

**Mary Taylor, CPA**  
Auditor of State



CITY OF NORTH CANTON  
STARK COUNTY

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# Mary Taylor, CPA

Auditor of State

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

City of North Canton  
Stark County  
145 North Main Street  
North Canton, Ohio 44720

To the Honorable Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of North Canton, Stark County, Ohio (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

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

We noted certain matters that we reported to the City's management in a separate letter dated June 27, 2008.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509  
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### **Compliance and Other Matters**

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 27, 2008.

We intend this report solely for the information and use of management and City Council. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

June 27, 2008

CITY OF NORTH CANTON  
STARK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	Ohio Rev. Code Section 5705.39 – total appropriations at the beginning of the year exceeded total estimated resources in 5 funds	Corrected	Finding No Longer Valid





**CITY OF NORTH CANTON, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2007**

Julie A. Herr  
Director of Finance

Prepared by the City Finance Department



**City of North Canton, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2007*  
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# City of NORTH CANTON, OHIO

145 NORTH MAIN STREET  
NORTH CANTON, OHIO 44720-2587  
[www.northcantonohio.com](http://www.northcantonohio.com)

June 27, 2008

Honorable Citizens of North Canton  
and Members of City Council  
North Canton, Ohio

State law requires that every general-purpose local government file within 150 days of fiscal year end a complete set of unaudited financial statements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require the City to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2007 and the Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Accountants' Report and provides a narrative introduction, overview and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

## *Profile of the Government*

The City acquired its first existence as a recognized political entity when the Village plat was recorded on February 19, 1831 as New Berlin. As a result of sentiment against Germany during World War I, the name of the Village was changed to North Canton on January 31, 1918. The City gained formal status as a City effective January 1, 1962. The City is located in the northern half of Stark County and is approximately 7.15 square miles in size. The City's population, according to the 2000 census, was 16,369.

The City is a home-rule municipal corporation operating under the laws of the State of Ohio. The City's current charter, its municipal constitution, has been amended seven times since its original adoption on November 8, 1960. The laws of the State of Ohio prevail when conflicts exist between the charter and the state constitution and in matters where the charter is silent. The Charter provides for a "Mayor-Administrator-Council" form of government. The City's charter can only be amended by a majority vote of the City's registered voters.

Legislative authority is vested in a seven-member Council, four of which are elected from wards and three are elected at-large. Council members are elected for two year terms in the odd numbered years through a nonpartisan election process. Their term of office begins December 1. The Council holds an organizational meeting within the first three days of December each year. The Mayor presides over the meeting until a

President of Council is elected by the members of Council.

The Director of Law, Director of Finance and Clerk to the Council are appointed by, and serve at the pleasure of the Council. Council also appoints the three members of the City's Civil Service Commission. The Council fixes compensation of City officials and employees, and enacts legislation in the form of ordinances and resolutions relative to City services, tax levies, appropriating and borrowing monies, and other municipal purposes.

The Mayor is elected for a two year term to begin on the first day of December following the election. According to the Charter, the Mayor is the executive of the City and is responsible to the electors for enforcement of all laws and ordinances, and for control and proper operation of all administrative departments and divisions. The Mayor appoints a Director of Administration subject to confirmation by a majority vote of Council. The Director of Administration is responsible to the Mayor for the general administration of the affairs of the City.

As authorized by its charter and codes, the City provides the following broad categories of services to its citizens:

- The Department of Service includes the divisions of Streets, Sewer, Water, Engineering, and Parks and Playgrounds.
- The Department of Safety includes the divisions of Police, Fire, Health and Sanitation, Emergency Medical Services, and Inspection and Licensing.
- The City also operates three enterprise activities: a water system, a sewer system, and garbage service. The water service is metropolitan in nature and reaches far beyond the City's incorporated boundaries.

The Council is required to adopt a permanent appropriation measure within ninety days of the beginning of the year covered by such ordinance. The annual budget serves as the foundation for the City of North Canton's financial planning and control. The budget is prepared by fund. Amounts can be transferred between line items within a fund with the approval of the Finance Committee of Council. Transfers between funds, however, need special approval from Council.

### ***Local Economy***

The City is in close proximity to Interstate 77 which provides access to other metropolitan areas, including Canton, Akron and Cleveland. The Akron-Canton Regional Airport, which is within 10 miles of the City, provides commercial passenger and air freight service to destinations nationwide.

For over 100 years, the City has been home to the Hoover Company, the City's largest employer. During 2006, the Maytag Corporation, the parent company of the Hoover Company, was acquired by the Whirlpool Corporation. Soon thereafter, Whirlpool announced its plans to sell the Hoover Company. On January 31, 2007, Techtronic Industries (TTI), a Hong Kong based floor care company, acquired the Hoover Company from Whirlpool. On April 2, 2007, TTI announced that it would close the North Canton facilities by the end of the third quarter of 2007. The plant was officially closed on September 27, 2007. However, TTI agreed to honor the current labor agreement which guarantees 800 jobs until June of 2008. Displaced workers were offered many opportunities of help with reemployment including assistance from the Ohio Department of Development, Ohio Department of Job and Family Services and the non-profit Employment Source organization.

Prior to the plant closing, TTI hired a real estate company to locate a potential buyer for the Hoover property. In the fourth quarter of 2007, TTI was approached by the California-based Industrial Realty Group (IRG), a nationally known real estate development company specializing in redevelopment of older industrial buildings, about the possible purchase of the facility. After months of negotiations, the Hoover property was sold to IRG on January 28, 2008. IRG intends to redevelop the site for warehousing, manufacturing, office space, limited retail and some residential housing. Currently, there are several businesses that have already moved into the facility or are in the process of negotiating leases with the property owner. Although the soon-to-be redeveloped Hoover property will most likely not provide the same level of employment that the Hoover Company once did, there is the potential to replace at least 50 to 75 percent of the lost employment.

Over the last several years, other types of industries within the City continued to grow and expand. Walsh University, a private four-year school and the City's largest employer, continues to expand, both in physical size and enrollment. Over the past five years, five buildings have been added to the campus at a value of \$21 million. Also in the last five years, enrollment has increased over 50 percent and is currently at an all-time high.

In addition, the medical office business cluster grew as well. This growth is reflected in the construction of satellite facilities of Aultman Hospital and Mercy Medical Center plus increased employment at Windsor Medical Center and North Canton Medical Foundation. Together, these medical facilities employ over 800 workers. The remaining business community is made up of approximately 330 businesses involved in banking, insurance, investment, software development, dental and other personal services.

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

The City's income tax ordinance provides for 0.30 percent of the first 1 percent tax rate (after paying all costs associated with the collection of the income tax) be used for capital improvements and 0.70 percent of the first 1 percent be used for general operations of the City. The remaining 0.5 percent tax rate may be used for either general operations of the City or capital improvements. In the past, the City has been able to use 50 percent of its income tax collections for capital projects. However, over the past few years, as the cost of general operations has increased at a greater pace than income tax collections, the amount directed to capital improvements has been reduced to the minimum amount allowed. As there are fewer funds for capital projects, the City has looked at other means to finance equipment purchases and road, curb and gutter improvements. These financing options include capital leasing, grants and zero interest loans.

### ***Relevant Financial Policies***

During 2007, the City continued its commitment to fund the Compensated Absences Fund in order to accumulate resources for the payout of earned vacation and eligible sick leave to employees who terminate employment with the City. In 2007, a total of \$214,000 was transferred to this fund. It is hopeful that the City will continue to contribute \$200,000 on an annual basis.

Pursuant to the legislation established in 2006 which authorized the transfer of any estate tax collections in excess of \$300,000 to the Capital Improvement Fund, over \$1.4 million was transferred during 2007. In part, these funds were used for the Sixth Street curb and gutter project and the Lipton Avenue rehabilitation project.

### ***Major Initiatives***

The City continues its efforts to promote economic development within the City. During 2007, the City adopted agreements with its neighboring townships to negotiate future Joint Economic Development Districts



(JEDD's) and Community Economic Development Agreements (CEDA's). This is the first time that the City and its bordering townships have united together to work on economic development opportunities.

The City has committed \$1.5 million to the North Canton Community Improvement Corporation (CIC) to assist the Corporation's efforts in pursuing economic development opportunities for the City. This funding came from the City's general fund and will be transferred to the CIC on an annual basis over a 14 year period. To date, \$300,000 has been transferred to the CIC. During 2007, the CIC was active for the first time in over twenty years. The CIC was approached by a local business owner to assist with negotiations with the Stark County Mental Retardation and Developmental Disabilities (MRDD) to bring the MRDD to North Canton. The MRDD was interested in leasing office space from the local business owner; however, sufficient parking was an issue. After much discussion and debate, the CIC agreed to fund the purchase of a piece of property as well as the construction of a parking lot, to increase the number of available parking spaces. As a result of the CIC's involvement, the MRDD moved into the vacant office space at the end of 2007. Currently, they have over forty employees at this location. They are anticipating a total of seventy new employees by the end of the third quarter of 2009.

Because of the built-out situation limiting economic development opportunities in North Canton, the City is focusing on developing any available developable land to encourage job growth. One of these opportunities involves approximately 17.28 acres of undeveloped land located on South Main Street. The owners of this property had a preliminary development plan for this property since 1999. During 2007, the City contacted the property owners about finally developing the site. The City indicated that they would pursue grant funding to help construct the roadway needed for this project if the developers would agree to provide sites for a high-tech compact business smart park that would bring high tech jobs to the City. The developers agreed and the City submitted a 629 research and development grant application with the State of Ohio Department of Development. The grant request was approved in late 2007 for \$350,000. The total project cost to construct the street is estimated at \$900,000. The City and the developer will share the remaining \$550,000 in construction costs on a fifty-fifty basis. It is expected that construction will begin during the summer of 2008.

The City continued the expansion of the City's water system. In June 2007, well number 9, located on East Maple Street, went into service. This well has the capacity to yield up to three million gallons of water per day. The City also began the process of developing well number 10, located at the City owned Oster property. There is currently a monitoring well being developed on this site. It is estimated this location could yield four to five million gallons of water per day.

In 2006, the City was awarded a zero percent loan from the Ohio Public Works Commission for a \$1.0 million booster pump station located at Water Tower 2. This pump station is an important part of the City's plan to expand its water system. This project was placed into operation in October 2007.

For the first time in the City's history, the City applied for and was awarded Community Development Block Grant Funds for three water line replacement projects. The total amount of CDBG funding awarded for these projects is \$334,325. Two of these projects were completed in 2007. A third project will be completed in 2008.

The City's water distribution continues to expand outside the borders of the City. The City began providing water service to the Akron-Canton Regional Airport and its lessees in late 2007. In addition, the City will be providing water service to the Gateway Corporate Park which is located between Lauby Road and Interstate 77. The first project completed within this Park was a 121-room hotel which opened in late 2006.

Construction of the South Main St/Everhard Road improvements was completed in 2007. Seventy-three percent of the project cost, or approximately \$2.4 million, was funded with Federal Surface Transportation funds. Sixteen percent of the project was funded with State Issue 2 funds. The remaining portion of the project was funded with City and County funds. This project entailed widening South Main Street to include left turn lanes on to Everhard Road as well as rebuilding the County owned bridge on South Main Street.

Also completed in 2007 was the continuation of the City's streetscape program on South Main Street, from Maplecrest to Easthill. This project included rebuilt curbs, sidewalks, roadway, brick work and decorative street lighting. This \$2.1 million project was partially funded by a \$1.0 million Ohio Public Works Commission (OPWC) grant. The remainder of the funding came from Municipal Road Funds and City funds.

The City began acquiring right of way for the Applegrove widening project, a joint project with the County. In conjunction with the widening project, the City will also be replacing a waterline. The waterline replacement will be funded with a zero percent OPWC loan.

The success of the City's curbside recycling program continued into 2007. The City was awarded a \$61,800 grant from the Tri-County Solid Waste District to help fund the recycling program. Also in 2007, the success of the City's leaf recycling program led to the implementation of the Yard Waste Recycling Program. The City used grant funds to purchase leaf recycling bags for its residents for both of these programs. The City hopes to continue both of these important recycling initiatives into 2008 and beyond.

#### *Awards and Acknowledgements*

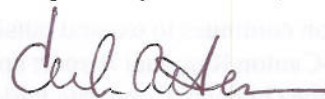
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Canton for its Comprehensive Annual Financial Report for the year ended December 31, 2006. This was the nineteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank the Mayor and Members of Council for their support for continued excellence in financial reporting and disclosure. I also would like to thank the staff from the Auditor of State for their help in preparing the GASB 34 statements. They were cooperative, professional, and efficient and their guidance was extremely valuable.

This comprehensive annual financial report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. I express my appreciation to each of them and to many of the City's other employees contributing to this effort.

Respectfully submitted,



Julie A. Herr  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Canton  
Ohio

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

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



*Oliver S. Cox*

President

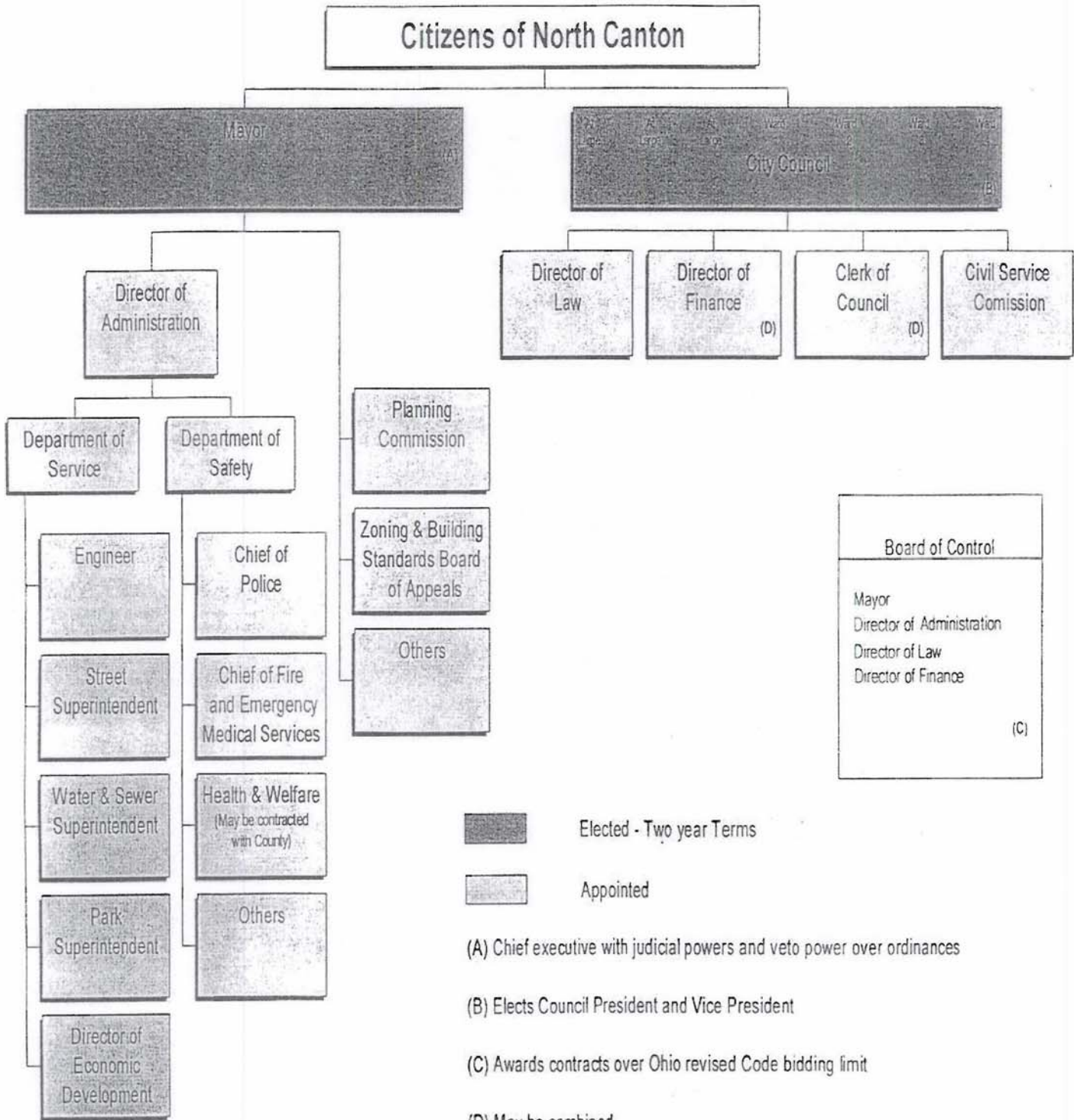
*Jeffrey R. Emer*

Executive Director

# The City of North Canton, Ohio

Charter Government

Organizational Chart



**CITY OF NORTH CANTON  
LIST OF PRINCIPAL OFFICIALS  
AS OF DECEMBER 31, 2007**

**ELECTED CITY OFFICIALS**

**MAYOR**

HONORABLE DAVID J. HELD

**CITY COUNCIL**

DARYL REVOLDT, PRESIDENT, AT-LARGE

PATRICK A. DE ORIO, AT-LARGE

MARCIA KIESLING, AT-LARGE

DOUGLAS V. FOLTZ, WARD 1

DAVID WRIGHT, WARD 2

JEFF DAVIES, WARD 3

JON F. SNYDER, VICE PRESIDENT, WARD 4

**APPOINTED CITY OFFICIALS**

**DIRECTOR OF ADMINISTRATION**

EARLE E. WISE, JR

**DIRECTOR OF FINANCE**

JULIE A. HERR

**DIRECTOR OF LAW**

RANDY MCFARREN

**CLERK OF COUNCIL**

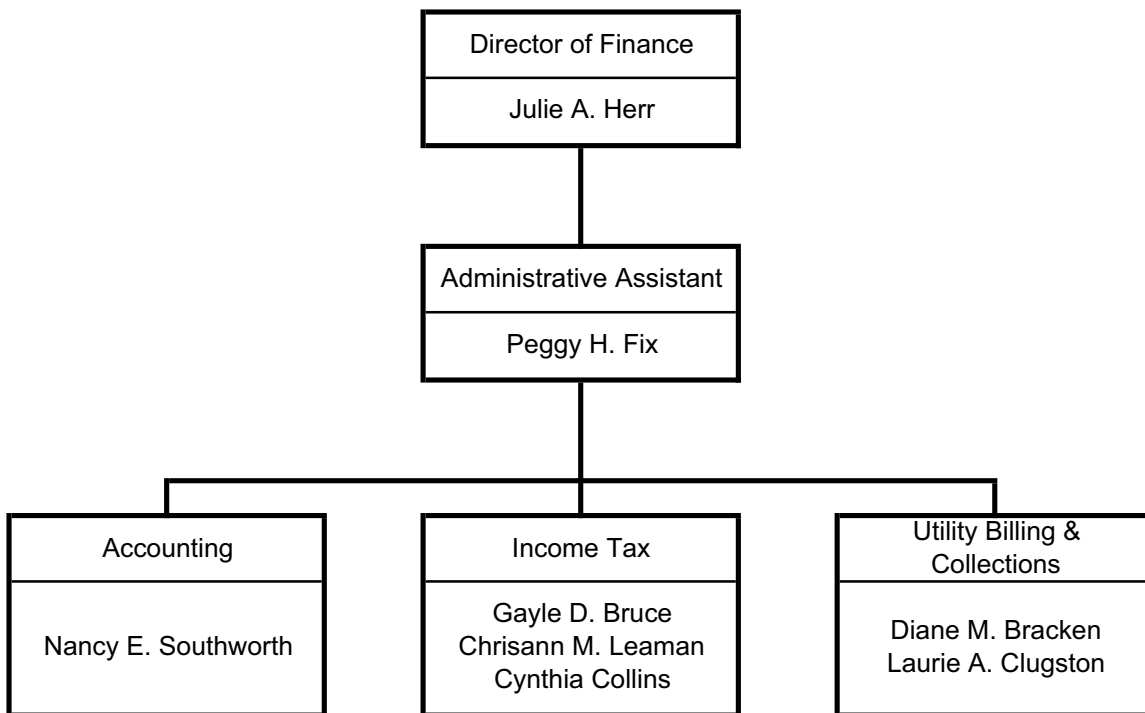
GAIL M. KALPAC

**The City of North Canton, Ohio**

**Department of Finance**

**Organizational Chart**

**As of December 31, 2007**



*Financial Section*







# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

City of North Canton  
Stark County  
145 North Main Street  
North Canton, Ohio 44720

To the Honorable Mayor and City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and the remaining fund information of the City of North Canton, Stark County, Ohio (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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, each major fund, and the aggregate discretely presented component unit and the remaining fund information of the City of North Canton, Stark County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 27, 2008

**City of North Canton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

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The discussion and analysis for the City of North Canton's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2007. The intent of this discussion is to provide a narrative which describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter and the basic financial statements.

**Financial Highlights**

Financial highlights for 2007 are as follows:

- Total Net Assets increased \$621,700 from 2006. Net Assets of governmental activities decreased \$524,908 from 2006, a decrease of 1.5 percent. Net Assets of business-type activities increased \$1,146,608 over 2006, an increase of 4.3 percent.
- Total Assets of the City increased \$1,336,712 or 1.6 percent above the 2006 level.
- Total Liabilities of the City increased \$715,012. This is an increase of 3.0 percent from the previous year.
- Total Capital Assets increased \$1,516,799, an increase of 2.2 percent over 2006.
- Total Outstanding Debt increased \$635,130, an increase of 3.4 percent over 2006.

**Using this Annual Financial Report**

This report consists of a series of financial statements and notes to those statements. These statements are prepared and organized in a manner that allows the reader to look at the financial activities of the City of North Canton as a whole and also allows the reader to obtain a more detailed view of the City's operations, if they prefer.

The Statement of Net Assets and the Statement of Changes in Net Assets provide information from a summary perspective showing the effects of the operations for the year 2007 and how they affected the operations of the City as a whole.

Major 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 dollars remain 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.

***Reporting the City of North Canton as a Whole***

*Statement of Net Assets and Statement of Activities*

The Statement of Net Assets and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity. They provide a good resource for an overall evaluation of the City's financial performance "on one page." These statements include all assets and all liabilities using the accrual basis of accounting. The accrual basis of accounting records all revenues when they are earned, not when the actual cash is received, and books expenses when they are incurred, not when the invoices are paid.

**City of North Canton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

---

These two statements report the City's net assets and changes in those assets. The change in net assets is important since it is an indication of whether the financial position of the City is improving or declining. However, to properly evaluate the operation of the City, certain non-cash items should be taken into consideration. These items would include the current economic situation as a whole, the current tax base for the City and the age and condition of the City buildings and infrastructure.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two major activities:

**Governmental Activities** - Most of the City's programs and services are reported here including general government, police, fire, transportation, public health and welfare and leisure time activities.

**Business-Type Activities** - These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The City's business-type activities are water, sewer, and garbage.

***Reporting on the Most Significant Funds of the City of North Canton***

*Fund Financial Statements*

The analysis of the City's major funds begins on page 8. Fund financial reports give a detailed report of the activities within the funds. The City currently has twenty funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of North Canton. Some funds provide for fire protection and for emergency medical service while others provide for streets, water service, and sewer service. There are funds that also provide for the purchase of capital assets and infrastructure. One provides health care for City employees. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

In this report, the focus is on six major funds, the General Fund, Capital Improvements Fund, Issue II Improvement Fund, Water Fund, Sewer Fund, and Garbage Fund.

***Governmental Funds*** All of the City's major activities (excluding the Utility Department) are reported in the governmental funds. This report shows how monies flow into and out of these funds and also shows what balances are available for future expenditures. The accounting method used to report this activity is the modified accrual method. This method reports cash and like-cash items that can be converted into cash. This shows what level of financial resources are available or will be available to provide the services that the general government provides in the near future. These services include police and fire protection, as well as improving and maintaining the City's streets, parks, and City hall. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the government funds is reconciled in the financial statements.

***Proprietary Funds*** Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match, except for residual amounts from internal service funds.

**The City of North Canton as a Whole**

The Statement of Net Assets provides an overall view of the City. Table 1 shows a summary of the City's net assets for 2007 as they compare to 2006.

**City of North Canton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
<b>Assets</b>						
Current and Other Assets	\$12,811,297	\$12,735,804	\$4,545,529	\$4,801,109	\$17,356,826	\$17,536,913
Capital Assets, Net	29,364,473	29,469,468	40,250,034	38,628,240	69,614,507	68,097,708
<b>Total Assets</b>	<b>42,175,770</b>	<b>42,205,272</b>	<b>44,795,563</b>	<b>43,429,349</b>	<b>86,971,333</b>	<b>85,634,621</b>
<b>Liabilities</b>						
Current and Other Liabilities	3,774,612	3,857,571	652,766	957,983	4,427,378	4,815,554
<b>Long-Term Liabilities:</b>						
Due Within One Year	412,312	1,881,778	781,365	4,832,556	1,193,677	6,714,334
Due in More than One Year	3,229,510	1,181,679	15,352,739	10,776,725	18,582,249	11,958,404
<b>Total Liabilities</b>	<b>7,416,434</b>	<b>6,921,028</b>	<b>16,786,870</b>	<b>16,567,264</b>	<b>24,203,304</b>	<b>23,488,292</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	26,480,040	26,870,342	24,165,821	22,808,223	50,645,861	49,678,565
<b>Restricted:</b>						
Capital Projects	2,364,897	1,859,062	0	0	2,364,897	1,859,062
Street Construction, Maintenance and Repair	651,009	854,455	0	0	651,009	854,455
Fire Operations	0	17,550	0	0	0	17,550
Emergency Medical Services	235,207	205,388	0	0	235,207	205,388
Computer Systems	14,502	13,719	0	0	14,502	13,719
Storm Sewer	526,185	349,624	0	0	526,185	349,624
Donations for Supplies	35,054	36,864	0	0	35,054	36,864
Other Purposes	6,858	6,614	0	0	6,858	6,614
Unrestricted	4,445,584	5,070,626	3,842,872	4,053,862	8,288,456	9,124,488
<b>Total Net Assets</b>	<b>\$34,759,336</b>	<b>\$35,284,244</b>	<b>\$28,008,693</b>	<b>\$26,862,085</b>	<b>\$62,768,029</b>	<b>\$62,146,329</b>

Total assets increased in 2007 by \$1,336,712. This was the result of an increase in capital assets of \$1,516,799 and a decrease in current assets of \$180,087. Total assets from business type activities increased by \$1,366,214, of which \$1,621,794 was due to an increase in capital assets. Capital assets increased due to the construction of a booster pump station located at one of the City's water towers as well as the completion of several new and replacement water line and sewer line projects.

Total liabilities increased by \$715,012 in 2007. Total liabilities of governmental activities increased by \$495,406 due to three new capital lease agreements for the replacement of a ladder truck, street sweeper and ambulance. This increase was offset by a \$550,000 pay down in notes payable. Liabilities of business-type activities increased by \$219,606.

Total net assets increased by \$621,700. This is the result of an increase in total assets offset by a smaller increase in total liabilities.

**City of North Canton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

Table 2 shows the changes in net assets for the year ended December 31, 2007 for both the Governmental activities and the Business-Type activities.

Table 2  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$1,061,440	\$1,030,491	\$8,512,792	\$8,056,116	\$9,574,232	\$9,086,607
Operating Grants and Contributions	819,115	566,265	61,800	60,000	880,915	626,265
Capital Grants	1,220,785	3,074,345	630,377	821,973	1,851,162	3,896,318
General Revenues:						
Property Taxes	1,791,123	1,808,887	0	0	1,791,123	1,808,887
Municipal Income Taxes	5,845,710	6,263,564	0	0	5,845,710	6,263,564
Grants and Entitlements	2,199,383	1,803,539	0	0	2,199,383	1,803,539
Interest	606,217	537,976	0	0	606,217	537,976
Gain on Sale of Capital Assets	82,873	0	16,339	0	99,212	0
Other	33,134	110,979	133,433	23,775	166,567	134,754
<b>Total Revenues</b>	<b>13,659,780</b>	<b>15,196,046</b>	<b>9,354,741</b>	<b>8,961,864</b>	<b>23,014,521</b>	<b>24,157,910</b>
<b>Program Expenses</b>						
General Government	2,253,710	2,040,584	0	0	2,253,710	2,040,584
Security of Persons and Property						
Police	3,587,425	3,026,053	0	0	3,587,425	3,026,053
Fire	819,062	693,324	0	0	819,062	693,324
Public Health and Welfare	1,703,059	1,311,606	0	0	1,703,059	1,311,606
Transportation	3,213,072	1,075,130	0	0	3,213,072	1,075,130
Community Environment	547,013	380,145	0	0	547,013	380,145
Leisure Time Activities	1,356,650	1,207,578	0	0	1,356,650	1,207,578
Basic Utility Services	558,990	1,164,581	0	0	558,990	1,164,581
Intergovernmental	0	100,000	0	0	0	100,000
Interest and Fiscal Charges	184,341	136,057	0	0	184,341	136,057
Water	0	0	5,349,070	4,485,688	5,349,070	4,485,688
Sewer	0	0	2,031,424	2,296,527	2,031,424	2,296,527
Garbage	0	0	789,005	676,949	789,005	676,949
<b>Total Expenses</b>	<b>14,223,322</b>	<b>11,135,058</b>	<b>8,169,499</b>	<b>7,459,164</b>	<b>22,392,821</b>	<b>18,594,222</b>
Operating Transfers	38,634	43,140	(38,634)	(43,140)	0	0
<i>Increase(Decrease) in Net Assets</i>	(524,908)	4,104,128	1,146,608	1,459,560	621,700	5,563,688
Net Assets Beginning of Year	35,284,244	31,180,116	26,862,085	25,402,525	62,146,329	56,582,641
Net Assets End of Year	<u>\$34,759,336</u>	<u>\$35,284,244</u>	<u>\$28,008,693</u>	<u>\$26,862,085</u>	<u>\$62,768,029</u>	<u>\$62,146,329</u>

***Governmental Activities***

The funding for governmental activities comes from a number of different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, intergovernmental revenue, charges for services, and investment interest.

**City of North Canton, Ohio**  
*Management's Discussion and Analysis*  
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The City's income tax was established to be effective January 1, 1956 at a rate of 0.6 percent. This rate was later increased to 1.0 percent effective January 1, 1963 and further increased to 1.5 percent effective February 22, 1971. It is at this level currently. The City also allows a 100 percent credit of taxes paid to other municipalities, up to 1.5 percent of the income taxed in that city. According to the City's Income Tax Ordinance, income tax revenues are to be allocated as follows: after paying all costs associated with the operation of the income tax department, the balance of the first 1.0 percent is to be allocated 30 percent to the capital improvement fund and 70 percent to the general fund. The remaining 0.5 percent shall be allocated for the payment of debt service on bonds outstanding and to the extent not so appropriated, for general municipal operations and capital improvements as determined by Council. On a full accrual basis, the City received income tax revenues of \$5,845,710. The decrease in income tax revenues from 2006 is attributed to a decrease in tax collections from the Hoover Company.

The significant decrease in Capital Grants is due to a federal Highway Planning Construction grant and State Issue 2 funds the City received for the funding of the South Main St and Everhard Road widening and bridge replacement project which were received in 2006.

The operations of the City's police department and transportation program account for the largest expenses of the governmental activities, representing approximately 25 percent and 23 percent, respectively, of the total governmental activities expenses. The City's police department is a full-time 24-hour a day, 365-days a year department, with a full-time chief, 6 lieutenants, and 18 patrolmen.

During 2007, the City operated a fire department with a full-time Chief, three full-time fire inspectors/fire-fighters, and 22 part-time fire-fighters. The fire department, which is accounted for in a separate fund, receives a 0.5 mill property tax levy. The remaining amount needed to operate the department is subsidized by the general fund.

The City also operates an emergency medical services (EMS) department, which is a division of the Fire Department and is under the direction of the Chief of Fire and EMS. The department has nine full-time paramedic/EMT's, three of whom are Captains. The remainder of the staffing needs is met by 25 part-time personnel. The EMS department is also accounted for in a separate fund which receives a 1.0 mill property tax levy. Additional funding is derived by billing for transports provided to residents and non-residents of the City. However, residents are only billed to the extent of their insurance coverage. These revenues, which amounted to \$337,602 in 2007, are reported under charges for services. The EMS department is also subsidized by the general fund.

***Business-Type Activities***

The City operates a Utility Department that is comprised of water, sewer and garbage services. The largest is the water utility, which includes water administration, a water treatment plant, and water distribution.

The water utility services 8,794 customers, of which, 6,224 are located inside the City, and 2,570 are located outside the City. The City's water rate for inside residential customers starts at \$4.10 per thousand gallons, while rates for outside residential customers start at \$7.71 per thousand gallons. City Council passed legislation in 2004 which provides for automatic rate increases of between 5 and 7 percent on an annual basis, beginning in 2005 through 2009.

**City of North Canton, Ohio**  
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The City's water treatment plant treats an average of 3.5 million gallons of water per day with a capacity to treat an additional 5.5 million gallons per day. The raw water is supplied by eight wells throughout the City. The water treatment plant was built in 1971.

The City contracts with the City of Canton to provide sewer treatment services. The City does own and maintain sewer lines throughout the City. The City has 6,283 sewer customers. Residential customers pay a flat sewer fee of \$19.00 per month while business customers pay a minimum rate of \$13.30 for 5,000 gallons and then \$2.65 for each additional 1,000 gallons.

The City also operates a garbage utility. The City acts as an agent between the successful bidder for pickup service and City customers in addition to billing and collecting garbage fees.

The revenues and expenses for these three utilities are reported under the Business Type Activities on Table 2. The revenues come primarily from charges for services. In 2007, charges for services of \$8,512,792 accounted for 91.0 percent of the revenues. The total expenses for the utilities were \$8,169,499. Revenues exceeded expenses and transfers by \$1,146,608 for the Business-Type Activities.

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

Information about the City's governmental funds begins on page 16. These funds are reported using the modified accrual method of accounting. All governmental funds had revenues of \$13,694,624 and expenditures of \$14,571,454.

The general fund, the City's main operating fund, had revenues of \$9,216,202, expenditures of \$6,554,077 and transfers out of \$2,937,059. The general fund reflected a decrease in fund balance of \$267,534. This decrease is primarily due to repayment of a \$1.5 million note with a \$1.2 million note.

The major capital improvements fund had revenues of \$1,263,345 and expenditures of \$2,675,311. The fund balance of the capital improvements fund increased by \$1,095,874 due to the transfer of additional estate tax collections from the general fund, as required by City ordinance. The major Issue II improvement fund had revenues of \$886,092 and expenditures of \$1,368,437 which resulted in a decrease in fund balance of \$482,345. The decrease is due to the completion of two major Issue II funded street construction projects during 2007.

Information about the City's business-type funds begins on page 21. These funds are accounted for on an accrual basis. The water fund had operating revenues of \$5,872,497 which exceeded operating expenses of \$4,727,883. Net assets of the water fund increased by \$1,126,070 primarily due to a water rate increase as well as due to capital contributions related to water line construction for developments outside the City by multiple developers. The sewer fund had operating revenues of \$2,065,062 and expenses of \$2,012,098. Net assets in the sewer fund increased by \$62,155. The garbage fund had operating revenues of \$708,666 and operating expenses of \$789,005. Net assets of the garbage fund decreased by \$18,539.

### ***Budgeting Highlights***

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the general fund. The legal level of control is at the fund level. Any budgetary modifications at this level may only be made by ordinance of City Council. During 2007 there were twenty eight supplemental appropriations passed by City Council. Administrative control of the budget is maintained through the



**City of North Canton, Ohio**  
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establishment of detailed line-item budgets. Intra-fund transfers within existing appropriations are permitted after approval from the Finance Committee of Council.

Strong emphasis is placed on fund balances. The Finance Director reviews fund balances on a daily basis. Special attention is paid to the major operating funds, which are the General, Capital Improvements, Issue II, Sewer and Water Funds. Council also receives a monthly report showing beginning fund balance for all funds at the beginning of the year, monthly and year-to-date revenues and expenditures, and the current fund balance.

Line item reports are reviewed regularly by the Finance Director. The department heads, as well as the Director of Administration, also monitor their appropriations to ensure the entire operation of the City operates within the appropriations.

For the general fund, original and final budgeted revenues were \$7,690,197 and \$8,670,716 and actual revenue collections were \$9,321,020. The \$1,198,519 increase in final intergovernmental revenue over original is due to estate taxes. The majority of the increase in actual revenue over the original and final budgeted amounts is from income taxes. Original and final budgeted expenditures were \$8,065,697 and \$8,071,548 while actual expenditures were \$7,743,977. The City's ending unencumbered cash balance in the general fund was \$2,256,655 above the final budgeted amount due to fewer transfers out than budgeted.

**Capital Assets and Debt Administration**

***Capital Assets***

Table 3  
 Capital Assets at December 31  
 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$5,183,113	\$5,183,113	\$909,984	\$909,984	\$6,093,097	\$6,093,097
Construction in Progress	347,428	3,927,806	367,731	455,529	715,159	4,383,335
Buildings	2,940,094	2,957,574	12,285,931	11,530,727	15,226,025	14,488,301
Land Improvements	550,939	584,141	511,631	354,086	1,062,570	938,227
Equipment	2,919,332	2,090,771	3,848,850	4,210,086	6,768,182	6,300,857
Infrastructure						
Streets	11,648,313	9,332,675	0	0	11,648,313	9,332,675
Water Lines	0	0	16,516,782	15,353,438	16,516,782	15,353,438
Storm Sewers	5,702,273	5,314,665	0	0	5,702,273	5,314,665
Sewer Lines	0	0	5,809,125	5,814,390	5,809,125	5,814,390
Bridges	72,981	78,723	0	0	72,981	78,723
<b>Totals</b>	<b>\$29,364,473</b>	<b>\$29,469,468</b>	<b>\$40,250,034</b>	<b>\$38,628,240</b>	<b>\$69,614,507</b>	<b>\$68,097,708</b>

**City of North Canton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

Total Capital Assets for the City of North Canton for the year ended December 31, 2007 were \$69,614,507, an increase of \$1,516,799 over the 2006 figure of \$68,097,708. This increase was due to more projects under the business-type activities, including the construction of a \$950,000 booster pump station as well as numerous water line and sewer line projects. See Note 11 in the financial statements for more information regarding the City's capital assets.

***Debt***

The outstanding debt for the City of North Canton as of December 31, 2007 was \$19,193,537. This balance reflects an increase of \$635,130 from the previous year's balance of \$18,558,407, an increase of 3.4 percent.

Table 4  
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Bonds Payable	\$0	\$0	\$4,300,000	\$0	\$4,300,000	\$0
Notes Payable	1,950,000	2,500,000	175,000	4,650,000	2,125,000	7,150,000
OWDA Payable	0	0	10,813,200	11,309,281	10,813,200	11,309,281
OPWC Payable	0	0	1,020,904	0	1,020,904	0
Capital Lease	934,433	99,126	0	0	934,433	99,126
<i>Total</i>	<u>\$2,884,433</u>	<u>\$2,599,126</u>	<u>\$16,309,104</u>	<u>\$15,959,281</u>	<u>\$19,193,537</u>	<u>\$18,558,407</u>

In June 2007, the City rolled over its \$1.5 million in taxable Real Estate Acquisition Notes into new one year notes for \$1.2 million. These notes were issued at the rate of 5.25 percent and will mature June 26, 2008.

In January 2007, the City issued \$4,415,000 in Water System Improvement General Obligation Bonds in order to pay off an outstanding note issue of \$4,300,000. These bonds were issued over twenty years at rates that vary between 4.0 percent and 4.125 percent. The first principal payment was due December 1, 2007. The City also issued \$925,000 in various purpose notes for the purpose of refinancing \$1,350,000 one year notes. These notes were issued at a rate of 4.5 percent and mature August 6, 2008.

The OWDA debt under the business type activities is the combination of four separate loans, all administered by the Ohio Water Development Authority (OWDA), the last three of which were low-interest loans obtained through the Ohio Drinking Water Assistance Fund. The first OWDA loan is for the construction of a \$1.0 million water storage facility. The loan is to be repaid through user fees over a 10 year period and will be paid off in 2010. The second OWDA loan is for the construction of improvements to the water treatment plant which began in 2004. This loan is to be paid over twenty years with the first repayment made in 2005. The third OWDA loan is for the expansion of the water treatment plant. The fourth OWDA loan is for the construction of a backwash tank and stand by power generator. Both of these loans have a twenty year repayment schedule with the first repayments made in 2006. See Notes 16 and 17 for more information.

The Ohio Public Works Commission (OPWC) loan is for the construction of a booster pump station and is a zero interest rate loan which will be repaid over 20 years. The loan liability is reflected in the water fund which received the proceeds.

Capital leases increased \$835,307 from the previous year's balance due to the City entering into leases for a ladder truck, street sweeper and ambulance.

**City of North Canton, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

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**Economic Factors and Next Year's Budget**

On September 27, 2007, the Hoover Company plant was officially closed. However, the closure was not unexpected due to the declining employment and operations at the Hoover facility over the last several years.

Techtronic Industries Company Limited (TTI), the company that purchased the Hoover Company in 2007, did agree to abide by the labor union's contract which guarantees 800 jobs through June of 2008. This will provide the City with continued income tax revenues during this transition period. The Hoover Company facility was sold to a real estate development company in January of 2008. The site will be redeveloped for warehousing, manufacturing, office space, limited retail and some residential housing units.

City officials had been preparing for bad news from the Hoover Company over the last three years. Budgets have been reduced in all areas of the City. Five vacant job openings under governmental activities were not filled during 2007. Three additional positions were vacated in 2008 due to retirement. These positions will also not be filled. Administration officials have realigned job positions within the City to accommodate the decrease in employees.

The City of North Canton has committed itself to financial excellence. We reported under the GASB Statement 34 reporting requirements earlier than required and are preparing our twentieth Comprehensive Annual Financial Report. We will be submitting our 2007 CAFR for the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting.

**Contacting the City's Finance Department**

This report is intended to provide our citizens and anyone interested in the financial aspects of the City of North Canton a general overview of our financial operation. If there are any questions, please contact the Finance Director of North Canton, 145 North Main Street, North Canton, Ohio 44720, telephone 330-499-3466 or visit the City's website at [www.northcantonohio.com](http://www.northcantonohio.com).

**BASIC FINANCIAL**

**STATEMENTS**

**City of North Canton, Ohio**  
*Statement of Net Assets*  
*December 31, 2007*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	North Canton Community Improvement Corporation
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$7,216,454	\$3,086,796	\$10,303,250	\$0
Cash and Cash Equivalents				
In Segregated Accounts	37,600	0	37,600	0
With Fiscal Agents	0	0	0	312,565
With Escrow Agent	1,200,000	0	1,200,000	0
Materials and Supplies Inventory	57,317	102,723	160,040	0
Accrued Interest Receivable	57,092	0	57,092	0
Accounts Receivable	160,673	951,723	1,112,396	0
Intergovernmental Receivable	1,158,685	22,588	1,181,273	0
Prepaid Items	36,482	18,947	55,429	0
Property Taxes Receivable	1,838,664	0	1,838,664	0
Municipal Income Taxes Receivable	1,073,580	0	1,073,580	0
Special Assessment Receivable	4,883	107,728	112,611	0
Internal Balances	(30,133)	30,133	0	0
Deferred Charges	0	224,891	224,891	0
Nondepreciable Capital Assets	5,530,541	1,277,715	6,808,256	0
Depreciable Capital Assets, Net	23,833,932	38,972,319	62,806,251	0
<i>Total Assets</i>	<u>42,175,770</u>	<u>44,795,563</u>	<u>86,971,333</u>	<u>312,565</u>
<b>Liabilities</b>				
Accounts Payable	96,791	9,243	106,034	0
Contracts Payable	319,013	75,307	394,320	0
Accrued Wages	126,345	28,766	155,111	0
Intergovernmental Payable	277,583	145,950	423,533	0
Deferred Revenue	1,798,106	0	1,798,106	0
Claims Payable	42,440	0	42,440	0
Accrued Interest Payable	64,334	218,500	282,834	0
Notes Payable	1,050,000	175,000	1,225,000	0
Long-Term Liabilities:				
Due Within One Year	412,312	781,365	1,193,677	0
Due In More Than One Year	3,229,510	15,352,739	18,582,249	0
<i>Total Liabilities</i>	<u>7,416,434</u>	<u>16,786,870</u>	<u>24,203,304</u>	<u>0</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	26,480,040	24,165,821	50,645,861	0
Restricted for:				
Capital Projects	2,364,897	0	2,364,897	0
Street Construction, Maintenance and Repair	651,009	0	651,009	0
Emergency Medical Services	235,207	0	235,207	0
Computer Systems	14,502	0	14,502	0
Storm Sewer	526,185	0	526,185	0
Donations for Supplies	35,054	0	35,054	0
Other Purposes	6,858	0	6,858	0
Unrestricted	4,445,584	3,842,872	8,288,456	312,565
<i>Total Net Assets</i>	<u>\$34,759,336</u>	<u>\$28,008,693</u>	<u>\$62,768,029</u>	<u>\$312,565</u>

See accompanying notes to the basic financial statements

**City of North Canton, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$2,253,710	\$206,652	\$0	\$0
Security of Persons and Property				
Police	3,587,425	7,213	722	0
Fire	819,062	0	17,468	0
Public Health and Welfare	1,703,059	352,106	33,246	0
Transportation	3,213,072	0	712,773	1,220,785
Community Environment	547,013	119,756	0	0
Leisure Time Activities	1,356,650	375,713	0	0
Basic Utility Services	558,990	0	54,906	0
Interest and Fiscal Charges	184,341	0	0	0
<b>Total Governmental Activities</b>	<b>14,223,322</b>	<b>1,061,440</b>	<b>819,115</b>	<b>1,220,785</b>
<b>Business-Type Activities</b>				
Water	5,349,070	5,740,648	0	588,162
Sewer	2,031,424	2,063,478	0	42,215
Garbage	789,005	708,666	61,800	0
<i>Total Business-Type Activities</i>	<i>8,169,499</i>	<i>8,512,792</i>	<i>61,800</i>	<i>630,377</i>
<b>Total - Primary Government</b>	<b>\$22,392,821</b>	<b>\$9,574,232</b>	<b>\$880,915</b>	<b>\$1,851,162</b>
<b>Component Unit</b>				
North Canton Community Improvement Corporation	\$0	\$0	\$100,000	\$0

General Revenues  
Property Taxes Levied for:  
    General Purposes  
    Fire Operating Levy  
    Emergency Medical Services Levy  
    Storm Sewer Levy  
    Street Levy  
Municipal Income Taxes Levied for  
    General Purposes  
    Capital Improvement  
Grants and Entitlements not Restricted  
to Specific Programs  
Interest  
Gain on Sale of Capital Assets  
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-Type Activity	Total	North Canton Community Improvement Corporation
(\$2,047,058)	\$0	(\$2,047,058)	\$0
(3,579,490)	0	(3,579,490)	0
(801,594)	0	(801,594)	0
(1,317,707)	0	(1,317,707)	0
(1,279,514)	0	(1,279,514)	0
(427,257)	0	(427,257)	0
(980,937)	0	(980,937)	0
(504,084)	0	(504,084)	0
(184,341)	0	(184,341)	0
(11,121,982)	0	(11,121,982)	0
0	979,740	979,740	0
0	74,269	74,269	0
0	(18,539)	(18,539)	0
0	1,035,470	1,035,470	0
(11,121,982)	1,035,470	(10,086,512)	0
0	0	0	100,000
846,147	0	846,147	0
93,144	0	93,144	0
169,256	0	169,256	0
341,288	0	341,288	0
341,288	0	341,288	0
4,591,652	0	4,591,652	0
1,254,058	0	1,254,058	0
2,199,383	0	2,199,383	0
606,217	0	606,217	11,742
82,873	16,339	99,212	0
33,134	133,433	166,567	0
10,558,440	149,772	10,708,212	11,742
38,634	(38,634)	0	0
10,597,074	111,138	10,708,212	11,742
(524,908)	1,146,608	621,700	111,742
35,284,244	26,862,085	62,146,329	200,823
\$34,759,336	\$28,008,693	\$62,768,029	\$312,565

**City of North Canton, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2007*

	General	Capital Improvements	Issue II	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$3,478,886	\$1,906,798	\$414,786	\$1,240,802	\$7,041,272
Cash and Cash Equivalents					
In Segregated Accounts	0	0	0	37,600	37,600
With Escrow Agent	1,200,000	0	0	0	1,200,000
Materials and Supplies Inventory	12,340	0	0	44,977	57,317
Accrued Interest Receivable	57,092	0	0	0	57,092
Accounts Receivable	0	0	0	160,673	160,673
Intergovernmental Receivable	596,143	0	140,809	421,733	1,158,685
Prepaid Items	20,672	0	0	15,810	36,482
Property Taxes Receivable	893,951	0	0	944,713	1,838,664
Municipal Income Taxes Receivable	840,668	232,912	0	0	1,073,580
Special Assessment Receivable	4,883	0	0	0	4,883
<i>Total Assets</i>	<u>\$7,104,635</u>	<u>\$2,139,710</u>	<u>\$555,595</u>	<u>\$2,866,308</u>	<u>\$12,666,248</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$35,621	\$27,761	\$0	\$33,409	\$96,791
Contracts Payable	0	1,502	287,364	30,147	319,013
Accrued Wages	70,096	0	0	56,249	126,345
Intergovernmental Payable	175,274	0	0	102,309	277,583
Deferred Revenue	1,943,712	125,815	140,809	1,313,530	3,523,866
Notes Payable	300,000	750,000	0	0	1,050,000
Accrued Interest Payable	8,225	13,781	0	0	22,006
<i>Total Liabilities</i>	<u>2,532,928</u>	<u>918,859</u>	<u>428,173</u>	<u>1,535,644</u>	<u>5,415,604</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	59,073	659,309	22,516	270,920	1,011,818
Unreserved:					
Designated for CIC	1,200,000	0	0	0	1,200,000
Undesignated, Reported in:					
General Fund	3,312,634	0	0	0	3,312,634
Special Revenue Funds	0	0	0	1,059,744	1,059,744
Capital Projects Funds	0	561,542	104,906	0	666,448
<i>Total Fund Balances</i>	<u>4,571,707</u>	<u>1,220,851</u>	<u>127,422</u>	<u>1,330,664</u>	<u>7,250,644</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,104,635</u>	<u>\$2,139,710</u>	<u>\$555,595</u>	<u>\$2,866,308</u>	<u>\$12,666,248</u>

See accompanying notes to the basic financial statements



**City of North Canton, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2007*

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**Total Governmental Fund Balances** \$7,250,644

*Amounts reported for governmental activities in the  
 statement of net assets are different because*

Capital assets used in governmental activities are not financial  
 resources and therefore are not reported in the funds 29,364,473

Other long-term assets are not available to pay for current-  
 period expenditures and therefore are deferred in the funds:

Delinquent Property Taxes	40,558
Investment Income	57,065
Intergovernmental	902,516
Special Assessment	4,883
Municipal Income Taxes	720,738

Total 1,725,760

Long-term liabilities are not due and payable in the current  
 period and therefore are not reported in the funds:

Compensated Absences	(1,807,389)
Capital Lease	(934,433)
Notes Payable	(900,000)

Total (3,641,822)

In the statement of activities, interest is accrued on outstanding  
 liabilities, whereas in governmental funds, an interest  
 expenditure is reported when due.

Accrued Interest Payable (42,328)

An internal service fund is used by management to charge  
 the cost of insurance to individual funds. The assets and  
 liabilities of the internal service fund are included in the  
 governmental activities in the statement of net assets.

132,742

An internal balance is recorded in governmental activities  
 to reflect overpayments to the internal service fund by  
 the business-type activities.

(30,133)

*Net Assets of Governmental Activities*

\$34,759,336

See accompanying notes to the basic financial statements

**City of North Canton, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Capital Improvements	Issue II	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$834,344	\$0	\$0	\$930,725	\$1,765,069
Municipal Income Taxes	4,610,679	1,254,078	0	0	5,864,757
Charges for Services	276,973	0	0	352,106	629,079
Licenses and Permits	117,981	0	0	0	117,981
Fines and Forfeitures	39,829	0	0	64,009	103,838
Intergovernmental	2,540,498	6,248	886,092	962,244	4,395,082
Interest	576,917	0	0	0	576,917
Rentals	208,767	0	0	0	208,767
Other	10,214	3,019	0	19,901	33,134
<i>Total Revenues</i>	<u>9,216,202</u>	<u>1,263,345</u>	<u>886,092</u>	<u>2,328,985</u>	<u>13,694,624</u>
<b>Expenditures</b>					
Current:					
General Government	1,654,632	0	0	76,381	1,731,013
Security of Persons and Property:					
Police	2,930,700	0	0	19,701	2,950,401
Fire	0	0	0	582,303	582,303
Public Health and Welfare	85,440	0	0	1,251,800	1,337,240
Transportation	0	0	0	1,700,177	1,700,177
Community Environment	462,740	0	0	36,687	499,427
Leisure Time Activities	1,020,238	0	0	58,848	1,079,086
Basic Utility Services	0	0	0	213,207	213,207
Capital Outlay	0	2,333,334	1,368,437	34,525	3,736,296
Debt Service:					
Principal Retirement Current Refunding	300,000	0	0	0	300,000
Principal Retirement	0	252,414	0	0	252,414
Interest and Fiscal Charges	100,327	89,563	0	0	189,890
<i>Total Expenditures</i>	<u>6,554,077</u>	<u>2,675,311</u>	<u>1,368,437</u>	<u>3,973,629</u>	<u>14,571,454</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,662,125</u>	<u>(1,411,966)</u>	<u>(482,345)</u>	<u>(1,644,644)</u>	<u>(876,830)</u>
<b>Other Financing Sources (Uses)</b>					
Inception of Capital Lease	0	1,087,721	0	0	1,087,721
Proceeds of Notes	900,000	0	0	0	900,000
Current Refunding	(900,000)	0	0	0	(900,000)
Proceeds from Sale of Capital Assets	7,400	0	0	76,600	84,000
Transfers In	0	1,420,119	0	1,619,000	3,039,119
Transfers Out	(2,937,059)	0	0	(47,740)	(2,984,799)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,929,659)</u>	<u>2,507,840</u>	<u>0</u>	<u>1,647,860</u>	<u>1,226,041</u>
<i>Net Change in Fund Balances</i>	<u>(267,534)</u>	<u>1,095,874</u>	<u>(482,345)</u>	<u>3,216</u>	<u>349,211</u>
<i>Fund Balances Beginning of Year- Restated (see Note 3)</i>	<u>4,839,241</u>	<u>124,977</u>	<u>609,767</u>	<u>1,327,448</u>	<u>6,901,433</u>
<i>Fund Balances End of Year</i>	<u>\$4,571,707</u>	<u>\$1,220,851</u>	<u>\$127,422</u>	<u>\$1,330,664</u>	<u>\$7,250,644</u>

See accompanying notes to the basic financial statements

**City of North Canton, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

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**Net Change in Fund Balances - Total Governmental Funds** \$349,211

*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 depreciation exceeded capital outlays in the current period.

Capital Asset Additions	1,896,914
Current Year Depreciation	(1,940,782)

Total	(43,868)
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

(61,127)

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

Delinquent Property Taxes	26,054
Interest	29,300
Special Assessments	1,775
Grants	(155,799)
Municipal Income Taxes	(19,047)

Total	(117,717)
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Note Payable	300,000
Capital Lease Payable	252,414

Total	552,414
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In the statement of activities, interest is accrued on outstanding long-term notes payable, whereas in governmental funds, an interest expenditure is reported when due.

5,549

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(43,058)

Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.

Inception of Capital Lease	(1,087,721)
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The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(78,591)

<i>Change in Net Assets of Governmental Activities</i>	<i>(\$524,908)</i>
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See accompanying notes to the basic financial statements

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$789,000	\$789,000	\$859,299	\$70,299
Municipal Income Taxes	4,470,000	4,252,000	4,729,465	477,465
Charges for Services	276,000	276,000	276,973	973
Licenses and Permits	140,000	140,000	117,981	(22,019)
Fines and Forfeitures	52,000	52,000	39,829	(12,171)
Intergovernmental	1,243,197	2,441,716	2,534,498	92,782
Interest	500,000	500,000	543,994	43,994
Rentals	214,500	214,500	208,767	(5,733)
Other	5,500	5,500	10,214	4,714
<i>Total Revenues</i>	<u>7,690,197</u>	<u>8,670,716</u>	<u>9,321,020</u>	<u>650,304</u>
<b>Expenditures</b>				
Current:				
General Government	1,832,254	1,789,655	1,626,046	163,609
Security of Persons and Property:				
Police	3,002,615	2,984,735	2,921,276	63,459
Public Health and Welfare	92,500	92,500	90,722	1,778
Community Environment	483,887	519,542	478,890	40,652
Leisure Time Activities	1,061,041	1,091,716	1,034,941	56,775
Debt Service:				
Principal Retirement	1,500,000	1,500,000	1,500,000	0
Interest and Fiscal Charges	93,400	93,400	92,102	1,298
<i>Total Expenditures</i>	<u>8,065,697</u>	<u>8,071,548</u>	<u>7,743,977</u>	<u>327,571</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(375,500)</u>	<u>599,168</u>	<u>1,577,043</u>	<u>977,875</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Notes	1,200,000	1,200,000	1,200,000	0
Sale of Capital Assets	10,000	10,000	7,400	(2,600)
Transfers Out	(3,020,254)	(4,218,439)	(2,937,059)	1,281,380
<i>Total Other Financing Sources (Uses)</i>	<u>(1,810,254)</u>	<u>(3,008,439)</u>	<u>(1,729,659)</u>	<u>1,278,780</u>
<i>Net Change in Fund Balance</i>	<u>(2,185,754)</u>	<u>(2,409,271)</u>	<u>(152,616)</u>	<u>2,256,655</u>
<i>Fund Balance Beginning of Year</i>	4,694,527	4,694,527	4,694,527	0
Prior Year Encumbrances Appropriated	36,083	36,083	36,083	0
<i>Fund Balance End of Year</i>	<u>\$2,544,856</u>	<u>\$2,321,339</u>	<u>\$4,577,994</u>	<u>\$2,256,655</u>

See accompanying notes to the basic financial statements

**City of North Canton, Ohio**

*Statement of Fund Net Assets*

*Proprietary Funds*

*December 31, 2007*

	Business-Type Activities - Enterprise Funds				Governmental Activity - Internal Service Fund
	Water	Sewer	Garbage	Total	
<b>Assets</b>					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$2,155,358	\$673,790	\$257,648	\$3,086,796	\$175,182
Accounts Receivable	770,654	177,360	3,709	951,723	0
Intergovernmental Receivable	0	0	22,588	22,588	0
Materials and Supplies Inventory	99,774	2,949	0	102,723	0
Special Assessment Receivable	1,334	106,394	0	107,728	0
Prepaid Items	16,980	1,856	111	18,947	0
<i>Total Current Assets</i>	<u>3,044,100</u>	<u>962,349</u>	<u>284,056</u>	<u>4,290,505</u>	<u>175,182</u>
<i>Noncurrent Assets:</i>					
Deferred Charges	224,891	0	0	224,891	0
Nondepreciable Capital Assets	878,748	398,967	0	1,277,715	0
Depreciable Capital Assets, Net	32,983,197	5,989,122	0	38,972,319	0
<i>Total Noncurrent Assets</i>	<u>34,086,836</u>	<u>6,388,089</u>	<u>0</u>	<u>40,474,925</u>	<u>0</u>
<i>Total Assets</i>	<u>37,130,936</u>	<u>7,350,438</u>	<u>284,056</u>	<u>44,765,430</u>	<u>175,182</u>
<b>Liabilities</b>					
<i>Current Liabilities</i>					
Accounts Payable	8,468	775	0	9,243	0
Contracts Payable	9,543	10,218	55,546	75,307	0
Accrued Wages and Benefits	25,481	3,285	0	28,766	0
Intergovernmental Payable	40,480	104,751	719	145,950	0
Accrued Interest Payable	215,284	3,216	0	218,500	0
Notes Payable	0	175,000	0	175,000	0
Bonds Payable	155,000	0	0	155,000	0
OWDA Loan Payable	600,842	0	0	600,842	0
OPWC Loan Payable	25,523	0	0	25,523	0
Claims Payable	0	0	0	0	42,440
<i>Total Current Liabilities</i>	<u>1,080,621</u>	<u>297,245</u>	<u>56,265</u>	<u>1,434,131</u>	<u>42,440</u>
<i>Long-Term Liabilities:</i>					
Bonds Payable	4,145,000	0	0	4,145,000	0
OWDA Loan Payable	10,212,358	0	0	10,212,358	0
OPWC Loan Payable	995,381	0	0	995,381	0
<i>Total Long-Term Liabilities</i>	<u>15,352,739</u>	<u>0</u>	<u>0</u>	<u>15,352,739</u>	<u>0</u>
<i>Total Liabilities</i>	<u>16,433,360</u>	<u>297,245</u>	<u>56,265</u>	<u>16,786,870</u>	<u>42,440</u>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	17,952,732	6,213,089	0	24,165,821	0
Unrestricted	2,744,844	840,104	227,791	3,812,739	132,742
<i>Total Net Assets</i>	<u>\$20,697,576</u>	<u>\$7,053,193</u>	<u>\$227,791</u>	<u>27,978,560</u>	<u>\$132,742</u>

Some amounts reported for business-type activities in the statement of net assets are different because they include accumulated overpayments to the internal service fund.

30,133

Net assets of business-type activities

\$28,008,693

See accompanying notes to the basic financial statements

**City of North Canton, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2007*

	Business-Type Activities - Enterprise Funds				Governmental Activity - Internal Service Fund
	Water	Sewer	Garbage	Total	
<b>Operating Revenues</b>					
Charges for Services	\$5,622,817	\$1,995,417	\$708,666	\$8,326,900	\$1,154,236
Tap in Fees	117,831	68,061	0	185,892	0
Other	131,849	1,584	0	133,433	0
<i>Total Operating Revenues</i>	<u>5,872,497</u>	<u>2,065,062</u>	<u>708,666</u>	<u>8,646,225</u>	<u>1,154,236</u>
<b>Operating Expenses</b>					
Personal Services	1,656,917	401,347	52,178	2,110,442	0
Contractual Services	879,560	1,157,383	690,565	2,727,508	172,213
Materials and Supplies	655,756	157,021	46,262	859,039	0
Depreciation	1,535,650	296,347	0	1,831,997	0
Claims	0	0	0	0	1,083,692
<i>Total Operating Expenses</i>	<u>4,727,883</u>	<u>2,012,098</u>	<u>789,005</u>	<u>7,528,986</u>	<u>1,255,905</u>
<i>Operating Income (Loss)</i>	<u>1,144,614</u>	<u>52,964</u>	<u>(80,339)</u>	<u>1,117,239</u>	<u>(101,669)</u>
<b>Non-Operating Revenues (Expenses)</b>					
Operating Grant	0	0	61,800	61,800	0
Interest and Fiscal Charges	(596,327)	(12,742)	0	(609,069)	0
Gain on Sale of Capital Assets	16,339	0	0	16,339	0
Loss on Disposal of Capital Assets	(8,244)	(122)	0	(8,366)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(588,232)</u>	<u>(12,864)</u>	<u>61,800</u>	<u>(539,296)</u>	<u>0</u>
<i>Income Before Transfers and Contributions</i>	556,382	40,100	(18,539)	577,943	(101,669)
Transfers Out	(34,160)	(20,160)	0	(54,320)	0
Capital Contributions	603,848	42,215	0	646,063	0
<i>Change in Net Assets</i>	1,126,070	62,155	(18,539)	1,169,686	(101,669)
<i>Net Assets Beginning of Year</i>	<u>19,571,506</u>	<u>6,991,038</u>	<u>246,330</u>	<u></u>	<u>234,411</u>
<i>Net Assets End of Year</i>	<u>\$20,697,576</u>	<u>\$7,053,193</u>	<u>\$227,791</u>	<u></u>	<u>\$132,742</u>

Some amounts reported for business-type activities in the statement of activities are different because a portion of the net expense of the internal service fund is reported with business-type activities. (23,078)

Change in net assets of business-type activities \$1,146,608

See accompanying notes to the basic financial statements

**City of North Canton, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2007

	Business - Type Activities Enterprise Funds				Governmental Activity - Internal Service Fund
	Water	Sewer	Garbage	Totals	
<b>Increase (Decreases) in Cash and Cash Equivalents</b>					
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$5,739,864	\$2,100,352	\$709,099	\$8,549,315	\$0
Cash Received from Interfund Services	0	0	0	0	1,154,236
Cash Received from Other Operating Sources	131,849	1,584	0	133,433	0
Cash Payments to Suppliers for Goods and Services	(1,598,299)	(1,321,233)	(736,881)	(3,656,413)	(172,213)
Cash Payments to Employees for Services and Benefits	(1,653,252)	(397,156)	(51,610)	(2,102,018)	0
Cash Payments for Claims	0	0	0	0	(1,094,593)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>2,620,162</u>	<u>383,547</u>	<u>(79,392)</u>	<u>2,924,317</u>	<u>(112,570)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Noncapital Grants Received	0	0	39,212	39,212	0
Transfers Out	(34,160)	(20,160)	0	(54,320)	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(34,160)</u>	<u>(20,160)</u>	<u>39,212</u>	<u>(15,108)</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from Sale of Capital Assets	16,339	0	0	16,339	0
Proceeds from Sale of Bonds	4,415,000	0	0	4,415,000	0
Proceeds from Sale of Notes	0	175,000	0	175,000	0
Proceeds from OWDA Loan	26,313	0	0	26,313	0
Proceeds from OPWC Loan	1,020,904	0	0	1,020,904	0
Capital Grants Received	29,966	0	0	29,966	0
Payments for Capital Acquisitions	(2,438,420)	(403,270)	0	(2,841,690)	0
Payments for Debt Issuance	(98,039)	0	0	(98,039)	0
Principal Payments - Bonds	(115,000)	0	0	(115,000)	0
Principal Payments - Notes	(4,300,000)	(350,000)	0	(4,650,000)	0
Principal Payments - OWDA Loan	(522,394)	0	0	(522,394)	0
Interest Payments - Bonds	(198,675)	0	0	(198,675)	0
Interest Payments - Notes	(134,485)	(15,559)	0	(150,044)	0
Interest Payments - OWDA Loan	(339,805)	0	0	(339,805)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(2,638,296)</u>	<u>(593,829)</u>	<u>0</u>	<u>(3,232,125)</u>	<u>0</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(52,294)	(230,442)	(40,180)	(322,916)	(112,570)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,207,652</u>	<u>904,232</u>	<u>297,828</u>	<u>3,409,712</u>	<u>287,752</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,155,358</u>	<u>\$673,790</u>	<u>\$257,648</u>	<u>\$3,086,796</u>	<u>\$175,182</u>

(continued)

**City of North Canton, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2007

	<u>Business - Type Activities Enterprise Funds</u>				Governmental Activity - Internal Service Fund
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Totals</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>					
<i>Operating Income (Loss)</i>	<u>\$1,144,614</u>	<u>\$52,964</u>	<u>(\$80,339)</u>	<u>\$1,117,239</u>	<u>(\$101,669)</u>
<i>Adjustments:</i>					
Depreciation	1,535,650	296,347	0	1,831,997	0
(Increase)Decrease in Assets:					
Accounts Receivable	(989)	2,494	433	1,938	0
Special Assessment Receivable	205	34,380	0	34,585	0
Prepays	(1,110)	171	(111)	(1,050)	0
Materials and Supplies Inventory	(22,186)	144	0	(22,042)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(22,559)	(3,417)	0	(25,976)	0
Contracts Payable	(28,451)	(9,623)	57	(38,017)	0
Accrued Wages and Benefits	2,650	1,232	0	3,882	0
Intergovernmental Payable	12,338	8,855	568	21,761	0
Claims Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,901)</u>
<i>Total Adjustments</i>	<u>1,475,548</u>	<u>330,583</u>	<u>947</u>	<u>1,807,078</u>	<u>(10,901)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$2,620,162</u>	<u>\$383,547</u>	<u>(\$79,392)</u>	<u>\$2,924,317</u>	<u>(\$112,570)</u>

**Noncash Activities**

During 2007, the water enterprise fund received water lines from developers valued at \$96,743 and from the airport valued at \$213,271.

The water fund also received some equipment from the governmental activities valued at \$15,686.

The water fund received \$43,727 in capital contributions from other funds.

The water fund received \$208,825 in capital contributions from another government entity.

Also, during 2007 the sewer fund received sewer lines valued at \$11,785 from developers.

The sewer fund received \$30,430 in capital contributions from other funds.

See accompanying notes to the basic financial statements



**City of North Canton**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Fund*  
*December 31, 2007*

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**Assets**

Cash and Cash Equivalents in Segregated Accounts	<u><u>\$93,777</u></u>
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**Liabilities**

Deposits Held and Due to Others	<u><u>\$93,777</u></u>
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See accompanying notes to the basic financial statements

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**Note 1 – Description of the City and Reporting Entity**

The City was incorporated as a village in 1831 and became a city in 1962. The City of North Canton (“The City”) is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a “Mayor-Administrator-Council” form of government. Elected officials include seven council members and a mayor.

***Reporting Entity***

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of North Canton this includes the departments that provide the following services: police, fire, emergency medical, parks and recreation, water and sewer, rubbish collection, street construction, maintenance and repair, and general administrative services.

The Mayor is an elected official who has a fiduciary responsibility for the collection and disbursement of Mayor’s Court fees and fines. This activity has been included in the City’s financial statements as a special revenue fund.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has one component unit.

*Community Improvement Corporation (CIC)* The City of North Canton Community Improvement Corporation was formed pursuant to Ordinance 103-80 passed October 28, 1980. The CIC was designated as the not-for-profit agency of the City for industrial, commercial, distribution and research development. The membership of the CIC was expanded in 2005 and now includes the Mayor, Director of Administration, Director of Finance, President of Council, Chairperson of Council’s Community and Economic Development Committee, one additional member appointed by Council and two members appointed by the Mayor. The CIC is also dependent on the City for financial support and is therefore presented as a component unit of the City. Financial statements can be obtained from the Director of Finance, Community Improvement Corporation, 145 North Main Street, North Canton, Ohio 44720.

The City participates in two jointly governed organizations, the Stark Council of Governments and the Stark County Combined General Health District. These organizations are described in Note 19 of the Basic Financial Statements.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit is presented in Note 21.

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds. The more 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 assets 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 assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore 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 program is self-financing or draws from the general revenues of the City.

***Fund Financial Statements*** During the year, the City segregates transactions related to certain City functions or activities in separate funds in order 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.

***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. The City's funds are classified as either governmental, proprietary or fiduciary.

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**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 charter of the City of North Canton and/or the general laws of Ohio.

**Capital Improvements Capital Projects Fund** The capital improvements capital projects fund accounts for various capital projects financed by the City income tax revenue.

**Issue II Fund** The issue II capital projects fund accounts for grant monies received from the Ohio Public Works Commission plus City matching funds. Expenditures are restricted to specific projects within the City.

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

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

**Water Fund** This fund accounts for the treatment and provision of water to the residents and commercial users of the City and certain residents of the County.

**Sewer Fund** This fund accounts for the sanitary sewer services provided to the residents and commercial users of the City and certain residents of the County.

**Garbage Fund** This fund accounts the garbage service provided by a successful bidder for the residential users of the City.

**Internal Service Fund** The internal service fund accounts 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 only internal service fund accounts for a self-insurance program for employee medical/surgical benefits.

**Fiduciary Funds** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's only agency fund is used to keep track of required deposits.

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**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 all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

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

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

**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; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7.) 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 non-exchange transactions must also be available before it can be recognized.

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

***E. Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds, including the proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

Funding of the Community Improvement Corporation (CIC) is included on the financial statements as "cash and cash equivalents with escrow agent".

During fiscal year 2007, investments were limited to Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, STAROhio, and repurchase agreements.

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.

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

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2007 amounted to \$576,917, which includes \$343,024 assigned from other City funds.

Investments with an original maturity of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

***F. Prepaid Items***

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

***G. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

***H. Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$1,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records or 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	20-50 years	20-50 years
Land Improvements	20 years	N/A
Equipment	10-15 years	3-15 years
Infrastructure	20-50 years	40 years

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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The City's infrastructure consists of a streets subsystem, a storm sewers subsystem, a bridge subsystem, and water and sewer lines including infrastructure acquired before December 31, 1980.

***I. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***J. 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 City 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 employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for employees after one year of service with the City.

***K. 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 funds financial statements.

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

***L. Fund Balance Reserve and Designation***

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditures. As a result, encumbrances are recorded as a reservation of fund balance. Designations represent tentative plans for future use of financial resources. The general fund has funds designated for future payments to the Community Improvement Corporation totaling \$1,200,000.

***M. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or



**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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laws or regulations of other governments. The government-wide statement of net assets reports \$3,833,712 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include monies for law enforcement, education and mayor's court.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***N. 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 for sewer, water, garbage and recycling and self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

***O. Internal Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***P. 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.

***Q. 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.

***R. Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. Budgetary information for the Mayor's Court special revenue fund is not maintained because it is not included in the entity for which the "appropriated budget" is adopted. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level for all funds. Budgetary modification may only be made by resolution of the City Council at the legal level of control. Budgetary statements are presented beyond that legal level of control for information purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

**Note 3 – Changes in Accounting Principles and Restatement of Prior Year Fund Balances/Net Assets**

***A. Change in Accounting Principles***

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

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees’ years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and the OP&F post-employment healthcare plans in the amount of \$27,754 and \$44,779, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing).

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

***B. Restatement of Prior Year Fund Balance***

During 2006, the \$1,500,000 bond anticipation notes were reported as long-term liabilities. \$300,000 of the notes were partially refinanced in 2007, prior to the issuance of the financial statements, and should have been reported as a fund liability.

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The restatement had the following effect on fund balance as previously reported.

	<u>General</u>
Fund Balance, December 31, 2006	\$5,139,241
<b>Restatement:</b>	
Notes Payable	<u>(300,000)</u>
Restated Fund Balance, December 31, 2006	<u><u>\$4,839,241</u></u>

**Note 4 – Accountability**

One fund balance at December 31, 2007, had a fund deficit. The Fire Operating Levy had a deficit of \$22,380 due to the recognition of expenditures on a modified accrual basis of accounting which were substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**Note 5 - 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 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 is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments reported at fair value (GAAP) rather than cost (budget).

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Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

Net Change in Fund Balance	
	<u>General</u>
GAAP Basis	(\$267,534)
Adjustment for Revenue Accruals	458,207
Beginning Fair Value Adjustment for Investments	(17,162)
Ending Fair Value Adjustment for Investments	(36,227)
Adjustment for Expenditure Accruals	(225,235)
Adjustment for Encumbrances	(64,665)
Budget Basis	<u><u>(\$152,616)</u></u>

**Note 6 - Deposits and Investments**

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

Active monies are public monies determined to be necessary to meet current demands upon 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 the Board has identified as not required for use within the current five 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.

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 deposited with the finance director 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 to be deposited or 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 agreement must exceed the principal

**City of North Canton, Ohio**  
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value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

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. Bond of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is not default of principal, interest, or coupons; and,
3. Obligations of the City.

Investments in stripped principal or interest obligations, 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. Investments may only be made through specified dealers and institutions.

#### Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,060,183 of the City's bank balance of \$2,328,783 was exposed to custodial credit risk because it was uninsured and collateralized. Although the securities were held by the pledging institution's 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.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. However, the City's charter requires eligible securities held by a financial institution have a market value of at least 110% in excess of deposits being secured.

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Investments

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

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	Greater than 2
Federal National Mortgage Association Notes	\$2,652,271	\$2,492,245	\$150,000	\$10,026
Federal Home Loan Bank Notes	1,374,319	1,224,319	150,000	0
Repurchase Agreement	815,000	815,000	0	0
Federal Home Loan Mortgage Corporation Notes	856,429	356,834	499,595	0
First American Treasury Obligation	49,459	49,459	0	0
STAROhio	2,458,392	2,458,392	0	0
Total Investments	\$8,205,870	\$7,396,249	\$799,595	\$10,026

**Interest Rate Risk.** State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. The City had no investment policy that addresses interest rate risk.

**Credit Risk.** The Federal National Mortgage Association Notes carry a rating of AAA by Fitch. The Federal Home Loan Bank Notes carry a rating of AAA by Standard and Poor's. The Federal Home Loan Mortgage Corporation Notes carry a AAA rating by Standard and Poor's. The First American Treasury Obligation carries a rating of AAA by Standard and Poor's. STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy dealing with credit risk.

**Custodial Credit Risk.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**Concentration of Credit Risk.** The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2007:

Investment Issuer	Percentage of Investments
Federal National Mortgage Association Notes	32.32 %
Federal Home Loan Bank Notes	16.75
Repurchase Agreements	9.93
Federal Home Loan Mortgage Corporation Notes	10.44
First American Treasury Obligation	0.60
STAROhio	29.96

**City of North Canton, Ohio**  
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**Note 7 - Receivables**

Receivables at December 31, 2007, consisted primarily of municipal income taxes, property and other taxes, and intergovernmental receivables arising from grants, entitlements, and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$77,725 in the sewer enterprise fund. At December 31, 2007, the amount of delinquent special assessments was \$10,590.

**A. Property Taxes**

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

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

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 tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes which became a lien December 31, 2006, are levied after October 1, 2007, and collected in 2008 real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.50 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The tax rate for all City operations for the year ended December 31, 2007 was \$5.90 per 1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$383,099,970
Tangible Personal Property	16,973,399
Public Utility	<u>9,468,540</u>
Total Valuation	<u><u>\$409,541,909</u></u>

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
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The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of North Canton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2007 and for which there is an enforceable legal claim. In the general, fire operating levy, EMS levy, storm sewer levy and street levy funds the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2007 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

***B. Intergovernmental Receivable***

A summary of intergovernmental receivables follows:

Governmental Activities	
Estate Tax	\$113,665
Local Government State Support	386,827
Homestead and Rollback	95,651
Fire Operating Levy	8,697
Emergency Medical Services Levy	15,686
Enforcement and Education	75
Street Construction Maintenance and Repair	322,411
Storm Sewer Levy	37,432
Street Improvement Levy	37,432
Capital Projects	
Issue II Improvement	140,809
Total	\$1,158,685
Business-Type Activities	
Garbage	\$22,588

***C. Municipal Income Taxes***

The City levies a municipal income tax of 1.5 percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City either on a monthly basis or quarterly basis, depending on the tax liability. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

According to the City's Income Tax Ordinance, income tax revenues are to be allocated as follows: after paying all costs associated with the operation of the income tax department, the balance of the first 1.0 percent is to be allocated 30 percent to the capital improvement fund and 70 percent to the general fund. The remaining 0.5 percent shall be allocated for the payment of debt service on bonds outstanding and to the extent not so appropriated, for general municipal operations and capital improvements as determined by Council. Additional increases in the income tax rate would require voter approval.



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**Note 8 - Risk Management**

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. During 2007, the City contracted with Houston Casualty Company for general liability, buildings and contents, automobile, crime, contractor's equipment, public officials' liability and police and professional liability insurance. Travelers Property Casualty Company of America provides coverage for boiler and machinery, while Hartford Life and Accident covers emergency medical service and fire, accidental disability and death insurance. The City also purchases umbrella coverage from Houston Casualty Company with a general aggregate of \$5,000,000. Ohio Farmers provides performance bonds for all officials.

Public officials liability has a deductible of \$10,000, building and contents have a deductible of \$1,000, and vehicles have a \$500 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past six years. There has not been a significant reduction in coverage from the prior year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City has elected to provide employee medical/surgical benefits 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. This plan provides a medical/surgical plan with a \$100 single and \$200 family deductible for in-network providers and a \$250 single and \$500 family deductible for out-of-network providers. The City uses a third party administrator to review, process and pay all claims on behalf of the City.

The City purchases stop-loss coverage for claims in excess of \$40,000 per employee per year and an aggregate of \$1,000,000. The City pays into the self-insurance internal service fund \$881 for family coverage or \$338 for individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

The claims liability of \$42,440 reported in the Internal Service fund at December 31, 2007 is estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims 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 the fund's claims liability amounts in 2006 and 2007 are:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2006	\$40,076	\$996,728	\$983,463	\$53,341
2007	53,341	1,083,692	1,094,593	42,440

**Note 9 - Operating Lease**

In July 2003, the City acquired the premises known as Arrowhead Country Club for \$4.2 million. This area, approximately 105 acres, includes a golf course, clubhouse and pool. The City intends to keep the property operating as a golf course. In December 2003, the City entered into a triple-net lease agreement with a golf course operator, effective January 1, 2004. A triple-net lease means the lessee is responsible

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for operations, insurance and taxes. The lease agreement is for an initial term of five years with an option to extend it an additional five years. The lessee is responsible for the complete operations of the golf course and clubhouse. The lessee is also required to make \$50,000 in capital improvements in each of the first four years of the lease.

The assets involved in the lease are as follows:

	Governmental Activities
Asset:	
Land	\$1,780,214
Buildings	1,648,340
Land Improvements	592,759
Equipment	176,749
Subtotal	4,198,062
Less: Accumulated Depreciation	(415,955)
Total	\$3,782,107

The future minimum lease payment under this non-cancelable lease as of December 31, 2007 is the following:

	Minimum Commitment
2008	\$159,500

**Note 10 - Contractual Commitments**

The City had the following contractual commitments outstanding at December 31, 2007:

Project	Contract Amount	Amount Paid	Remaining on Contract
Road Improvements	\$2,220,946	\$1,448,701	\$772,245
Storm Sewer Improvements	430,900	66,892	364,008
Water Distribution Projects	482,716	64,635	418,081
Water Treatment Plant Improvements	25,000	18,000	7,000
Water System Expansion	175,846	155,888	19,958
Sanitary Sewer Improvements	451,180	221,263	229,917
Park and Recreation Improvements	85,412	15,236	70,176
Other	44,685	11,473	33,212
	\$3,916,685	\$2,002,088	\$1,914,597

**City of North Canton, Ohio**  
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**Note 11 – Capital Assets**

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

	Balance 12/31/2006	Additions	Deductions	Balance 12/31/2007
<b>Governmental Activities</b>				
Capital Assets, not being depreciated				
Land	\$5,183,113	\$0	\$0	\$5,183,113
Construction in Progress	3,927,806	316,416	(3,896,794)	347,428
<i>Total Capital Assets, not being depreciated</i>	<u>9,110,919</u>	<u>316,416</u>	<u>(3,896,794)</u>	<u>5,530,541</u>
<i>Capital Assets, being depreciated</i>				
Buildings	6,621,352	177,157	0	6,798,509
Land Improvements	786,807	12,800	0	799,607
Equipment	6,120,345	1,377,559	(821,955)	6,675,949
Infrastructure				
Streets Subsystem	18,299,780	3,318,636	0	21,618,416
Storm Sewers Subsystem	8,352,839	591,140	0	8,943,979
Bridge Subsystem	203,000	0	0	203,000
<i>Total Capital Assets, being depreciated</i>	<u>40,384,123</u>	<u>5,477,292</u>	<u>(821,955)</u>	<u>45,039,460</u>
Less Accumulated Depreciation:				
Buildings	(3,663,778)	(194,637)	0	(3,858,415)
Land Improvements	(202,666)	(46,002)	0	(248,668)
Equipment	(4,029,574)	(487,871)	760,828	(3,756,617)
Infrastructure				
Streets Subsystem	(8,967,105)	(1,002,998)	0	(9,970,103)
Storm Sewers Subsystem	(3,038,174)	(203,532)	0	(3,241,706)
Bridge Subsystem	(124,277)	(5,742)	0	(130,019)
<i>Total Accumulated Depreciation</i>	<u>(20,025,574)</u>	<u>(1,940,782) *</u>	<u>760,828</u>	<u>(21,205,528)</u>
<i>Total Capital Assets being depreciated, Net</i>	<u>20,358,549</u>	<u>3,536,510</u>	<u>(61,127)</u>	<u>23,833,932</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$29,469,468</u>	<u>\$3,852,926</u>	<u>(\$3,957,921)</u>	<u>\$29,364,473</u>

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

General Government	\$191,434
Security of Persons and Property	
Police	108,579
Fire	114,384
Public Health and Welfare	71,916
Transportation	1,123,121
Community Environment	9,979
Leisure Time Activities	117,739
Basic Utility Services	203,630
Total Depreciation Expense	<u>\$1,940,782</u>

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	Balance 12/31/2006	Additions	Deductions	Balance 12/31/2007
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$909,984	\$0	\$0	\$909,984
Construction in Progress	455,529	312,162	(399,960)	367,731
<i>Total Capital Assets, not being depreciated</i>	<u>1,365,513</u>	<u>312,162</u>	<u>(399,960)</u>	<u>1,277,715</u>
<i>Capital Assets, being depreciated</i>				
Buildings	16,004,989	1,214,426	(29,240)	17,190,175
Land Improvements	408,188	174,064	0	582,252
Equipment	5,725,040	124,441	(108,200)	5,741,281
Infrastructure				
Water Lines	22,348,560	1,793,597	(52,083)	24,090,074
Sewer Lines	11,460,321	243,427	(6,220)	11,697,528
<i>Total Capital Assets, being depreciated</i>	<u>55,947,098</u>	<u>3,549,955</u>	<u>(195,743)</u>	<u>59,301,310</u>
Less Accumulated Depreciation:				
Buildings	(4,474,261)	(451,242)	21,259	(4,904,244)
Land Improvements	(54,102)	(16,519)	0	(70,621)
Equipment	(1,514,957)	(485,674)	108,200	(1,892,431)
Infrastructure				
Water Lines	(6,995,121)	(629,991)	51,820	(7,573,292)
Sewer Lines	(5,645,930)	(248,571)	6,098	(5,888,403)
<i>Total Accumulated Depreciation</i>	<u>(18,684,371)</u>	<u>(1,831,997)</u>	<u>187,377</u>	<u>(20,328,991)</u>
<i>Total Capital Assets being depreciated, Net</i>	<u>37,262,727</u>	<u>1,717,958</u>	<u>(8,366)</u>	<u>38,972,319</u>
<i>Business-Type Activities Capital Assets, Net</i>	<u>\$38,628,240</u>	<u>\$2,030,120</u>	<u>(\$408,326)</u>	<u>\$40,250,034</u>

**Note 12 - Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and townships police) and public safety divisions exist only within the traditional pension plan.

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the City's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$432,875, \$448,073 and \$497,415 respectively; 88.89 percent has been contributed for 2007 and 100 percent for 2006 and 2005. Contributions to the member-directed plan for 2007 were \$6,229 made by the City and \$4,273 made by the plan members.

***B. Ohio Police and Fire Pension Fund***

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to OP&F for police and firefighters were \$178,825 and \$26,162 for the year ended December 31, 2007, \$190,940 for police for the year ended December 31, 2006, and \$171,981 for police for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 74.13 percent has been contributed for police and 72.94 percent has been contributed for firefighters for 2007.

### **Note 13 - Postemployment Benefits**

#### ***A. Ohio Public Employees Retirement System***

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the directed member plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care 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 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's 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 health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, and 2005 were \$285,128, \$219,166 and \$208,341 respectively; 88.89 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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***B. Police and Firemen's Disability and Pension Fund***

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit 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 healthcare 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 a financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy – OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. 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 percent and 24.00 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police and firefighters were \$117,948 and \$12,477 for the year ended December 31, 2007, police were \$125,939 for the year ended December 31, 2006, and police were \$113,435 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 74 percent has been contributed for police and 73 percent has been contributed for firefighters for 2007.

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**Note 14 – Other Postemployment Benefits**

***A. Compensated Absences***

City employees are granted vacation and sick leave in varying amounts. In the event of separation, an employee is paid for accumulated vacation and sick leave at various rates.

Vacation leave is earned at rates which vary depending upon length of service. Current policy credits vacation leave on January 1 of each year for all full time employees. Vacation accumulation may not exceed three weeks accrual at year-end. Any unused excess is eliminated from the employee's leave balance. In case of death, termination, lay-off, or retirement, an employee (or his estate) is paid for his unused vacation to a maximum of three weeks carry-over from the previous year plus any current year accrual.

Sick leave is earned for all full time employees at the rate of 4.6 hours per pay with the exception of full time employees of emergency medical services who receive 6.15 hours per pay. Employees, at the time of retirement, are paid for 50 percent of their accumulated sick leave.

***B. Insurance***

The City of North Canton provides life insurance and accidental death and dismemberment insurance to its employees through Sun Life Assurance Company of Canada.

**Note 15 – Capital Lease**

In 2007, the City entered into leases for a ladder truck, street sweeper and an ambulance. In prior periods, the City had entered into a lease agreement for an ambulance. The new leases meet the criteria for capital leases as defined by FASB Statement No. 13, "Accounting for Lease." Assets acquired through a capital lease were capitalized at the present value of the minimum lease payments at the time the lease was entered into.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Equipment	\$1,231,508
Less: Accumulated depreciation	<u>(31,953)</u>
Total	<u><u>\$1,199,555</u></u>



**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

The leases provide for minimum, annual lease payments as follows:

	Governmental Activities
2008	\$328,766
2009	277,116
2010	251,341
2011	171,066
Total Minimum Lease Payments	1,028,289
Less: Amount Representing Interest	(93,856)
Present Value of Minimum Lease Payments	\$934,433

**Note 16 - Notes Payable**

Changes in the City's note activity for the year ended December 31, 2007, were as follows:

	Restated Balance 12/31/2006	Issued	Retired	Balance 12/31/2007
<b>Governmental Activities</b>				
Real Estate Acquisition Note	\$300,000	\$300,000	(\$300,000)	\$300,000
Various Improvement Note	1,000,000	750,000	(1,000,000)	750,000
<b>Total Governmental Activities</b>	\$1,300,000	\$1,050,000	(\$1,300,000)	\$1,050,000
<b>Business-Type Activities</b>				
Sewer System Improvement Note	\$350,000	\$175,000	(\$350,000)	\$175,000

All notes were backed by the full faith and credit of the City and mature within one year.

During 2007, the City paid \$300,000 of the outstanding \$1,500,000 in real estate acquisition notes and reissued \$1,200,000. On June 26, 2008 the City paid \$300,000 against the \$1,200,000 and refinanced the remaining \$900,000 into a new note with a new maturity date of June 25, 2009. Therefore, the \$1,200,000 liability outstanding at December 31, 2007 was split with \$900,000 as a long-term liability and \$300,000 presented as a fund liability in the financial statements. All of the proceeds have been spent as of December 31, 2007.

In August 2007 the City issued \$750,000 in various purpose notes for street improvements. These notes were issued at a rate of 4.50 percent and will mature in August 2008. Also in August 2007, a various improvement note was retired in the amount of \$1,000,000. All of the proceeds have been spent as of December 31, 2007.

The sewer system improvement note's liability is reflected in the sewer revenue fund which received the proceeds. The \$175,000 note was issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. This note was issued at a rate of 4.50 percent and will mature in August 2008. All of the proceeds have been spent as of December 31, 2007.

During 2007, the prior year's sewer system improvement note was retired in the amount of \$350,000.

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2007

**Note 17 - Long-Term Obligations**

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Business-Type Activities</b>			
<b>OWDA Loans</b>			
Water Storage System 2000	6.41 %	\$1,000,000	July 1, 2010
Water Treatment Plant Improvement 2003	3.65	6,789,904	July 1, 2024
Water Treatment Plant Improvement 2004	3.76	3,022,687	July 1, 2025
Water Treatment Backwash Tank 2005	3.25	1,670,933	January 1, 2026
<b>OPWC Loans</b>			
Booster Pump Station 2007	0	1,020,904	January 1, 2028
<b>Other Long-Term Liabilities</b>			
Bonds Payable - Water System 2007	4.0 - 4.125	4,415,000	December 1, 2026

The changes in long-term obligations during the year were as follows:

	Restated Balance 12/31/2006	Issued	Retired	Balance 12/31/2007	Amounts Due In One Year
<b>Business-Type Activities</b>					
<b>OWDA Loans</b>					
Water Storage System	\$476,666	\$0	(\$108,147)	\$368,519	\$115,190
Water Treatment Plant Improvement	6,310,005	0	(253,286)	6,056,719	262,616
Water Treatment Plant Improvement	2,908,487	0	(97,098)	2,811,389	111,701
Water Treatment Backwash Tank	1,614,123	26,313	(63,863)	1,576,573	111,335
<b>OPWC Loan</b>					
Booster Pump Station	0	1,020,904	0	1,020,904	25,523
<b>Other Long-Term Liabilities</b>					
Notes Payable - Water System 4.50%	4,300,000	0	(4,300,000)	0	0
General Obligation Bonds 4.0-4.125%	0	4,415,000	(115,000)	4,300,000	155,000
Total Business-Type Activities	<u>\$15,609,281</u>	<u>\$5,462,217</u>	<u>(\$4,937,394)</u>	<u>\$16,134,104</u>	<u>\$781,365</u>
<b>Governmental Activities</b>					
<b>Long-Term Liabilities</b>					
Compensated Absences	\$1,764,331	\$167,039	(\$123,981)	\$1,807,389	\$125,116
Real Estate Acquisition Note 5.95%	1,200,000	0	(1,200,000)	0	0
Real Estate Acquisition Note 5.25%	0	900,000	0	900,000	0
Capital Lease	99,126	1,087,721	(252,414)	934,433	287,196
Total Governmental Activities	<u>\$3,063,457</u>	<u>\$2,154,760</u>	<u>(\$1,576,395)</u>	<u>\$3,641,822</u>	<u>\$412,312</u>

In February 2000, the City entered into a \$1,000,000 loan agreement with the Ohio Water Development Authority (OWDA) for the purpose of financing the construction of an underground water storage system. The 6.41 percent loan is to be repaid over a ten-year period from the water fund.

In January 2003, the City was approved for a construction loan through the Water Supply Revolving Loan Fund, which is administered by the Ohio Environmental Protection Agency, for the purpose of funding the improvements and upgrades to the City's Water Treatment Plant. The loan, which is administered by the Ohio Water Development Authority, is at a rate of 3.65 percent and is to be repaid over 20 years. The total amount of the loan, including capitalized interest, was \$7.2 million. In January, 2004, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.76 percent and is to be repaid over 20 years. The total amount of the loan was for \$3.0 million, repayments began in 2005. In July, 2005, the City received a construction loan through the Water Supply Revolving Loan Fund for the purpose of funding the expansion to the City's Water Treatment Plant. The loan is at a rate of 3.25 percent for \$1.7 million and is to be repaid over 20 years.

The City has pledged future water revenues to repay OWDA loans. The loans are payable solely from water fund revenues and are payable through 2026. Annual principal and interest payments on the loans are expected to require 32 percent of net revenues and 15 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$14,597,685. Principal and interest paid for the current year were \$862,199 total net revenues were \$2,680,264 and total revenues were \$5,872,497.

The Ohio Public Works Commission (OPWC) loan is for the construction of a booster pump station and is a zero interest loan which will be repaid over 20 years. The loan liability is reflected in the water fund which received the proceeds. The loan is payable solely from water fund revenues.

Long-term general obligation bonds were issued in 2007 in the amount of \$4,415,000 at interest rates that vary from 4.0 to 4.125 percent for the purpose of retiring the long-term water system notes. The bonds were issued for a twenty year period with final maturity in December 2026. The bonds are backed by the full faith and credit of the City and will be repaid from water revenues.

In June 2007, the City issued \$1.2 million in Real Estate Acquisition Notes for the purpose of funding half of the cost of the property known as Arrowhead Country Club. These notes were issued at a rate of 5.25 percent and mature in June 2008.

The compensated absences liability will be paid out of the compensated absences special revenue fund.

The City's overall legal debt margin was \$41,051,900 at December 31, 2007. Principal and interest requirements to retire the outstanding debt at December 31, 2007, are as follows:

Year	Business-Type Activities						
	Ohio Public Works Commission	OWDA Water Loans		Water System General Obligation Bonds		Total	
		Principal	Interest	Principal	Interest	Principal	Interest
2008	\$25,523	\$600,842	\$394,963	\$155,000	\$172,978	\$781,365	\$567,941
2009	51,045	576,451	372,501	160,000	166,778	787,496	539,279
2010	51,045	601,018	347,934	170,000	160,378	822,063	508,312
2011	51,045	487,519	324,435	175,000	153,578	713,564	478,013
2012	51,045	505,332	306,623	180,000	146,578	736,377	453,201
2013-2017	255,226	2,817,522	1,241,949	1,020,000	617,688	4,092,748	1,859,637
2018-2022	255,226	3,371,496	688,277	1,260,000	395,688	4,886,722	1,083,965
2023-2026	204,181	1,853,020	107,803	1,180,000	123,030	3,237,201	230,833
2027-2028	76,568	0	0	0	0	76,568	0
<b>Total</b>	<b>\$1,020,904</b>	<b>\$10,813,200</b>	<b>\$3,784,485</b>	<b>\$4,300,000</b>	<b>\$1,936,696</b>	<b>\$16,134,104</b>	<b>\$5,721,181</b>

From time to time, the City has issued Industrial Revenue Bonds to provide assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans; ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2007, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$13,495,000.

**Note 18 – Interfund Transfers**

The general fund transfers monies to other funds for general operations. The general fund and other funds from which employee wages are paid transfer monies to the compensated absences fund to pay for sick and vacation leave.

<u>Transfer To</u>	<u>Transfer From</u>				<u>Total</u>
	<u>Governmental Activities</u>		<u>Business - Type Activities</u>		
	<u>General Fund</u>	<u>Non Major Funds</u>	<u>Water Revenue</u>	<u>Sewer Revenue</u>	
<u>Governmental Activities</u>					
<b>Major Funds</b>					
Capital Improvement Fund	\$1,420,119	\$0	\$0	\$0	\$1,420,119
<b>Nonmajor Funds</b>					
Street Construction, Maintenance and Repair Fund	280,000	0	0	0	280,000
Fire Operating Levy Fund	380,000	0	0	0	380,000
Emergency Medical Services Levy Fund	745,000	0	0	0	745,000
Compensated Absences Fund	111,940	47,740	34,160	20,160	214,000
Total Nonmajor Funds	1,516,940	47,740	34,160	20,160	1,619,000
Grand Total	\$2,937,059	\$47,740	\$34,160	\$20,160	\$3,039,119

**Note 19 - Jointly Governed Organizations**

**A. Stark Council of Governments**

The City participates in the Stark Council of Governments (the "Council") which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships which direct the operations of the Stark County Metropolitan Narcotics Unit and the Stark County Crime Laboratory. Of the 27 board members, the City has one appointed member. Each member's control over the operation of the Council is limited to its representation on the board. The board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City did not contribute any funds to the Council in 2007. Complete financial statements can be obtained from the Stark Council of Governments, P.O. Box 21451 Canton, Ohio 44701-1451.

**B. Stark County Combined General Health District**

The City participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, and the City of North Canton. Of the 7 board

**City of North Canton, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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members, the City has one appointed member. The board is made up of various professionals who are equally representative of the general health district. The board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The City does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$90,722 to the Health District in 2007. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

**Note 20 - Litigation**

The City of North Canton is a party to legal proceedings. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**Note 21 – North Canton Community Improvement Corporation (CIC)**

***A. Description of Reporting Entity***

The North Canton Community Improvement Corporation (CIC) was formed pursuant to Ordinance 103-80 passed October 28, 1980 and incorporated as a corporation not-for-profit under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code to advance, encourage, and promote industrial, economic, commercial and civic development of the City of North Canton. The CIC has been designated as the City of North Canton's agent for industrial and commercial distributions and research development.

***B. Summary of Significant Accounting Policies***

*Basis of Accounting* The Financial Statements of the CIC are prepared using the accrual basis of accounting.

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

*Estimates* The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reported period. Actual results could differ from these estimates.

**Note 22 – Subsequent Event**

On June 26, 2008, the City issued \$900,000 in one-year taxable Real Estate Acquisition Notes at a rate of 4.5 percent to replace the one-year notes that matured on June 26, 2008.

**Combining Statements  
and Individual Fund Schedules**

## Combining Statements – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

***Street Construction, Maintenance and Repair Fund*** - The street construction, maintenance and repair special revenue fund accounts for the portion of state gasoline tax and motor vehicle registration fees designated for the maintenance of the streets within the City.

***Fire Operating Levy Fund*** – This fund accounts for property taxes levied for the partial operation of the fire department.

***Emergency Medical Services Levy Fund*** – The emergency medical services levy fund accounts for property taxes levied for the partial operation of the emergency medical service department.

***Computer Fund*** – This fund accounts for fees charged to any case processed through Mayor’s Court for computer services needed for the operation of the court system.

***Enforcement and Education Fund*** – This fund accounts for revenues received from fines levied when arrests are made for driving under the influence of alcohol. This money is then spent on education of officers and members of the community.

***Storm Sewer Levy Fund*** – This fund accounts for property taxes levied to maintain, improve or construct storm sewers within the City.

***Street Levy Fund*** – This fund accounts for property taxes levied to subsidize improvement of streets within the City.

***Municipal Road Fund*** – This fund accounts for the portion of permissive motor vehicle license tax levied by the County that is allocated to the City to be used for street repair.

***Law Enforcement Trust Fund*** – This fund accounts for money collected from federal forfeitures that is to be used for specific law enforcement purposes.

***General Trust Fund*** - This fund accounts for donations to the City.

***Mayor’s Court Fund*** - This fund accounts for activity in the City’s Mayor’s Court. Budgetary information is not reported because it is not included in the entity for which the “appropriated budget” is adopted and does not maintain a separate budgetary record.

***Compensated Absences Fund*** - To account for the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City.

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

	Street Construction, Maintenance and Repair	Fire Operating Levy	Emergency Medical Services Levy	Computer	Enforcement and Education
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$153,183	\$30,383	\$121,685	\$14,502	\$5,907
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Materials and Supplies Inventory	41,331	0	3,646	0	0
Accounts Receivable	0	0	160,673	0	0
Intergovernmental Receivable	322,411	8,697	15,686	0	75
Prepaid Items	0	7,133	2,897	0	0
Property Taxes Receivable	0	90,771	163,250	0	0
<i>Total Assets</i>	<u>\$516,925</u>	<u>\$136,984</u>	<u>\$467,837</u>	<u>\$14,502</u>	<u>\$5,982</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$20,403	\$1,167	\$2,099	\$0	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages	0	25,669	21,245	0	0
Intergovernmental Payable	0	33,060	50,752	0	0
Deferred Revenue	269,570	99,468	178,936	0	0
<i>Total Liabilities</i>	<u>289,973</u>	<u>159,364</u>	<u>253,032</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	2,484	90	623	0	0
Unreserved, Undesignated, Reported in Unreserved, Undesignated (Deficit)	<u>224,468</u>	<u>(22,470)</u>	<u>214,182</u>	<u>14,502</u>	<u>5,982</u>
<i>Total Fund Balances (Deficit)</i>	<u>226,952</u>	<u>(22,380)</u>	<u>214,805</u>	<u>14,502</u>	<u>5,982</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$516,925</u>	<u>\$136,984</u>	<u>\$467,837</u>	<u>\$14,502</u>	<u>\$5,982</u>



Storm Sewer Levy	Street Levy	Law Enforcement Trust	General Trust	Mayor's Court	Compensated Absences	Total Nonmajor Special Revenue Funds
\$492,318	\$159,029	\$0	\$0	\$0	\$263,795	\$1,240,802
0	0	621	36,724	255	0	37,600
0	0	0	0	0	0	44,977
0	0	0	0	0	0	160,673
37,432	37,432	0	0	0	0	421,733
472	5,308	0	0	0	0	15,810
345,346	345,346	0	0	0	0	944,713
<u>\$875,568</u>	<u>\$547,115</u>	<u>\$621</u>	<u>\$36,724</u>	<u>\$255</u>	<u>\$263,795</u>	<u>\$2,866,308</u>
\$7,890	\$180	\$0	\$1,670	\$0	\$0	\$33,409
3,512	26,635	0	0	0	0	30,147
0	9,335	0	0	0	0	56,249
0	18,497	0	0	0	0	102,309
382,778	382,778	0	0	0	0	1,313,530
<u>394,180</u>	<u>437,425</u>	<u>0</u>	<u>1,670</u>	<u>0</u>	<u>0</u>	<u>1,535,644</u>
202,640	65,083	0	0	0	0	270,920
278,748	44,607	621	35,054	255	263,795	1,059,744
481,388	109,690	621	35,054	255	263,795	1,330,664
<u>\$875,568</u>	<u>\$547,115</u>	<u>\$621</u>	<u>\$36,724</u>	<u>\$255</u>	<u>\$263,795</u>	<u>\$2,866,308</u>

**City of North Canton, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2007*

	Street Construction, Maintenance and Repair	Fire Operating Levy	Emergency Medical Services Levy	Computer	Enforcement and Education
<b>Revenues</b>					
Property Taxes	\$0	\$91,335	\$165,806	\$0	\$0
Charges for Services	0	0	352,106	0	0
Fines and Forfeitures	0	0	0	3,774	1,471
Intergovernmental	611,830	17,819	33,948	0	75
Other	6,589	974	0	0	0
<i>Total Revenues</i>	<u>618,419</u>	<u>110,128</u>	<u>551,860</u>	<u>3,774</u>	<u>1,546</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	2,991	0
Security of Persons and Property:					
Police	0	0	0	0	1,321
Fire	0	573,319	0	0	0
Public Health and Welfare	0	0	1,250,549	0	0
Transportation	1,010,456	0	0	0	0
Community Environment	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,010,456</u>	<u>573,319</u>	<u>1,250,549</u>	<u>2,991</u>	<u>1,321</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(392,037)</u>	<u>(463,191)</u>	<u>(698,689)</u>	<u>783</u>	<u>225</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	14,800	61,800	0	0	0
Transfers In	280,000	380,000	745,000	0	0
Transfers Out	(19,720)	(8,780)	(19,240)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>275,080</u>	<u>433,020</u>	<u>725,760</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(116,957)</u>	<u>(30,171)</u>	<u>27,071</u>	<u>783</u>	<u>225</u>
<i>Fund Balances Beginning of Year</i>	<u>343,909</u>	<u>7,791</u>	<u>187,734</u>	<u>13,719</u>	<u>5,757</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$226,952</u>	<u>(\$22,380)</u>	<u>\$214,805</u>	<u>\$14,502</u>	<u>\$5,982</u>

Storm Sewer Levy	Street Levy	Municipal Road	Law Enforcement Trust	General Trust	Mayor's Court	Compensated Absences	Total Nonmajor Special Revenue Funds
\$336,792	\$336,792	\$0	\$0	\$0	\$0	\$0	\$930,725
0	0	0	0	0	0	0	352,106
0	0	0	19	0	58,745	0	64,009
55,468	55,468	187,636	0	0	0	0	962,244
0	0	0	0	12,338	0	0	19,901
392,260	392,260	187,636	19	12,338	58,745	0	2,328,985
0	0	0	0	0	58,745	14,645	76,381
0	0	0	0	3,575	0	14,805	19,701
0	0	0	0	8,984	0	0	582,303
0	0	0	0	1,251	0	0	1,251,800
0	497,085	192,636	0	0	0	0	1,700,177
0	0	0	0	0	0	36,687	36,687
0	0	0	0	338	0	58,510	58,848
211,743	0	0	0	0	0	1,464	213,207
7,890	26,635	0	0	0	0	0	34,525
219,633	523,720	192,636	0	14,148	58,745	126,111	3,973,629
172,627	(131,460)	(5,000)	19	(1,810)	0	(126,111)	(1,644,644)
0	0	0	0	0	0	0	76,600
0	0	0	0	0	0	214,000	1,619,000
0	0	0	0	0	0	0	(47,740)
0	0	0	0	0	0	214,000	1,647,860
172,627	(131,460)	(5,000)	19	(1,810)	0	87,889	3,216
308,761	241,150	5,000	602	36,864	255	175,906	1,327,448
\$481,388	\$109,690	\$0	\$621	\$35,054	\$255	\$263,795	\$1,330,664

## **Agency Fund**

***Deposits and Fees Fund*** - This fund accounts for monies put on deposit with the City in accordance with various City ordinances.

**City of North Canton, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Year Ended December 31, 2007*

	Beginning Balance 12/31/06	Additions	Deductions	Ending Balance 12/31/07
<b>Deposits and Fees</b>				
Assets				
Cash and Cash Equivalents In Segregated Accounts	\$61,460	\$196,875	\$164,558	\$93,777
Liabilities				
Deposits Held and Due to Others	\$61,460	\$196,875	\$164,558	\$93,777

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balances/Fund Equity –  
Budget (Non-GAAP Basis) and Actual**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$789,000	\$789,000	\$859,299	\$70,299
Municipal Income Taxes	4,470,000	4,252,000	4,729,465	477,465
Charges for Services	276,000	276,000	276,973	973
Licenses and Permits	140,000	140,000	117,981	(22,019)
Fines and Forfeitures	52,000	52,000	39,829	(12,171)
Intergovernmental	1,243,197	2,441,716	2,534,498	92,782
Interest	500,000	500,000	543,994	43,994
Rentals	214,500	214,500	208,767	(5,733)
Other	5,500	5,500	10,214	4,714
<i>Total Revenues</i>	<u>7,690,197</u>	<u>8,670,716</u>	<u>9,321,020</u>	<u>650,304</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Personal Services	87,365	94,570	94,160	410
Contractual Services	5,500	5,500	4,007	1,493
Materials and Supplies	750	750	750	0
Capital Outlay	1,000	1,000	249	751
Total Mayor	<u>94,615</u>	<u>101,820</u>	<u>99,166</u>	<u>2,654</u>
Director of Administration:				
Personal Services	168,650	170,380	170,149	231
Contractual Services	14,500	14,280	8,677	5,603
Materials and Supplies	1,700	1,980	1,828	152
Capital Outlay	2,000	2,000	1,659	341
Total Director of Administration	<u>186,850</u>	<u>188,640</u>	<u>182,313</u>	<u>6,327</u>
Director of Finance:				
Personal Services	172,675	159,740	150,365	9,375
Contractual Services	32,400	32,000	20,909	11,091
Materials and Supplies	4,000	4,650	4,612	38
Capital Outlay	5,275	5,275	4,486	789
Total Director of Finance	<u>214,350</u>	<u>201,665</u>	<u>180,372</u>	<u>21,293</u>
Electronic Data Processing:				
Contractual Services	7,200	9,600	7,785	1,815
Materials and Supplies	400	400	220	180
Capital Outlay	500	500	300	200
Total Electronic Data Processing	<u>8,100</u>	<u>10,500</u>	<u>8,305</u>	<u>2,195</u>
Director of Law:				
Personal Services	73,315	72,250	70,962	1,288
Contractual Services	66,080	66,230	29,531	36,699
Materials and Supplies	6,750	6,850	2,988	3,862
Capital Outlay	500	500	0	500
Total Director of Law	<u>\$146,645</u>	<u>\$145,830</u>	<u>\$103,481</u>	<u>\$42,349</u>

(continued)

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
City Council:				
Personal Services	\$211,750	\$207,600	\$200,507	\$7,093
Contractual Services	67,700	42,950	28,420	14,530
Materials and Supplies	2,100	2,250	2,182	68
Capital Outlay	2,000	2,000	1,145	855
<b>Total City Council</b>	<b>283,550</b>	<b>254,800</b>	<b>232,254</b>	<b>22,546</b>
Civil Service Commission:				
Personal Services	7,220	7,285	7,207	78
Contractual Services	4,540	4,540	2,789	1,751
Materials and Supplies	200	200	94	106
<b>Total Civil Service Commission</b>	<b>11,960</b>	<b>12,025</b>	<b>10,090</b>	<b>1,935</b>
City Hall Maintenance:				
Personal Services	22,545	19,945	18,096	1,849
Contractual Services	130,130	130,280	121,101	9,179
Materials and Supplies	4,350	4,200	3,528	672
Capital Outlay	1,000	1,000	0	1,000
<b>Total City Hall Maintenance</b>	<b>158,025</b>	<b>155,425</b>	<b>142,725</b>	<b>12,700</b>
Department of Engineering:				
Personal Services	201,290	206,020	202,520	3,500
Contractual Services	70,279	69,680	50,222	19,458
Materials and Supplies	9,450	10,050	8,337	1,713
Capital Outlay	5,175	5,175	2,728	2,447
<b>Total Department of Engineering</b>	<b>286,194</b>	<b>290,925</b>	<b>263,807</b>	<b>27,118</b>
Income Tax Administration:				
Personal Services	216,040	218,040	214,711	3,329
Contractual Services	36,200	36,200	34,059	2,141
Materials and Supplies	6,000	6,000	5,403	597
Capital Outlay	3,175	3,175	1,438	1,737
<b>Total Income Tax Administration</b>	<b>261,415</b>	<b>263,415</b>	<b>255,611</b>	<b>7,804</b>
Other General Government:				
Personal Services	45,000	31,140	28,004	3,136
Contractual Services	122,550	120,470	107,539	12,931
Capital Outlay	1,000	1,000	645	355
Other	12,000	12,000	11,734	266
<b>Total Other General Government</b>	<b>180,550</b>	<b>164,610</b>	<b>147,922</b>	<b>16,688</b>
<b>Total General Government</b>	<b>1,832,254</b>	<b>1,789,655</b>	<b>1,626,046</b>	<b>163,609</b>
Security of Persons and Property:				
Police:				
Personal Services	2,720,400	2,680,980	2,634,776	46,204
Contractual Services	202,490	216,530	202,513	14,017
Materials and Supplies	74,050	81,550	79,036	2,514
Capital Outlay	5,675	5,675	4,951	724
<b>Total Security of Persons and Property</b>	<b>\$3,002,615</b>	<b>\$2,984,735</b>	<b>\$2,921,276</b>	<b>\$63,459</b>

(continued)



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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health and Welfare:				
County Health Department:				
Contractual Services	\$92,500	\$92,500	\$90,722	\$1,778
Total Public Health and Welfare	92,500	92,500	90,722	1,778
Community Environment:				
Permits and Inspections:				
Personal Services	248,050	251,935	229,189	22,746
Contractual Services	26,081	28,581	18,689	9,892
Materials and Supplies	4,530	4,530	3,089	1,441
Capital Outlay	4,000	2,300	478	1,822
Total Permits and Inspections	282,661	287,346	251,445	35,901
Planning Commission:				
Contractual Services	1,786	1,786	1,119	667
Materials and Supplies	200	200	123	77
Total Planning Commission	1,986	1,986	1,242	744
Zoning and Building:				
Contractual Services	150	150	85	65
Materials and Supplies	50	50	19	31
Total Zoning and Building	200	200	104	96
Economic Development:				
Personal Services	182,640	188,610	187,487	1,123
Contractual Services	12,800	37,800	35,136	2,664
Materials and Supplies	1,600	1,600	1,593	7
Capital Outlay	2,000	2,000	1,883	117
Total Economic Development	199,040	230,010	226,099	3,911
Total Community Environment	483,887	519,542	478,890	40,652
Leisure Time Activities:				
Dogwood Shelter:				
Contractual Services	13,516	13,516	13,032	484
Capital Outlay	2,500	2,500	2,017	483
Total Dogwood Shelter	16,016	16,016	15,049	967
Swimming Pool:				
Personal Services	137,500	136,100	132,224	3,876
Contractual Services	57,340	67,045	63,702	3,343
Materials and Supplies	36,180	34,580	33,644	936
Capital Outlay	4,450	4,450	3,305	1,145
Total Swimming Pool	235,470	242,175	232,875	9,300
Park Department:				
Personal Services	356,490	367,320	361,163	6,157
Contractual Services	93,350	96,060	86,372	9,688
Materials and Supplies	18,800	18,750	15,067	3,683
Capital Outlay	20,750	24,600	23,470	1,130
Total Park Department	\$489,390	\$506,730	\$486,072	\$20,658

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civic Center:				
Personal Services	\$120,670	\$121,330	\$120,392	\$938
Contractual Services	50,178	52,798	47,516	5,282
Materials and Supplies	3,517	3,067	2,868	199
Capital Outlay	12,000	14,950	13,939	1,011
<b>Total Civic Center</b>	<b>186,365</b>	<b>192,145</b>	<b>184,715</b>	<b>7,430</b>
Recreation Department:				
Personal Services	110,400	109,590	96,629	12,961
Contractual Services	8,600	9,900	7,565	2,335
Materials and Supplies	5,350	5,710	5,410	300
Capital Outlay	1,000	1,000	518	482
<b>Total Recreation Department</b>	<b>125,350</b>	<b>126,200</b>	<b>110,122</b>	<b>16,078</b>
Recreation Program:				
Contractual Services	5,250	5,250	4,559	691
Materials and Supplies	3,200	3,200	1,549	1,651
<b>Total Recreation Program</b>	<b>8,450</b>	<b>8,450</b>	<b>6,108</b>	<b>2,342</b>
<b>Total Leisure Time Activities</b>	<b>1,061,041</b>	<b>1,091,716</b>	<b>1,034,941</b>	<b>56,775</b>
Debt Service:				
Principal Retirement	1,500,000	1,500,000	1,500,000	0
Interest and Fiscal Charges	93,400	93,400	92,102	1,298
<b>Total Debt Service</b>	<b>1,593,400</b>	<b>1,593,400</b>	<b>1,592,102</b>	<b>1,298</b>
<b>Total Expenditures</b>	<b>8,065,697</b>	<b>8,071,548</b>	<b>7,743,977</b>	<b>327,571</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(375,500)</i>	<i>599,168</i>	<i>1,577,043</i>	<i>977,875</i>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Notes	1,200,000	1,200,000	1,200,000	0
Sale of Capital Assets	10,000	10,000	7,400	(2,600)
Transfer Out	(3,020,254)	(4,218,439)	(2,937,059)	1,281,380
<b>Total Other Financing Sources (Uses)</b>	<b>(1,810,254)</b>	<b>(3,008,439)</b>	<b>(1,729,659)</b>	<b>1,278,780</b>
<b>Net Change in Fund Balance</b>	<b>(2,185,754)</b>	<b>(2,409,271)</b>	<b>(152,616)</b>	<b>2,256,655</b>
<b>Fund Balance Beginning of Year</b>	<b>4,694,527</b>	<b>4,694,527</b>	<b>4,694,527</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>36,083</b>	<b>36,083</b>	<b>36,083</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$2,544,856</b>	<b>\$2,321,339</b>	<b>\$4,577,994</b>	<b>\$2,256,655</b>

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Capital Improvements Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$93,194	\$1,281,380	\$1,281,380	\$0
Intergovernmental	0	0	6,248	6,248
Other	2,500	0	3,019	3,019
<i>Total Revenues</i>	<u>95,694</u>	<u>1,281,380</u>	<u>1,290,647</u>	<u>9,267</u>
<b>Expenditures</b>				
Capital Outlay:				
Contractual Services	41,088	38,218	34,709	3,509
Capital Outlay	1,985,156	2,776,252	1,881,250	895,002
Total Capital Outlay	<u>2,026,244</u>	<u>2,814,470</u>	<u>1,915,959</u>	<u>898,511</u>
Debt Service:				
Principal Retirement	1,232,179	1,230,679	1,230,647	32
Interest and Fiscal Charges	87,587	89,187	89,010	177
Total Debt Service	<u>1,319,766</u>	<u>1,319,866</u>	<u>1,319,657</u>	<u>209</u>
<i>Total Expenditures</i>	<u>3,346,010</u>	<u>4,134,336</u>	<u>3,235,616</u>	<u>898,720</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,250,316)</u>	<u>(2,852,956)</u>	<u>(1,944,969)</u>	<u>907,987</u>
<b>Other Financing Sources</b>				
Proceeds of Notes	750,000	750,000	750,000	0
Proceeds from Capital Lease	150,000	150,000	0	(150,000)
Transfers - In	1,420,119	1,420,119	1,420,119	0
<i>Total Other Financing Sources</i>	<u>2,320,119</u>	<u>2,320,119</u>	<u>2,170,119</u>	<u>(150,000)</u>
<i>Net Change in Fund Balance</i>	(930,197)	(532,837)	225,150	757,987
<i>Fund Balance Beginning of Year</i>	359,591	359,591	359,591	0
Prior Year Encumbrances Appropriated	658,480	658,480	658,480	0
<i>Fund Balance End of Year</i>	<u>\$87,874</u>	<u>\$485,234</u>	<u>\$1,243,221</u>	<u>\$757,987</u>

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Issue II Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$946,319	\$946,319	\$886,092	(\$60,227)
<b>Expenditures</b>				
Capital Outlay:				
Capital Outlay	1,770,780	1,770,780	1,725,811	44,969
<i>Net Change in Fund Balance</i>	(824,461)	(824,461)	(839,719)	(15,258)
<i>Fund Deficit Beginning of Year</i>	(602,155)	(602,155)	(602,155)	0
Prior Year Encumbrances Appropriated	1,546,780	1,546,780	1,546,780	0
<i>Fund Balance End of Year</i>	<u>\$120,164</u>	<u>\$120,164</u>	<u>\$104,906</u>	<u>(\$15,258)</u>

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$29,965	\$29,965	\$29,966	\$1
Charges for Services	5,305,000	5,305,000	5,622,033	317,033
Tap-In Fees	70,500	70,500	117,831	47,331
Other Operating Revenues	50,000	50,000	131,849	81,849
Intergovernmental Loans	1,514,679	1,514,679	1,047,217	(467,462)
General Obligation Bond Proceeds	4,300,000	4,414,506	4,415,000	494
<i>Total Revenues</i>	11,270,144	11,384,650	11,363,896	(20,754)
<b>Expenses</b>				
Personal Services	1,661,350	1,686,240	1,653,252	32,988
Contractual Services	979,320	1,176,096	1,046,281	129,815
Materials and Supplies	565,997	551,381	525,522	25,859
Capital Outlay	3,921,008	4,253,958	2,990,933	1,263,025
Debt Service:				
Principal Retirement	4,833,194	4,972,869	4,937,394	35,475
Interest and Fiscal Charges	530,284	681,384	672,965	8,419
Debt Issuance Cost	3,000	117,506	98,039	19,467
<i>Total Expenses</i>	12,494,153	13,439,434	11,924,386	1,515,048
<i>Excess of Revenues</i>				
<i>Under Expenses</i>	(1,224,009)	(2,054,784)	(560,490)	1,494,294
Sale of Capital Assets	5,000	5,000	16,339	11,339
Transfers Out	(34,160)	(34,160)	(34,160)	0
<i>Net Change in Fund Equity</i>	(1,253,169)	(2,083,944)	(578,311)	1,505,633
<i>Fund Equity Beginning of Year</i>	364,325	364,325	364,325	0
Prior Year Encumbrances Appropriated	1,843,327	1,843,327	1,843,327	0
<i>Fund Equity End of Year</i>	\$954,483	\$123,708	\$1,629,341	\$1,505,633

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,035,000	\$2,035,000	\$2,026,438	(\$8,562)
Tap-In Fees	126,000	126,000	68,061	(57,939)
Special Assessments	5,300	5,300	5,853	553
Other Operating Revenues	0	0	1,584	1,584
Bond Anticipation Notes Issued	175,000	175,000	175,000	0
<i>Total Revenues</i>	2,341,300	2,341,300	2,276,936	(64,364)
<b>Expenses</b>				
Personal Services	429,720	422,120	397,156	24,964
Contractual Services	1,418,098	1,423,799	1,285,041	138,758
Materials and Supplies	19,650	21,550	18,817	2,733
Capital Outlay	900,347	900,347	767,375	132,972
Debt Service:				
Principal Retirement	150,000	350,000	350,000	0
Interest and Fiscal Charges	6,400	14,900	15,559	(659)
Debt Issuance Cost	3,000	3,000	0	3,000
<i>Total Expenses</i>	2,927,215	3,135,716	2,833,948	301,768
<i>Excess of Revenues Under Expenses</i>	(585,915)	(794,416)	(557,012)	237,404
Sale of Capital Assets	1,000	1,000	0	(1,000)
Transfers Out	(20,160)	(20,160)	(20,160)	0
<i>Net Change in Fund Equity</i>	(605,075)	(813,576)	(577,172)	236,404
<i>Fund Equity Beginning of Year</i>	626,487	626,487	626,487	0
Prior Year Encumbrances Appropriated	277,745	277,745	277,745	0
<i>Fund Equity End of Year</i>	\$299,157	\$90,656	\$327,060	\$236,404

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenses and Changes  
in Fund Equity - Budget (Non-GAAP Basis) and Actual  
Garbage Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$690,000	\$690,000	\$709,099	\$19,099
Intergovernmental	0	61,800	39,212	(22,588)
<i>Total Revenues</i>	690,000	751,800	748,311	(3,489)
<b>Expenses</b>				
Personal Services	58,145	56,820	51,610	5,210
Contractual Services	724,099	758,104	747,638	10,466
Materials and Supplies	22,100	66,900	46,262	20,638
<i>Total Expenses</i>	804,344	881,824	845,510	36,314
<i>Net Change in Fund Equity</i>	(114,344)	(130,024)	(97,199)	32,825
<i>Fund Equity Beginning of Year</i>	242,399	242,399	242,399	0
Prior Year Encumbrances Appropriated	55,429	55,429	55,429	0
<i>Fund Equity End of Year</i>	\$183,484	\$167,804	\$200,629	\$32,825

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Construction, Maintenance and Repair Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$545,000	\$545,000	\$604,964	\$59,964
Other	0	0	6,589	6,589
<i>Total Revenues</i>	<u>545,000</u>	<u>545,000</u>	<u>611,553</u>	<u>66,553</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Personal Services	616,400	614,645	612,653	1,992
Contractual Services	97,978	104,483	97,030	7,453
Materials and Supplies	216,439	274,439	269,388	5,051
Capital Outlay	21,935	19,185	17,919	1,266
<i>Total Expenditures</i>	<u>952,752</u>	<u>1,012,752</u>	<u>996,990</u>	<u>15,762</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(407,752)</u>	<u>(467,752)</u>	<u>(385,437)</u>	<u>82,315</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	10,000	10,000	14,800	4,800
Transfers In	280,000	280,000	280,000	0
Transfers Out	(19,720)	(19,720)	(19,720)	0
<i>Total Other Financing Sources (Uses)</i>	<u>270,280</u>	<u>270,280</u>	<u>275,080</u>	<u>4,800</u>
<i>Net Change in Fund Balance</i>	(137,472)	(197,472)	(110,357)	87,115
<i>Fund Balance Beginning of Year</i>	239,411	239,411	239,411	0
Prior Year Encumbrances Appropriated	1,667	1,667	1,667	0
<i>Fund Balance End of Year</i>	<u>\$103,606</u>	<u>\$43,606</u>	<u>\$130,721</u>	<u>\$87,115</u>



**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire Operating Levy Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$90,639	\$90,639	\$94,320	\$3,681
Intergovernmental	17,610	17,610	17,819	209
Other	400	400	974	574
<i>Total Revenues</i>	<u>108,649</u>	<u>108,649</u>	<u>113,113</u>	<u>4,464</u>
<b>Expenditures</b>				
Current:				
Security of Person and Property:				
Fire:				
Personal Services	429,270	440,470	432,046	8,424
Contractual Services	108,402	118,352	112,452	5,900
Materials and Supplies	22,439	24,389	21,099	3,290
Capital Outlay	6,550	6,050	4,633	1,417
<i>Total Expenditures</i>	<u>566,661</u>	<u>589,261</u>	<u>570,230</u>	<u>19,031</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(458,012)</u>	<u>(480,612)</u>	<u>(457,117)</u>	<u>23,495</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	60,000	60,000	61,800	1,800
Transfers In	370,000	380,000	380,000	0
Transfers Out	(8,780)	(8,780)	(8,780)	0
<i>Total Other Financing Sources (Uses)</i>	<u>421,220</u>	<u>431,220</u>	<u>433,020</u>	<u>1,800</u>
<i>Net Change in Fund Balance</i>	(36,792)	(49,392)	(24,097)	25,295
<i>Fund Balance Beginning of Year</i>	43,240	43,240	43,240	0
Prior Year Encumbrances Appropriated	11,132	11,132	11,132	0
<i>Fund Balance End of Year</i>	<u>\$17,580</u>	<u>\$4,980</u>	<u>\$30,275</u>	<u>\$25,295</u>

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Emergency Medical Services Levy Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$163,384	\$163,384	\$171,064	\$7,680
Charges for Services	283,000	283,000	337,602	54,602
Intergovernmental	34,867	34,867	33,948	(919)
<i>Total Revenues</i>	<u>481,251</u>	<u>481,251</u>	<u>542,614</u>	<u>61,363</u>
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Personal Services	1,093,100	1,148,365	1,119,378	28,987
Contractual Services	73,817	80,552	76,404	4,148
Materials and Supplies	32,000	32,800	30,984	1,816
Capital Outlay	9,000	6,200	6,200	0
<i>Total Expenditures</i>	<u>1,207,917</u>	<u>1,267,917</u>	<u>1,232,966</u>	<u>34,951</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(726,666)</u>	<u>(786,666)</u>	<u>(690,352)</u>	<u>96,314</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	745,000	745,000	745,000	0
Transfers Out	(19,240)	(19,240)	(19,240)	0
<i>Total Other Financing Sources (Uses)</i>	<u>725,760</u>	<u>725,760</u>	<u>725,760</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(906)	(60,906)	35,408	96,314
<i>Fund Balance Beginning of Year</i>	83,238	83,238	83,238	0
Prior Year Encumbrances Appropriated	867	867	867	0
<i>Fund Balance End of Year</i>	<u>\$83,199</u>	<u>\$23,199</u>	<u>\$119,513</u>	<u>\$96,314</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$5,000	\$5,000	\$3,774	(\$1,226)
<b>Expenditures</b>				
Current:				
General Government:				
Computer:				
Contractual Services	4,100	4,500	2,876	1,624
Materials and Supplies	1,000	600	190	410
Capital Outlay	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>6,100</u>	<u>6,100</u>	<u>3,066</u>	<u>3,034</u>
<i>Net Change in Fund Balance</i>	(1,100)	(1,100)	708	1,808
<i>Fund Balance Beginning of Year</i>	<u>13,794</u>	<u>13,794</u>	<u>13,794</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12,694</u>	<u>\$12,694</u>	<u>\$14,502</u>	<u>\$1,808</u>

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Enforcement and Education Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Fines and Forfeitures	\$1,500	\$1,500	\$1,908	\$408
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	2,000	2,000	1,321	679
Materials and Supplies	2,000	2,000	0	2,000
Capital Outlay	1,000	1,000	0	1,000
<i>Total Expenditures</i>	5,000	5,000	1,321	3,679
<i>Net Change in Fund Balance</i>	(3,500)	(3,500)	587	4,087
<i>Fund Balance Beginning of Year</i>	5,320	5,320	5,320	0
<i>Fund Balance End of Year</i>	\$1,820	\$1,820	\$5,907	\$4,087

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Storm Sewer Levy Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$338,389	\$338,389	\$347,553	\$9,164
Intergovernmental	56,912	56,912	55,468	(1,444)
<i>Total Revenues</i>	395,301	395,301	403,021	7,720
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Storm Sewers:				
Personal Services	55,000	60,000	59,000	1,000
Contractual Services	68,800	91,800	77,183	14,617
Materials and Supplies	16,054	16,054	5,142	10,912
Capital Outlay	548,108	520,108	280,758	239,350
<i>Total Expenditures</i>	687,962	687,962	422,083	265,879
<i>Net Change in Fund Balance</i>	(292,661)	(292,661)	(19,062)	273,599
<i>Fund Balance Beginning of Year</i>	224,776	224,776	224,776	0
Prior Year Encumbrances Appropriated	73,162	73,162	73,162	0
<i>Fund Balance End of Year</i>	\$5,277	\$5,277	\$278,876	\$273,599

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Levy Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$338,389	\$338,389	\$347,553	\$9,164
Intergovernmental	56,912	56,912	55,468	(1,444)
<i>Total Revenues</i>	<u>395,301</u>	<u>395,301</u>	<u>403,021</u>	<u>7,720</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Personal Services	55,000	55,000	50,000	5,000
Contractual Services	26,700	26,700	15,336	11,364
Materials and Supplies	21,000	21,000	18,666	2,334
Capital Outlay	517,150	517,150	464,140	53,010
<i>Total Expenditures</i>	<u>619,850</u>	<u>619,850</u>	<u>548,142</u>	<u>71,708</u>
<i>Net Change in Fund Balance</i>	(224,549)	(224,549)	(145,121)	79,428
<i>Fund Balance Beginning of Year</i>	148,039	148,039	148,039	0
Prior Year Encumbrances Appropriated	87,850	87,850	87,850	0
<i>Fund Balance End of Year</i>	<u>\$11,340</u>	<u>\$11,340</u>	<u>\$90,768</u>	<u>\$79,428</u>

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Municipal Road Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$247,636	\$247,636	\$187,636	(\$60,000)
<b>Expenditures</b>				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Capital Outlay	<u>252,636</u>	<u>252,636</u>	<u>192,636</u>	<u>60,000</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	(5,000)	0
<i>Fund Deficit Beginning of Year</i>	(187,636)	(187,636)	(187,636)	0
Prior Year Encumbrances Appropriated	<u>192,636</u>	<u>192,636</u>	<u>192,636</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines and Forfeitures	\$0	\$0	\$339	\$339
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	<u>282</u>	<u>282</u>	<u>0</u>	<u>282</u>
<i>Net Change in Fund Balance</i>	(282)	(282)	339	621
<i>Fund Balance Beginning of Year</i>	<u>282</u>	<u>282</u>	<u>282</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$621</u></u>	<u><u>\$621</u></u>



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other	\$1,400	\$1,400	\$12,338	\$10,938
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Materials and Supplies	3,500	3,500	0	3,500
Security of Persons and Property:				
Police:				
Materials and Supplies	15,936	15,936	3,575	12,361
Fire:				
Materials and Supplies	14,298	14,298	8,984	5,314
Total Security of Persons and Property	30,234	30,234	12,559	17,675
Public Health and Welfare:				
E.M.S.:				
Materials and Supplies	1,444	1,444	1,251	193
Leisure Time Activities:				
Park Department:				
Materials and Supplies	1,686	1,686	338	1,348
<i>Total Expenditures</i>	36,864	36,864	14,148	22,716
<i>Net Change in Fund Balance</i>	(35,464)	(35,464)	(1,810)	33,654
<i>Fund Balance Beginning of Year</i>	36,864	36,864	36,864	0
<i>Fund Balance End of Year</i>	\$1,400	\$1,400	\$35,054	\$33,654

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Compensated Absences Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	14,000	14,700	14,645	55
Police:				
Personal Services	49,000	47,545	14,805	32,740
Community Environment:				
Personal Services	0	37,000	36,687	313
Leisure Time Activities:				
Personal Services	0	59,000	58,510	490
Basic Utility Services:				
Personal Services	25,000	25,755	25,558	197
<i>Total Expenditures</i>	<u>88,000</u>	<u>184,000</u>	<u>150,205</u>	<u>33,795</u>
<i>Excess of Revenues Under Expenditures</i>	(88,000)	(184,000)	(150,205)	(33,795)
<b>Other Financing Sources</b>				
Transfers In	214,000	214,000	214,000	0
<i>Net Change in Fund Balance</i>	126,000	30,000	63,795	33,795
<i>Fund Balance Beginning of Year</i>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$326,000</u>	<u>\$230,000</u>	<u>\$263,795</u>	<u>\$33,795</u>

**City of North Canton, Ohio**  
*Schedule of Revenues, Expenses and Changes  
in Fund Equity - Budget (Non-GAAP Basis) and Actual  
Insurance Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	<u>\$1,135,000</u>	<u>\$1,135,000</u>	<u>\$1,154,236</u>	<u>\$19,236</u>
<b>Expenses</b>				
Contractual Services	185,100	175,100	172,213	2,887
Claims	<u>1,040,000</u>	<u>1,100,000</u>	<u>1,094,593</u>	<u>5,407</u>
<i>Total Expenses</i>	<u>1,225,100</u>	<u>1,275,100</u>	<u>1,266,806</u>	<u>8,294</u>
<i>Net Change in Fund Equity</i>	(90,100)	(140,100)	(112,570)	27,530
<i>Fund Equity Beginning of Year</i>	<u>287,752</u>	<u>287,752</u>	<u>287,752</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$197,652</u>	<u>\$147,652</u>	<u>\$175,182</u>	<u>\$27,530</u>

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*Statistical Section*



# Statistical Section

This part of the City of North 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 discloses about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>S3-S9</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income tax.	<b>S10-S17</b>
<b>Debt Capacity</b> 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.	<b>S18-S23</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>S24-S26</b>
<b>Operating Information</b> 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.	<b>S27-S30</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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**City of North Canton, Ohio**  
*Net Assets By Component*  
*Last Six Years*  
*(Accrual Basis of Accounting)*

	2007	2006	2005	2004	2003	2002
<b>Governmental Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$26,480,040	\$26,870,342	\$22,671,549	\$22,785,936	\$21,759,290	\$19,705,944
Restricted:						
Capital Projects	2,364,897	1,859,062	2,926,256	1,560,922	2,246,120	2,709,155
Street Construction, Maintenance and Repair	651,009	854,455	211,489	280,980	305,021	0
Fire Operations	0	17,550	22,563	52,635	3,535	0
Emergency Medical Services	235,207	205,388	28,623	124,284	2,924	0
Computer Systems	14,502	13,719	29,538	27,848	23,557	0
Storm Sewer	526,185	349,624	99,180	79,103	92,479	0
Donations for Supplies	35,054	36,864	31,479	30,354	30,181	0
Other Purposes	6,858	6,614	7,844	9,552	7,914	470,757
Unrestricted	4,445,584	5,070,626	5,151,595	6,033,820	7,321,637	11,424,916
<i>Total Governmental Activities Net Assets</i>	<u>34,759,336</u>	<u>35,284,244</u>	<u>31,180,116</u>	<u>30,985,434</u>	<u>31,792,658</u>	<u>34,310,772</u>
<b>Business Type - Activities</b>						
Invested in Capital Assets, Net of Related Debt	24,165,821	22,808,223	22,540,242	19,996,103	18,375,752	18,341,581
Unrestricted	3,842,872	4,053,862	2,862,283	2,894,243	2,945,175	2,360,344
<i>Total Business-Type Activities Net Assets</i>	<u>28,008,693</u>	<u>26,862,085</u>	<u>25,402,525</u>	<u>22,890,346</u>	<u>21,320,927</u>	<u>20,701,925</u>
<b>Primary Government</b>						
Invested in Capital Assets, Net of Related Debt	50,645,861	49,678,565	45,211,791	42,782,039	40,135,042	38,047,525
Restricted	3,833,712	3,343,276	3,356,972	2,165,678	2,711,731	3,179,912
Unrestricted	8,288,456	9,124,488	8,013,878	8,928,063	10,266,812	13,785,260
<i>Total Primary Government Net Assets</i>	<u>\$62,768,029</u>	<u>\$62,146,329</u>	<u>\$56,582,641</u>	<u>\$53,875,780</u>	<u>\$53,113,585</u>	<u>\$55,012,697</u>

**City of North Canton, Ohio**  
*Changes in Net Assets*  
*Last Six Years*  
*(Accrual Basis of Accounting)*

	2007	2006	2005	2004	2003	2002
<b>Program Revenues</b>						
<b>Governmental Activities:</b>						
Charges for Services:						
General Government	\$206,652	\$196,809	\$250,259	\$173,109	\$183,565	\$234,426
Security of Persons and Property:						
Police	7,213	9,779	11,741	8,136	10,158	9,632
Fire	0	0	0	0	0	0
Public Health and Welfare	352,106	311,999	314,046	233,047	98,081	113,046
Transportation	0	0	0	0	0	0
Community Environment	119,756	131,988	104,782	108,151	123,536	101,617
Leisure Time Activities	375,713	379,916	376,381	310,922	310,183	327,248
Subtotal - Charges for Services	<u>1,061,440</u>	<u>1,030,491</u>	<u>1,057,209</u>	<u>833,365</u>	<u>725,523</u>	<u>785,969</u>
Operating Grants and Contributions:						
General Government	0	0	3,750	0	0	15,000
Security of Persons and Property:						
Police	722	16,964	22,463	18,595	13,082	32,497
Fire	17,468	3,300	8,568	3,043	500	1,300
Public Health and Welfare	33,246	7,000	4,000	10,699	4,301	4,200
Transportation	712,773	539,001	517,377	500,117	537,318	384,861
Basic Utility Services	54,906	0	0	0	0	6,889
Subtotal - Operating Grants and Contributions	<u>819,115</u>	<u>566,265</u>	<u>556,158</u>	<u>532,454</u>	<u>555,201</u>	<u>444,747</u>
Capital Grants and Contributions:						
Security of Persons and Property:						
Fire	0	36,536	0	46,019	0	0
Transportation	1,220,785	3,037,809	150,425	154,015	170,000	0
Subtotal - Capital Grants and Contributions	<u>1,220,785</u>	<u>3,074,345</u>	<u>150,425</u>	<u>200,034</u>	<u>170,000</u>	<u>0</u>
<i>Total Governmental Activities Program Revenues</i>	<u>3,101,340</u>	<u>4,671,101</u>	<u>1,763,792</u>	<u>1,565,853</u>	<u>1,450,724</u>	<u>1,230,716</u>
<b>Business-Type Activities:</b>						
Charges for Services:						
Water	5,740,648	5,181,984	4,760,279	3,893,098	3,745,362	3,872,276
Sewer	2,063,478	2,239,988	2,060,530	1,963,871	1,760,248	1,646,419
Garbage	708,666	634,144	558,940	553,006	547,304	543,940
Subtotal - Charges for Services	<u>8,512,792</u>	<u>8,056,116</u>	<u>7,379,749</u>	<u>6,409,975</u>	<u>6,052,914</u>	<u>6,062,635</u>
Operating Grants and Contributions						
Garbage	61,800	60,000	60,000	60,000	60,000	72,734
Capital Grants and Contributions						
Water	588,162	513,604	1,015,828	867,300	760,702	396,322
Sewer	42,215	308,369	623,350	0	168,634	55,432
Subtotal - Capital Grants and Contributions	<u>630,377</u>	<u>821,973</u>	<u>1,639,178</u>	<u>867,300</u>	<u>929,336</u>	<u>451,754</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>9,204,969</u>	<u>8,938,089</u>	<u>9,078,927</u>	<u>7,337,275</u>	<u>7,042,250</u>	<u>6,587,123</u>
<i>Total Primary Government Program Revenues</i>	<u>\$12,306,309</u>	<u>\$13,609,190</u>	<u>\$10,842,719</u>	<u>\$8,903,128</u>	<u>\$8,492,974</u>	<u>\$7,817,839</u>

(continued)

**City of North Canton, Ohio**

*Changes in Net Assets*

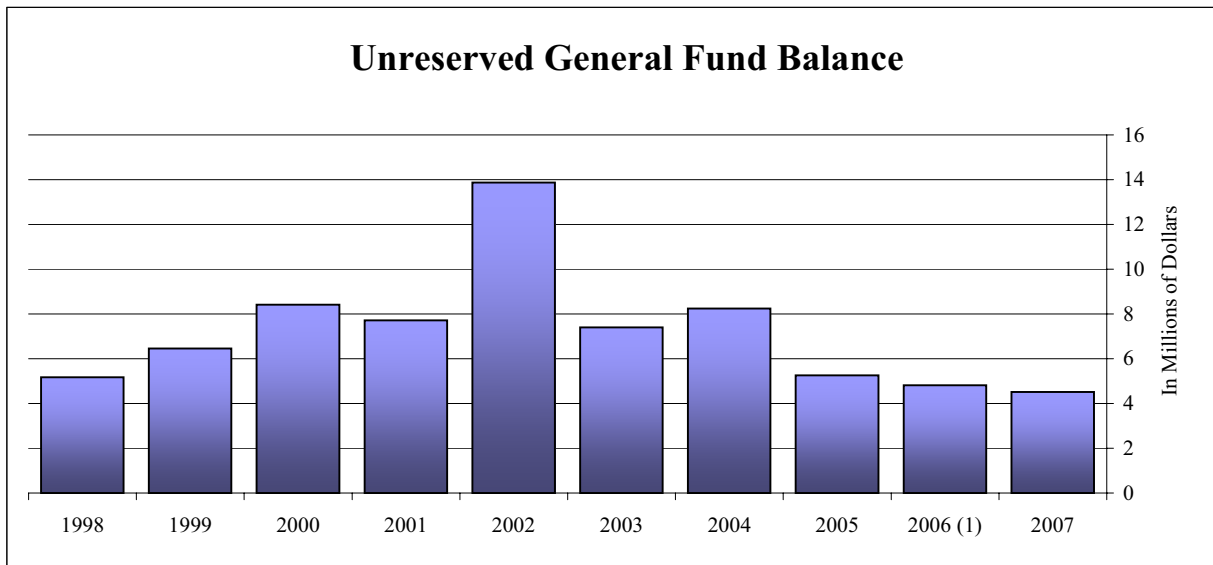
*Last Six Years*

*(Accrual Basis of Accounting)*

	2007	2006	2005	2004	2003	2002
<b>Expenses</b>						
<b>Governmental Activities:</b>						
General Government	\$2,253,710	\$2,040,584	\$2,299,022	\$2,320,121	\$1,743,780	\$2,186,090
Security of Persons and Property:						
Police	3,587,425	3,026,053	3,038,460	2,989,872	2,731,740	2,729,059
Fire	819,062	693,324	602,558	698,556	619,487	544,630
Other	0	0	0	0	114,293	0
Public Health and Welfare	1,703,059	1,311,606	1,290,268	1,265,192	1,216,486	1,073,559
Transportation	3,213,072	1,075,130	1,988,890	2,392,977	3,791,505	2,711,933
Community Environment	547,013	380,145	397,328	312,279	302,185	297,363
Leisure Time Activities	1,356,650	1,207,578	1,190,514	1,100,428	1,086,524	1,004,002
Basic Utility Services	558,990	1,164,581	287,468	323,784	408,540	110,410
Intergovernmental	0	100,000	100,000	0	0	0
Interest and Fiscal Charges	184,341	136,057	83,215	40,583	13,344	0
<i>Total Governmental Activities Expenses</i>	<u>14,223,322</u>	<u>11,135,058</u>	<u>11,277,723</u>	<u>11,443,792</u>	<u>12,027,884</u>	<u>10,657,046</u>
<b>Business-Type Activities</b>						
Water	5,349,070	4,485,688	4,062,394	3,291,706	3,845,882	3,205,456
Sewer	2,031,424	2,296,527	1,960,523	1,998,674	2,008,828	1,825,042
Garbage	789,005	676,949	584,994	571,971	605,023	634,401
<i>Total Business-Type Activities Expenses</i>	<u>8,169,499</u>	<u>7,459,164</u>	<u>6,607,911</u>	<u>5,862,351</u>	<u>6,459,733</u>	<u>5,664,899</u>
<i>Total Primary Government Program Expenses</i>	<u>22,392,821</u>	<u>18,594,222</u>	<u>17,885,634</u>	<u>17,306,143</u>	<u>18,487,617</u>	<u>16,321,945</u>
<b>Net (Expense)/Revenue</b>						
Governmental Activities	(11,121,982)	(6,463,957)	(9,513,931)	(9,877,939)	(10,577,160)	(9,426,330)
Business-Type Activities	1,035,470	1,478,925	2,471,016	1,474,924	582,517	922,224
<i>Total Primary Government Net Expense</i>	<u>(10,086,512)</u>	<u>(4,985,032)</u>	<u>(7,042,915)</u>	<u>(8,403,015)</u>	<u>(9,994,643)</u>	<u>(8,504,106)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
<b>Governmental Activities</b>						
Taxes:						
Property and Other Local Taxes Levied For:						
General Purposes	\$846,147	\$825,186	\$780,276	\$791,294	\$738,731	\$700,039
Fire Operating Levy	93,144	96,955	91,580	94,888	98,558	92,400
Emergency Medical Services Levy	169,256	176,194	166,613	173,177	180,248	169,164
Storm Sewer Levy	341,288	355,276	97,410	102,581	109,187	102,227
Street Levy	341,288	355,276	97,410	102,581	109,187	102,227
Municipal Income Taxes levied for:						
General Purposes	4,591,652	5,085,423	4,013,121	6,072,113	5,545,734	5,918,556
Capital Improvement	1,254,058	1,178,141	2,576,293	0	0	0
Grants and Entitlements not Restricted to						
Specific Programs	2,199,383	1,803,539	1,551,328	1,405,706	1,011,055	2,142,714
Interest	606,217	537,976	295,629	190,782	201,285	510,963
Gain on Sale of Capital Assets	82,873	0	0	0	0	0
Other	33,134	110,979	38,953	137,593	65,061	76,875
Transfers	38,634	43,140	0	0	0	0
<i>Total Governmental Activities</i>	<u>10,597,074</u>	<u>10,568,085</u>	<u>9,708,613</u>	<u>9,070,715</u>	<u>8,059,046</u>	<u>9,815,165</u>
<b>Business-Type Activities</b>						
Interest	0	0	0	5,317	4,951	9,282
Gain on Sale of Capital Assets	16,339	0	11,286	0	0	500
Other	133,433	23,775	29,877	89,178	31,534	58,118
Transfers	(38,634)	(43,140)	0	0	0	0
<i>Total Business-Type Activities</i>	<u>111,138</u>	<u>(19,365)</u>	<u>41,163</u>	<u>94,495</u>	<u>36,485</u>	<u>67,900</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>10,708,212</u>	<u>10,548,720</u>	<u>9,749,776</u>	<u>9,165,210</u>	<u>8,095,531</u>	<u>9,883,065</u>
<b>Change in Net Assets</b>						
Governmental Activities	(524,908)	4,104,128	194,682	(807,224)	(2,518,114)	388,835
Business-Type Activities	1,146,608	1,459,560	2,512,179	1,569,419	619,002	990,124
<i>Total Primary Government Change in Net Assets</i>	<u>\$621,700</u>	<u>\$5,563,688</u>	<u>\$2,706,861</u>	<u>\$762,195</u>	<u>(\$1,899,112)</u>	<u>\$1,378,959</u>

**City of North Canton, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2007	2006 (1)	2005	2004	2003
<b>General Fund</b>					
Reserved	\$59,073	\$27,388	\$13,292	\$58,705	\$38,997
Unreserved	4,512,634	4,811,853	5,254,767	8,247,016	7,400,788
<b>Total General Fund</b>	<u>4,571,707</u>	<u>4,839,241</u>	<u>5,268,059</u>	<u>8,305,721</u>	<u>7,439,785</u>
<b>All Other Governmental Funds</b>					
Reserved	952,745	2,154,751	2,997,278	365,087	697,752
Unreserved, Undesignated, Reported in:					
Special Revenue funds	1,059,744	1,032,842	379,908	654,623	387,022
Capital Projects funds	666,448	(1,125,401)	(1,694,856)	1,212,427	1,655,263
<b>Total All Other Governmental Funds</b>	<u>2,678,937</u>	<u>2,062,192</u>	<u>1,682,330</u>	<u>2,232,137</u>	<u>2,740,037</u>
<b>Total Governmental Funds</b>	<u><u>\$7,250,644</u></u>	<u><u>\$6,901,433</u></u>	<u><u>\$6,950,389</u></u>	<u><u>\$10,537,858</u></u>	<u><u>\$10,179,822</u></u>

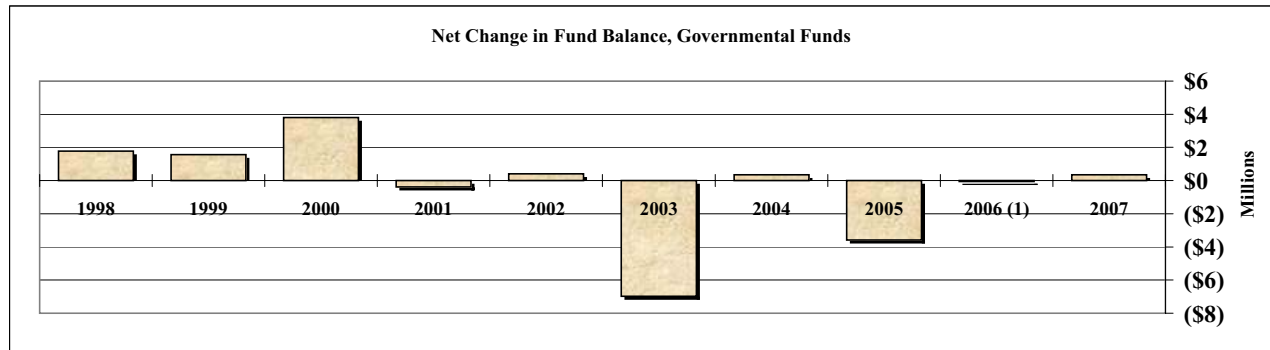


(1) Restated - See Note 3

2002	2001	2000	1999	1998
\$20,655	\$63,203	\$176,508	\$33,377	\$63,851
13,872,575	7,716,798	8,419,097	6,452,955	5,172,989
13,893,230	7,780,001	8,595,605	6,486,332	5,236,840
320,953	453,943	1,357,082	847,956	375,446
545,406	1,697,313	1,422,031	1,199,997	1,304,851
2,391,491	6,814,783	5,754,350	4,799,652	4,845,619
3,257,850	8,966,039	8,533,463	6,847,605	6,525,916
\$17,151,080	\$16,746,040	\$17,129,068	\$13,333,937	\$11,762,756

**City of North Canton, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2007	2006 (1)	2005	2004	2003	2002
<b>Revenues</b>						
Taxes	\$7,629,826	\$8,105,152	\$7,362,787	\$7,306,072	\$6,885,984	\$7,044,991
Charges for Services	291,477	277,741	481,565	310,922	310,183	327,248
Licenses and Permits	117,981	132,200	0	108,151	123,536	101,617
Fines and Forfeitures	103,838	96,561	164,104	179,365	193,723	24,458
Intergovernmental	4,395,082	5,397,544	1,806,389	2,171,045	1,750,283	2,486,668
Special Assessments	0	0	0	0	0	0
Interest	576,917	549,893	304,147	162,281	181,586	510,963
Contributions and Donations	0	0	6,250	0	0	15,000
Rentals	208,767	212,202	96,054	0	0	0
Ambulance Fees	337,602	311,999	314,046	233,047	98,081	113,046
Other	33,134	110,979	38,953	137,593	65,036	76,875
<i>Total Revenues</i>	<u>13,694,624</u>	<u>15,194,271</u>	<u>10,574,295</u>	<u>10,608,476</u>	<u>9,608,412</u>	<u>10,700,866</u>
<b>Expenditures</b>						
Current:						
General Government	1,731,013	1,775,064	2,112,916	1,985,704	5,775,155	1,861,834
Security of Persons and Property:						
Police	2,950,401	2,898,587	2,914,728	2,773,795	2,571,194	2,521,968
Fire	582,303	590,204	532,590	527,577	494,508	494,655
Other	0	0	0	0	114,293	0
Public Health and Welfare	1,337,240	1,225,749	1,255,865	1,191,434	1,159,512	1,071,837
Transportation	1,700,177	1,158,714	1,330,351	1,285,060	1,339,514	1,094,539
Community Environment	499,427	500,264	493,027	323,573	286,643	277,441
Leisure Time Activities	1,079,086	1,070,913	1,043,587	947,010	949,013	871,033
Basic Utility Services	213,207	176,012	116,710	130,038	114,688	150,837
Settlement Agreement	0	558,315	1,500,000	0	359,336	359,336
Capital Outlay	3,736,296	4,566,756	2,978,281	2,873,416	3,429,899	1,592,346
Debt Service:						
Principal Retirement	552,414	644,661	2,213	0	0	0
Interest and Fiscal Charges	189,890	121,128	78,017	12,833	13,344	0
<i>Total Expenditures</i>	<u>14,571,454</u>	<u>15,286,367</u>	<u>14,358,285</u>	<u>12,050,440</u>	<u>16,607,099</u>	<u>10,295,826</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(876,830)</u>	<u>(92,096)</u>	<u>(3,783,990)</u>	<u>(1,441,964)</u>	<u>(6,998,687)</u>	<u>405,040</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Capital Assets	84,000	0	50,521	0	27,429	0
Notes Issued	900,000	1,200,000	1,800,000	1,800,000	0	0
Current Refunding	(900,000)	(1,200,000)	(1,800,000)	0	0	0
Inception of Capital Lease	1,087,721	0	146,000	0	0	0
Transfers In	3,039,119	2,572,880	1,515,000	3,895,000	4,380,000	4,100,000
Transfers Out	(2,984,799)	(2,529,740)	(1,515,000)	(3,895,000)	(4,380,000)	(4,100,000)
<i>Total Other Financing Sources (Uses)</i>	<u>1,226,041</u>	<u>43,140</u>	<u>196,521</u>	<u>1,800,000</u>	<u>27,429</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$349,211</u>	<u>(\$48,956)</u>	<u>(\$3,587,469)</u>	<u>\$358,036</u>	<u>(\$6,971,258)</u>	<u>\$405,040</u>
Debt Service as a Percentage of Noncapital Expenditures	5.86%	7.55%	0.56%	0.11%	0.08%	0.00%



(1) Restated - See Note 3

2001	2000	1999	1998
\$6,502,582	\$7,942,334	\$7,400,779	\$7,904,104
312,693	305,120	298,693	400,635
118,623	140,905	157,475	105,826
91,355	85,999	30,110	55,030
2,364,205	3,400,249	3,099,228	1,856,415
0	0	16,689	21,015
835,486	1,019,352	707,892	824,450
22,430	632,568	241,294	0
0	0	0	0
121,875	99,299	66,315	0
68,953	33,652	10,988	167,709
<u>10,438,202</u>	<u>13,659,478</u>	<u>12,029,463</u>	<u>11,335,184</u>
1,758,108	1,601,772	1,461,342	1,540,090
2,884,587	2,468,042	2,565,366	2,431,410
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
921,120	865,914	833,863	770,643
917,127	932,547	763,267	692,319
302,995	234,491	237,267	243,869
858,485	718,856	719,554	676,052
25,009	35,271	21,020	13,150
0	0	0	0
3,171,010	3,007,454	3,923,594	3,167,891
0	0	0	0
0	0	16,013	17,545
<u>10,838,441</u>	<u>9,864,347</u>	<u>10,541,286</u>	<u>9,552,969</u>
<u>(400,239)</u>	<u>3,795,131</u>	<u>1,488,177</u>	<u>1,782,215</u>
17,211	0	83,004	300
0	0	0	0
0	0	0	0
0	0	0	0
6,530,000	7,890,000	7,350,478	7,659,000
<u>(6,530,000)</u>	<u>(7,890,000)</u>	<u>(7,350,478)</u>	<u>(7,659,000)</u>
<u>17,211</u>	<u>0</u>	<u>83,004</u>	<u>300</u>
<u>(\$383,028)</u>	<u>\$3,795,131</u>	<u>\$1,571,181</u>	<u>\$1,782,515</u>
0.00%	0.00%	0.15%	0.18%

**City of North Canton, Ohio**  
*Assessed Valuation and Estimated True Values of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2007	\$300,242,990	\$82,856,980	\$1,094,571,343	\$9,468,540	\$10,759,705
2006	282,557,950	70,647,520	1,009,158,486	9,822,620	11,162,068
2005	277,423,330	73,768,930	1,003,406,457	10,739,360	12,203,818
2004	271,203,360	72,036,110	980,684,200	10,721,710	12,183,761
2003	238,943,530	69,795,160	882,110,543	10,576,570	12,018,830
2002	231,878,880	63,981,410	845,315,114	10,191,570	11,581,330
2001	224,901,890	61,912,310	819,469,143	12,074,480	13,721,000
2000	187,997,750	54,775,480	693,637,800	12,078,680	13,725,773
1999	182,996,150	52,912,370	674,024,343	13,799,260	15,680,977
1998	179,704,980	52,164,050	662,482,943	13,823,400	15,708,409

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax started being phased out in 2006. For collection year 2007, both types of general business tangible personal property were assessed at 12.5 percent. The percentage will be 6.25 percent for 2008 and zero for 2009.

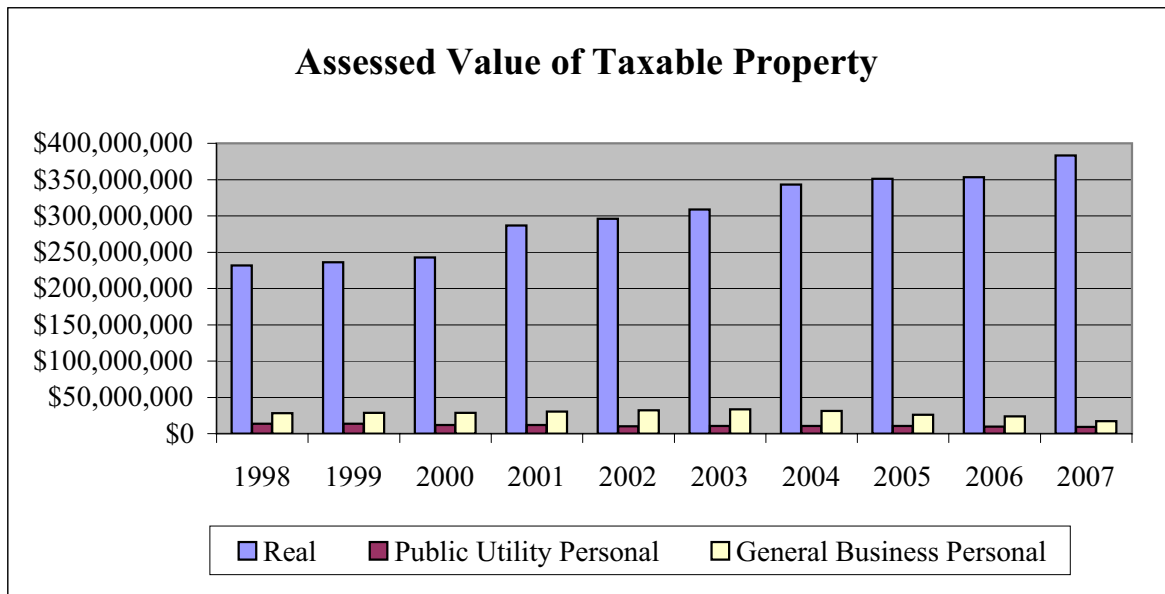
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation



**Tangible Personal Property**

General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$16,973,399	\$135,787,192	\$409,541,909	\$1,241,118,239	33.00%	\$5.43
23,869,790	127,305,547	386,897,880	1,147,626,101	33.71	5.15
25,771,993	103,087,972	387,703,613	1,118,698,247	34.66	3.74
31,315,868	125,263,472	385,277,048	1,118,131,433	34.46	3.78
33,454,806	133,819,224	352,770,066	1,027,948,596	34.32	3.58
32,028,573	128,114,292	338,080,433	985,010,736	34.32	3.45
30,381,869	121,527,476	329,270,549	954,717,619	34.49	3.36
28,524,156	114,096,624	283,376,066	821,460,197	34.50	3.03
28,719,301	114,877,204	278,427,081	804,582,524	34.61	3.02
28,022,860	112,091,440	273,715,290	790,282,792	34.64	3.07



**City of North Canton, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

	2007	2006	2005	2004
<b>Unvoted Millage</b>				
Operating	\$2.4000	\$2.4000	\$2.4000	\$2.4000
<b>Voted Millage</b>				
2005 Storm Sewer	1.0000	1.0000	1.0000	1.0000
2005 Street Improvement	1.0000	1.0000	1.0000	1.0000
1982 Ambulance & E.M.S	1.0000	1.0000	1.0000	1.0000
1983 Fire	0.5000	0.5000	0.5000	0.5000
<i>Total Voted Millage</i>	3.5000	3.5000	3.5000	3.5000
<b>Total Millage</b>	<b>\$5.9000</b>	<b>\$5.9000</b>	<b>\$5.9000</b>	<b>\$5.9000</b>

**Overlapping Rates by Taxing District**

North Canton City School District				
Residential/Agricultural Real	\$34.7169	\$29.6110	\$29.6110	\$29.8692
Commerical/Industrial and Public Utility Real	39.3218	37.7864	37.7864	37.7094
General Business and Public Utility Personal	72.8000	65.8000	65.8000	65.8000
Stark County				
Residential/Agricultural Real	6.9848	7.3694	7.3694	7.7612
Commerical/Industrial and Public Utility Real	7.4909	8.3378	8.3378	9.2125
General Business and Public Utility Personal	10.1000	10.1000	10.1000	11.5000
Plain Township				
Residential/Agricultural Real	0.1000	0.1000	0.1000	0.1000
Commerical/Industrial and Public Utility Real	0.1000	0.1000	0.1000	0.1000
General Business and Public Utility Personal	0.1000	0.1000	0.1000	1.0000
Special Taxing Districts (1)				
Residential/Agricultural Real	0.6712	0.7232	0.7232	0.7315
Commerical/Industrial and Public Utility Real	0.7090	0.8281	0.8281	0.8276
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000

Source: County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

The City has no charter millage.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) North Canton Library, Stark County Park District

2003	2002	2001	2000	1999	1998
\$2.4000	\$2.4000	\$2.4000	\$2.4000	\$2.4000	\$2.4000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
\$5.9000	\$5.9000	\$5.9000	\$5.9000	\$5.9000	\$5.9000

\$29.8252	\$32.5882	\$32.5882	\$28.3145	\$31.2400	\$32.5935
37.3465	38.3893	38.3893	33.7798	36.8045	37.5879
65.5000	65.5000	65.5000	61.1000	61.2000	61.9000

7.8060	6.6084	6.6084	7.4150	7.0878	6.8156
9.2372	7.4910	7.4910	8.3657	7.8046	7.5855
11.5000	9.6000	9.6000	11.0000	9.6000	9.6000

0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
1.0000	0.1000	0.1000	0.1000	0.1000	0.1000

0.7355	0.6883	0.6883	0.6921	0.7996	0.8202
0.8286	0.7751	0.7751	0.7618	0.8494	0.8514
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**City of North Canton, Ohio**  
*Property Tax Levies And Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2007	\$2,004,956	\$1,958,900	97.70 %	\$33,875	\$1,992,775
2006	1,984,367	1,932,148	97.37	45,467	1,977,615
2005	1,440,031	1,404,479	97.53	28,300	1,432,779
2004	1,456,096	1,414,519	97.14	21,076	1,435,595
2003	1,389,753	1,343,805	96.69	27,305	1,371,110
2002	1,337,631	1,277,950	95.54	21,724	1,299,674
2001	1,308,241	1,258,302	96.18	26,061	1,284,363
2000	1,194,376	1,137,052	95.20	19,721	1,156,773
1999	1,168,384	1,137,191	97.33	14,902	1,152,093
1998	1,155,471	1,141,854	98.82	13,862	1,155,716

Source: County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
99.39 %	\$40,556	2.02 %
99.66	6,752	0.34
99.50	7,252	0.50
98.59	20,501	1.41
98.66	18,643	1.34
97.16	37,957	2.84
98.17	23,878	1.83
96.85	37,603	3.15
98.61	16,291	1.39
100.02	13,617	1.18

**City of North Canton, Ohio**  
*Principal Taxpayers - Real Estate Tax*  
*Current Year and Nine Years Ago*

<i>2007</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Maple St. Commerce LLC	\$8,367,850	2.18 %
McKinley Development Leasing Co. LTD	5,193,030	1.36
Versailles Gardens LTD	4,809,250	1.26
Albrecht Incorporated	2,547,410	0.66
Waterford at St Luke	2,456,910	0.65
Potsdamer Platz LLC	2,290,690	0.60
Berlin Commons LTD	1,966,720	0.51
Willamsburg Apartments LTD	1,882,590	0.49
McKinley-Applegrove Ltd	1,629,700	0.43
Ceta Group Limited Partnership	1,549,070	0.40
<b>Total</b>	<b>\$32,693,220</b>	<b>8.53 %</b>
<b>Total Assessed Valuation</b>	<b>\$383,099,970</b>	

<i>1998</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Hoover Company	\$16,713,300	7.21 %
Ohio Bell Telephone	7,530,790	3.25
Maytag Corporation	7,310,990	3.15
Ohio Power Company	4,478,070	1.93
Marilyn E. Lemmon	2,458,680	1.06
Albrecht Incorporated	2,418,400	1.04
Versailles Gardens	1,746,780	0.75
East Ohio Gas Company	1,600,740	0.69
DIY Home Warehouse, Inc.	1,474,760	0.64
Waterford at St Luke	1,410,480	0.61
<b>Total</b>	<b>\$47,142,990</b>	<b>20.33 %</b>
<b>Total Assessed Valuation</b>	<b>\$231,869,030</b>	

Source: County Auditor

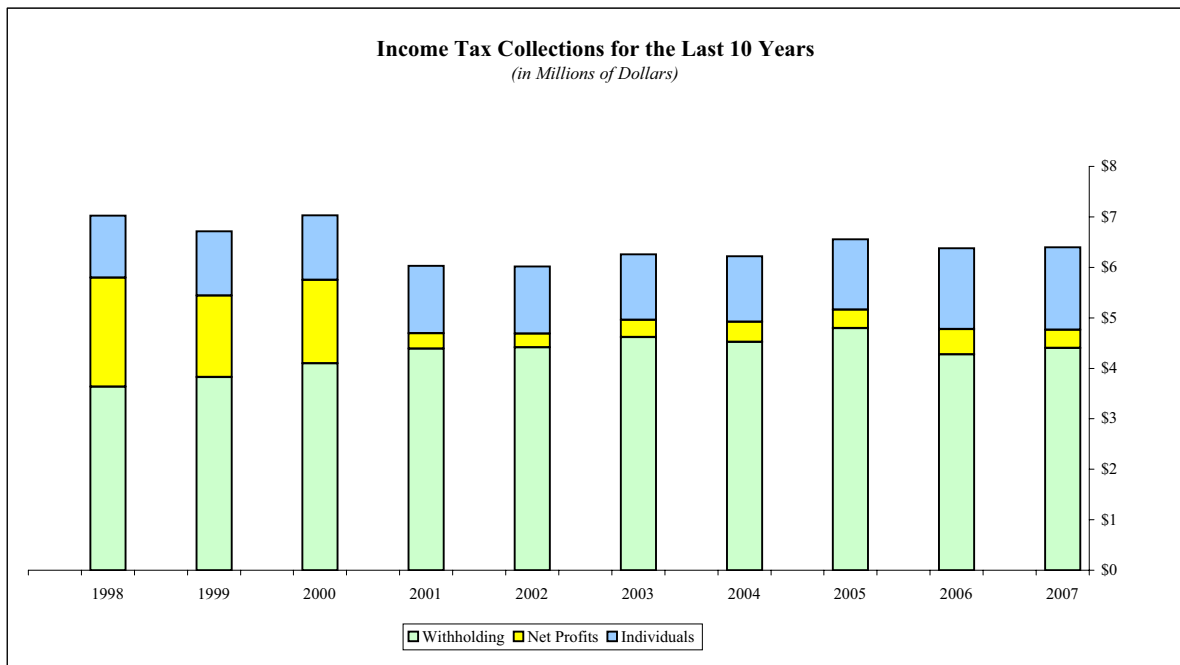
(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

**City of North Canton, Ohio**  
*Income Tax Revenue Base and Collections (Cash Basis)*  
*Last Ten Years*

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2007	1.50%	\$6,400,520	\$4,404,728	68.82%	\$359,862	5.62%	\$1,635,930	25.56%
2006	1.50	6,377,273	4,274,631	67.03	502,516	7.88	1,600,126	25.09
2005	1.50	6,553,223	4,793,884	73.15	370,626	5.66	1,388,713	21.19
2004	1.50	6,223,014	4,522,215	72.67	401,058	6.44	1,299,741	20.89
2003	1.50	6,261,167	4,616,733	73.74	343,013	5.48	1,301,421	20.79
2002	1.50	6,020,440	4,416,695	73.36	271,153	4.50	1,332,592	22.13
2001	1.50	6,028,800	4,390,066	72.82	305,080	5.06	1,333,654	22.12
2000	1.50	7,028,669	4,099,958	58.33	1,650,857	23.49	1,277,854	18.18
1999	1.50	6,717,215	3,828,749	57.00	1,611,701	23.99	1,276,765	19.01
1998	1.50	7,026,645	3,638,939	51.79	2,156,592	30.69	1,231,114	17.52

Source: The City of North Canton Income Tax Department.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



**City of North Canton, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2007	2006	2005	2004
Total Assessed Property Value	<u>\$409,541,909</u>	<u>\$386,897,880</u>	<u>\$387,703,613</u>	<u>\$385,277,048</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>43,001,900</u>	<u>40,624,277</u>	<u>40,708,879</u>	<u>40,454,090</u>
Debt Outstanding:				
Real Estate Acquisition Note	\$1,200,000	\$1,500,000	\$1,800,000	\$1,800,000
Various Improvement Note	750,000	1,000,000	1,500,000	0
Special Assessment Bonds	0	0	0	0
Water System Bonds	4,300,000	0	0	0
Water Notes	0	4,300,000	3,000,000	2,850,000
Sewer Notes	175,000	350,000	548,000	0
OPWC Loans	1,020,904	0	0	0
OWDA Loans	<u>10,813,200</u>	<u>11,309,281</u>	<u>10,633,475</u>	<u>9,204,935</u>
Total Gross Indebtedness	18,259,104	18,459,281	17,481,475	13,854,935
Less:				
Special Assessment Bonds	0	0	0	0
Water System Bonds	(4,300,000)	0	0	0
Water Notes	0	(4,300,000)	(3,000,000)	(2,850,000)
Sewer Notes	(175,000)	(350,000)	(548,000)	0
OPWC Loans	(1,020,904)	0	0	0
OWDA Loans	<u>(10,813,200)</u>	<u>(11,309,281)</u>	<u>(10,633,475)</u>	<u>(9,204,935)</u>
Total Net Debt Applicable to Debt Limit	<u>1,950,000</u>	<u>2,500,000</u>	<u>3,300,000</u>	<u>1,800,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$41,051,900</u>	<u>\$38,124,277</u>	<u>\$37,408,879</u>	<u>\$38,654,090</u>
Legal Debt Margin as a Percentage of the Debt Limit	95.47%	93.85%	91.89%	95.55%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$22,524,805</u>	<u>\$21,279,383</u>	<u>\$21,323,699</u>	<u>\$21,190,238</u>
Total Gross Indebtedness	<u>18,259,104</u>	<u>18,459,281</u>	<u>17,481,475</u>	<u>13,854,935</u>
Less:				
Special Assessment Bonds	0	0	0	0
Water Bonds	(4,300,000)	0	0	0
Water Notes	0	(4,300,000)	(3,000,000)	(2,850,000)
Sewer Notes	(175,000)	(350,000)	(548,000)	0
OPWC Loans	(1,020,904)	0	0	0
OWDA Loans	<u>(10,813,200)</u>	<u>(11,309,281)</u>	<u>(10,633,475)</u>	<u>(9,204,935)</u>
Net Debt Within 5 ½ % Limitations	<u>1,950,000</u>	<u>2,500,000</u>	<u>3,300,000</u>	<u>1,800,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$20,574,805</u>	<u>\$18,779,383</u>	<u>\$18,023,699</u>	<u>\$19,390,238</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	91.34%	88.25%	84.52%	91.51%

Source: City Financial Records

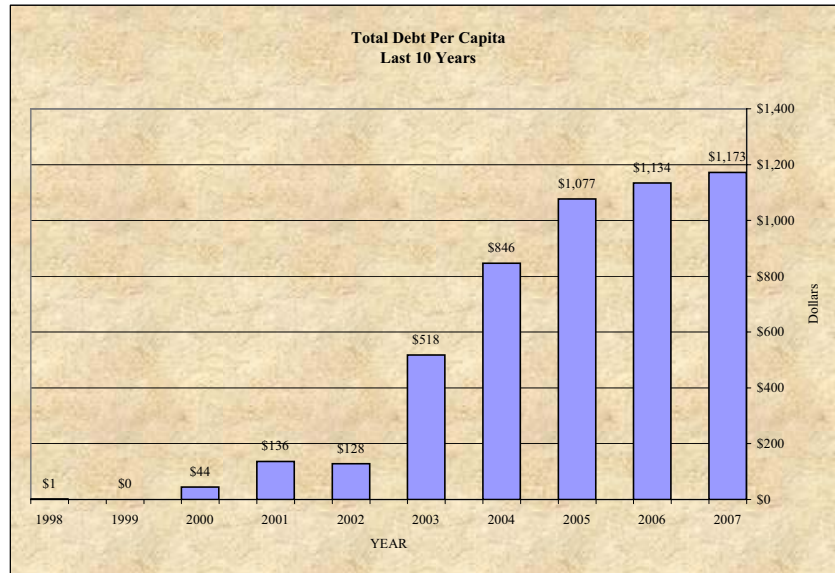


2003	2002	2001	2000	1999	1998
<u>\$352,770,066</u>	<u>\$338,080,433</u>	<u>\$329,270,549</u>	<u>\$283,376,066</u>	<u>\$278,427,081</u>	<u>\$273,715,290</u>
<u>37,040,857</u>	<u>35,498,445</u>	<u>34,573,408</u>	<u>29,754,487</u>	<u>29,234,844</u>	<u>28,740,105</u>
\$2,100,000	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	15,000
0	0	0	0	0	0
1,875,000	1,250,000	1,300,000	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
4,498,059	847,048	925,935	728,324	0	0
<u>8,473,059</u>	<u>2,097,048</u>	<u>2,225,935</u>	<u>728,324</u>	<u>0</u>	<u>15,000</u>
0	0	0	0	0	(15,000)
0	0	0	0	0	0
(1,875,000)	(1,250,000)	(1,300,000)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(4,498,059)	(847,048)	(925,935)	(728,324)	0	0
<u>2,100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$34,940,857</u>	<u>\$35,498,445</u>	<u>\$34,573,408</u>	<u>\$29,754,487</u>	<u>\$29,234,844</u>	<u>\$28,740,105</u>
94.33%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$19,402,354</u>	<u>\$18,594,424</u>	<u>\$18,109,880</u>	<u>\$15,585,684</u>	<u>\$15,313,489</u>	<u>\$15,054,341</u>
<u>8,473,059</u>	<u>2,097,048</u>	<u>2,225,935</u>	<u>728,324</u>	<u>0</u>	<u>15,000</u>
0	0	0	0	0	(15,000)
0	0	0	0	0	0
(1,875,000)	(1,250,000)	(1,300,000)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(4,498,059)	(847,048)	(925,935)	(728,324)	0	0
<u>2,100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$17,302,354</u>	<u>\$18,594,424</u>	<u>\$18,109,880</u>	<u>\$15,585,684</u>	<u>\$15,313,489</u>	<u>\$15,054,341</u>
89.18%	100.00%	100.00%	100.00%	100.00%	100.00%

**City of North Canton, Ohio**  
*Ratio of Outstanding Debt to  
 Total Personal Income and Debt Per Capita  
 Last Ten Years*

Year	Governmental Activities			Business-Type Activities			Total Debt	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases	Special Assessment Bonds	Notes / Bonds Payable	OWDA Loans	OPWC Loans			
2007	\$1,950,000	\$934,433	\$0	\$4,475,000	\$10,813,200	\$1,020,904	\$19,193,537	4.88%	\$1,173
2006	2,500,000	99,126	0	4,650,000	11,309,281	0	18,558,407	4.72	1,134
2005	3,300,000	143,787	0	3,548,000	10,633,475	0	17,625,262	4.48	1,077
2004	1,800,000	0	0	2,850,000	9,204,935	0	13,854,935	3.52	846
2003	2,100,000	0	0	1,875,000	4,498,059	0	8,473,059	2.15	518
2002	0	0	0	1,250,000	847,048	0	2,097,048	0.53	128
2001	0	0	0	1,300,000	924,935	0	2,224,935	0.57	136
2000	0	0	0	0	728,324	0	728,324	0.19	44
1999	0	0	0	0	0	0	0	0.00	0
1998	0	0	15,000	0	0	0	15,000	0.01	1

Note: Population and Personal Income data are presented on page S24.



**City of North Canton, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2007*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of North Canton</b>			
Capital Leases	\$934,433	100.00 %	\$934,433
General Obligation Notes	<u>1,950,000</u>	100.00	<u>1,950,000</u>
<i>Total Direct Debt</i>	<u>2,884,433</u>		<u>2,884,433</u>
<b>Overlapping</b>			
North Canton City School District	15,516,904	48.60 %	7,541,215
Jackson Local School District	68,927,326	0.45	310,173
Plain Local School District	57,209,913	6.36	3,638,550
Plain Township	800,000	35.20	281,600
Stark County	<u>5,830,000</u>	5.28	<u>307,824</u>
<i>Total Overlapping Debt</i>	<u>148,284,143</u>		<u>12,079,363</u>
<b>Total</b>	<u><u>\$151,168,576</u></u>		<u><u>\$14,963,796</u></u>

Source: County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

**City of North Canton, Ohio**  
*Water Debt Loan Pledged Revenue Coverage Water Fund*  
 2007

Year	Water Operating Revenues	Less: Water Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$5,872,497	\$3,192,233	\$2,680,264	\$522,394	\$339,805	3.11

(1) Operating expenses do not include depreciation.

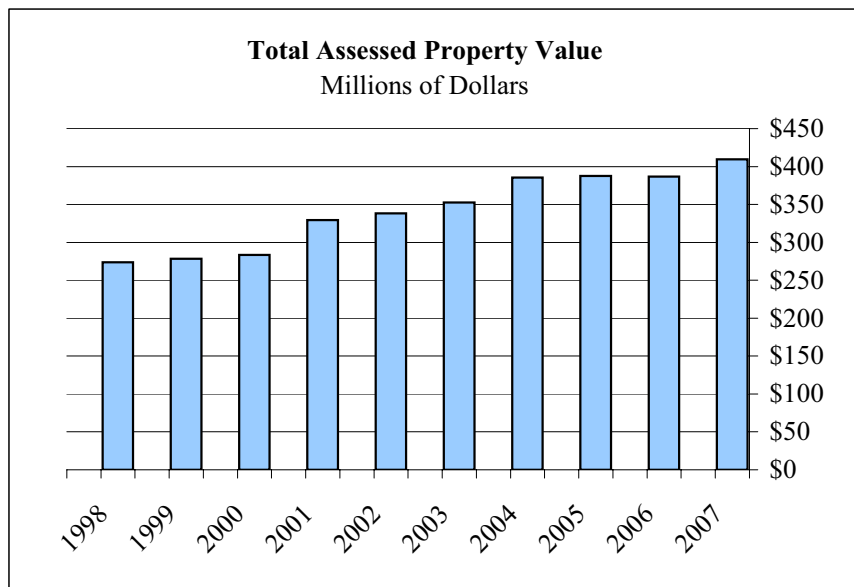
**Source:** Office of the City Finance Director

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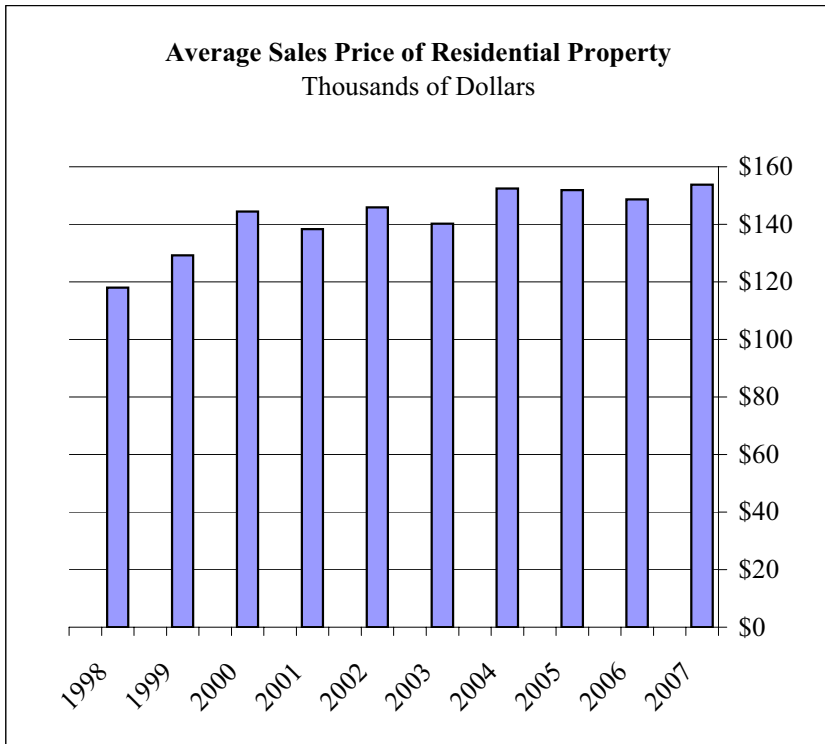
**City of North Canton, Ohio**  
*Demographic and Economic Statistics*  
 Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2007	16,369	\$393,592,605	\$24,045	\$42,013	42.3
2006	16,369	393,592,605	24,045	42,013	42.3
2005	16,369	393,592,605	24,045	42,013	42.3
2004	16,369	393,592,605	24,045	42,013	42.3
2003	16,369	393,592,605	24,045	42,013	42.3
2002	16,369	393,592,605	24,045	42,013	42.3
2001	16,369	393,592,605	24,045	42,013	42.3
2000	16,369	393,592,605	24,045	42,013	42.3
1999	15,750	297,816,750	18,909	32,369	39.5
1998	15,750	297,816,750	18,909	32,369	39.5

- (1) Source: U. S. Census
  - (a) Years 2000 through 2007 - 2000 Federal Census
  - (b) Years 1998 and 1999 - 1990 Federal Census
- (2) North Canton City Schools
- (3) Source: County Planning Commission
- (4) Source: County Auditor
- (5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Stark County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
33.6%	4,932	5.9%	\$153,833	\$409,541,909
33.6	5,008	5.8	148,683	386,897,880
33.6	4,963	6.4	151,889	387,703,613
33.6	4,980	6.6	152,500	385,277,048
33.6	4,933	6.5	140,266	352,770,066
33.6	4,872	5.5	145,865	338,080,433
33.6	4,654	4.0	138,336	329,270,549
33.6	4,714	3.8	144,495	283,376,066
29.8	4,635	4.5	129,257	278,427,081
29.8	4,630	4.1	117,949	273,715,290



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

<b>2007</b>		
Employer	Employees	Percentage of Total City Employment
Walsh University	1,216	7.91%
TTI / Hoover Co. Inc.	1,022	6.65
North Canton Board of Education	1,019	6.63
St Lukes Home for the Aged	430	2.80
North Canton Medical Foundation	343	2.23
Fred W. Albrecht Grocery	219	1.42
Tamarkin Company	201	1.31
Stanley Staffing	194	1.26
Aultman Hospital Association	185	1.20
Northeast Professional Home Inc.	178	1.16
<b>Total</b>	<b>5,007</b>	<b>32.57%</b>
<b>Total Employment within the City</b>	<b>15,374</b>	

<b>1999</b>	
Employer	Employees
Hoover Company	3,511
North Canton Board of Education	932
Walsh University	850
St Lukes Home for the Aged	483
North Canton Medical Foundation	383
City of North Canton	233
Fred W. Albrecht Grocery	187
Windsor Medical Center	171
Firestone Star Market	122
Brookwood Management Company Inc	102
<b>Total</b>	<b>6,974</b>
<b>Total Employment within the City</b>	<b>N/A</b>

Source: Number of employees obtained from the W2's  
from the City Tax Department

Note: Information prior to 1999 not available



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

Function/Program	2007	2006	2005	2004	2003	2002
<b>General Government</b>						
Council	5.50	5.50	5.50	5.50	5.50	5.50
Mayor's Office	1.50	1.50	1.50	1.50	1.50	1.50
Law	0.50	0.50	0.50	0.50	0.50	0.50
Finance	3.50	4.00	4.00	4.00	4.00	4.00
Tax	2.50	3.00	3.00	3.00	3.50	3.00
Administration	2.00	2.00	2.00	2.00	2.00	2.00
City Hall Maintenance	0.50	0.50	0.50	0.50	0.50	1.50
Engineer	5.00	5.50	6.50	5.50	5.00	6.00
<b>Security of Persons and Property</b>						
Police - Administration	1.00	1.00	1.50	1.50	1.50	1.50
Police - Officers	24.00	25.00	26.50	26.50	26.50	26.50
Police - Crossing Guards	6.50	7.50	6.00	6.00	6.00	6.50
Dispatchers/Chief Dispatcher	8.00	7.50	7.50	8.00	8.50	8.50
Fire Inspectors	3.00	4.00	4.00	4.00	4.00	4.00
Fire Fighters	12.00	12.00	12.00	13.00	13.00	16.00
<b>Public Health Services</b>						
Emergency Medical Services	21.50	21.50	23.00	22.50	21.00	23.00
<b>Leisure Time Activities</b>						
Municipal Pool	18.00	19.00	18.00	18.50	17.00	17.00
Civic Center	3.00	3.00	3.50	2.50	2.50	2.00
Recreation	2.50	2.00	2.00	2.50	2.00	2.00
Parks Maintenance	5.50	6.50	6.50	6.50	6.50	7.00
<b>Community Development</b>						
Permits & Inspection	4.00	4.00	4.00	4.00	4.00	4.00
Economic Development	1.50	1.50	1.00	0.00	0.00	0.00
<b>Transportation</b>						
Street M&R	11.00	10.00	12.00	12.50	12.00	12.00
<b>Basic Utility Services</b>						
Water Administration	4.00	4.00	4.00	4.50	4.00	4.50
Water Distribution	7.50	8.00	7.50	7.50	7.50	7.50
Water Treatment Plant	12.00	13.00	12.00	12.00	12.00	12.00
Sewer Collection	4.00	4.00	4.00	4.00	4.00	4.00
<b>Totals:</b>	<u>170.00</u>	<u>176.00</u>	<u>178.50</u>	<u>178.50</u>	<u>174.50</u>	<u>182.00</u>

**Source:** City Payroll Department W2 Audit Listing

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time. Seasonal employees are not included.

(1) Information prior to 2002 is not available

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

Function/Program	2007	2006	2005	2004
<b>General Government</b>				
Square Footage Occupied	31,517	31,517	31,517	31,517
Vehicles	10	8	9	9
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	11,960	11,960	11,960	11,960
Vehicles	14	13	13	13
<b>Fire</b>				
Stations	1	1	1	1
Square Footage of Building	8,989	8,989	8,989	8,989
Vehicles	11	11	11	11
<b>Emergency Medical Services</b>				
Stations	1	1	1	1
Square Footage of Building	8,970	8,970	8,970	8,970
Vehicles	5	6	6	5
<b>Recreation</b>				
Number of Parks	11	13	12	12
Number of Pools	1	1	1	1
Number of Tennis Courts	11	11	11	11
Number of Basketball Courts	7	8	8	8
Number of Park Shelters	7	7	6	6
Vehicles	11	11	11	11
<b>Public Service Department</b>				
Streets (miles)	95.46	95.46	95.46	93.70
Vehicles	18	18	18	18
<b>Water Department</b>				
Water Lines (miles)	129.80	127.93	127.34	126.27
Square Footage of Water Treatment Plant	32,125	32,125	26,925	20,640
Vehicles	17	17	17	16
<b>Wastewater</b>				
Sanitary Sewers (miles)	64.39	64.06	63.70	62.48
Storm Sewers (miles)	49.42	48.30	47.41	47.41
Vehicles	9	9	9	9

2003	2002	2001	2000	1999	1998
31,517 8	31,517 8	31,517 8	31,517 7	31,517 7	31,517 7
1 11,960 13	1 11,960 13	1 11,960 12	1 11,960 12	1 11,960 12	1 11,960 11
1 8,989 10	1 8,989 10	1 8,989 10	1 8,989 10	1 8,989 10	1 8,989 10
1 8,970 5	1 8,970 5	1 8,970 5	1 8,970 5	1 8,970 5	1 8,970 5
12 1 11 8 6 11	12 1 11 8 6 11	12 1 11 8 6 11	11 1 11 8 6 11	11 1 11 8 5 10	10 1 10 7 5 10
93.70 18	93.30 18	93.00 18	83.69 17	81.68 16	81.68 16
124.90 20,640 16	123.00 20,640 16	122.00 20,640 16	119.64 20,640 16	117.84 20,640 16	109.94 20,640 16
62.30 47.30 9	61.60 46.50 8	61.28 46.00 8	61.28 45.64 8	60.23 44.25 8	59.58 41.52 8

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

Function/Program	2007	2006	2005	2004	2003	2002
<b>General Government</b>						
Number of Ordinances and Resolutions Passed	147	141	218	162	156	124
Number of Planning Commission Agenda Items	15	21	32	15	44	130
Number of Zoning Board of Appeals Agenda Items	12	18	22	15	13	9
Number of checks/vouchers issued	3,711	3,825	4,052	3,944	3,906	4,078
Interest earnings for fiscal year (cash basis)	\$543,994	\$463,016	\$319,590	\$206,055	\$339,932	\$572,469
General Fund Receipts (cash basis in thousands)	\$9,321	\$9,500	\$7,417	\$10,771	\$10,703	\$9,857
General Fund Expenditures (cash basis in thousands)	\$7,744	\$9,915	\$9,926	\$12,230	\$14,443	\$10,076
General Fund Cash Balances (in thousands)	\$4,578	\$4,695	\$5,107	\$7,540	\$8,954	\$12,612
<b>Income Tax Department</b>						
Number of Individual Returns	8,312	8,385	8,288	8,090	8,008	8,359
Number of Business Returns	1,319	1,270	1,239	1,202	1,154	1,131
Annual number of reconciliations of withholdings processed	1,523	1,519	1,536	1,532	1,127	1,086
<b>Building Department Indicators</b>						
Construction Permits Issued	305	381	455	489	484	512
Estimated Value of Construction	\$19,254,219	\$25,389,738	\$19,587,769	\$22,572,034	\$27,442,926	\$18,806,846
Inspections Conducted	1,895	771	782	980	1,097	985
<b>Security of Persons &amp; Property</b>						
<b>Police</b>						
Total Calls for Services	31,274	31,276	32,295	33,863	35,205	39,149
Traffic Violations	1,297	1,628	2,006	2,221	2,117	2,597
Motor Vehicle Accidents	604	561	614	677	653	623
Total Arrests	398	482	483	468	434	433
<b>Fire/Emergency Medical Services</b>						
EMS Calls	1,635	1,612	1,824	1,760	1,866	1,757
EMS Transports	1,503	1,069	1,062	1,110	1,269	1,096
Ambulance Billing Collections	\$337,602	\$311,999	\$314,046	\$233,047	\$98,081	\$113,046
Fire Calls	434	412	425	456	445	415
Fire Safety Inspections	1,223	1,087	629	909	384	508
<b>Leisure Time Activities</b>						
<b>Recreation</b>						
Swimming Pool Memberships	3,107	3,375	2,887	2,694	2,406	2,203
Civic Center Rentals	318	208	201	262	261	221
Dogwood Shelter Rentals	228	260	273	247	238	239
<b>Transportation</b>						
Asphalt Resurfacing (Miles)	1.80	2.66	5.54	5.32	4.20	4.38
Asphalt Usage for Pothole Repairs (Tons)	410	184	350	326	530	435
Salt Usage (Tons)	4,250	2,282	4,135	6,486	7,650	4,480
Cost of salt purchased	\$188,992	\$121,505	\$235,051	\$181,329	\$220,015	\$155,774
<b>Water Department</b>						
Average Daily Gallons Sold Per Consumer	340.81	332.85	292.14	289.13	298.50	329.39
Number of Customers	8,794	8,699	8,544	8,540	8,213	8,103
Annual Water Collections	\$5,583,161	\$5,031,926	\$4,587,520	\$3,729,072	\$3,655,815	\$3,711,960
Water Main Breaks	59	33	32	50	65	37
Number of Wells	8	7	7	6	6	6
Gallons of Water Treated (Billions of Gallons)	1.307	1.170	1.156	1.124	1.112	1.234
<b>Sewer Department</b>						
Residential Sewer Rate (Flat Monthly Rate)	\$19.00	\$19.00	\$18.00	\$18.00	\$15.00	\$15.00
Number of Customers	6,283	6,251	6,197	6,175	5,890	5,875



**Mary Taylor, CPA**  
Auditor of State

**CITY OF NORTH 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  
AUGUST 21, 2008**