687	289,449	66,238
Engineering - Fulton Road Resurfacing Project	314,500	12,706	301,794
Engineering - 12th Street NW Bridge Replacement	29,467	29,467	-
Engineering - Urban Forestry.	32,021	29,351	2,670
Engineering - 38th Street NW Improvement Project	50,000	49,912	88
Engineering - 19th and Edwards Intersection Improvements.	69,260	52,619	16,641
<i>Total Service Director</i>	<u>6,853,317</u>	<u>6,138,163</u>	<u>715,154</u>
<i>Water:</i>			
37th Street Water Sewer Street Improvement Project	302,175	276,675	25,500
<i>Health:</i>			
Health Administration.	42,200	41,937	263
<i>Management Information Systems:</i>			
Information Technology Manager.	546,432	544,344	2,088
<i>Judges:</i>			
Judges Administration	10,000	9,435	565
<i>Council:</i>			
Council Administration	1,600	1,082	518
<i>Auditor:</i>			
Auditor Administration	165,599	163,865	1,734
<i>Motor Vehicle Maintenance:</i>			
Service & Repair	10,360	6,874	3,486

(continued)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<i>Law:</i>			
Law - Administration	30,000	18,149	11,851
<i>Income Tax:</i>			
Income Tax - Administration	197,856	197,856	-
<i>Total capital outlay</i>	<u>8,860,690</u>	<u>8,073,288</u>	<u>787,402</u>
<i>Debt service:</i>			
<i>Principal retirement:</i>			
Various purpose loans	298,855	298,855	-
General obligation various improvement bonds	2,073,947	2,073,947	-
<i>Total principal retirement</i>	<u>2,372,802</u>	<u>2,372,802</u>	<u>-</u>
<i>Interest and fiscal charges:</i>			
Various purpose loans	19,967	19,967	-
General obligation various improvement bonds	190,079	190,079	-
<i>Interest and fiscal charges</i>	<u>210,046</u>	<u>210,046</u>	<u>-</u>
<i>Total debt service</i>	<u>2,582,848</u>	<u>2,582,848</u>	<u>-</u>
Total expenditures	<u>11,443,538</u>	<u>10,656,136</u>	<u>787,402</u>
Excess of expenditures over revenues	<u>(2,169,538)</u>	<u>(1,785,962)</u>	<u>383,576</u>
Other financing sources:			
Sale of assets	-	3,954	3,954
Loan proceeds - OPWC	255,000	110,458	(144,542)
Total other financing sources (uses)	<u>255,000</u>	<u>114,412</u>	<u>(140,588)</u>
Net change in fund balance	(1,914,538)	(1,671,550)	242,988
Fund balance at beginning of year	1,067,851	1,067,851	-
Prior year encumbrances appropriated	1,393,143	1,393,143	-
Fund balance at end of year	<u>\$ 546,456</u>	<u>\$ 789,444</u>	<u>\$ 242,988</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE PURCHASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 2,318,000	\$ 2,208,842	\$ (109,158)
Rental income	-	1,000	1,000
Other	-	11,650	11,650
Total revenues	2,318,000	2,221,492	(96,508)
Expenditures:			
Capital outlay:			
<i>Safety Director:</i>			
Code Enforcement Administration	7,642	7,642	-
Central Communication Administration	248,352	242,592	5,760
Police Department - Police Administration	632,511	630,885	1,626
Fire Department - Fire Administration	791,327	791,128	199
Total Safety Director	1,679,832	1,672,247	7,585
<i>Traffic Divisions:</i>			
Traffic Divisions - Engineer Administration	9,960	4,980	4,980
Traffic Divisions - Traffic Sign & Paint	13,869	13,869	-
Traffic Divisions - Traffic Signal	12,583	934	11,649
Total Traffic Divisions	36,412	19,783	16,629
<i>Service Director:</i>			
Engineer Administration	4,947	4,947	-
Street Administration	668,032	645,816	22,216
Street Paving	267,390	267,390	-
Building Maintenance Administration	1,642	1,642	-
Collection System Department	11,904	11,904	-
Total Service Director	953,915	931,699	22,216
<i>Health:</i>			
Health Administration	6,423	6,423	-
<i>Mayor:</i>			
Mayor Administration	1,420	1,420	-
<i>Management Information Systems:</i>			
Information Technology Manager	1,162	1,162	-
<i>Judges:</i>			
Judge Administration	9,642	9,642	-
Total capital outlay	2,688,806	2,642,376	46,430

(continued)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE PURCHASE FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total expenditures	2,688,806	2,642,376	46,430
Excess of expenditures over revenues	(370,806)	(420,884)	(50,078)
Other financing sources:			
Sale of assets.	-	18,029	18,029
Net change in fund balance	(370,806)	(402,855)	(32,049)
Fund balance at beginning of year.	296,205	296,205	-
Prior year encumbrances appropriated.	126,703	126,703	-
Fund balance at end of year.	\$ 52,102	\$ 20,053	\$ (32,049)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,844,880	\$ 46,137	\$ 4,038,691	\$ 11,929,708
Cash with fiscal agent	-	3,019	-	3,019
Receivables:				
Accounts	17,390	5,767	-	23,157
Property and other taxes	3,517,534	-	-	3,517,534
Due from other funds	11,044	-	-	11,044
Due from other governments	2,438,946	-	1,236,108	3,675,054
Materials and supplies inventory	102,984	-	-	102,984
Total assets	\$ 13,932,778	\$ 54,923	\$ 5,274,799	\$ 19,262,500
Liabilities:				
Accounts payable	\$ 429,045	\$ -	\$ 1,388,229	\$ 1,817,274
Accrued wages and benefits payable	217,412	-	-	217,412
Due to other funds	28,462	-	-	28,462
Interfund loans payable	61,960	-	-	61,960
Due to other governments	60,113	-	-	60,113
Retainage payable	-	-	1,004,298	1,004,298
Total liabilities	796,992	-	2,392,527	3,189,519
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,740,330	-	-	2,740,330
Delinquent property tax revenue not available	777,204	-	-	777,204
Intergovernmental revenue not available	1,423,361	-	-	1,423,361
Charges for services revenue not available	-	5,767	-	5,767
Miscellaneous revenue not available	12,204	-	-	12,204
Total deferred inflows of resources	4,953,099	5,767	-	4,958,866
Fund balances:				
Nonspendable	102,984	-	-	102,984
Restricted	6,905,139	49,156	3,807,754	10,762,049
Committed	1,187,634	-	-	1,187,634
Unassigned (deficit)	(13,070)	-	(925,482)	(938,552)
Total fund balances	8,182,687	49,156	2,882,272	11,114,115
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,932,778	\$ 54,923	\$ 5,274,799	\$ 19,262,500

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CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other local taxes	\$ 2,428,878	\$ -	\$ -	\$ 2,428,878
Charges for services	1,656,348	-	-	1,656,348
Licenses, permits, and fees	221,231	-	-	221,231
Fines and forfeitures	188,547	-	-	188,547
Intergovernmental	3,447,142	-	-	3,447,142
Interest and investment income	381	27,562	4,330	32,273
Rental income.	60,637	-	-	60,637
Contributions and donations	29,356	-	-	29,356
Operating grants.	4,520,870	-	-	4,520,870
Capital grants	364,946	-	13,181,148	13,546,094
Payment in lieu of taxes.	43,687	-	-	43,687
Other	317,361	337	135,506	453,204
Total revenues.	13,279,384	27,899	13,320,984	26,628,267
Expenditures:				
Current:				
General government.	1,090,887	-	-	1,090,887
Security of persons and property	2,901,913	-	-	2,901,913
Public health	3,652,696	-	-	3,652,696
Transportation.	2,353,761	-	-	2,353,761
Community environment	80,243	-	-	80,243
Leisure time activities.	2,352,729	-	-	2,352,729
Capital outlay	-	-	15,821,464	15,821,464
Debt service:				
Principal retirement.	75,115	-	-	75,115
Interest and fiscal charges	6,410	-	-	6,410
Total expenditures	12,513,754	-	15,821,464	28,335,218
Excess of revenues over (under) expenditures	765,630	27,899	(2,500,480)	(1,706,951)
Other financing sources:				
Note issuance	-	-	3,500,000	3,500,000
Issuance of loans	-	-	563,277	563,277
Transfers in.	80,000	-	-	80,000
Total other financing sources.	80,000	-	4,063,277	4,143,277
Net change in fund balances	845,630	27,899	1,562,797	2,436,326
Fund balances at beginning of year	7,337,057	21,257	1,319,475	8,677,789
Fund balances at end of year	\$ 8,182,687	\$ 49,156	\$ 2,882,272	\$ 11,114,115

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2015

	Street Construction, Maintenance, and Repair	State Highway	Municipal Road	Cornerstone Parking Deck	Mills Industrial Park TIF
Assets:					
Equity in pooled cash and cash equivalents.	\$ 351,445	\$ 39,424	\$ 670,092	\$ 45,808	\$ 26,968
Receivables:					
Accounts	-	-	-	753	-
Property and other taxes	-	-	-	-	-
Due from other funds.	-	-	-	-	-
Due from other governments	1,382,252	94,854	-	-	-
Materials and supplies inventory	87,609	-	-	-	-
Total assets	<u>\$ 1,821,306</u>	<u>\$ 134,278</u>	<u>\$ 670,092</u>	<u>\$ 46,561</u>	<u>\$ 26,968</u>
Liabilities:					
Accounts payable.	\$ 80,361	\$ 410	\$ -	\$ 8,007	\$ -
Accrued wages and benefits payable.	55,608	4,095	-	5,948	-
Due to other funds	1,347	1,347	-	-	-
Interfund loan payable	-	-	-	-	-
Due to other governments	8,591	632	-	27,226	-
Total liabilities	<u>145,907</u>	<u>6,484</u>	<u>-</u>	<u>41,181</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	-	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-	-
Intergovernmental revenue not available	915,232	62,625	-	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>915,232</u>	<u>62,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable.	87,609	-	-	-	-
Restricted.	672,558	65,169	670,092	5,380	26,968
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit).	<u>760,167</u>	<u>65,169</u>	<u>670,092</u>	<u>5,380</u>	<u>26,968</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,821,306</u>	<u>\$ 134,278</u>	<u>\$ 670,092</u>	<u>\$ 46,561</u>	<u>\$ 26,968</u>

<u>Gervasi 1700, LLC TIF</u>	<u>Lesh Rd./30th St. TIF</u>	<u>Health Services</u>	<u>Crime Lab</u>	<u>Court Computer</u>	<u>Court</u>	<u>Law Department Dispute Resolution</u>	<u>SARTA Area Improvement</u>
\$ 7,133	\$ 31,036	\$ 2,787,014	\$ 110,850	\$ 260,129	\$ 730,419	\$ 874	\$ 642
-	-	-	-	-	3,807	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	97,234	2,057	19,027	38,246	-	-
-	-	-	-	-	-	-	-
<u>\$ 7,133</u>	<u>\$ 31,036</u>	<u>\$ 2,884,248</u>	<u>\$ 112,907</u>	<u>\$ 279,156</u>	<u>\$ 772,472</u>	<u>\$ 874</u>	<u>\$ 642</u>
\$ -	\$ -	\$ 96,391	\$ -	\$ 17,891	\$ 24,619	\$ -	\$ 50
-	-	91,645	-	5,684	3,964	-	-
-	-	-	-	-	-	-	-
-	-	61,960	-	-	-	-	-
-	-	14,216	-	878	613	-	-
-	-	264,212	-	24,453	29,196	-	50
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	73,819	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	73,819	-	-	-	-	-
-	-	-	-	-	-	-	-
7,133	31,036	2,546,217	112,907	254,703	743,276	874	592
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>7,133</u>	<u>31,036</u>	<u>2,546,217</u>	<u>112,907</u>	<u>254,703</u>	<u>743,276</u>	<u>874</u>	<u>592</u>
<u>\$ 7,133</u>	<u>\$ 31,036</u>	<u>\$ 2,884,248</u>	<u>\$ 112,907</u>	<u>\$ 279,156</u>	<u>\$ 772,472</u>	<u>\$ 874</u>	<u>\$ 642</u>

(Continued)

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2015

	<u>Park Department</u>	<u>Youth Development</u>	<u>Federal Forfeiture</u>	<u>Enforcement and Education</u>	<u>Indigent Driver Alcohol Treatment</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 924,662	\$ 4,470	\$ 408,446	\$ 14,362	\$ 93,633
Receivables:					
Accounts	-	-	-	-	-
Property and other taxes	3,517,534	-	-	-	-
Due from other funds.	-	-	-	-	-
Due from other governments	4,385	-	-	12,776	1,944
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 4,446,581</u>	<u>\$ 4,470</u>	<u>\$ 408,446</u>	<u>\$ 27,138</u>	<u>\$ 95,577</u>
Liabilities:					
Accounts payable.	\$ 92,235	\$ 5,717	\$ 3,172	\$ 230	\$ 30,250
Accrued wages and benefits payable.	38,407	10,241	-	-	-
Due to other funds	207	-	-	-	-
Interfund loan payable	-	-	-	-	-
Due to other governments	6,094	1,582	-	-	-
Total liabilities	<u>136,943</u>	<u>17,540</u>	<u>3,172</u>	<u>230</u>	<u>30,250</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	2,740,330	-	-	-	-
Delinquent property tax revenue not available	777,204	-	-	-	-
Intergovernmental revenue not available	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>3,517,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable.	-	-	-	-	-
Restricted.	24,357	-	405,274	26,908	65,327
Committed	767,747	-	-	-	-
Unassigned (deficit)	-	(13,070)	-	-	-
Total fund balances (deficit).	<u>792,104</u>	<u>(13,070)</u>	<u>405,274</u>	<u>26,908</u>	<u>65,327</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,446,581</u>	<u>\$ 4,470</u>	<u>\$ 408,446</u>	<u>\$ 27,138</u>	<u>\$ 95,577</u>

<u>Law Enforcement Trust</u>	<u>Municipal Probation Services</u>	<u>Misdemeanor Community Sanction Grant</u>	<u>Prisoner Housing</u>	<u>Local Law Enforcement Block Grant</u>	<u>Supplementary Police Forces</u>	<u>Police</u>	<u>Fire</u>
\$ 137,264	\$ 435,627	\$ 44,458	\$ 44,204	\$ 40	\$ 77	\$ 171,312	\$ 7,204
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	11,044	-	-	-	-	-
4,140	21,900	-	1,365	104,564	-	502,487	3,500
-	-	-	-	-	-	-	-
<u>\$ 141,404</u>	<u>\$ 457,527</u>	<u>\$ 55,502</u>	<u>\$ 45,569</u>	<u>\$ 104,604</u>	<u>\$ 77</u>	<u>\$ 673,799</u>	<u>\$ 10,704</u>
\$ 2,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	1,820	-
-	11,044	-	-	14,517	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	281	-
<u>2,523</u>	<u>11,044</u>	<u>-</u>	<u>-</u>	<u>14,517</u>	<u>-</u>	<u>2,101</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	69,709	-	150,261	3,500
-	-	-	-	-	-	-	-
-	-	-	-	69,709	-	150,261	3,500
-	-	-	-	-	-	-	-
138,881	446,483	55,502	45,569	20,378	77	521,437	7,204
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>138,881</u>	<u>446,483</u>	<u>55,502</u>	<u>45,569</u>	<u>20,378</u>	<u>77</u>	<u>521,437</u>	<u>7,204</u>
<u>\$ 141,404</u>	<u>\$ 457,527</u>	<u>\$ 55,502</u>	<u>\$ 45,569</u>	<u>\$ 104,604</u>	<u>\$ 77</u>	<u>\$ 673,799</u>	<u>\$ 10,704</u>

(Continued)

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2015

	<u>Vacant/ Foreclosed Registry</u>	<u>Clean Ohio Revitalization</u>	<u>Canton Merchandising</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 347,123	\$ 8	\$ 9,824	\$ 140,332	\$ 7,844,880
Receivables:					
Accounts	-	-	-	12,830	17,390
Property and other taxes	-	-	-	-	3,517,534
Due from other funds.	-	-	-	-	11,044
Due from other governments	-	-	-	148,215	2,438,946
Materials and supplies inventory	-	-	15,375	-	102,984
Total assets	<u>\$ 347,123</u>	<u>\$ 8</u>	<u>\$ 25,199</u>	<u>\$ 301,377</u>	<u>\$ 13,932,778</u>
Liabilities:					
Accounts payable.	\$ -	\$ -	\$ -	\$ 67,189	\$ 429,045
Accrued wages and benefits payable.	-	-	-	-	217,412
Due to other funds	-	-	-	-	28,462
Interfund loan payable	-	-	-	-	61,960
Due to other governments	-	-	-	-	60,113
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,189</u>	<u>796,992</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	-	-	-	-	2,740,330
Delinquent property tax revenue not available	-	-	-	-	777,204
Intergovernmental revenue not available	-	-	-	148,215	1,423,361
Miscellaneous revenue not available	-	-	-	12,204	12,204
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,419</u>	<u>4,953,099</u>
Fund balances:					
Nonspendable.	-	-	15,375	-	102,984
Restricted.	-	8	9,824	1,005	6,905,139
Committed	347,123	-	-	72,764	1,187,634
Unassigned (deficit)	-	-	-	-	(13,070)
Total fund balances (deficit).	<u>347,123</u>	<u>8</u>	<u>25,199</u>	<u>73,769</u>	<u>8,182,687</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 347,123</u>	<u>\$ 8</u>	<u>\$ 25,199</u>	<u>\$ 301,377</u>	<u>\$ 13,932,778</u>

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CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Street Construction, Maintenance, and Repair	State Highway	Municipal Road	Cornerstone Parking Deck	Mills Industrial Park TIF
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	286,306	-
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	2,901,353	201,819	-	-	-
Interest and investment income	88	27	-	-	-
Rental income	-	-	-	14,856	-
Contributions and donations	-	-	-	-	-
Operating grants	-	-	-	-	-
Capital grants	-	-	364,946	-	-
Payment in lieu of taxes	-	-	-	-	18,229
Other	49,745	-	115,368	7,038	-
Total revenues	2,951,186	201,846	480,314	308,200	18,229
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	1,190,891	9,671	-	326,761	-
Public health	-	-	-	-	-
Transportation	1,678,810	187,490	454,857	-	-
Community environment	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	2,869,701	197,161	454,857	326,761	-
Excess of revenues over (under) expenditures	81,485	4,685	25,457	(18,561)	18,229
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balance	81,485	4,685	25,457	(18,561)	18,229
Fund balances (deficit) at beginning of year	678,682	60,484	644,635	23,941	8,739
Fund balances (deficit) at end of year	\$ 760,167	\$ 65,169	\$ 670,092	\$ 5,380	\$ 26,968

Gervasi 1700, LLC TIF	Lesh Rd./30th St. TIF	Health Services	Crime Lab	Court Computer	Court	Law Department Dispute Resolution	SARTA Area Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	165,824	20,356	224,468	442,075	225	-
-	-	221,231	-	-	-	-	-
-	-	-	-	-	6	-	-
-	-	24,685	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,147,653	-	-	-	-	-
-	-	-	-	-	-	-	-
20,900	4,558	-	-	-	-	-	-
-	-	1,273	-	-	427	-	-
<u>20,900</u>	<u>4,558</u>	<u>3,560,666</u>	<u>20,356</u>	<u>224,468</u>	<u>442,508</u>	<u>225</u>	<u>-</u>
-	-	-	-	307,906	176,029	390	-
-	-	-	-	-	-	-	-
-	-	3,652,696	-	-	-	-	-
-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	-
13,767	-	-	-	-	35,594	-	-
-	-	-	-	-	2,393	-	-
<u>13,767</u>	<u>-</u>	<u>3,652,696</u>	<u>-</u>	<u>307,906</u>	<u>214,016</u>	<u>390</u>	<u>50</u>
<u>7,133</u>	<u>4,558</u>	<u>(92,030)</u>	<u>20,356</u>	<u>(83,438)</u>	<u>228,492</u>	<u>(165)</u>	<u>(50)</u>
-	-	80,000	-	-	-	-	-
-	-	80,000	-	-	-	-	-
7,133	4,558	(12,030)	20,356	(83,438)	228,492	(165)	(50)
-	26,478	2,558,247	92,551	338,141	514,784	1,039	642
<u>\$ 7,133</u>	<u>\$ 31,036</u>	<u>\$ 2,546,217</u>	<u>\$ 112,907</u>	<u>\$ 254,703</u>	<u>\$ 743,276</u>	<u>\$ 874</u>	<u>\$ 592</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Park Department</u>	<u>Youth Development</u>	<u>Federal Forfeiture</u>	<u>Enforcement and Education</u>	<u>Indigent Driver Alcohol Treatment</u>
Revenues:					
Property and other local taxes	\$ 2,428,878	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	5,996	6,865	91,673
Intergovernmental	156,906	-	-	-	-
Interest and investment income	-	-	226	-	-
Rental income	45,781	-	-	-	-
Contributions and donations	26,538	-	-	-	-
Operating grants	67,402	-	-	-	-
Capital grants	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Other	7,240	-	-	24,880	-
Total revenues	<u>2,732,745</u>	<u>-</u>	<u>6,222</u>	<u>31,745</u>	<u>91,673</u>
Expenditures:					
Current:					
General government	-	17,540	-	-	91,736
Security of persons and property	-	-	168,847	14,047	-
Public health	-	-	-	-	-
Transportation	-	-	-	-	-
Community environment	-	-	-	-	-
Leisure time activities	2,352,729	-	-	-	-
Debt service:					
Principal retirement	-	-	25,754	-	-
Interest and fiscal charges	-	-	4,017	-	-
Total expenditures	<u>2,352,729</u>	<u>17,540</u>	<u>198,618</u>	<u>14,047</u>	<u>91,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>380,016</u>	<u>(17,540)</u>	<u>(192,396)</u>	<u>17,698</u>	<u>(63)</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	380,016	(17,540)	(192,396)	17,698	(63)
Fund balances (deficit) at beginning of year	<u>412,088</u>	<u>4,470</u>	<u>597,670</u>	<u>9,210</u>	<u>65,390</u>
Fund balances (deficit) at end of year	<u>\$ 792,104</u>	<u>\$ (13,070)</u>	<u>\$ 405,274</u>	<u>\$ 26,908</u>	<u>\$ 65,327</u>

Law Enforcement Trust	Municipal Probation Services	Misdemeanor Community Sanction Grant	Prisoner Housing	Local Law Enforcement Block Grant	Supplementary Police Forces	Police	Fire
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	291,949	-	-	-	-	-	-
-	-	-	-	-	-	-	-
66,685	-	-	17,322	-	-	-	-
-	-	-	-	34,855	-	127,524	-
-	-	-	-	40	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,813	5
-	-	130,451	-	-	-	1,065,883	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,888	42,474	11,104	-	-	-	-	-
<u>93,573</u>	<u>334,423</u>	<u>141,555</u>	<u>17,322</u>	<u>34,895</u>	<u>-</u>	<u>1,196,220</u>	<u>5</u>
-	212,285	170,270	-	-	-	7,795	-
86,345	-	-	-	23,411	104	1,015,528	66,308
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>86,345</u>	<u>212,285</u>	<u>170,270</u>	<u>-</u>	<u>23,411</u>	<u>104</u>	<u>1,023,323</u>	<u>66,308</u>
<u>7,228</u>	<u>122,138</u>	<u>(28,715)</u>	<u>17,322</u>	<u>11,484</u>	<u>(104)</u>	<u>172,897</u>	<u>(66,303)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,228	122,138	(28,715)	17,322	11,484	(104)	172,897	(66,303)
<u>131,653</u>	<u>324,345</u>	<u>84,217</u>	<u>28,247</u>	<u>8,894</u>	<u>181</u>	<u>348,540</u>	<u>73,507</u>
<u>\$ 138,881</u>	<u>\$ 446,483</u>	<u>\$ 55,502</u>	<u>\$ 45,569</u>	<u>\$ 20,378</u>	<u>\$ 77</u>	<u>\$ 521,437</u>	<u>\$ 7,204</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Vacant/ Foreclosed Registry</u>	<u>Clean Ohio Revitalization</u>	<u>Canton Merchandising</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,428,878
Charges for services	225,145	-	-	-	1,656,348
Licenses, permits, and fees	-	-	-	-	221,231
Fines and forfeitures	-	-	-	-	188,547
Intergovernmental	-	-	-	-	3,447,142
Interest and investment income	-	-	-	-	381
Rental income	-	-	-	-	60,637
Contributions and donations	-	-	-	-	29,356
Operating grants	-	15,857	-	93,624	4,520,870
Capital grants	-	-	-	-	364,946
Payment in lieu of taxes	-	-	-	-	43,687
Other	-	-	2,828	28,096	317,361
Total revenues	<u>225,145</u>	<u>15,857</u>	<u>2,828</u>	<u>121,720</u>	<u>13,279,384</u>
Expenditures:					
Current:					
General government	-	-	-	106,936	1,090,887
Security of persons and property	-	-	-	-	2,901,913
Public health	-	-	-	-	3,652,696
Transportation	-	-	-	32,554	2,353,761
Community environment	45,271	34,972	-	-	80,243
Leisure time activities	-	-	-	-	2,352,729
Debt service:					
Principal retirement	-	-	-	-	75,115
Interest and fiscal charges	-	-	-	-	6,410
Total expenditures	<u>45,271</u>	<u>34,972</u>	<u>-</u>	<u>139,490</u>	<u>12,513,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>179,874</u>	<u>(19,115)</u>	<u>2,828</u>	<u>(17,770)</u>	<u>765,630</u>
Other financing sources:					
Transfers in	-	-	-	-	80,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Net change in fund balance	179,874	(19,115)	2,828	(17,770)	845,630
Fund balances (deficit) at beginning of year	<u>167,249</u>	<u>19,123</u>	<u>22,371</u>	<u>91,539</u>	<u>7,337,057</u>
Fund balances (deficit) at end of year	<u>\$ 347,123</u>	<u>\$ 8</u>	<u>\$ 25,199</u>	<u>\$ 73,769</u>	<u>\$ 8,182,687</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE, AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,928,000	\$ 2,911,218	\$ (16,782)
Interest and investment income	-	88	88
Other	-	49,785	49,785
Total revenues	2,928,000	2,961,091	33,091
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Divisions - Traffic Engineer/parking meter:</i>			
Personal services	359,820	358,454	1,366
Materials and supplies	15,104	11,294	3,810
Contractual services	14,563	13,013	1,550
Other	1,221	379	842
Total Traffic Divisions - Traffic Engineer/parking meter	390,708	383,140	7,568
<i>Traffic Divisions - Traffic Sign and Paint:</i>			
Personal services	304,108	284,517	19,591
Materials and supplies	51,110	45,023	6,087
Contractual services	53,529	41,078	12,451
Other	1,371	1,366	5
Total Traffic Divisions - Traffic Sign and Paint	410,118	371,984	38,134
<i>Traffic Divisions - Traffic Signal:</i>			
Personal services	291,737	284,918	6,819
Materials and supplies	39,492	39,492	-
Contractual services	147,607	146,705	902
Capital outlay	7,219	7,219	-
Other	227	204	23
Total Traffic Divisions - Traffic Signal	486,282	478,538	7,744
Total security of persons and property	1,287,108	1,233,662	53,446
Transportation:			
<i>Engineering - daily operations:</i>			
Personal services	20,715	20,615	100
Materials and supplies	74	49	25
Capital outlay	2,000	2,000	-
Total Engineering - daily operations	22,789	22,664	125
<i>Street Maintenance:</i>			
Personal services	1,151,480	1,086,836	64,644
Materials and supplies	525,274	503,989	21,285
Contractual services	94,713	88,708	6,005
Capital outlay	6,500	-	6,500
Other	3,937	2,236	1,701
Total Street Maintenance	1,781,904	1,681,769	100,135
Total Transportation	1,804,693	1,704,433	100,260
Total expenditures	3,091,801	2,938,095	153,706
Net change in fund balance	(163,801)	22,996	186,797
Fund balance at beginning of year	93,656	93,656	-
Prior year encumbrances appropriated	109,557	109,557	-
Fund balance at end of year	\$ 39,412	\$ 226,209	\$ 186,797

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 202,000	\$ 202,812	\$ 812
Interest and investment income	-	27	27
Total revenues	202,000	202,839	839
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Divisions - Traffic Signal:</i>			
Contractual services	10,001	10,001	-
Transportation:			
<i>Street Maintenance:</i>			
Personal services	132,783	120,379	12,404
Materials and supplies.	12,677	9,698	2,979
Contractual services.	53,334	53,334	-
Capital outlay.	2,000	-	2,000
<i>Total Street Maintenance</i>	<i>200,794</i>	<i>183,411</i>	<i>17,383</i>
Total expenditures	210,795	193,412	17,383
Net change in fund balance.	(8,795)	9,427	18,222
Fund balance at beginning of year	26,646	26,646	-
Prior year encumbrances appropriated	793	793	-
Fund balance at end of year.	\$ 18,644	\$ 36,866	\$ 18,222

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNICIPAL ROAD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 92,368	\$ 457,314	\$ 364,946
Other	-	115,368	115,368
Total revenues	92,368	572,682	480,314
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Engineering Administration:</i>			
Contractual services	200,000	200,000	-
Capital outlay	554,725	364,947	189,778
<i>Total Engineering - Engineering Administration</i>	<i>754,725</i>	<i>564,947</i>	<i>189,778</i>
Net change in fund balance	(662,357)	7,735	670,092
Fund balance at beginning of year	297,410	297,410	-
Prior year encumbrances appropriated	364,947	364,947	-
Fund balance at end of year	\$ -	\$ 670,092	\$ 670,092

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CORNERSTONE PARKING DECK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 273,600	\$ 286,803	\$ 13,203
Rental income	11,400	14,856	3,456
Other	-	6,285	6,285
Total revenues	285,000	307,944	22,944
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Division - Traffic Engineer/parking meter</i>			
Personal services	186,837	185,780	1,057
Materials and supplies.	11,107	11,290	(183)
Contractual services.	107,799	108,312	(513)
Other	1,379	1,225	154
<i>Total Traffic Division - Traffic Engineer/parking meter</i>	<i>307,122</i>	<i>306,607</i>	<i>515</i>
Net change in fund balance.	(22,122)	1,337	23,459
Fund balance at beginning of year.	10,905	10,905	-
Prior year encumbrances appropriated	30,215	30,215	-
Fund balance at end of year	\$ 18,998	\$ 42,457	\$ 23,459

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLS INDUSTRIAL PARK TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes.	\$ -	\$ 18,229	\$ 18,229
Net change in fund balance	-	18,229	18,229
Fund balance at beginning of year	<u>8,739</u>	<u>8,739</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,739</u>	<u>\$ 26,968</u>	<u>\$ 18,229</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GERVASI 1700, LLC TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes	\$ 13,768	\$ 20,900	\$ 7,132
Expenditures:			
Debt service:			
Principal retirement	<u>13,768</u>	<u>13,768</u>	<u>-</u>
Net change in fund balance	-	7,132	7,132
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 7,132</u></u>	<u><u>\$ 7,132</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LESH RD./30TH ST. TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes.	\$ -	\$ 4,558	\$ 4,558
Net change in fund balance	-	4,558	4,558
Fund balance at beginning of year	<u>26,478</u>	<u>26,478</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 26,478</u>	<u>\$ 31,036</u>	<u>\$ 4,558</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEALTH SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 34,400	\$ 165,824	\$ 131,424
Licenses, permits, and fees	221,507	221,391	(116)
Intergovernmental	10,106	24,685	14,579
Operating grants	3,258,740	3,147,356	(111,384)
Other	-	1,273	1,273
Total revenues	3,524,753	3,560,529	35,776
Expenditures:			
Current:			
Public health:			
<i>Health Administration:</i>			
Personal services	2,653,990	2,403,921	250,069
Materials and supplies	424,942	123,408	301,534
Contractual services	1,230,984	1,135,869	95,115
Capital outlay	103,227	26,312	76,915
Other	67,502	43,327	24,175
<i>Total Health Administration</i>	<u>4,480,645</u>	<u>3,732,837</u>	<u>747,808</u>
Excess of expenditures over revenues	(955,892)	(172,308)	783,584
Other financing sources:			
Transfers in	40,000	80,000	40,000
Advances in	31,960	61,960	30,000
<i>Total Other Financing Sources</i>	<u>71,960</u>	<u>141,960</u>	<u>70,000</u>
Net change in fund balance	(883,932)	(30,348)	853,584
Fund balance at beginning of year	2,580,547	2,580,547	-
Prior year encumbrances appropriated	145,590	145,590	-
Fund balance at end of year	<u>\$ 1,842,205</u>	<u>\$ 2,695,789</u>	<u>\$ 853,584</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CRIME LAB FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 15,000	\$ 20,826	\$ 5,826
Expenditures:			
Current:			
Security of persons and property:			
<i>Police administration</i>			
Capital outlay	100,000	-	100,000
Net change in fund balance.	(85,000)	20,826	105,826
Fund balance at beginning of year	90,024	90,024	-
Fund balance at end of year	\$ 5,024	\$ 110,850	\$ 105,826

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMPUTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 230,000	\$ 222,335	\$ (7,665)
Expenditures:			
Current:			
General government:			
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	299,036	164,274	134,762
Materials and supplies	66,051	40,659	25,392
Contractual services	106,091	72,334	33,757
Capital outlay	116,486	99,148	17,338
Other	15,000	55	14,945
<i>Total Courts/Clerk - Clerk of Courts Administration</i>	<u>602,664</u>	<u>376,470</u>	<u>226,194</u>
Net change in fund balance	(372,664)	(154,135)	218,529
Fund balance at beginning of year	317,142	317,142	-
Prior year encumbrances appropriated.	67,656	67,656	-
Fund balance at end of year.	<u>\$ 12,134</u>	<u>\$ 230,663</u>	<u>\$ 218,529</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT CAPITAL IMPROVEMENT SPECIAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 300,000	\$ 372,244	\$ 72,244
Other	-	427	427
Total revenues	300,000	372,671	72,671
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	20,089	13,780	6,309
Materials and supplies	51,449	41,801	9,648
Contractual services	82,351	53,706	28,645
Capital outlay	102,717	22,923	79,794
Other	30,555	24,426	6,129
<i>Total Courts/Judge - Judge Administration</i>	<i>287,161</i>	<i>156,636</i>	<i>130,525</i>
Debt service:			
Principal retirement	35,594	35,594	-
Interest and fiscal charges	2,393	2,393	-
<i>Total debt service</i>	<i>37,987</i>	<i>37,987</i>	<i>-</i>
Total expenditures	325,148	194,623	130,525
Net change in fund balance	(25,148)	178,048	203,196
Fund balance at beginning of year	106,982	106,982	-
Prior year encumbrances appropriated.	29,290	29,290	-
Fund balance at end of year.	\$ 111,124	\$ 314,320	\$ 203,196

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LEGAL RESEARCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ 50	\$ 45	\$ (5)
Expenditures:			
Current:			
General Government			
<i>Courts/Judge- Judge Administration:</i>			
Contractual services.	600	-	600
Net change in fund balance	(550)	45	595
Fund balance at beginning of year	742	742	-
Fund balance at end of year.	\$ 192	\$ 787	\$ 595

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT GPS COST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
General Government:			
<i>Courts/judge - judge administration:</i>			
Contractual services.	\$ 11,384	\$ -	\$ 11,384
Net change in fund balance	(11,384)	-	11,384
Fund balance at beginning of year	11,384	11,384	-
Fund balance at end of year.	\$ -	\$ 11,384	\$ 11,384

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 IGNITION INTERLOCK/ALCOHOL MONITORING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ 60,000	\$ 77,019	\$ 17,019
Expenditures:			
Current:			
General Government			
<i>Courts/Judge- Judge Administration:</i>			
Contractual services.	276,250	24,791	251,459
Excess of revenues over (under) expenditures.	(216,250)	52,228	268,478
Other financing (uses):			
Transfers out	(43,750)	(43,750)	-
Net change in fund balance	(260,000)	8,478	268,478
Fund balance at beginning of year	349,354	349,354	-
Prior year encumbrances appropriated.	4,322	4,322	-
Fund balance at end of year.	\$ 93,676	\$ 362,154	\$ 268,478

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW DEPARTMENT DISPUTE RESOLUTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ 100	\$ 225	\$ 125
Expenditures:			
Current:			
General government:			
<i>Law Director - Administration:</i>			
Contractual services.	400	390	10
Net change in fund balance	(300)	(165)	135
Fund balance at beginning of year	1,039	1,039	-
Fund balance at end of year.	\$ 739	\$ 874	\$ 135

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SARTA AREA IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Transportation			
<i>Engineering - daily operations:</i>			
Capital Outlay.	\$ 9,358	\$ 9,358	\$ -
Net change in fund balance.	(9,358)	(9,358)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated.	10,000	10,000	-
Fund balance at end of year	<u>\$ 642</u>	<u>\$ 642</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK DEPARTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 2,527,000	\$ 2,428,878	\$ (98,122)
Intergovernmental.	157,000	152,521	(4,479)
Operating grants	-	67,402	67,402
Rental income	25,000	45,781	20,781
Contributions and donations	-	26,538	26,538
Other	500	7,655	7,155
Total revenues	2,709,500	2,728,775	19,275
Expenditures:			
Current:			
Leisure time activities:			
<i>Park Division - Special Parks Funds:</i>			
Personal services	1,498,618	1,381,749	116,869
Materials and supplies.	265,248	200,219	65,029
Contractual services.	918,391	782,917	135,474
Capital outlay	365,754	225,662	140,092
Other	66,368	57,204	9,164
<i>Total Park Division - Special Parks Funds</i>	<i>3,114,379</i>	<i>2,647,751</i>	<i>466,628</i>
Excess of revenues over (under) expenditures	(404,879)	81,024	485,903
Other financing sources (uses):			
Advances in	500,000	-	(500,000)
Advances (out)	(500,000)	-	500,000
Total other financing sources (uses)	-	-	-
Net change in fund balance	(404,879)	81,024	485,903
Fund balance at beginning of year	334,524	334,524	-
Prior year encumbrances appropriated.	312,412	312,412	-
Fund balance at end of year.	\$ 242,057	\$ 727,960	\$ 485,903

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 YOUTH DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEDERAL FORFEITURE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ -	\$ 15,958	\$ 15,958
Investment income.	-	228	228
Total revenues	<u>-</u>	<u>16,186</u>	<u>16,186</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Personal services	30,010	122	29,888
Materials and supplies.	129,781	117,626	12,155
Contractual services.	63,625	58,239	5,386
Capital outlay	78,337	63,612	14,725
Other	<u>63,380</u>	<u>23,854</u>	<u>39,526</u>
<i>Total Police Administration</i>	<u>365,133</u>	<u>263,453</u>	<u>101,680</u>
Net change in fund balance	(365,133)	(247,267)	117,866
Fund balance at beginning of year	549,764	549,764	-
Prior year encumbrances appropriated.	<u>45,770</u>	<u>45,770</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 230,401</u>	<u>\$ 348,267</u>	<u>\$ 117,866</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 5,500	\$ 7,091	\$ 1,591
Other	<u>12,400</u>	<u>12,400</u>	<u>-</u>
Total revenues	17,900	19,491	1,591
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Other	<u>22,521</u>	<u>16,380</u>	<u>6,141</u>
Net change in fund balance	(4,621)	3,111	7,732
Fund balance at beginning of year	<u>8,688</u>	<u>8,688</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 4,067</u></u>	<u><u>\$ 11,799</u></u>	<u><u>\$ 7,732</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVER ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 63,600	\$ 48,710	\$ (14,890)
Expenditures:			
Current:			
General government			
<i>Courts/Judge - Judge Administration:</i>			
Contractual services	<u>111,625</u>	<u>104,847</u>	<u>6,778</u>
Excess of expenditures over revenues	(48,025)	(56,137)	(8,112)
Other financing sources:			
Transfers in	<u>43,750</u>	<u>43,750</u>	<u>-</u>
Net change in fund balance	(4,275)	(12,387)	(8,112)
Fund balance at beginning of year	46,534	46,534	-
Prior year encumbrances appropriated.	<u>16,125</u>	<u>16,125</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 58,384</u>	<u>\$ 50,272</u>	<u>\$ (8,112)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ -	\$ 91,000	\$ 91,000
Other	-	26,888	26,888
Total revenues	-	117,888	117,888
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies	41,543	38,191	3,352
Contractual services.	39,090	37,176	1,914
Capital outlay	6,190	4,788	1,402
Other	16,920	14,069	2,851
<i>Total Police Administration.</i>	<i>103,743</i>	<i>94,224</i>	<i>9,519</i>
Net change in fund balance	(103,743)	23,664	127,407
Fund balance at beginning of year	101,543	101,543	-
Prior year encumbrances appropriated.	2,200	2,200	-
Fund balance at end of year.	\$ -	\$ 127,407	\$ 127,407

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL PROBATION SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 300,000	\$ 300,251	\$ 251
Other	-	42,789	42,789
Total revenues	300,000	343,040	43,040
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	254,570	129,022	125,548
Materials and supplies	16,714	15,603	1,111
Contractual services	37,826	36,325	1,501
Capital outlay	34,750	34,750	-
Other	23,782	21,466	2,316
<i>Total Courts/Judge - Judge Administration.</i>	<u>367,642</u>	<u>237,166</u>	<u>130,476</u>
Net change in fund balance	(67,642)	105,874	173,516
Fund balance at beginning of year	272,017	272,017	-
Prior year encumbrances appropriated.	35,469	35,469	-
Fund balance at end of year.	<u>\$ 239,844</u>	<u>\$ 413,360</u>	<u>\$ 173,516</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MISDEMEANOR COMMUNITY SANCTION GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 173,101	\$ 173,101	\$ -
Other	11,104	11,104	-
Total Revenues	<u>184,205</u>	<u>184,205</u>	<u>-</u>
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	216,664	188,481	28,183
Other	14,117	350	13,767
Total Courts/Judge- Judge Administration.	<u>230,781</u>	<u>188,831</u>	<u>41,950</u>
Net change in fund balance	(46,576)	(4,626)	41,950
Fund balance at beginning of year	48,734	48,734	-
Prior year encumbrances appropriated.	350	350	-
Fund balance at end of year.	<u>\$ 2,508</u>	<u>\$ 44,458</u>	<u>\$ 41,950</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PRISONER HOUSING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 10,000	\$ 17,502	\$ 7,502
Net change in fund balance	10,000	17,502	7,502
Fund balance at beginning of year	<u>26,702</u>	<u>26,702</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 36,702</u>	<u>\$ 44,204</u>	<u>\$ 7,502</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 40	\$ 40	\$ -
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Other.	23,451	23,411	40
Net change in fund balance	(23,411)	(23,371)	40
Fund balance at beginning of year.	23,411	23,411	-
Fund balance at end of year	\$ -	\$ 40	\$ 40

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON POLICE YOUTH CORP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Fund balance at beginning of year.	\$ 8	\$ 8	\$ -
Fund balance at end of year	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON AUXILIARY POLICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and supplies	\$ 65	\$ -	\$ 65
Other	105	104	1
<i>Total Police Administration.</i>	170	104	66
Net change in fund balance.	(170)	(104)	66
Fund balance at beginning of year	170	170	-
Prior year encumbrances appropriated.	3	3	-
Fund balance at end of year	\$ 3	\$ 69	\$ 66

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 D.A.R.E. PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies.	\$ 151	\$ -	\$ 151
Net change in fund balance	(151)	-	151
Fund balance at beginning of year	<u>151</u>	<u>151</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 151</u></u>	<u><u>\$ 151</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROB IMPROV AND INCENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating Grants.	\$ 82,822	\$ 19,245	\$ (63,577)
Expenditures:			
Current:			
General Government			
<i>Courts/judge - judge administration:</i>			
Personal services.	82,822	7,795	75,027
Net change in fund balance	-	11,450	11,450
Fund balance at beginning of year	-	-	-
Fund balance at end of year.	\$ -	\$ 11,450	\$ 11,450

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFE NEIGHBORHOOD HEROES GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 1,000	\$ 1,000	\$ -
Fund balance at end of year.	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE GRANTS AND DONATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Contributions and donations	\$ -	\$ 2,813	\$ 2,813
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies	2,035	-	2,035
Contractual services	900	900	-
<i>Total Police Administration</i>	<u>2,935</u>	<u>900</u>	<u>2,035</u>
Net Change in Fund Balance	(2,935)	1,913	4,848
Fund balance at beginning of year	2,035	2,035	-
Prior year encumbrances appropriated	900	900	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 4,848</u>	<u>\$ 4,848</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BYRNE MEMORIAL RECOVERY ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 7,442	\$ 7,442	\$ -
Fund balance at end of year.	\$ 7,442	\$ 7,442	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2010 LOCAL SOLICITATION BYRNE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 21	\$ 21	\$ -
Fund balance at end of year.	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE EMS TRAINING AND EQUIPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year.	\$ 1,500	\$ 1,500	\$ -
Fund balance at end of year	\$ 1,500	\$ 1,500	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2014 BYRNE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 38,805	\$ 38,831	\$ 26
Expenditures:			
Current:			
Security of persons and property			
<i>Police Administration:</i>			
Other	<u>38,805</u>	<u>6,178</u>	<u>32,627</u>
Net change in fund balance	-	32,653	32,653
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 32,653</u></u>	<u><u>\$ 32,653</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2013 COPS HIRING PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 283,983	\$ 355,708	\$ 71,725
Expenditures:			
Current:			
Security of persons and property			
<i>Police Administration:</i>			
Other	<u>453,735</u>	<u>453,735</u>	<u>-</u>
Net change in fund balance	(169,752)	(98,027)	71,725
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated.	<u>169,752</u>	<u>169,752</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 71,725</u></u>	<u><u>\$ 71,725</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2012 COPS HIRING PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 273,830	\$ 314,352	\$ 40,522
Expenditures:			
Current:			
Security of persons and property			
<i>Police Administration:</i>			
Other	273,830	273,830	-
Net change in fund balance	-	40,522	40,522
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 40,522	\$ 40,522

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE GRANTS AND DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations.	\$ -	\$ 5	\$ 5
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Materials and supplies.	501	-	501
Net change in fund balance	(501)	5	506
Fund balance at beginning of year	501	501	-
Fund balance at end of year.	\$ -	\$ 506	\$ 506

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMS TRAINING AND EQUIPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 3,500	\$ -	\$ (3,500)
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Materials and supplies	9,500	2,300	7,200
Other	1,869	-	1,869
<i>Total Fire Administration.</i>	<u>11,369</u>	<u>2,300</u>	<u>9,069</u>
Net change in fund balance	(7,869)	(2,300)	5,569
Fund balance at beginning of year.	7,869	7,869	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 5,569</u>	<u>\$ 5,569</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIREFIGHTER ASSISTANCE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Other.	\$ 65,137	\$ 64,008	\$ 1,129
Net change in fund balance	(65,137)	(64,008)	1,129
Fund balance at beginning of year	65,137	65,137	-
Fund balance at end of year.	\$ -	\$ 1,129	\$ 1,129

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VACANT/FORECLOSED REGISTRY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 225,145	\$ 225,145
Expenditures:			
Current:			
Transportation			
<i>Engineering - daily operations</i>			
Contractual services	40,000	-	40,000
Community environment:			
<i>Community Development Administration:</i>			
Personal services	62,281	44,324	17,957
Materials and supplies	1,524	1,114	410
Contractual services	1,896	-	1,896
Capital outlay	1,162	1,058	104
Other	1,000	-	1,000
<i>Total Community Development Administration</i>	<u>67,863</u>	<u>46,496</u>	<u>21,367</u>
Total expenditures	<u>107,863</u>	<u>46,496</u>	<u>61,367</u>
Net change in fund balance	(107,863)	178,649	286,512
Fund balance at beginning of year	166,989	166,989	-
Prior year encumbrances appropriated	926	926	-
Fund balance at end of year	<u>\$ 60,052</u>	<u>\$ 346,564</u>	<u>\$ 286,512</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CLEAN OHIO REVITALIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 2,184,752	\$ 137,266	\$ (2,047,486)
Expenditures:			
Current:			
Community environment:			
<i>Community Development Administration:</i>			
Capital outlay	1,891,048	1,891,048	-
Net change in fund balance	293,704	(1,753,782)	(2,047,486)
Fund balance (deficit) at beginning of year	(1,890,963)	(1,890,963)	-
Prior year encumbrances appropriated	1,891,049	1,891,049	-
Fund balance (deficit) at end of year	\$ 293,790	\$ (1,753,696)	\$ (2,047,486)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON MERCHANDISING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 1,000	\$ 2,468	\$ 1,468
Expenditures:			
Current:			
General government:			
<i>Council Administration:</i>			
Materials and supplies.	3,904	-	3,904
Contractual services.	569	102	467
<i>Total Council Administration</i>	4,473	102	4,371
Net change in fund balance	(3,473)	2,366	5,839
Fund balance at beginning of year	3,679	3,679	-
Prior year encumbrances appropriated.	3,779	3,779	-
Fund balance at end of year.	\$ 3,985	\$ 9,824	\$ 5,839

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMPLOYEE RECOGNITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CITY HALL PLAZA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECYCLE OHIO GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GUARDRAIL/ATTENUATOR REPLACEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 3,739	\$ 28,120	\$ 24,381
Expenditures:			
Current:			
Transportation			
<i>Street Maintenance:</i>			
Capital outlay	81,577	50,121	31,456
Net change in fund balance	(77,838)	(22,001)	55,837
Fund balance at beginning of year	78,872	78,872	-
Prior year encumbrances appropriated	3,255	3,255	-
Fund balance at end of year	\$ 4,289	\$ 60,126	\$ 55,837

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SOUTHEAST COMMUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 THURMAN MUNSON MEMORIAL STADIUM DONATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT TECHNOLOGY GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 51,150	\$ 51,150	\$ -
Expenditures:			
Current:			
Gneral government			
<i>Courts/judge - judge administration</i>			
Contractual services	51,150	-	51,150
Net change in fund balance.	-	51,150	51,150
Fund balance at beginning of year.	-	-	-
Fund balance at end of year	\$ -	\$ 51,150	\$ 51,150

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIALIZED DOCKET GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 85,175	\$ 42,474	\$ (42,701)
Expenditures:			
Current:			
General government			
<i>Courts/judge - judge administration</i>			
Personal services	42,701	-	42,701
Other	42,474	42,474	-
<i>Total Courts/judge - judge administration</i>	<u>85,175</u>	<u>42,474</u>	<u>42,701</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CLERK OF COURTS ADMINISTRATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2014 COPS HIRING PROGRAM GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 281,250	\$ 278,784	\$ (2,466)
Expenditures:			
Current:			
General government			
<i>Police Administration</i>			
Other	<u>281,250</u>	<u>278,784</u>	<u>2,466</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year.	-	-	-
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 2,630,589	\$ 2,578,063	\$ (52,526)
Other	-	359	359
Total Revenues	2,630,589	2,578,422	(52,167)
Expenditures:			
Current:			
General government			
<i>Law Administration</i>			
Personal services.	64,104	64,073	31
<i>Income Tax Administration</i>			
Personal services.	1,022,350	1,021,604	746
Materials and supplies	97,379	97,001	378
Contractual services	111,879	96,868	15,011
Capital outlay	34,431	32,994	1,437
Other.	1,654,449	1,653,221	1,228
<i>Total income tax administration</i>	2,920,488	2,901,688	18,800
<i>Total general government</i>	2,984,592	2,965,761	18,831
Net change in fund balance.	(354,003)	(387,339)	(33,336)
Fund balance at beginning of year.	-	-	-
Prior year encumbrances appropriated	387,395	387,395	-
Fund balance at end of year	\$ 33,392	\$ 56	\$ (33,336)

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2015

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 46,137	\$ -	\$ 46,137
Cash with fiscal agent.	3,019	-	3,019
Receivables:			
Accounts	-	5,767	5,767
Total assets.	<u>\$ 49,156</u>	<u>\$ 5,767</u>	<u>\$ 54,923</u>
Deferred inflows of resources:			
Charges for services revenue not available	\$ -	\$ 5,767	\$ 5,767
Total deferred inflows of resources.	-	5,767	5,767
Fund balances:			
Restricted	49,156	-	49,156
Total fund balances	49,156	-	49,156
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 49,156</u>	<u>\$ 5,767</u>	<u>\$ 54,923</u>

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Non Major Debt Service
Revenues:			
Interest and investment income	\$ 27,562	\$ -	\$ 27,562
Other	337	-	337
Total revenues	<u>27,899</u>	<u>-</u>	<u>27,899</u>
Net change in fund balances	27,899	-	27,899
Fund balances at beginning of year.	<u>21,257</u>	<u>-</u>	<u>21,257</u>
Fund balances at end of year	<u>\$ 49,156</u>	<u>\$ -</u>	<u>\$ 49,156</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL OBLIGATION BOND RETIREMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ -	\$ 27,562	\$ 27,562
Other	-	337	337
Total revenues	<u>-</u>	<u>27,899</u>	<u>27,899</u>
 Net change in fund balance.	 -	 27,899	 27,899
 Fund balance at beginning of year	 18,238	 18,238	 -
Fund balance at end of year.	<u>\$ 18,238</u>	<u>\$ 46,137</u>	<u>\$ 27,899</u>

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CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2015

	2015 Construction Reconstruction Note	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construction/ Reconstruction Bond
Assets:				
Equity in pooled cash and cash equivalents.	\$ 3,410,739	\$ 141,744	\$ 347,699	\$ 50,299
Receivables:				
Due from other governments	-	-	-	-
Total assets	\$ 3,410,739	\$ 141,744	\$ 347,699	\$ 50,299
Liabilities:				
Accounts payable	\$ 94,473	\$ 20,552	\$ -	\$ -
Retainage payable.	29,446	-	-	-
Total liabilities	123,919	20,552	-	-
Fund balances:				
Restricted	3,286,820	121,192	347,699	50,299
Unassigned (deficit).	-	-	-	-
Total fund balances (deficit)	3,286,820	121,192	347,699	50,299
Total liabilities, deferred inflows of resources, and fund balances.	\$ 3,410,739	\$ 141,744	\$ 347,699	\$ 50,299

2006 Judges Facilities/ City Hall Renovation Bond	12th St. N Corridor Project	Mahoning Rd. Corridor Project	SIB Loan 12th St. N Corridor Project	Fulton Road Resurfacing Project	Tuscarawas Street West Corridor Safety Project
\$ 1,744	\$ 12,933	\$ 73,533	\$ -	\$ -	\$ -
-	775,937	263,816	12,179	167,525	16,651
<u>\$ 1,744</u>	<u>\$ 788,870</u>	<u>\$ 337,349</u>	<u>\$ 12,179</u>	<u>\$ 167,525</u>	<u>\$ 16,651</u>
\$ -	\$ 789,687	\$ 263,816	\$ 12,179	\$ 190,871	\$ 16,651
-	657,844	267,680	-	49,328	-
-	1,447,531	531,496	12,179	240,199	16,651
1,744	-	-	-	-	-
-	(658,661)	(194,147)	-	(72,674)	-
<u>1,744</u>	<u>(658,661)</u>	<u>(194,147)</u>	<u>-</u>	<u>(72,674)</u>	<u>-</u>
<u>\$ 1,744</u>	<u>\$ 788,870</u>	<u>\$ 337,349</u>	<u>\$ 12,179</u>	<u>\$ 167,525</u>	<u>\$ 16,651</u>

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CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2015

	Totals Nonmajor Capital Projects Funds
Assets:	
Equity in pooled cash and cash equivalents.	\$ 4,038,691
Receivables:	
Due from other governments	1,236,108
Total assets	\$ 5,274,799
Liabilities:	
Accounts payable	\$ 1,388,229
Retainage payable.	1,004,298
Total liabilities	2,392,527
Fund balances:	
Restricted	3,807,754
Unassigned (deficit).	(925,482)
Total fund balances (deficit)	2,882,272
Total liabilities, deferred inflows of resources, and fund balances.	\$ 5,274,799

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CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 Construction Reconstruction Note	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construction/ Reconstruction Bond
Revenues:				
Interest and investment income	\$ 3,330	\$ 411	\$ 301	\$ 288
Capital grants	-	-	-	-
Other	-	-	124,514	-
Total revenues	<u>3,330</u>	<u>411</u>	<u>124,815</u>	<u>288</u>
Expenditures:				
Capital outlay	<u>216,510</u>	<u>501,248</u>	<u>188,042</u>	<u>218,537</u>
Total expenditures	<u>216,510</u>	<u>501,248</u>	<u>188,042</u>	<u>218,537</u>
Excess of revenues over (under) expenditures	<u>(213,180)</u>	<u>(500,837)</u>	<u>(63,227)</u>	<u>(218,249)</u>
Other financing sources:				
Note issuance	3,500,000	-	-	-
Issuance of loans	-	-	-	-
Total other financing sources.	<u>3,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,286,820	(500,837)	(63,227)	(218,249)
Fund balances at beginning of year.	<u>-</u>	<u>622,029</u>	<u>410,926</u>	<u>268,548</u>
Fund balances (deficit) at end of year	<u>\$ 3,286,820</u>	<u>\$ 121,192</u>	<u>\$ 347,699</u>	<u>\$ 50,299</u>

2006 Judges Facilities/ City Hall Renovation Bond	12th St. N Corridor Project	Mahoning Rd. Corridor Project	11th St. NW Improvement Project	41st St. NW Roadway Reconstruction Project	Railroad Crossing/ Traffic Signal Upgrade	37th St. NW Water Main Replacement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	8,821,390	3,155,534	668	3,165	16,795	98,301
-	10,992	-	-	-	-	-
-	8,832,382	3,155,534	668	3,165	16,795	98,301
-	9,393,089	3,645,689	668	3,165	66,312	98,301
-	9,393,089	3,645,689	668	3,165	66,312	98,301
-	(560,707)	(490,155)	-	-	(49,517)	-
-	-	-	-	-	-	-
-	-	231,343	-	-	-	-
-	-	231,343	-	-	-	-
-	(560,707)	(258,812)	-	-	(49,517)	-
1,744	(97,954)	64,665	-	-	49,517	-
\$ 1,744	\$ (658,661)	\$ (194,147)	\$ -	\$ -	\$ -	\$ -

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CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2015

	SIB Loan 12th St. N Cooridor Project	Fulton Road Resurfacing Project	Tuscarawas Street West Corridor Safety Project	Total Nonmajor Capital Projects Funds
Revenues:				
Interest and investment income	\$ -	\$ -	\$ -	\$ 4,330
Capital grants	18,388	1,050,256	16,651	13,181,148
Other	-	-	-	135,506
Total revenues	18,388	1,050,256	16,651	13,320,984
Expenditures:				
Capital outlay	350,322	1,122,930	16,651	15,821,464
Total expenditures	350,322	1,122,930	16,651	15,821,464
Excess of revenues over (under) expenditures	(331,934)	(72,674)	-	(2,500,480)
Other financing sources:				
Note issuance	-	-	-	3,500,000
Issuance of loans	331,934	-	-	563,277
Total other financing sources	331,934	-	-	4,063,277
Net change in fund balances	-	(72,674)	-	1,562,797
Fund balances at beginning of year	-	-	-	1,319,475
Fund balances (deficit) at end of year	\$ -	\$ (72,674)	\$ -	\$ 2,882,272

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2015 CONSTRUCTION/RECONSTRUCTION NOTE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ -	\$ 2,980	\$ 2,980
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Service Director Administration	3,500,000	864,331	2,635,669
Excess of Expenditures Over Revenues	(3,500,000)	(861,351)	2,638,649
Other financing sources:			
Note issuance	3,500,000	3,500,000	-
Net change in fund balance.	-	2,638,649	2,638,649
Fund balance at beginning of year	-	-	-
Fund balance at end of year.	\$ -	\$ 2,638,649	\$ 2,638,649

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 CITY INFRASTRUCTURE BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest and investment income	\$ 50	\$ 462	\$ 412
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering Administration	427,780	427,780	-
Engineering - 12th Street NW Bridge Replacement	94,782	94,780	2
Engineering - 12th Street N. Corridor Project	18,368	18,368	-
Engineering - Ford Project	83,672	83,672	-
Engineering - Mahoning Road Corridor Project	20,000	20,000	-
<i>Total Service Director</i>	<u>644,602</u>	<u>644,600</u>	<u>2</u>
Net change in fund balance.	(644,552)	(644,138)	414
Fund balance at beginning of year	7,482	7,482	-
Prior year encumbrances appropriated	640,074	640,074	-
Fund balance at end of year.	<u>\$ 3,004</u>	<u>\$ 3,418</u>	<u>\$ 414</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 RECREATIONAL BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ 50	\$ 326	\$ 276
Other	-	124,514	124,514
Total Revenues	<u>50</u>	<u>124,840</u>	<u>124,790</u>
Expenditures:			
Capital outlay:			
<i>Community Development:</i>			
Community development - Administration.	266,716	235,297	31,419
Net change in fund balance.	(266,666)	(110,457)	156,209
Fund balance at beginning of year	199,799	199,799	-
Prior year encumbrances appropriated	211,080	211,080	-
Fund balance at end of year.	<u>\$ 144,213</u>	<u>\$ 300,422</u>	<u>\$ 156,209</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 CONSTRUCTION/RECONSTRUCTION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ 40	\$ 297	\$ 257
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Service Director Administration	263,750	258,130	5,620
Net change in fund balance.	(263,710)	(257,833)	5,877
Fund balance at beginning of year	254,773	254,773	-
Prior year encumbrances appropriated	13,750	13,750	-
Fund balance at end of year.	\$ 4,813	\$ 10,690	\$ 5,877

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 JUDGES FACILITIES/CITY HALL RENOVATION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 12TH ST. N CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 16,974,287	\$ 9,536,638	\$ (7,437,649)
Other	-	10,992	10,992
Total revenues	16,974,287	9,547,630	(7,426,657)
Expenditures:			
Capital outlay:			
<i>Engineering:</i>			
Engineering - 12th Street N. Corridor Project.	16,896,187	16,801,756	94,431
Net change in fund balance	78,100	(7,254,126)	(7,332,226)
Fund balance (deficit) at beginning of year.	(15,513,029)	(15,513,029)	-
Prior year encumbrances appropriated.	15,514,970	15,514,970	-
Fund balance (deficit) at end of year	\$ 80,041	\$ (7,252,185)	\$ (7,332,226)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MAHONING RD. CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 9,048,249	\$ 3,069,699	\$ (5,978,550)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Mahoning Road Corridor Project	10,021,781	8,655,459	1,366,322
Excess of expenditures over revenues	(973,532)	(5,585,760)	(4,612,228)
Other financing sources:			
Issuance of loans	900,000	209,655	(690,345)
Net change in fund balance	(73,532)	(5,376,105)	(5,302,573)
Fund balance (deficit) at beginning of year.	(8,033,964)	(8,033,964)	-
Prior year encumbrances appropriated.	8,107,497	8,107,497	-
Fund balance (deficit) at end of year	\$ 1	\$ (5,302,572)	\$ (5,302,573)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WALNUT/CHERRY AVENUE PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 368,549	\$ 368,549	\$ -
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Walnut/Cherry Avenue Project.	368,549	368,549	-
Net change in fund balance	-	-	-
Fund balance (deficit) at beginning of year	(368,549)	(368,549)	-
Prior year encumbrances appropriated	368,549	368,549	-
Fund balance at end of year	\$ -	\$ -	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 11TH ST. NW IMPROVEMENT PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 150,808	\$ 730	\$ (150,078)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 11th St. NW Improvement Project	150,808	150,808	-
Net change in fund balance	-	(150,078)	(150,078)
Fund balance (deficit) at beginning of year	(150,808)	(150,808)	-
Prior year encumbrances appropriated	150,808	150,808	-
Fund balance (deficit) at end of year	\$ -	\$ (150,078)	\$ (150,078)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 41ST ST. NW ROADWAY RECONSTRUCTION PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 112,951	\$ 3,165	\$ (109,786)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 41th St. NW Roadway Reconstruction Project.	54,268	54,268	-
Net change in fund balance	58,683	(51,103)	(109,786)
Fund balance (deficit) at beginning of year	(54,268)	(54,268)	-
Prior year encumbrances appropriated	54,268	54,268	-
Fund balance (deficit) at end of year	\$ 58,683	\$ (51,103)	\$ (109,786)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RAILROAD CROSSING/TRAFFIC SIGNAL UPGRADE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 200,000	\$ 165,928	\$ (34,072)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Railroad Crossing/Traffic Signal Upgrade	165,928	165,928	-
Net change in fund balance	34,072	-	(34,072)
Fund balance at beginning of year	(177,966)	(177,966)	-
Prior Year Encumbrances Appropriated	177,966	177,966	-
Fund balance at end of year	\$ 34,072	\$ -	\$ (34,072)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HARRISBURG RD. RESURFACING PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Capital grants	\$ 36,549	\$ -	\$ (36,549)
Net change in fund balance	36,549	-	(36,549)
Fund balance (deficit) at beginning of year	(36,549)	(36,549)	-
Prior year encumbrances appropriated	36,549	36,549	-
Fund balance at end of year	<u>\$ 36,549</u>	<u>\$ -</u>	<u>\$ (36,549)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 37TH ST. NW WATER MAIN REPLACEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 226,700	\$ 121,298	\$ (105,402)
Expenditures:			
Capital outlay:			
<i>Water:</i>			
37th St. NW Water Main Replacement	121,298	121,298	-
Net change in fund balance	105,402	-	(105,402)
Fund balance (deficit) at beginning of year	(356,265)	(356,265)	-
Prior year encumbrances appropriated	356,265	356,265	-
Fund balance at end of year	\$ 105,402	\$ -	\$ (105,402)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SIB LOAN 12TH ST. N CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 12th St. N Corridor Project	\$ 2,308,000	\$ 1,958,207	\$ 349,793
Excess of expenditures over revenues	(2,308,000)	(1,958,207)	349,793
Other financing sources:			
Issuance of loans	2,308,000	372,738	(1,935,262)
Net change in fund balance	-	(1,585,469)	(1,585,469)
Fund balance (deficit) at beginning of year	(1,871,733)	(1,871,733)	-
Prior year encumbrances appropriated	1,871,733	1,871,733	-
Fund balance (deficit) at end of year	\$ -	\$ (1,585,469)	\$ (1,585,469)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FULTON ROAD RESURFACING PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 1,258,000	\$ 882,731	\$ (375,269)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Fulton Rd Resurf Project 92562	1,258,000	1,258,000	-
Net change in fund balance	-	(375,269)	(375,269)
Fund balance at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ (375,269)	\$ (375,269)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TUSCARAWAS STREET WEST CORRIDOR SAFETY PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 250,000	\$ -	\$ (250,000)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Tusc St W Corr Safety Project 92562	250,000	250,000	-
Net change in fund balance	-	(250,000)	(250,000)
Fund balance at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ (250,000)	\$ (250,000)

**CITY OF CANTON
STARK COUNTY, OHIO**

Enterprise Funds

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

Water Operating Fund

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

Sewer Operating Fund

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

Refuse Operating Fund

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

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 15,621,397	\$ 16,824,146	\$ 1,202,749
Rental income	20,700	25,985	5,285
Capital grants	1,547,917	9,770	(1,538,147)
Other	-	33,818	33,818
Total revenues.	17,190,014	16,893,719	(296,295)
Expenses:			
Personal services	7,218,767	6,731,951	486,816
Materials and supplies	1,861,181	1,732,677	128,504
Contractual services	2,914,361	2,759,604	154,757
Capital outlay	20,120,581	16,437,530	3,683,051
Claims	101,040	34,192	66,848
Other	50,490	28,623	21,867
Debt service:			
Principal retirement	2,186,252	2,104,502	81,750
Interest and fiscal charges	714,197	714,197	-
Total expenses.	35,166,869	30,543,276	4,623,593
Excess of expenses over revenues	(17,976,855)	(13,649,557)	4,327,298
Nonoperating revenues (expenses):			
Sale of notes	-	450	450
Sale of assets	-	2,799	2,799
Transfer in	223,082	227,693	4,611
Transfer (out)	(295,089)	(270,393)	24,696
Issuance of loans	13,659,971	8,382,271	(5,277,700)
Total nonoperating revenues (expenses)	13,587,964	8,342,820	(5,245,144)
Net change in fund balance	(4,388,891)	(5,306,737)	(917,846)
Fund balance at beginning of year	2,108,845	2,108,845	-
Prior year encumbrances appropriated.	9,756,400	9,756,400	-
Fund balance at end of year	\$ 7,476,354	\$ 6,558,508	\$ (917,846)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 13,727,000	\$ 14,509,461	\$ 782,461
Capital grants	76,667	-	(76,667)
Rental income	-	500	500
Other	413,299	666,735	253,436
Total revenues	14,216,966	15,176,696	959,730
Expenses:			
Personal services	6,029,186	5,333,575	695,611
Materials and supplies	1,276,856	903,148	373,708
Contractual services	7,289,885	6,890,341	399,544
Capital outlay	77,044,730	74,533,919	2,510,811
Claims	52,700	32,604	20,096
Other	155,293	62,252	93,041
Debt service:			
Principal retirement	1,135,754	1,130,504	5,250
Interest and fiscal charges	136,872	136,872	-
Total expenses	93,121,276	89,023,215	4,098,061
Excess of expenses over revenues	(78,904,310)	(73,846,519)	5,057,791
Nonoperating revenues (expenses):			
Sale of assets	-	70,367	70,367
Transfer in	660,936	1,000,000	339,064
Transfer (out)	(1,033,300)	(1,033,300)	-
Issuance of loans	79,116,351	28,052,565	(51,063,786)
Total nonoperating revenues (expenses)	78,743,987	28,089,632	(50,654,355)
Net change in fund balance	(160,323)	(45,756,887)	(45,596,564)
Fund balance (deficit) at beginning of year	(50,465,025)	(50,465,025)	-
Prior year encumbrances appropriated	70,955,133	70,955,133	-
Fund balance (deficit) at end of year	\$ 20,329,785	\$(25,266,779)	\$(45,596,564)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REFUSE OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 5,970,000	\$ 5,878,938	\$ (91,062)
Operating grants	-	52,335	52,335
Other	-	563	563
Total revenues	5,970,000	5,931,836	(38,164)
Expenses:			
Personal services	4,120,605	3,908,037	212,568
Materials and supplies	347,628	311,795	35,833
Contractual services	2,114,189	1,951,169	163,020
Capital outlay	398,930	294,450	104,480
Claims	9,700	5,115	4,585
Other	24,588	18,301	6,287
Total expenses	7,015,640	6,488,867	526,773
Excess of expenses over revenues	(1,045,640)	(557,031)	488,609
Nonoperating revenues (expenses):			
Sale of assets	-	32,674	32,674
Transfer (out)	(50,000)	(50,000)	-
Total nonoperating revenues (expenses)	(50,000)	(17,326)	32,674
Net change in fund balance	(1,095,640)	(574,357)	521,283
Fund balance at beginning of year	1,207,846	1,207,846	-
Prior year encumbrances appropriated	198,692	198,692	-
Fund balance at end of year	\$ 310,898	\$ 832,181	\$ 521,283

**CITY OF CANTON
STARK COUNTY, OHIO**

Internal Service Funds

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

Workers' Compensation Retrospective Fund

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

Health Insurance Fund

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

Compensated Absences Claim Fund

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

Vehicle Self Insurance Fund

To account for charges to the operating funds on a per fund basis for the claims associated with a vehicle self insurance fund. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the internal service funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

Motor Vehicles Department Fund

To account for charges to the operating funds on a per fund basis for the department of motor vehicles. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the internal service funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

Management Information Services Fund

To account for charges to the operating funds on a per fund basis for the management information services fund. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the internal service funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2015

	Workers' Compensation	Health Insurance	Compensated Absences Claim	Total Nonmajor Internal Service
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 2,938,182	\$ 581,372	\$ 1,290,563	\$ 4,810,117
Receivables:				
Accounts.	-	112,569	-	112,569
Due from other funds.	-	-	149,929	149,929
	<u>2,938,182</u>	<u>693,941</u>	<u>1,440,492</u>	<u>5,072,615</u>
Total assets.				
Liabilities:				
Current liabilities:				
Accounts payable.	1,905	-	-	1,905
Accrued wages and benefits payable	3,059	3,221	110,593	116,873
Due to other governments	472	498	17,087	18,057
Compensated absences payable	-	-	2,100,043	2,100,043
Claims payable.	575,939	1,389,869	-	1,965,808
	<u>581,375</u>	<u>1,393,588</u>	<u>2,227,723</u>	<u>4,202,686</u>
Total current liabilities.				
Non-current liabilities:				
Compensated absences payable	-	-	6,111,490	6,111,490
Claims payable	1,163,161	-	-	1,163,161
	<u>1,163,161</u>	<u>-</u>	<u>6,111,490</u>	<u>7,274,651</u>
Total non-current liabilities				
Total liabilities	<u>1,744,536</u>	<u>1,393,588</u>	<u>8,339,213</u>	<u>11,477,337</u>
Net position:				
Unrestricted (deficit)	1,193,646	(699,647)	(6,898,721)	(6,404,722)
	<u>1,193,646</u>	<u>(699,647)</u>	<u>(6,898,721)</u>	<u>(6,404,722)</u>
Total net position (deficit).	<u>\$ 1,193,646</u>	<u>\$ (699,647)</u>	<u>\$ (6,898,721)</u>	<u>\$ (6,404,722)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Compensated</u> <u>Absences</u> <u>Claim</u>	<u>Total</u> <u>Nonmajor</u> <u>Internal</u> <u>Service</u>
Operating revenues:				
Charges for services	\$ 1,517,454	\$ 10,270,739	\$ 3,604,037	\$ 15,392,230
Other	37,937	2,047,401	-	2,085,338
Total operating revenues.	<u>1,555,391</u>	<u>12,318,140</u>	<u>3,604,037</u>	<u>17,477,568</u>
Operating expenses:				
Personal services.	83,013	86,285	-	169,298
Contract services.	66,084	1,075,037	7,149	1,148,270
Materials and supplies	278	-	-	278
Benefit claims and expenses	-	-	4,608,929	4,608,929
Insurance claims and expenses.	745,937	10,550,178	-	11,296,115
Other.	530	750	-	1,280
Total operating expenses.	<u>895,842</u>	<u>11,712,250</u>	<u>4,616,078</u>	<u>17,224,170</u>
Operating income (loss) / change in net position . .	659,549	605,890	(1,012,041)	253,398
Net position (deficit) at beginning of year	<u>534,097</u>	<u>(1,305,537)</u>	<u>(5,886,680)</u>	<u>(6,658,120)</u>
Net position (deficit) at end of year	<u>\$ 1,193,646</u>	<u>\$ (699,647)</u>	<u>\$ (6,898,721)</u>	<u>\$ (6,404,722)</u>

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Workers' Compensation	Health Insurance	Compensated Absences Claim	Total Nonmajor Internal Service
Cash flows from operating activities:				
Cash received from charges for services	\$ 1,517,454	\$ 10,270,739	\$ 3,604,037	\$ 15,392,230
Cash received from other operations	37,937	2,044,580	-	2,082,517
Cash payments for personal services	(82,699)	(85,987)	-	(168,686)
Cash payments for contractual services	(68,189)	(1,230,980)	(7,149)	(1,306,318)
Cash payments for materials and supplies	(278)	-	-	(278)
Cash payments for insurance claims	(1,591,158)	(11,088,098)	-	(12,679,256)
Cash payments for benefits claims	-	-	(3,833,286)	(3,833,286)
Cash payments for other expenses	(530)	(750)	-	(1,280)
Net cash (used in) operating activities and net decrease in cash and cash equivalents.	(187,463)	(90,496)	(236,398)	(514,357)
Cash and cash equivalents at beginning of year. . . .	3,125,645	671,868	1,526,961	5,324,474
Cash and cash equivalents at end of year	\$ 2,938,182	\$ 581,372	\$ 1,290,563	\$ 4,810,117
Reconciliation of operating income (loss) to net cash (used in) operating activities:				
Operating income (loss)	\$ 659,549	\$ 605,890	\$ (1,012,041)	\$ 253,398
Changes in assets and liabilities:				
(Increase) in accounts receivable	-	(2,821)	-	(2,821)
Decrease in due from other funds	-	-	36,053	36,053
(Decrease) in accounts payable	(2,105)	(155,943)	-	(158,048)
Increase (decrease) in accrued wages and benefits	272	258	(8,979)	(8,449)
Increase (decrease) in due to other governments	42	40	(1,387)	(1,305)
Increase in compensated absences payable	-	-	749,956	749,956
(Decrease) in claims payable	(845,221)	(537,920)	-	(1,383,141)
Net cash (used in) operating activities	\$ (187,463)	\$ (90,496)	\$ (236,398)	\$ (514,357)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WORKERS' COMPENSATION RETROSPECTIVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 1,450,000	\$ 1,517,454	\$ 67,454
Other	-	37,937	37,937
Total revenues	<u>1,450,000</u>	<u>1,555,391</u>	<u>105,391</u>
Expenses:			
Personal services	84,916	82,699	2,217
Materials and supplies	2,609	287	2,322
Contractual services	204,954	107,006	97,948
Insurance claims and expenses	2,200,000	1,591,158	608,842
Other	3,200	530	2,670
Total expenses	<u>2,495,679</u>	<u>1,781,680</u>	<u>713,999</u>
Net change in fund balance	(1,045,679)	(226,289)	819,390
Fund balance at beginning of year	3,076,559	3,076,559	-
Prior year encumbrances appropriated	49,086	49,086	-
Fund balance at end of year	<u><u>\$ 2,079,966</u></u>	<u><u>\$ 2,899,356</u></u>	<u><u>\$ 819,390</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEALTH INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 10,000,000	\$ 10,270,739	\$ 270,739
Other	1,886,819	2,044,580	157,761
Total revenues	11,886,819	12,315,319	428,500
Expenses:			
Personal services	89,381	85,987	3,394
Materials and supplies	6,090	90	6,000
Contractual services	1,255,769	1,253,243	2,526
Insurance claims and expenses	11,172,052	11,107,827	64,225
Other	1,000	910	90
Total expenses	12,524,292	12,448,057	76,235
Net change in fund balance	(637,473)	(132,738)	504,735
Fund balance at beginning of year	585,602	585,602	-
Prior year encumbrances appropriated	86,266	86,266	-
Fund balance at end of year	\$ 34,395	\$ 539,130	\$ 504,735

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMPENSATED ABSENCES CLAIM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 3,345,000	\$ 3,604,037	\$ 259,037
Expenses:			
Personal services	4,020,000	3,833,286	186,714
Contractual services	14,000	12,999	1,001
Total expenses	<u>4,034,000</u>	<u>3,846,285</u>	<u>187,715</u>
Net change in fund balance.	(689,000)	(242,248)	446,752
Fund balance at beginning of year	1,520,961	1,520,961	-
Prior year encumbrances appropriated	6,000	6,000	-
Fund balance at end of year	<u>\$ 837,961</u>	<u>\$ 1,284,713</u>	<u>\$ 446,752</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VEHICLE SELF INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Interest	\$ -	\$ 207	\$ 207
Other	13,600	46,066	32,466
<i>Total revenues</i>	<u>13,600</u>	<u>46,273</u>	<u>32,673</u>
Expenses:			
Personal services	31,127	30,852	275
Contractual services	80,800	46,554	34,246
Other	303,279	247,404	55,875
Total expenses	<u>415,206</u>	<u>324,810</u>	<u>90,396</u>
Excess of revenues over (under) expenditures	(401,606)	(278,537)	123,069
Nonoperating revenue:			
Transfers in	287,500	287,200	(300)
Net change in fund balance	(114,106)	8,663	122,769
Fund balance at beginning of year	523,244	523,244	-
Prior year encumbrances appropriated	3,279	3,279	-
Fund balance at end of year	<u>\$ 412,417</u>	<u>\$ 535,186</u>	<u>\$ 122,769</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLES DEPARTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 2,260,412	\$ 2,258,984	\$ (1,428)
Other	57,377	59,124	1,747
<i>Total revenues</i>	<u>2,317,789</u>	<u>2,318,108</u>	<u>319</u>
Expenses:			
Personal services	1,278,495	1,234,355	44,140
Materials and supplies	1,032,358	995,662	36,696
Contractual services	305,808	269,608	36,200
Capital outlay.	2,828	2,628	200
Other.	8,594	8,482	112
Total expenses	<u>2,628,083</u>	<u>2,510,735</u>	<u>117,348</u>
Net change in fund balance.	(310,294)	(192,627)	117,667
Fund balance at beginning of year	184,458	184,458	-
Prior year encumbrances appropriated	234,726	234,726	-
Fund balance at end of year	<u>\$ 108,890</u>	<u>\$ 226,557</u>	<u>\$ 117,667</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MANAGEMENT INFORMATION SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Expenses:			
Materials and supplies	\$ 1,691	\$ 1,691	\$ -
Net change in fund balance.	(1,691)	(1,691)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,691	1,691	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

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

Private-Purpose Trust Fund

Hartford Houtz Fund

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

Agency Funds

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

Building Escrow Fund:

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

Payroll Clearing Fund:

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

Auditor's Transfer Fund:

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

Municipal Court Fund:

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

Building Department State Assessment Fund:

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

Downtown Special Improvement District Fund:

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

Vacant/Foreclosure Depository Fund:

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

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Balance 12/31/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/15</u>
Building Escrow:				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 110,102	\$ 189,926	\$ 170,173	\$ 129,855
Total assets	<u>\$ 110,102</u>	<u>\$ 189,926</u>	<u>\$ 170,173</u>	<u>\$ 129,855</u>
Liabilities:				
Deposits held and due to others.	\$ 110,102	\$ 189,926	\$ 170,173	\$ 129,855
Total liabilities	<u>\$ 110,102</u>	<u>\$ 189,926</u>	<u>\$ 170,173</u>	<u>\$ 129,855</u>
Payroll Clearing:				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 231,220	\$ 46,791,305	\$ 46,716,675	\$ 305,850
Total assets	<u>\$ 231,220</u>	<u>\$ 46,791,305</u>	<u>\$ 46,716,675</u>	<u>\$ 305,850</u>
Liabilities:				
Due to other governments	\$ 231,220	\$ 46,791,305	\$ 46,716,675	\$ 305,850
Total liabilities	<u>\$ 231,220</u>	<u>\$ 46,791,305</u>	<u>\$ 46,716,675</u>	<u>\$ 305,850</u>
Auditor's Transfer:				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 58,311	\$ 379,464	\$ 166,856	\$ 270,919
Total assets	<u>\$ 58,311</u>	<u>\$ 379,464</u>	<u>\$ 166,856</u>	<u>\$ 270,919</u>
Liabilities:				
Deposits held and due to others	\$ 58,311	\$ 379,464	\$ 166,856	\$ 270,919
Total liabilities.	<u>\$ 58,311</u>	<u>\$ 379,464</u>	<u>\$ 166,856</u>	<u>\$ 270,919</u>
Municipal Court:				
Assets:				
Cash and cash equivalents in segregated accounts . .	\$ 101,752	\$ 65,109	\$ 101,752	\$ 65,109
Total assets	<u>\$ 101,752</u>	<u>\$ 65,109</u>	<u>\$ 101,752</u>	<u>\$ 65,109</u>
Liabilities:				
Undistributed assets.	\$ 101,752	\$ 65,109	\$ 101,752	\$ 65,109
Total liabilities	<u>\$ 101,752</u>	<u>\$ 65,109</u>	<u>\$ 101,752</u>	<u>\$ 65,109</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Balance 12/31/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/15</u>
<i>Building Department State Assessment:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 487	\$ 8,699	\$ 8,520	\$ 666
Total assets	<u>\$ 487</u>	<u>\$ 8,699</u>	<u>\$ 8,520</u>	<u>\$ 666</u>
Liabilities:				
Deposits held and due to others	\$ 487	\$ 8,699	\$ 8,520	\$ 666
Total liabilities.	<u>\$ 487</u>	<u>\$ 8,699</u>	<u>\$ 8,520</u>	<u>\$ 666</u>
<i>Downtown Special Improvement District:</i>				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 193,058	\$ 193,058	\$ -
Receivables:				
Accounts.	20,997	6,570	20,997	6,570
Total assets	<u>\$ 20,997</u>	<u>\$ 199,628</u>	<u>\$ 214,055</u>	<u>\$ 6,570</u>
Liabilities:				
Deposits held and due to others	\$ 20,997	\$ 199,628	\$ 214,055	\$ 6,570
Total liabilities.	<u>\$ 20,997</u>	<u>\$ 199,628</u>	<u>\$ 214,055</u>	<u>\$ 6,570</u>
<i>Vacant/Foreclosure Depository Fund:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,666,756	\$ 1,525,985	\$ 1,250,926	\$ 1,941,815
Total assets	<u>\$ 1,666,756</u>	<u>\$ 1,525,985</u>	<u>\$ 1,250,926</u>	<u>\$ 1,941,815</u>
Liabilities:				
Deposits held and due to others.	\$ 1,666,756	\$ 1,525,985	\$ 1,250,926	\$ 1,941,815
Total liabilities	<u>\$ 1,666,756</u>	<u>\$ 1,525,985</u>	<u>\$ 1,250,926</u>	<u>\$ 1,941,815</u>
<i>Total Agency Funds</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,066,876	\$ 49,088,437	\$ 48,506,208	\$ 2,649,105
Cash and cash equivalents in segregated accounts . .	101,752	65,109	101,752	65,109
Receivables:				
Accounts.	20,997	6,570	20,997	6,570
Total assets	<u>\$ 2,189,625</u>	<u>\$ 49,160,116</u>	<u>\$ 48,628,957</u>	<u>\$ 2,720,784</u>
Liabilities:				
Due to other governments	\$ 231,220	\$ 46,791,305	\$ 46,716,675	\$ 305,850
Undistributed assets.	101,752	65,109	101,752	65,109
Deposits held and due to others.	1,856,653	2,303,702	1,810,530	2,349,825
Total liabilities	<u>\$ 2,189,625</u>	<u>\$ 49,160,116</u>	<u>\$ 48,628,957</u>	<u>\$ 2,720,784</u>

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CITY OF CANTON, OHIO

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

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

<u>Contents</u>	<u>Page</u>
Financial Trends	S1 - S10
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	S11 - S12
These schedules contain information to help the reader assess the City's most significant local revenue sources, municipal income taxes.	
Debt Capacity	S13 - S21
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.	
Demographic and Economic Information	S22 - S23
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	S25 - S30
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.

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

	2015	2014	2013	2012
Governmental Activities				
Net investment in capital assets	\$ 114,318,575	\$ 106,702,688	\$ 99,188,330	\$ 96,544,493
Restricted	21,643,804	19,038,897	20,669,995	25,988,085
Unrestricted	(62,270,207)	10,069,695	8,055,536	5,978,878
Total Governmental Activities Net Position	\$ 73,692,172	\$ 135,811,280	\$ 127,913,861	\$ 128,511,456
Business-Type Activities				
Net investment in capital assets	\$ 75,533,187	\$ 70,635,102	\$ 70,583,131	\$ 68,382,938
Unrestricted	33,635,250	42,265,775	40,577,502	37,550,898
Total Business-Type Activities Net Position	\$ 109,168,437	\$ 112,900,877	\$ 111,160,633	\$ 105,933,836
Primary Government				
Net investment in capital assets	\$ 189,851,762	\$ 177,337,790	\$ 169,771,461	\$ 164,927,431
Restricted	21,643,804	19,038,897	20,669,995	25,988,085
Unrestricted	(28,634,957)	52,335,470	48,633,038	43,529,776
Total Primary Government Net Position	\$ 182,860,609	\$ 248,712,157	\$ 239,074,494	\$ 234,445,292

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

	2011	2010	2009	2008	2007	2006
\$	97,348,306	\$ 96,658,405	\$ 93,997,414	\$ 94,910,241	\$ 93,469,817	\$ 75,027,928
	30,727,668	34,583,408	38,133,687	32,898,704	34,630,751	20,993,547
	807,948	(4,901,157)	(3,439,285)	1,897,801	2,288,255	23,324,075
\$	<u>128,883,922</u>	<u>\$ 126,340,656</u>	<u>\$ 128,691,816</u>	<u>\$ 129,706,746</u>	<u>\$ 130,388,823</u>	<u>\$ 119,345,550</u>
\$	64,432,996	\$ 65,466,731	\$ 65,271,828	\$ 63,926,597	\$ 61,597,239	\$ 56,337,077
	35,129,231	31,989,581	24,386,522	22,651,308	21,120,626	24,712,950
\$	<u>99,562,227</u>	<u>\$ 97,456,312</u>	<u>\$ 89,658,350</u>	<u>\$ 86,577,905</u>	<u>\$ 82,717,865</u>	<u>\$ 81,050,027</u>
\$	161,781,302	\$ 162,125,136	\$ 159,269,242	\$ 158,836,838	\$ 155,067,056	\$ 131,365,005
	30,727,668	34,583,408	38,133,687	32,898,704	34,630,751	20,993,547
	35,937,179	27,088,424	20,947,237	24,549,109	23,408,881	48,037,025
\$	<u>228,446,149</u>	<u>\$ 223,796,968</u>	<u>\$ 218,350,166</u>	<u>\$ 216,284,651</u>	<u>\$ 213,106,688</u>	<u>\$ 200,395,577</u>

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

	2015	2014	2013	2012
Expenses				
<i>Governmental activities:</i>				
General government	\$ 20,813,879	\$ 19,609,570	\$ 16,648,538	\$ 18,204,815
Security of persons and property	42,879,044	38,759,803	37,209,092	37,355,205
Public health	6,186,052	6,196,761	5,948,698	5,867,708
Transportation	14,538,968	12,065,377	13,253,789	12,752,256
Community environment	12,051,165	8,106,584	6,012,767	5,080,295
Leisure time activities	3,417,987	3,549,040	3,329,290	2,101,343
Economic development	263,186	-	-	-
Interest and fiscal charges	386,900	442,388	542,745	573,423
<i>Total governmental activities expenses</i>	<u>100,537,181</u>	<u>88,729,523</u>	<u>82,944,919</u>	<u>81,935,045</u>
<i>Business-type activities:</i>				
Water	14,174,629	15,387,377	13,029,402	12,706,700
Sewer	14,155,798	12,796,231	12,516,730	12,705,127
Refuse	6,354,269	6,257,256	5,924,125	5,342,650
<i>Total business-type activities expenses</i>	<u>34,684,696</u>	<u>34,440,864</u>	<u>31,470,257</u>	<u>30,754,477</u>
Total Primary Government Expenses	<u><u>\$ 135,221,877</u></u>	<u><u>\$ 123,170,387</u></u>	<u><u>\$ 114,415,176</u></u>	<u><u>\$ 112,689,522</u></u>
Program Revenues				
<i>Governmental activities:</i>				
Charges for services:				
EMS charges	\$ 954,809	\$ 2,963,877	\$ 1,790,137	\$ 1,989,838
Leisure time activities	45,781	30,379	29,550	10,890
Licenses, permits, and fees	1,499,109	1,512,407	1,510,822	2,014,416
Municipal court revenue	2,765,518	2,867,661	3,401,332	3,458,555
Other activities	8,727,538	7,497,735	6,496,325	8,477,516
Operating grants and contributions	9,787,441	12,203,279	9,361,804	6,951,732
Capital grants and contributions	13,910,356	5,755,827	3,956,443	759,525
<i>Total governmental activities program revenues</i>	<u>37,690,552</u>	<u>32,831,165</u>	<u>26,546,413</u>	<u>23,662,472</u>
<i>Business-type activities:</i>				
Charges for services:				
Water	17,576,612	15,545,481	14,919,158	14,564,110
Sewer	14,925,552	13,407,709	13,914,466	14,487,135
Refuse	5,762,077	5,962,885	5,801,598	6,002,093
Operating grants and contributions	121,130	69,919	67,026	140,855
Capital grants and contributions	9,770	600,402	1,943,958	1,869,089
<i>Total business-type activities program revenues</i>	<u>38,395,141</u>	<u>35,586,396</u>	<u>36,646,206</u>	<u>37,063,282</u>
Total Primary Government Program Revenues	<u><u>\$ 76,085,693</u></u>	<u><u>\$ 68,417,561</u></u>	<u><u>\$ 63,192,619</u></u>	<u><u>\$ 60,725,754</u></u>

	2011	2010	2009	2008	2007	2006
\$	18,507,298	\$ 17,916,837	\$ 21,447,525	\$ 20,109,980	\$ 20,429,740	\$ 19,042,092
	39,761,690	38,021,732	39,741,822	39,952,807	37,157,956	33,635,452
	6,371,348	6,789,047	6,503,089	6,232,337	6,117,315	5,368,723
	12,218,799	12,594,651	14,551,954	11,010,239	11,773,016	10,159,315
	8,563,514	9,206,391	5,393,621	6,011,649	6,612,257	6,554,058
	2,361,904	2,919,500	2,943,691	2,986,053	3,041,931	2,873,234
	-	-	-	-	-	-
	791,471	815,188	925,828	1,154,014	1,259,708	852,785
	<u>88,576,024</u>	<u>88,263,346</u>	<u>91,507,530</u>	<u>87,457,079</u>	<u>86,391,923</u>	<u>78,485,659</u>
	12,478,010	10,975,361	11,789,359	10,644,920	10,434,121	11,243,727
	13,239,984	11,135,229	11,586,485	10,344,713	11,688,039	10,560,129
	5,532,632	4,948,513	5,359,103	5,057,233	4,516,698	4,792,409
	<u>31,250,626</u>	<u>27,059,103</u>	<u>28,734,947</u>	<u>26,046,866</u>	<u>26,638,858</u>	<u>26,596,265</u>
\$	<u>119,826,650</u>	<u>\$ 115,322,449</u>	<u>\$ 120,242,477</u>	<u>\$ 113,503,945</u>	<u>\$ 113,030,781</u>	<u>\$ 105,081,924</u>
\$	1,538,870	\$ 990,133	\$ 370,403	\$ 2,474,214	\$ 1,985,989	\$ 1,784,536
	230,691	593,174	323,320	646,817	798,451	773,910
	1,496,552	1,540,878	1,544,394	1,548,478	905,168	1,019,509
	3,561,424	4,091,161	3,458,692	3,350,496	3,098,405	3,008,935
	7,020,751	6,949,537	7,094,576	6,922,471	8,568,936	5,832,267
	11,296,786	11,304,031	15,211,394	7,017,103	7,976,893	8,754,801
	5,146,994	6,681,818	4,334,246	3,743,113	5,061,069	761,444
	<u>30,292,068</u>	<u>32,150,732</u>	<u>32,337,025</u>	<u>25,702,692</u>	<u>28,394,911</u>	<u>21,935,402</u>
	13,688,619	14,679,276	11,602,884	12,452,723	12,210,478	11,829,857
	13,232,669	13,061,066	10,696,780	10,570,525	9,877,966	9,954,669
	6,030,792	6,511,534	5,360,417	4,778,453	4,316,457	4,287,009
	189,868	87,506	119,426	108,822	56,133	127,712
	12,655	207,969	2,942,090	1,939,593	1,308,396	895,234
	<u>33,154,603</u>	<u>34,547,351</u>	<u>30,721,597</u>	<u>29,850,116</u>	<u>27,769,430</u>	<u>27,094,481</u>
\$	<u>63,446,671</u>	<u>\$ 66,698,083</u>	<u>\$ 63,058,622</u>	<u>\$ 55,552,808</u>	<u>\$ 56,164,341</u>	<u>\$ 49,029,883</u>

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

	2015	2014	2013	2012
Net (Expenses)/Revenues				
Governmental Activities	\$ (62,846,629)	\$ (55,898,358)	\$ (56,398,506)	\$ (58,272,573)
Business-Type Activities	3,710,445	1,145,532	5,175,949	6,308,805
Total Primary Government				
Net Expense	<u>\$ (59,136,184)</u>	<u>\$ (54,752,826)</u>	<u>\$ (51,222,557)</u>	<u>\$ (51,963,768)</u>
General Revenues and				
Other Changes in Net Position				
<i>Governmental activities:</i>				
Taxes:				
Municipal income taxes	\$ 45,014,757	\$ 50,699,714	\$ 45,912,805	\$ 44,311,327
Property and other taxes	4,463,752	4,916,636	2,473,315	3,769,181
Grants and entitlements not restricted to specific programs	6,815,424	5,040,384	5,356,271	8,245,851
Payment in lieu of taxes	43,687	25,948	35,312	-
Grants and contributions	-	-	-	-
Interest and investment earnings	433,892	206,592	58,749	56,735
Other	-	2,906,503	1,964,459	1,503,350
Proceeds on sale of capital assets	4,060,560	-	-	13,663
<i>Total governmental activities</i>	<u>60,832,072</u>	<u>63,795,777</u>	<u>55,800,911</u>	<u>57,900,107</u>
<i>Business-type activities:</i>				
Intergovernmental	-	-	-	-
Grants and contributions	-	-	-	-
Interest and investment earnings	-	-	1	3
Other	877,805	558,770	50,847	22,840
Gain on sale of capital assets	(10,410)	35,942	-	39,961
<i>Total business-type activities</i>	<u>867,395</u>	<u>594,712</u>	<u>50,848</u>	<u>62,804</u>
Total Primary Government	<u>\$ 61,699,467</u>	<u>\$ 64,390,489</u>	<u>\$ 55,851,759</u>	<u>\$ 57,962,911</u>
Change in Net Position				
Governmental activities	\$ (2,014,557)	\$ 7,897,419	\$ (597,595)	\$ (372,466)
Business-type activities	4,577,840	1,740,244	5,226,797	6,371,609
<i>Total Primary Government</i>	<u>\$ 2,563,283</u>	<u>\$ 9,637,663</u>	<u>\$ 4,629,202</u>	<u>\$ 5,999,143</u>

	2011	2010	2009	2008	2007	2006
\$	(58,283,956)	\$ (56,112,614)	\$ (59,170,505)	\$ (61,754,387)	\$ (57,997,012)	\$ (56,550,257)
	1,903,977	7,488,248	1,986,650	3,803,250	1,130,572	498,216
<u>\$</u>	<u>(56,379,979)</u>	<u>\$ (48,624,366)</u>	<u>\$ (57,183,855)</u>	<u>\$ (57,951,137)</u>	<u>\$ (56,866,440)</u>	<u>\$ (56,052,041)</u>
\$	42,597,239	\$ 38,633,612	\$ 40,915,298	\$ 43,086,906	\$ 47,092,829	\$ 43,149,683
	2,691,214	3,711,729	3,619,130	4,475,101	4,097,125	3,602,511
	9,021,156	8,796,360	8,936,287	8,938,333	10,576,712	10,005,403
	-	-	-	-	-	-
	-	-	-	-	145,890	425,686
	88,038	235,190	662,192	1,592,671	3,187,667	2,048,038
	6,412,177	2,384,563	3,911,451	2,979,299	3,940,062	4,631,537
	17,398	-	111,217	-	-	148,468
<u>\$</u>	<u>60,827,222</u>	<u>53,761,454</u>	<u>58,155,575</u>	<u>61,072,310</u>	<u>69,040,285</u>	<u>64,011,326</u>
	-	-	-	-	-	33,167
	-	-	-	-	-	137,190
	15	55	196	40,203	144,713	17,416
	169,404	306,861	989,811	220,621	373,715	141,585
	32,519	2,798	8,731	6,786	18,838	24,254
<u>\$</u>	<u>201,938</u>	<u>309,714</u>	<u>998,738</u>	<u>267,610</u>	<u>537,266</u>	<u>353,612</u>
<u>\$</u>	<u>61,029,160</u>	<u>\$ 54,071,168</u>	<u>\$ 59,154,313</u>	<u>\$ 61,339,920</u>	<u>\$ 69,577,551</u>	<u>\$ 64,364,938</u>
\$	2,543,266	\$ (2,351,160)	\$ (1,014,930)	\$ (682,077)	\$ 11,043,273	\$ 7,461,069
	2,105,915	7,797,962	2,985,388	4,070,860	1,667,838	851,828
<u>\$</u>	<u>4,649,181</u>	<u>\$ 5,446,802</u>	<u>\$ 1,970,458</u>	<u>\$ 3,388,783</u>	<u>\$ 12,711,111</u>	<u>\$ 8,312,897</u>

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

	2015	2014	2013	2012
General Fund				
Nonspendable	\$ 409,573	\$ 400,706	\$ 382,303	\$ 289,197
Restricted	-	-	-	89,191
Committed	836,374	772,068	950,255	1,081,844
Assigned	-	3,471,995	550,226	-
Unassigned	(4,470,003)	1,435,402	6,502,030	7,602,998
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	\$ (3,224,056)	\$ 6,080,171	\$ 8,384,814	\$ 9,063,230
All Other				
Governmental Funds				
Nonspendable	\$ 102,984	\$ 130,508	\$ 41,347	\$ 1,649,712
Restricted	12,525,422	10,153,844	12,031,197	9,947,224
Committed	4,479,326	4,044,125	3,395,680	3,670,094
Assigned	-	-	-	-
Unassigned (deficit)	(938,552)	(97,954)	(193,112)	(5,810)
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue				
Funds	-	-	-	-
Capital Projects				
Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Total All Other				
Governmental Funds	\$ 16,169,180	\$ 14,230,523	\$ 15,275,112	\$ 15,261,220

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

2011	2010	2009	2008	2007	2006
\$ 281,811	\$ 262,064	\$ 176,964	\$ -	\$ -	\$ -
62,514	50,320	281,200	-	-	-
711,295	620,913	808,009	-	-	-
-	-	-	-	-	-
5,235,907	3,797,436	3,406,438	-	-	-
-	-	-	748,509	838,116	1,044,522
-	-	-	6,947,380	8,358,711	8,067,957
<u>\$ 6,291,527</u>	<u>\$ 4,730,733</u>	<u>\$ 4,672,611</u>	<u>\$ 7,695,889</u>	<u>\$ 9,196,827</u>	<u>\$ 9,112,479</u>

\$ 1,726,284	\$ 1,864,369	\$ 1,783,687	\$ -	\$ -	\$ -
11,534,643	16,648,605	19,478,655	-	-	-
3,693,165	2,744,056	3,433,796	-	-	-
-	-	-	-	-	-
(215,388)	-	(3,648)	-	-	-
-	-	-	10,955,266	13,060,640	10,532,025
-	-	-	3,806,492	4,742,049	1,633,424
-	-	-	10,284,524	8,878,112	15,670,214
-	-	-	6,239	6,239	141,751
<u>\$ 16,738,704</u>	<u>\$ 21,257,030</u>	<u>\$ 24,692,490</u>	<u>\$ 25,052,521</u>	<u>\$ 26,687,040</u>	<u>\$ 27,977,414</u>

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

	2015	2014	2013	2012
Revenues:				
Property and other taxes	\$ 4,316,978	\$ 4,192,204	\$ 2,574,747	\$ 3,392,212
Municipal income taxes	46,693,386	48,536,712	45,921,847	44,401,532
Charges for services	11,038,335	11,414,960	10,974,528	12,025,673
Licenses, permits, and fees	1,499,109	1,530,879	1,510,822	1,558,750
Fines and forfeitures	463,574	427,981	1,110,272	484,718
Intergovernmental	10,575,834	8,827,418	8,321,048	8,442,716
Interest	426,685	206,936	58,749	56,735
Rental income	69,812	54,916	51,364	78,507
Contributions and donations	29,356	2,984	50,525	-
Operating grants	8,855,961	9,381,059	8,849,719	8,636,489
Capital grants	13,546,094	5,514,695	2,937,038	796,834
Payment in lieu of taxes	43,687	25,948	35,312	-
Other	1,971,568	1,860,401	902,642	3,101,659
Total revenues	99,530,379	91,977,093	83,298,613	82,975,825
Expenditures:				
General government	19,845,271	18,764,120	15,873,077	17,778,987
Security of persons and property	40,092,514	37,200,157	35,303,024	35,807,944
Public health	5,976,475	6,002,662	5,756,640	5,850,491
Transportation	6,540,963	4,487,506	3,726,545	3,309,625
Community environment	12,031,983	8,087,672	5,998,243	5,160,101
Leisure time activities	2,685,847	2,759,895	2,629,571	1,436,169
Capital outlay	20,336,052	15,709,827	11,532,622	9,010,943
Economic development	263,186			
Debt service				
Principal	3,000,277	3,095,171	2,681,335	2,775,078
Interest and fiscal charges	375,133	453,690	500,053	592,355
Total expenditures	111,147,701	96,560,700	84,001,110	81,721,693
Excess (deficiency) of revenues over (under) expenditures	(11,617,322)	(4,583,607)	(702,497)	1,254,132
Other financing sources (uses):				
Sale of assets	78,017	97,758	37,973	40,087
Issuance of refunding bonds	-	-	-	-
Refunded bonds redeemed	-	-	-	-
Bond issuance costs	-	-	-	-
Bond premiums	-	-	-	-
Issuance of notes/loans/capital leases	4,173,735	1,136,617	-	-
Transfers in	80,000	-	40,000	65,000
Transfers out	(80,000)	-	(40,000)	(65,000)
Total other financing sources (uses)	4,251,752	1,234,375	37,973	40,087
Net change in fund balances	\$ (7,365,570)	\$ (3,349,232)	\$ (664,524)	\$ 1,294,219
<i>Debt service as a percentage of noncapital expenditures</i>	3.63%	4.28%	4.21%	4.38%

2011	2010	2009	2008	2007	2006
\$ 2,679,060	\$ 3,692,536	\$ 3,710,390	\$ 4,385,206	\$ 4,010,683	\$ 3,610,790
42,268,045	39,995,514	41,105,833	44,532,380	44,556,112	43,084,333
11,672,616	12,277,821	11,428,095	10,613,296	10,878,541	10,325,731
1,496,552	1,540,878	1,544,393	1,548,479	1,161,430	1,274,175
387,942	548,171	443,673	1,001,384	1,582,608	412,659
9,022,823	9,246,604	9,521,398	10,378,440	11,375,148	10,414,121
88,038	235,190	662,192	1,592,671	3,187,667	2,048,038
230,131	414,189	450,788	413,470	452,450	425,220
-	-	-	-	-	-
11,768,162	11,635,287	9,664,268	6,054,006	8,091,451	9,108,680
4,731,620	6,639,897	4,447,416	3,635,597	5,065,148	1,517,020
-	-	-	-	-	-
4,704,783	2,200,776	1,874,355	1,293,285	2,692,726	3,033,021
89,049,772	88,426,863	84,852,801	85,448,214	93,053,964	85,253,788
17,472,868	16,961,740	18,597,391	18,576,448	20,015,769	20,031,972
37,583,710	35,892,847	35,973,764	37,208,163	36,419,061	34,117,057
6,201,749	6,631,976	6,136,493	6,005,406	6,052,678	5,513,038
3,762,830	3,730,733	3,826,361	4,170,057	4,447,301	3,467,363
8,534,770	9,176,385	5,289,321	4,862,896	6,613,047	6,623,411
1,688,857	2,243,340	2,204,394	2,290,022	2,531,251	2,383,428
12,357,459	13,286,944	13,859,942	11,554,194	13,986,290	10,616,931
3,659,941	3,159,790	3,039,749	3,166,213	3,672,211	2,731,941
791,471	815,188	925,828	1,154,014	1,259,708	852,785
92,053,655	91,898,943	89,853,243	88,987,413	94,997,316	86,337,926
(3,003,883)	(3,472,080)	(5,000,442)	(3,539,199)	(1,943,352)	(1,084,138)
46,351	40,101	223,066	54,166	54,020	652,505
-	-	8,575,000	-	-	-
-	-	(8,560,000)	-	-	-
-	-	(433,203)	-	-	(236,199)
-	-	418,203	-	-	236,199
-	54,641	1,415,910	360,534	643,788	13,350,000
44,000	40,000	40,000	40,000	62,776	55,000
(44,000)	(40,000)	(40,000)	(40,000)	(62,776)	(55,000)
46,351	94,742	1,638,976	414,700	697,808	14,002,505
\$ (2,957,532)	\$ (3,377,338)	\$ (3,361,466)	\$ (3,124,499)	\$ (1,245,544)	\$ 12,918,367
5.36%	4.82%	4.89%	5.43%	5.87%	4.61%

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

Tax Year	Tax Rate (1)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Corporations	Percentage of Taxes from Corporations	Taxes from Individuals	Percentage of Taxes from Individuals	Taxes From Delinquent Accounts	Percentage of Taxes from Delinquent Accounts
2015	2.00%	\$ 46,385,997	\$ 36,254,046	78.16%	\$ 5,122,365	11.04%	\$ 3,131,067	6.75%	\$ 1,878,519	4.05%
2014	2.00%	\$ 49,024,719	\$ 38,010,089	77.53%	\$ 6,653,764	13.57%	\$ 2,641,532	5.39%	\$ 1,719,334	3.51%
2013	2.00%	47,631,995	38,100,594	79.99%	4,732,915	9.94%	2,402,215	5.04%	2,396,271	5.03%
2012	2.00%	45,526,540	38,425,049	84.40%	2,937,793	6.45%	2,270,644	4.99%	1,893,054	4.16%
2011	2.00%	43,473,316	36,650,553	84.31%	2,742,054	6.31%	2,248,487	5.17%	1,832,222	4.21%
2010	2.00%	40,464,283	34,373,674	84.95%	2,434,182	6.02%	2,315,207	5.72%	1,341,220	3.31%
2009	2.00%	42,313,527	35,240,263	83.28%	3,341,617	7.90%	2,530,425	5.98%	1,201,222	2.84%
2008	2.00%	45,535,181	37,560,808	82.49%	4,027,322	8.84%	2,534,879	5.57%	1,412,172	3.10%
2007	2.00%	45,750,000	36,943,041	80.75%	4,946,090	10.81%	2,503,996	5.47%	1,356,873	2.97%
2006	2.00%	43,790,171	36,222,083	82.72%	3,798,488	8.67%	2,401,463	5.48%	1,368,137	3.12%

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

CITY OF CANTON
STARK COUNTY, OHIO
INCOME TAX FILERS BY INCOME LEVEL
TAX YEARS 2015 AND 2006

Tax Year 2015

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	593	5.28%	\$ 87,336,990	23.61%
\$75,001-\$100,000	630	5.61%	54,142,248	14.64%
\$50,001-\$75,000	1,246	11.09%	76,473,857	20.67%
\$25,001-\$50,000	2,646	23.56%	94,011,864	25.41%
Under \$25,000	6,116	54.46%	57,950,201	15.67%
Total	<u>11,231</u>	<u>100.00%</u>	<u>\$ 369,915,160</u>	<u>100.00%</u>

Tax Year 2006

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	549	1.80%	\$ 88,801,925	12.31%
\$75,001-\$100,000	878	2.88%	75,126,607	10.41%
\$50,001-\$75,000	2,685	8.81%	162,263,362	22.48%
\$25,000-\$50,000	6,711	22.01%	236,871,684	32.82%
Under \$25,000	19,664	64.50%	158,608,790	21.98%
Total	<u>30,487</u>	<u>100.00%</u>	<u>\$ 721,672,368</u>	<u>100.00%</u>

Source: City of Canton Income Tax Department

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

	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Loans	Long-term Notes Payable	Capital Lease	General Obligation Bonds	Loans	Capital Lease
2015	\$ 4,142,229	\$ 2,016,596	\$ 3,500,000	\$ 397,251	\$ 772,770	\$ 75,025,996	\$ -
2014	6,696,770	1,655,482	-	530,366	1,908,230	38,906,893	-
2013	9,164,587	1,497,214	-	179,371	3,000,414	30,499,920	-
2012	11,540,165	1,784,735	-	197,607	4,049,322	32,620,563	-
2011	13,835,411	2,056,306	-	424,800	5,059,076	32,617,686	-
2010	16,714,810	2,323,489	-	938,159	6,029,677	23,630,645	13,124
2009	19,483,363	2,527,704	-	1,070,540	6,961,124	21,736,915	24,227
2008	21,656,948	2,568,042	-	465,455	7,857,538	17,569,394	36,339
2007	23,865,120	3,115,974	-	515,030	10,294,366	16,982,328	48,450
2006	26,865,000	3,659,547	-	-	12,735,000	16,131,342	-

(1) Source: US Census Bureau.

	Total Primary Government	Total Personal Income	Percent of Personal Income	Population (1)	Per Capita
\$	85,854,842	\$ 1,969,255,650	4.36%	73,007	\$ 1,176
	49,697,741	2,032,581,050	2.45%	72,297	687
	44,341,506	2,025,140,466	2.19%	72,683	610
	50,192,392	2,034,784,650	2.47%	73,007	688
	53,993,279	1,834,444,050	2.94%	73,007	740
	49,649,904	1,834,444,050	2.71%	73,007	680
	51,803,873	2,004,784,350	2.58%	78,362	661
	50,153,716	2,004,784,350	2.50%	78,319	640
	54,821,268	1,972,351,850	2.78%	78,924	695
	59,390,889	1,931,177,300	3.08%	79,478	747

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

	General Bonded Debt Outstanding			Estimated True Value of Taxable Property (1)	Ratio of Net Bonded Debt to Estimated True Value of Taxable Property	Net Bonded Debt per Capita
	Governmental Obligation	Business-Type Obligation	Total			
2015	\$ 4,142,229	\$ 772,770	\$ 4,914,999	\$ 2,148,602,349	0.23%	\$ 67.32
2014	6,696,770	1,908,230	8,605,000	2,069,026,657	0.42%	119.02
2013	9,164,587	3,000,414	12,165,001	2,122,120,589	0.57%	167.37
2012	11,540,165	4,049,322	15,589,487	2,538,698,983	0.61%	213.53
2011	13,835,411	5,059,076	18,894,487	2,526,352,211	0.75%	258.80
2010	16,714,810	6,029,677	22,744,487	2,570,000,309	0.88%	311.54
2009	19,483,363	6,961,124	26,444,487	2,754,356,786	0.96%	337.47
2008	21,656,948	7,857,538	29,514,486	3,519,099,073	0.84%	376.85
2007	23,865,120	10,294,366	34,159,486	3,584,977,264	0.95%	432.81
2006	26,865,000	12,735,000	39,600,000	3,276,005,877	1.21%	498.25

(1) Stark County Auditor's Office.

CITY OF CANTON
STARK COUNTY, OHIO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015

	<u>General Obligation Debt Outstanding (1)</u>	<u>Percentage Applicable to City (2)</u>	<u>Amount Applicable to City of Canton</u>
Direct			
City of Canton	\$ 10,056,076	100.00%	\$ 10,056,076
Overlapping Debt			
Stark County	-	10.32%	-
Canton City Schools	26,174,000	90.42%	23,666,531
Plain Local Schools	42,955,000	21.61%	9,282,576
Canton Local Schools	35,671,786	6.64%	2,368,607
Osnaburg Local Schools	7,370,134	5.76%	424,520
Total Overlapping Debt	<u>112,170,920</u>		<u>35,742,234</u>
Total	<u>\$ 122,226,996</u>		<u>\$ 45,798,310</u>

Source: Stark County, Ohio; County Auditor

- (1) Includes general obligation debt except for those payable from enterprise funds
- (2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the assessed valuation of the political subdivision.

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

	2015	2014	2013	2012
Overall Debt Limitation (10.5% of Assessed Valuation)	\$ 76,590,382	\$ 76,036,730	\$ 75,406,074	\$ 77,280,680
Net Debt Within 10.5% Limitations	4,093,073	10,078,532	10,653,423	12,329,784
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$ 72,497,309</u>	<u>\$ 65,958,198</u>	<u>\$ 64,752,651</u>	<u>\$ 64,950,896</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.34%	13.25%	14.13%	15.95%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$ 40,118,772	\$ 39,828,763	\$ 39,498,420	\$ 40,480,356
Net Debt Within 5.5% Limitations	4,093,073	10,078,532	10,653,423	12,329,784
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$ 36,025,699</u>	<u>\$ 29,750,231</u>	<u>\$ 28,844,997</u>	<u>\$ 28,150,572</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.20%	25.30%	26.97%	30.46%

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.

2011	2010	2009	2008	2007	2006
\$ 90,978,118	\$ 91,928,124	\$ 98,857,297	\$ 104,291,997	\$ 110,800,481	\$ 106,126,404
<u>15,583,224</u>	<u>18,567,954</u>	<u>19,483,363</u>	<u>17,573,728</u>	<u>19,461,900</u>	<u>21,976,356</u>
<u>\$ 75,394,894</u>	<u>\$ 73,360,170</u>	<u>\$ 79,373,934</u>	<u>\$ 86,718,269</u>	<u>\$ 91,338,581</u>	<u>\$ 84,150,048</u>
17.13%	20.20%	19.71%	16.85%	17.56%	20.71%
\$ 47,655,205	\$ 48,152,827	\$ 51,782,394	\$ 54,629,141	\$ 58,038,347	\$ 55,590,021
<u>15,583,224</u>	<u>18,567,954</u>	<u>19,483,363</u>	<u>17,573,728</u>	<u>19,461,900</u>	<u>21,976,356</u>
<u>\$ 32,071,981</u>	<u>\$ 29,584,873</u>	<u>\$ 32,299,031</u>	<u>\$ 37,055,413</u>	<u>\$ 38,576,447</u>	<u>\$ 33,613,665</u>
32.70%	38.56%	37.63%	32.17%	33.53%	39.53%

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

Year	Water Operating Revenues	Water Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2015	\$ 17,635,080	\$ 10,489,977	\$ 7,145,103	\$ 1,230,068	\$ 655,415	3.79
2014	15,558,604	12,561,631	2,996,973	1,207,800	693,767	1.58
2013	14,966,698	10,773,779	4,192,919	1,226,158	292,830	2.76
2012	14,585,591	10,128,499	4,457,092	1,352,707	872,374	2.00
2011	13,842,633	10,139,601	3,703,032	872,673	518,539	2.66
2010	14,722,587	8,710,422	6,012,165	877,648	554,061	4.20
2009	12,012,071	9,739,900	2,272,171	639,403	423,296	2.14
2008	12,803,465	8,718,793	4,084,672	536,889	303,144	4.86
2007	12,636,294	8,523,683	4,112,611	454,831	260,446	5.75
2006	11,949,721	9,098,828	2,850,893	400,767	244,735	4.42

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

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

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

Year	Sewer Operating Revenues	Sewer Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2015	\$ 15,744,326	\$ 11,804,564	\$ 3,939,762	\$ 869,478	\$ 119,325	3.98
2014	13,952,785	10,399,217	3,553,568	846,280	142,524	3.59
2013	13,914,466	9,639,001	4,275,465	1,370,935	234,030	2.66
2012	14,490,594	9,797,750	4,692,844	1,324,728	273,002	2.94
2011	13,371,229	10,313,864	3,057,365	780,387	208,417	3.09
2010	13,314,535	8,234,557	5,079,978	759,602	229,202	5.14
2009	11,713,312	8,767,929	2,945,383	762,748	249,423	2.91
2008	11,087,091	7,551,028	3,536,063	766,440	269,098	3.41
2007	10,603,629	8,768,381	1,835,248	1,162,952	298,256	1.26
2006	10,682,423	7,768,104	2,914,319	1,131,858	329,885	1.99
2005	10,913,729	7,091,988	3,821,741	1,457,126	372,734	2.09

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

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

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

	<u>Population (1)</u>	<u>Total Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate (2)</u>
2015	73,007	\$ 1,969,255,650	\$ 26,974	5.8%
2014	72,297	\$ 2,032,581,050	\$ 28,114	4.7%
2013	72,683	2,025,140,450	27,863	6.9%
2012	73,007	2,034,784,650	27,871	6.9%
2011	73,007	1,834,444,050	25,127	9.3%
2010	73,007	1,834,444,050	25,127	11.2%
2009	78,362	1,888,534,400	24,100	11.4%
2008	78,319	2,004,784,350	25,598	6.9%
2007	78,924	1,972,351,850	24,991	5.9%
2006	79,478	1,931,177,300	24,298	5.6%

(1) Source: US Census Bureau.

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

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

2015

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	5,000	15.95%
Timken Steel	Steel	2,550	8.13%
Canton City Schools	Education	2,246	7.16%
Stark County Government	Government	2,606	8.31%
City of Canton	Municipal Government	1,031	3.29%
Mercy Medical	Health Service	2,500	7.97%
Fresh Mark Inc	Meat processing	1,700	5.42%
Republic Engineered Products	Hot-rolled and cold finisher steel bars and specialty steels	910	2.90%
Nationwide Insurance	Insurance Provider	878	2.80%
MK Morse Co	Saw Blades and Accessories	435	1.39%
Total		19,856	63.32%
Estimated Total Employment within the City		31,349	

2006

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	4,982	16.34%
Timken Company	Tapered roller bearings and steel	2,469	8.10%
Mercy Medical Center	Health Service	2,395	7.86%
Canton City Schools	Education	1,983	6.50%
Stark County Government	Government	1,843	6.05%
City of Canton	Municipal Government	990	3.25%
Nationwide Insurance	Insurance Provider	755	2.48%
Fresh Mark Inc.	Meat Processing	700	2.30%
United States Postal Service	Federal Government	638	2.09%
Republic Engineered Products	Hot-rolled and cold finisher steel steel bars	519	1.70%
Total		17,274	56.67%
Estimated Total Employment within the City		30,487	

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

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

Function/Program	2015	2014	2013	2012	2011	2010
Governmental Employees						
General government	183	188	183	175	181	183
Security of persons and property	380	379	361	367	375	396
Public health	52	53	52	49	47	51
Transportation	47	50	46	44	46	45
Community development	16	16	15	14	19	23
Leisure time activities	21	21	14	14	16	21
Total Governmental Employees	699	707	671	663	684	719
Business-Type Employees						
Water	90	85	85	84	88	87
Sewer	75	73	76	75	71	73
Refuse	67	63	61	56	57	54
Total Business-Type Employees	232	221	222	215	216	214
Total Employees	931	928	893	878	900	933

Method: Part-time and seasonal employees are not included

Source: City of Canton Auditor's Office

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
181	193	194	196
409	434	428	423
50	53	52	51
50	49	50	44
23	22	17	18
21	27	27	26
<u>734</u>	<u>778</u>	<u>768</u>	<u>758</u>
91	96	101	97
80	79	79	76
58	58	58	59
<u>229</u>	<u>233</u>	<u>238</u>	<u>232</u>
<u>963</u>	<u>1,011</u>	<u>1,006</u>	<u>990</u>

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

Function/Program	2015	2014	2013	2012	2011	2010
General Government						
Departmental vehicles	43	38	38	22	22	22
Security of Persons and Property						
Police stations	5	5	5	5	5	5
Police department vehicles	129	124	122	123	123	124
Fire stations	7	7	8	8	8	8
Fire department vehicles	48	46	44	39	39	40
Intersections with traffic lights	200	203	236	213	213	224
Traffic department vehicles	16	15	16	17	17	17
Public Health						
Departmental vehicles	24	21	19	12	12	12
Transportation						
Area (in square miles)	25.70	25.70	25.70	25.70	25.70	25.70
Miles of streets	413.44	413.44	414.11	414.11	414.11	414.30
Bridges	24	24	24	23	23	23
Miles of storm sewers	218.96	218.96	217.48	217.48	217.48	217.40
Departmental vehicles	108	99	102	110	110	112
Leisure Time Activities						
Number of parks	61	61	61	61	61	61
Park acreage	812	812	812	812	812	812
Number of shelters	25	25	24	23	23	23
Number of baseball fields	43	43	43	43	43	43
Walking tracks	4	4	4	4	4	4
Walking bridges	17	17	17	16	16	16
Play equipment sets	41	41	39	39	39	37
Restrooms	20	20	19	19	19	19
Number of tennis courts	8	8	8	8	8	8
Swimming pools	1	-	-	-	-	-
Community centers	1	1	1	1	1	1
Departmental vehicles	49	46	45	45	45	46
Water						
Miles of water mains	663.99	661.24	668.32	660.03	660.03	658.80
Water treatment plants	3	3	3	3	3	3
Maximum daily capacity in gallons (in millions)	40,500	40,500	40,500	40,500	40,500	40,500
Number of fire hydrants	3,309	3,274	3,258	3,258	3,258	3,252
Departmental vehicles	87	81	81	71	71	68
Sewer						
Miles of sanitary sewers	363.00	363.00	360.00	360.00	360.00	363.00
Sewer treatment plants	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
Dry weather	39,000	39,000	39,000	39,000	39,000	39,000
Departmental vehicles	71	67	68	63	63	63
Refuse						
Departmental vehicles	26	29	28	20	20	23

Source: Various City of Canton Departments

2009	2008	2007	2006
22	23	24	21
5	5	5	5
129	110	124	124
8	8	8	8
40	37	39	36
226	227	228	230
19	20	29	23
14	14	23	24
25.50	25.40	25.40	25.30
414.40	413.83	413.87	411.39
23	23	23	23
214.56	214.33	214.09	211.92
114	110	124	116
61	61	61	61
812	800	710	710
22	22	22	21
43	43	43	42
4	4	4	4
14	14	14	13
37	36	36	35
19	19	19	19
8	8	8	8
-	-	-	1
1	1	1	1
47	44	46	47
658.69	658.68	655.89	651.36
3	3	3	3
40,500	39,000	39,000	39,000
3,252	3,243	3,212	3,163
62	59	60	56
362.83	360.10	359.70	357.51
1	1	1	1
67,000	67,000	67,000	67,000
39,000	39,000	39,000	39,000
52	59	59	47
25	28	37	35

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

Function/Program	2015	2014	2013	2012
General Government				
Auditor				
Purchase orders issued	7,754	7,143	6,924	6,608
Checks issued	16,682	16,953	15,946	16,156
Payroll checks issued	27,952	28,402	27,335	26,963
Civil service				
Tests administered	27	34	30	28
Courts				
Cases heard	27,051	26,761	25,745	27,027
Trials held	169	198	180	180
Probation cases	425	465	442	427
Community service				
Cases	2,250	2,171	1,971	2,021
House arrest cases	-	109	107	216
Income tax				
Refunds issued	2,526	2,564	2,718	2,934
Tax notifications mailed	33,978	30,604	31,650	40,471
Law department				
Claims	422	487	180	139
Trials conducted	284	299	119	83
Pretrials conducted	7,961	6,489	7,218	6,572
Prosecutor hearings	212	67	76	103
Criminal intakes	1,190	1,872	1,919	1,952
Security of Persons and Property				
Code enforcement				
Building permits issued	641	638	685	706
Building permits estimated value (in millions)	\$107,339	\$47,834	\$75,616	\$42,528
Police				
Physical arrests	-	2,390	2,013	2,613
Traffic violations	-	3,086	2,074	3,726
Parking violations	9,800	9,145	10,100	10,104
Fire				
Calls answered	15,350	13,835	14,276	13,789
Public Health				
Birth certificates issued	9,411	9,553	9,619	3,950
Death certificates issued	6,653	6,678	6,798	1,822
Nursing				
Home visits	329	322	307	350
Air pollution complaints				
Investigated	266	276	249	220
Food service inspections	2,019	2,278	2,539	878
Transportation				
Road salt expense	\$590,690	\$270,154	\$500,693	\$465,348
Leisure Time Activities				
Shelter/building permits issued	879	708	450	529
Water				
Number of service connections	44,431	44,367	44,360	44,292
Daily average consumption in gallons (in millions)	21.147	20.089	17.897	19.150
Sewer				
Number of active sewer accounts	26,510	26,514	27,763	26,815
Daily average treatment in gallons (in millions)	30.04	30.14	27.18	27.82

Source: Various City of Canton Departments

2011	2010	2009	2008	2007	2006
6,666	7,228	6,988	6,811	7,141	6,787
16,542	16,431	16,817	17,513	18,195	18,545
28,285	29,027	30,031	31,847	30,540	29,844
15	12	12	21	13	18
30,649	39,557	32,403	32,201	36,014	34,457
215	290	217	208	218	270
418	395	423	513	388	413
2,080	2,681	2,578	2,416	2,494	2,197
164	120	183	694	155	164
2,935	2,870	3,182	3,332	3,145	3,378
34,908	32,693	35,484	34,258	36,347	35,091
245	176	127	216	180	131
84	22	44	116	121	143
6,829	7,735	7,428	7,719	8,102	7,401
55	121	109	151	307	297
1,966	2,107	2,241	2,188	1,987	2,086
1,071	819	4,097	2,449	1,364	4,715
\$68,127	\$42,510	\$73,781	\$59,247	\$90,644	\$103,290
3,471	4,201	4,466	5,228	5,218	4,620
8,850	15,328	6,162	6,189	6,429	8,638
8,556	10,422	10,789	9,966	10,188	8,000
13,429	20,687	12,602	12,952	15,904	10,475
10,263	12,413	14,859	16,136	20,653	18,442
8,144	7,875	9,715	10,040	9,321	9,572
395	408	425	350	267	49
282	63	167	222	486	1,999
946	971	1,240	926	1,429	966
\$817,201	\$516,835	\$681,366	\$630,012	\$353,321	\$456,317
473	453	520	371	481	470
44,184	44,171	44,179	44,200	44,152	43,961
19,106	19,970	19,983	23,660	22,475	21,763
26,804	27,000	27,178	27,274	28,354	27,624
34,030	30,326	27,800	29,230	28,330	30,120

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



CANTON, OHIO

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**CITY OF CANTON
STARK COUNTY, OHIO**

SUPPLEMENTAL REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2015

RICHARD A. MALLONN II - CITY AUDITOR

**CITY OF CANTON
STARK COUNTY, OHIO**

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CITY OF CANTON
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(B) PASSED THROUGH TO SUBRECIPIENTS	(A),(E) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through Ohio Department of Health:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	76-2-001-1-WA0714		\$ 1,231,784
Total U.S. Department of Agriculture				<u>1,231,784</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through NA:</i>				
Community Development Block Grants/Entitlement Grants:				
(B),(C) Community Development Block Grants/Entitlement Grant:	14.218	N/A	736,083	3,040,668
Neighborhood Stabilization Program - NSP 1	14.218	N/A		8,532
Neighborhood Stabilization Program - NSP 3	14.218	N/A		3,956
Total Community Development Block Grants/Entitlement Grants			<u>736,083</u>	<u>3,053,156</u>
(B) Emergency Shelter Grants Program	14.231	N/A	167,614	173,967
Home Investment Partnerships Program	14.239	N/A		582,976
Fair Housing Assistance Program State and Local:				
Fair Housing Assistance Program_State and Local	14.401	N/A		31,157
Fair Housing Assistance Program_State and Local	14.401	N/A		30,915
Total Fair Housing Assistance Program_State and Local				<u>62,072</u>
Total U.S. Department of Housing and Urban Development			<u>903,697</u>	<u>3,872,171</u>
U.S. DEPARTMENT OF JUSTICE				
<i>Passed Through NA:</i>				
Violence Against Women Formula Grants	16.588	N/A		56,358
Public Safety Partnership and Community Policing Grants				
2012 Cops Hiring Program - ARRA	16.710	2012-UMWX0148		273,830
2013 Cops Hiring Program - ARRA	16.710	2013-UMWX0159		283,983
2014 Cops Hiring Program - ARRA	16.710	2014-UMWX0192		278,784
Total Public Safety Partnership and Community Policing Grants				<u>836,597</u>
Edward Byrne Memorial Justice Assistance Grant Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0024		62
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0097		18,825
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-1195		6,178
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>25,065</u>
Total U.S. Department of Justice				<u>918,020</u>
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction:				
Highway Planning and Construction	20.205	PID-85299		8,916,225
Highway Planning and Construction	20.205	PID-91594		335,192
Highway Planning and Construction	20.205	PID-90361		2,435,324
Highway Planning and Construction	20.205	PID-90268		128,796
Highway Planning and Construction	20.205	PID-90465		668
Highway Planning and Construction	20.205	PID-86397		65,579
Highway Planning and Construction	20.205	PID-91592		296,482
Highway Planning and Construction	20.205	PID-92562		16,651
Highway Planning and Construction	20.205	PID-99470		1,050,257
Total Highway Planning and Construction				<u>13,245,174</u>
State and Community Highway Safety	20.600	2009-SC-N/I		23,944
Total U.S. Department of Transportation				<u>13,269,118</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Passed Through the Ohio Environmental Protection Agency:</i>				
Air Pollution Control Program Support	66.001	AP-19-91-76-020007		207,548
Total U.S. Environmental Protection Agency				<u>207,548</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Health:</i>				
Public Health Emergency Preparedness	93.074	76-2-001-2-PH0514		245,955
Public Responsibility Education	93.092	76-2-001-2-PR0314		138,202
Immunization Grants	93.268	76-2-001-2-IM0714		93,705
(D) Medical Assistance Program	93.778	N/A		65,351
(D) Head Start	93.600	N/A		8,754
HIV Prevention Activities - Health Department Based	93.940	76-2-001-2-HP0714		211,915
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	76-2-001-2-ST0614		26,944
Maternal and Child Health Services Block Grant to the States	93.994	76-2-001-1-DS0714		49,014
Maternal and Child Health Services Block Grant to the States	93.994	76-1-001-1-MC-0815		77,253
Total Maternal and Child Health Services Block Grant to the States				<u>126,267</u>
Total U.S. Department of Health and Human Services				<u>917,093</u>
Total Federal Financial Assistance			<u>\$ 903,697</u>	<u>\$ 20,415,734</u>

**CITY OF CANTON
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) This schedule was prepared on the cash basis of accounting.
- (B) The City passes certain federal awards received from various agencies to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

- (C) The City has a revolving loan program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. This schedule reports loans made and administrative costs as disbursements. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property or asset acquired.

Activity in the Community Development Block Grant revolving loan fund during 2015 is as follows:

Beginning loans receivable balance as of January 1, 2015	\$ 1,189,464
Loans Disbursed	-
Loans Repaid	232,720
Ending loans receivable balance as of December 31, 2015	\$ 956,744

Cash balance on hand in the revolving loan fund as of December 31, 2015 \$ 46,509

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2015, the City is reporting \$647,094 as past due.

- (D) Pass-through grant numbers were unable to be obtained for these grants.
- (E) Certain federal programs require 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 are not included on this schedule.
- (F) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimus rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimus indirect cost rate.



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Independent Auditor's 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 SW
Canton, Ohio 44702

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Canton's basic financial statements and have issued our report thereon dated August 25, 2016 wherein we noted as discussed in Note 3, the City of Canton adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and *No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Canton's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Canton's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Canton's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2015-001 to be a significant deficiency.

Members of Council and Mayor
City of Canton

Compliance and Other Matters

As part of reasonably assuring whether the City of Canton'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, opining 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*.

City of Canton's Response to the Finding

The City of Canton's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not audit the City of Canton's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City of Canton's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Canton's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
August 25, 2016



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**Independent Auditor's Report on Compliance With Requirements Applicable
to Each Major Federal Program and on Internal Control Over Compliance
Required by the *Uniform Guidance* and the Schedule of
Expenditures of Federal Awards**

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

To the Members of Council and Mayor:

Report on Compliance for Each Major Federal Program

We have audited the City of Canton's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the City of Canton's major federal programs for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Canton's major federal programs.

Management's Responsibility

The City of Canton's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City of Canton's compliance for each of the City of Canton's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Canton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the City of Canton's major programs. However, our audit does not provide a legal determination of the City of Canton's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Canton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as items 2015-002 and 2015-003. Our opinion on each major federal program is not modified with respect to these matters.

The City of Canton's responses to our noncompliance findings are described in the accompanying corrective action plan. We did not audit the City of Canton's responses and, accordingly, we express no opinion on them.

Report on Internal Control Over Compliance

The City of Canton's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Canton's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Canton's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and a deficiency we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2015-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2015-003 to be a significant deficiency.

The City of Canton's responses to our internal control over compliance findings are described in the accompanying corrective action plan. We did not audit the City of Canton's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Members of Council and Mayor
City of Canton

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Canton as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Canton's basic financial statements. We issued our unmodified report thereon dated August 25, 2016, wherein we noted as discussed in Note 3, the City of Canton adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* during the year. We conducted our audit to opine on the City of Canton's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
August 25, 2016

**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	Yes
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	Yes
<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	Community Development Block Grants, CFDA #14.218; HOME Investment Partnerships Program, CFDA #14.239, Public Safety Partnership and Community Policing Grants-ARRA, CFDA #16.710 and Highway Planning and Construction, CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2015-001

Significant Deficiency – EMS Billings

An entity that outsources its internal functions requires the same amount of internal controls as if it is being operated by the City.

The City has delegated emergency management service (EMS) billings processing, which is an accounting function to a third party administrator. The City has not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reduce the risk that EMS billings have been completely and accurately processed in accordance with the emergency service contract rates. The City's EMS billings revenue/receivable are reported on the financial statements as a part of the General Fund. During 2015, EMS billing revenue account for approximately \$1.6 million of the General Funds \$58 million in total receipts.

Not having effective internal controls in place regarding the outsourced activity could cause mispayments of EMS services provided to the public.

We recommend the City help assure the completeness and accuracy (including eligibility and allowability) of EMS Billings processed by its third-party administrator. Statement on Standards for Attestation Engagements (SSAE) No. 16, prescribes standards for reporting on service organizations. An unmodified Type Two Service Organization Control Report (SOC 1) in accordance with SSAE 16 should provide the City with reasonable assurance that EMS billing transactions conform to the contract rate.

We recommend the City require a Type Two SOC 1 report in its contract with the third party administrator. The City should review the SOC 1 report timely. The report should follow American Institute of Certified Public Accountants standards and be performed by a firm registered and considered in good standing with the Accountancy Board of the respective state. If a third-party administrator refuses to furnish the City with a Type Two SOC 1 report, we recommend the City contract with a third-party administrator that will provide such a report.

**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2015-002
CFDA Title and Number	Community Development Block Grants/Entitlement Grants, CFDA # 14.218
Federal Award Number/Year	2015
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A

Noncompliance – Subrecipient Monitoring/Material Weakness

2 CFR section 200.331 requires that all pass-through entities monitor the activities of subrecipients of federal awards as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

We noted that subawards for the CDBG grant program were not monitored during fiscal year 2015 for compliance with laws, regulations, and provisions of contracts and grant agreements. The CFDA number was not included on the subrecipient funding agreements, and CDBG subrecipients were not monitored pertaining to the requesting of audits.

Without proper monitoring of subrecipients, improper federal expenditures could occur.

We recommend the City work to implement proper monitoring procedures for all federal subawards.

**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

3. FINDINGS FOR FEDERAL AWARDS - (Continued)

Finding Number	2015-003
CFDA Title and Number	Community Development Block Grants/Entitlement Grants, CFDA # 14.218
Federal Award Number/Year	2015
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A

Noncompliance - Reporting/Significant Deficiency

Office of Management and Budget No. 0348-0061 indicates recipients should submit interim SF-425 Federal Financial Reports (FFRs) on a quarterly, semi-annual, or annual basis, as directed by the federal awarding agency. A final FFR shall be submitted at the completion of the award agreement. The following reporting period end dates shall be used for interim reports: 3/31, 6/30, 9/30, and 12/31. For the Final FFR, the reporting period end date shall be the end date of the project or grant period. Quarterly and semi-annual interim reports shall be submitted no later than 30 days after the end of each reporting period. Annual reports shall be submitted no later than 90 days after the end of each reporting period. Final reports shall be submitted no later than 90 days after the project or grant period end date.

The City of Canton did not complete the SF-425 Federal Financial Reports for the CDBG grant program during fiscal year 2015.

The City of Canton should ensure SF-425 Federal Financial Reports for the CDBG grant program are completed by the required dates.

**CITY OF CANTON
STARK COUNTY, OHIO**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2015**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	The City has contracted their provider who is going to determine if they wish to have a SOC 1 completed, however the City is also researching new third party EMS billings providers in which they can acquire the required a SOC 1 Type Two, and satisfy the SSAE No. 16 requirement for the period ending December 31, 2016.	December, 31, 2016	Raymond Friedmann, Fire Department Capt.
2015-002	Going forward, the City will work to ensure all subrecipients of federal awards are monitored in accordance with federal regulations.	December, 31, 2016	Lisa Miller, Grant Director
2015-003	The City has indicated they have started to submit their interim SF-425 Federal Financial Report on a quarterly basis as directed by the federal awarding agency.	March 31, 2016	Lisa Miller, Grant Director

**CITY OF CANTON
STARK COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

Finding Number	Year Initially Occurred	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2014-001	2014	<u>Material Weakness - Financial Reporting</u> - The City had audit adjustments necessary to properly record activity in 2014.	Yes	N/A
2014-002	2014	<u>Noncompliance - Reporting/Significant Deficiency</u> - Office of Management and Budget No. 0348-0061 indicates recipients should submit interim SF-425 Federal Financial Reports (FFRs) on a quarterly, semi-annual or annual basis as directed by the federal awarding agency. The City did not complete the SF-425 Federal Financial Reports for the CDBG grant program during 2014.	Not Corrected	Repeated as finding 2015-003; the City did not complete the SF-425 Federal Financial Reports on a quarterly, semi-annual or annual basis for the CDBG grant program during 2015.
2014-003	2014	<u>Noncompliance - Reporting/Significant Deficiency</u> - Office of Management and Budget No. 0348-0061 indicates recipients should submit interim SF-425 Federal Financial Reports (FFRs) on a quarterly, semi-annual or annual basis as directed by the federal awarding agency. The City did not complete the SF-425 Federal Financial Reports for the HOME grant program during 2014.	Yes	N/A
2014-004	2014	<u>Noncompliance - Subrecipient Monitoring/Material Weakness</u> - 2 CFR Section 200.331 requires that all pass-through entities monitor the activities of subrecipients of federal awards as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations and the terms and conditions of the subaward; and that subaward performance goals are achieved.	Not Corrected	Repeated as finding 2015-002; the City did not monitor all activities of subrecipients of federal awards as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations and the terms and conditions of the subaward during 2015.

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Dave Yost • 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
NOVEMBER 10, 2016