

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Richard A. Mallonn II • Auditor, City of Canton



For The Year Ended December 31, 2016



Dave Yost • Auditor of State

Members of Council & Mayor
City of Canton
218 Cleveland Avenue, SW
Canton, Ohio 44702

We have reviewed the *Independent Auditor's Report* of the City of Canton, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 11, 2017

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CITY OF CANTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

RICHARD A MALLONN II
CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

**CITY OF CANTON
STARK COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016**

TABLE OF CONTENTS

Title Page	i
Table of Contents	i
 I. INTRODUCTORY SECTION	
Letter of Transmittal.....	v
Certificate of Achievement for Excellence in Financial Reporting.....	xiv
City Officials.....	xv
Organizational Chart	xvi
 II. FINANCIAL SECTION	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	23
Statement of Activities.....	24
 Fund Financial Statements:	
Balance Sheet - Governmental Funds	26
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	32
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund.....	33
Community and Economic Development Fund	35
Statement of Net Position - Proprietary Funds.....	36
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	40
Statement of Fiduciary Net Position - Fiduciary Funds	44
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	45
Notes to the Basic Financial Statements.....	47
 Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability/Net Pension Asset:	
Ohio Public Employees Retirement System (OPERS).....	108
Ohio Police and Fire Pension Fund (OP&F)	109
Schedule of City Contributions:	
Ohio Public Employees Retirement System (OPERS)	110
Ohio Police and Fire Pension Fund (OP&F)	112
Notes to Required Supplementary Information.....	114

CITY OF CANTON
STARK COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS (CONTINUED)

Combining Statements and Individual Fund Schedules:

Fund Descriptions - Governmental Funds.....	117
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Major Governmental Funds:	
General Fund.....	121
Community and Economic Development Fund	127
Capital Projects Fund.....	129
Motor Vehicle Purchase Fund.....	131
Combining Balance Sheet - Nonmajor Governmental Funds	133
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	135
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	136
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	142
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds:	
Street Construction, Maintenance, and Repair Fund.....	148
State Highway Fund.....	149
Municipal Road Fund.....	150
Cornerstone Parking Deck Fund	151
Mills Industrial Park TIF Fund.....	152
Gervasi 1700, LLC TIF Fund.....	153
Lesh Road /30 th TIF Fund	154
Health Services Fund	155
Crime Lab Fund	156
Court Computer Fund	157
Court Capital Improvement Special Project Fund.....	158
Legal Research Fund.....	159
Court GPS Cost Fund.....	160
Ignition Interlock/Alcohol Monitoring Fund.....	161
Law Department Dispute Resolution Fund	162
SARTA Area Improvement Fund	163
Park Department Fund	164
Youth Development Fund.....	165
Federal Forfeiture Fund.....	166
Enforcement and Education Fund	167
Indigent Driver Alcohol Treatment Fund.....	168
Law Enforcement Trust Fund	169
Municipal Probation Services Fund	170
Misdemeanor Community Sanction Grant Fund.....	171
Prisoner Housing Fund.....	172
Local Law Enforcement Block Grant Fund	173
Canton Police Youth Corp Fund	174
Canton Auxiliary Police Fund.....	175
D.A.R.E. Program Fund	176
Prob Improv and Incent Grant Fund.....	177
2015 COPS Hiring Program Grant Fund	178
Safe Neighborhood Heroes Grant Fund	179
Police Grants and Donations Fund.....	180
2014 COPS Hiring Program Grant Fund	181
Byrne Memorial Recovery Act Fund	182
2010 Local Solicitation Byrne Grant Fund	183
Police EMS Training and Equipment Grant Fund	184
2014 Byrne Grant Fund.....	185
2013 Cops Hiring Program Fund	186
2012 Cops Hiring Program Fund	187
Fire Grants and Donations Fund	188

CITY OF CANTON
STARK COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS (CONTINUED)

Combining Statements and Individual Fund Schedules (continued):

EMS Training and Equipment Grant Fund	189
Firefighter Assistance Grant Fund	190
Fire FEMA Safer Grant Fund.....	191
Vacant/Foreclosed Registry Fund	192
Clean Ohio Revitalization Fund	193
Canton Merchandising Fund	194
Market Square Donation Fund	195
JOBS Ohio Fund	196
Employee Recognition Fund	197
City Hall Plaza Fund	198
Recycle Ohio Grant Fund.....	199
Guardrail/Attenuator Replacement Fund	200
Southeast Community Center Fund	201
Thurman Munson Memorial Stadium Donation Fund	202
Court Technology Grant Fund	203
Specialized Docket Grant Fund.....	204
Clerk of Courts Administration Fund.....	205
Income Tax Fund	206
Combining Balance Sheet - Nonmajor Debt Service Funds.....	207
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds.....	208
Individual Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Debt Service Fund: General Obligation Bond Retirement Fund.....	209
Combining Balance Sheet - Nonmajor Capital Projects Funds	210
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	212
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Projects Funds: 2015 Construction/Reconstruction Note Fund	215
2006 City Infrastructure Bond Fund	216
2006 Recreational Bond Fund.....	217
2006 Construction/Reconstruction Bond Fund	218
2006 Judges Facilities/City Hall Renovation Bond Fund	219
12 th St. N Corridor Project Fund	220
Mahoning Rd. Corridor Project Fund.....	221
11 th St. NW Improvement Project Fund.....	222
41 st St. NW Roadway Reconstruction Project.....	223
Railroad Crossing/Traffic Signal Upgrade Fund.....	224
Harrisburg Rd. Resurfacing Project Fund	225
37 th St. NW Water Main Replacement Fund.....	226
SIB Loan 12 th St. N Corridor Project Fund	227
Fulton Rd Resurfacing Project Fund	228
Tuscarawas Street West Corridor Safety Project Fund	229
30 th Street NW Resurfacing Project Fund	230
Overbrook Ave NW Storm Sewer Reh.Project Fund.....	231
12 th Street NW Bridge Replacement Project Fund.....	232
Fund Descriptions – Major Enterprise Funds.....	233
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Major Enterprise Funds: Water Operating Fund.....	234
Sewer Operating Fund	235
Refuse Operating Fund	236
Fund Descriptions – Nonmajor Enterprise Fund	237
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Major Enterprise Funds: Building Code Fund	238

CITY OF CANTON
STARK COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS (CONTINUED)

Combining Statements and Individual Fund Schedules (continued):

Fund Descriptions - Internal Service Funds	239
Combining Statement of Net Position - Internal Service Funds.....	240
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	241
Combining Statement of Cash Flows - Internal Service Funds.....	242
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Funds:	
Workers' Compensation Retrospective Fund.....	243
Health Insurance Fund	244
Compensated Absences Claim Fund	245
Vehicle Self Insurance Fund	246
Motor Vehicles Department Fund.....	247
Fund Descriptions - Fiduciary Funds	248
Combining Statement of Changes in Assets and Liabilities - Agency Funds	249

III. STATISTICAL SECTION

Table of Contents - Statistical Section	S
Financial Trends:	
Net Position by Component - Last Ten Years.....	S 1
Changes in Net Position - Last Ten Years.....	S 3
Fund Balances, Governmental Funds - Last Ten Years	S 7
Changes in Fund Balances, Governmental Funds - Last Ten Years	S 9
Revenue Capacity:	
Income Tax Revenue Base and Collections - Last Ten Years.....	S 11
Income Tax Filers by Income Level - Tax Years 2016 and 2007	S 12
Debt Capacity:	
Ratio of Outstanding Debt by Type - Last Ten Years.....	S 13
Ratio of General Bonded Debt Outstanding - Last Ten Years	S 15
Direct and Overlapping Governmental Activities Debt	S 17
Legal Debt Margin Information - Last Ten Years.....	S 19
Computation of Legal Debt Margin as of December 31, 2016	S 21
Pledged Revenue Coverage - Water - Last Ten Years	S 22
Pledged Revenue Coverage - Sewer - Last Ten Years.....	S 23
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Years	S 24
Principal Employers - Current Year and Nine Years Ago	S 25
Operating Information:	
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Years	S 27
Capital Assets Statistics by Function/Program - Last Ten Years	S 29
Operating Indicators by Function/Program - Last Ten Years	S 31



CITY OF CANTON, OHIO



RICHARD A. MALLONN II

CANTON CITY AUDITOR

City Hall, Canton, Ohio 44702

Phone: (330) 489-3226

June 26, 2017

To Council Members and Citizens of the City of Canton:

The Comprehensive Annual Financial Report (CAFR) of the City of Canton as of December 31, 2016 is hereby submitted. This letter and the following report represent the City's continuing commitment to excellence in financial reporting. The purpose of this letter is to acquaint the reader with the CAFR. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2016, have been audited by the certified public accounting firm of Julian & Grube, Inc. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation, as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

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

City Organization and Background

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

The City's 2016 population of 71,323 placed it as the largest city in the County and the eighth largest in the State.

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

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

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

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

City Services

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

Proprietary Operations: The City operates Water, Sewer and Refuse Departments. The revenue generated from Water and Sewer Departments were sufficient to meet all expenses in 2016.

Reporting Entity

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

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

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

Financial Information

Accounting Policies and Budgetary Control

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

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

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

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

Internal Accounting and Reporting Control

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

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

Local Economy

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

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

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

The City is served by two acute care hospitals located in the City: Aultman Hospital (532 beds) and Mercy Medical Center (329 beds), and two additional acute care hospitals located in the County: Alliance Community Hospital (204 beds) and Affinity Medical Center (112 beds). Massillon Psychiatric Center, a 156-bed public adult psychiatric hospital operated by the State, is also located in the County. In 2010, Aultman Hospital completed a three year \$80 million dollar expansion project, the largest in its history. The project included a new four-story 320,000 square foot addition that houses a new Aultman Heart Program, Emergency/Trauma Program, Women's Program (including Labor & Delivery) and the Neonatal Intensive Care Unit. Aultman also operates Aultman College which is located within the campus of the Hospital. A new building housing (Aultman Center for Education) was constructed in 2012 and is utilized for the College of Nursing and Health Sciences. In 2009, Mercy Medical Center unveiled its new state of the art 24-unit Mercy Intensive Care Unit. The \$20.5 million project was started in 2007 and also includes an expansion of the surgery center parking garage and relocation of the hospital's helipad to the roof of the new structure. Both Aultman Hospital and Mercy Medical Center continue to play a pivotal role in the financial stability of the City of Canton and come in as two of our top employers.

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

The City's cultural assets include the Canton Art Institute, the Symphony Orchestra Association, the Canton Civic Opera Association and the Players Guild, all of which are housed in the Cultural Center (Center) for the Arts and host a variety of exhibits, musical and dramatic performances and other cultural events each year. The Center, a gift of the Timken Foundation, is a building complex located on 8-1/2 acres in the center of the City, which cost \$13,000,000 to build in 1971. Adjacent to the center is the City-owned auditorium, an air-conditioned arena-type facility with a seating capacity of 6,000. The Cultural Center and the auditorium accommodate conventions. The City's greater metropolitan area has approximately 36 hotels, motels and bed and breakfasts with over 3,000 rooms.

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

In 2013, the Palace completed a capital project totaling \$1.3 million including new plumbing, roof, windows, service doors, ADA compliant hearing system, live event sound system, and Digital Cinema Projection. The final state of the renovation was completed in 2015 by restoring the current carpet with an original replica. A vital multi-purpose entertainment facility, its marquee burns brightly sixty feet above Market Avenue, welcoming you to enter its grand foyer and become a part of Canton's nostalgic past. Hosting over 300 events a year, with an attendance of over 100,000 guests, the Palace also strives to be an important part of Canton's future.

The City's downtown is home to the National First Ladies Library housed in the former home of one time first lady Ida Saxton McKinley. The library presents a history of all the United States first ladies. In 2002, the Library added a \$5.5 million education and research center in the former National City Bank building located nearby the Saxton House. The renovations to the 110-year-old building were paid for through private donations and federal grants. The six story research center houses a 91-seat theater, meeting and exhibit rooms, research and reference materials and office space for the library personnel. In 2011 the Education and Research Center was donated to the National Park Service and then was made a part of the First Ladies National Historic Site. The National First Ladies' Library remains as the managing/operating partner of the site for the National Park Service. The First Ladies Park and the gated parking lot continue to be owned by the National First Ladies' Library.

Also located in the City's downtown area is the main branch of the Stark County District Library. The library's main branch, 9 satellite branches, 2 bookmobiles and 2 kidmobiles serve 150,000 library cardholders from throughout the county. More than 1.4 visitors patronize the library each year. Holdings number more than 884,000 items and annual circulation for 2016 was 3.6 million items. The collection includes books, audio-visual materials and periodicals. In addition, the Library provides programs and classes for all ages, computer and Internet access, inter-library loans, reference and genealogy services, traveling collections and outreach services to shut-ins, nursing homes and housing units. It is one of the nine largest library systems in Ohio and serves 12 local school districts.

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

In 2015, the Canton City School District, the City of Canton and the Pro Football Hall of Fame began discussions on the improvement of the district campus which includes McKinley High School, the C.T. Branin Natatorium and Fawcett Stadium for the expansion and improvement of the stadium and surrounding areas. This project has evolved into a potential multi-phase construction and expansion of the Pro Football Hall of Fame campus at an estimated cumulative value of \$400 million will include retail shopping and dining facilities. Also, a potential convention and events center will occupy these grounds. Along with an indoor waterpark and an amusement park. As of the submission of this report, the City of Canton pledged and financed a bond anticipation note of \$5 million and the state has committed \$10 million in their capital budget. The Hall of Fame has received and the City Schools has

agreed to accept a \$10 million donation from Tom Benson for the renaming of the Fawcett Stadium. The 25 million cited above is expected to be a part of the phase 1, \$40 million renovation to the stadium which is set to broke ground in 2015. The first part of the stadium renovation was completed in August 2016 and the second phase has begun and is scheduled for completion in July 2017. Fawcett stadium serves as the football facility for the District High School, area colleges, and the annual Pro Football Hall of Fame game held annually in accordance with the Hall of Fame which sits adjacent to the stadium.

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

The Stark Area Regional Transit Authority (SARTA), a separate political subdivision, provides daily public transportation in and around the City. The bus service initially was only a citywide service, but became a countywide system with the passage of a .25 percent county sales tax in 1997. The sales tax, renewed in 2002, 2006 and 2011, serves as the primary revenue source for SARTA. On November 8, 2016, voters approved a 10 year .25 county wide sales tax renewal. In addition to the sales tax, SARTA operations are supported, in part, from payments for contract services, State and Federal operating grants, and rider fares. In addition to its regular service within Stark County, SARTA runs one bus route, multiple times, between Canton and downtown Akron connecting to Akron's Metro RTA bus system and also serves the Akron-Canton Regional Airport from both cities and one route to Cleveland starting March 4, 2013.

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

The Akron-Canton Regional Airport (Airport), a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,900 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport has five airlines offering nonstop service and had 1,398,615 customers in 2016 a 9.5% decrease from the Airport's 2015 numbers. In late 2006, the Airport completed its 5-year \$60 million STAR Expansion Project which included extending runways, a new baggage claim area, a new food court, a new security screening area, enlarged gathering space, additional parking, and a terminal gate renovation that will allow the Airport to handle up to 1.6 million passengers annually. In 2007, the Airport invested \$10 million in a new deicing facility. In 2008, the Airport announced its new 10-year \$110 million capital improvement plan called CAK 2018. The plan includes a runway extension and border patrol facility to allow for international flights, expanded aircraft parking, expanded auto parking, a wider entrance road, expanded ticket wing, expanded security screening area, a new aircraft rescue and fire fighting maintenance facility, expand the concourse to allow for three more gates, and partner with the nearby City of Green for a new Industrial Park. The runway extension portion of the project was completed in 2010. The new aircraft rescue, border patrol facility, expanded parking lot, and expanded security-screening area were completed in 2011. In 2012, CAK completed the Firefighting Maintenance Facility (ARFF) and continued to add additional parking. Future improvements include expanding the new concourse \$3.65 million, an expanded ticket wing \$2.5 million, and widening of the entrance road \$5.0 million which are in progress. In 2016, the airport unveiled a \$240 million dollar 20 year Master Plan that was approved by the Federal Aviation Administration (FAA) in 2015 which will guide capital investments and improvements at CAK and will include construction projects isolated to the years 2017-2019.

Long-Term Financial Planning

During 2016, the City has experienced an increase in overall revenue, excluding other financing sources, for the general fund of \$634,500 from 2015. The City as a whole experienced an increase in GAAP-basis revenue (total of all program revenues and general revenues from the statement of activities) of \$6,543,362 from 2015. This provides the City with the fifth straight year of revenue growth for the City as a whole. The City's income tax revenue decreased by \$657,061 and property tax revenue increased by \$282,705. Charges for service (program revenue)

decreased by \$1,960,866 while operating grants and contributions (program revenue) and capital grants and contributions (program revenue) increased by \$6,731,305 and \$2,373,244, respectively.

The City continues to feel the effects of federal reserves interest rate reductions in the fourth quarter of 2007 through 2012 have led to net decreases in general fund interest revenue of \$1,243,235 in 2008, \$595,900 in 2009, \$444,900 in 2010, \$141,433 in 2011, and an additional \$37,396 in 2012. General fund interest revenue increased \$1,446 in 2013, \$120,885 in 2014, and \$227,300 in 2015, and \$41,751 in 2016 due to a more aggressive investment portfolio and improved interest rates on investments.

The immediate economic future is predicted to be relatively stable with slight declines expected in early 2016 with downward pressure from continued staff relocations to facilities outside of city limits from the likes of the Timken Company, U.S. Post Office, Chesepeak Energy and Nationwide Insurance to name a few. The fact remains that these relocations continue to bode well for the regional economy and yet will provide downward pressure on City income tax collections. The City's unemployment rate was relatively steady from 5.5% at the end of 2015 to 5.6% at the end of 2016. The anticipated income tax revenue declines in 2016 will result in the City needing to freeze salaries, workforce reduction through attrition and potential layoffs and health care costs sharing and the likely hood that the city will need to in 2017 as was used to deal with the 2008 economic downturn.

The City had \$758,858 in cash, of which \$689,889 remained uncommitted of the \$15,850,000 in general revenue bonds issued in 2006 for the building of a new fire station, a new sewer collection facility, a scaled down version of the water park, renovation of city buildings and reconstruction of existing recreational facilities. As of the release of this report the fire station, sewer collection facilities and waterpark projects are complete. A major expansion to Canton City Hall to expand operations for the Canton Municipal Court and City Council began in November of 2010. The City expansion was completed in early 2012. However, further evidence of the very difficult economic conditions of the City, is the decision at this point to scale back the size and scope of the projects outlined in the City's 2006 Recreational Bond Issuance. In January 2014, City Council entered into an agreement for the construction of the Water Park. The Water Park was completed in 2016 and the operation of the park began in June of 2016.

Relevant Financial Policies

During 2016, the City issued manuscript debt within the general fund to finance land reutilization projects and NIP acquisition and demolition; however, this balance is eliminated on a GAAP-basis. In addition, during 2016, the general fund repaid the manuscript debt owed to the water fund that was issued in 2015 to provide for adequate reserves in the general fund. See Note 21.B to the basic financial statements for further detail on the City's manuscript debt issuance and obligations.

During 2015, the City continued to make biweekly sick expense premium deposits into its compensated absences claim fund to help offset the cost of current and previous unfunded compensated absences. The City was not in a financial position to make additional lump sum contributions to the fund as had been done in some previous years. The City previously changed the premium calculation from 125% of the total cost of the sick leave accrued on biweekly payrolls to 105% for 2010. However, the premium returned to 125% January 1, 2011, remained 125% through 2015. During 2016 the premium was reduced to 105% and scheduled to reset to 125% during 2017. The City was unable to deposit additional contributions into the compensated absences claim fund in 2016.

Major Initiatives

In 2016, the City annexed approximately 3.78 acres and continues to explore further annexation options.

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

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

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

In 2013, the City established two HUD Neighborhood Revitalization Strategy Areas – the Eastside and Central Area NRSAs. During 2016, the City expended almost \$600,000 in Federal Community Development Block Grant (CDBG) Program funds on NRSA activities, including housing rehabilitation and demolition, neighborhood clean-up projects, ADA curb replacements, and youth programs and services. Forty-eight housing projects were completed in both the Eastside and Central target areas. Since the NRSA was established in 2013, the City has invested over \$4.2 million in the NRSA areas.

In 2014, the City applied for and received a \$4.2 million grant from the State of Ohio, known as the Neighborhood Initiative Program (NIP I and NIP II). Also, during 2016, the City received an additional \$2.0 million in funding for this program and titled it the NIP III. This program is contracted through the Stark County Land Reutilization Corporation and is an acquisition for demolition program. All funding comes Ohio Housing Finance Agency (OHFA). The City demolished a total of 236 homes through the program for NIP I and NIP II. The City expended over \$3.2 million dollars in 2016. The City intends to demolish an additional 315 houses in the NIP III program.

The City received a \$3 million CORF grant in 2007 for remediation at the former Hercules site. Work at this site resumed in 2012 after a delay due to the weak economy. The property will be transformed into a multi-use facility with market rate housing, and a business and retail space. The project has also received a state tax credit worth \$10 million. The project experienced additional delays in 2014, but work resumed during 2016. The first phase of this project is well underway with a noticeable transformation taking place to a portion of this former factory site which is expected to have 140 market rate housing units developed during Phase I of the project. The City loaned the developers \$2.0 million of funding which came from the repayment of a loan made to another development that was paid in full at the beginning of 2017.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2016, the City completed: \$1.56 million and \$1.38 million of road resurfacing projects throughout the City. Some of the larger engineering projects in various stages of planning, development, and construction include: 41ST St. Reconstruction, Mahoning Rd. Corridor, 12th St. Corridor, 12th Street Bridge Replacement, Navarre Road Signal System, West Tuscarawas Corridor, 11th Street SE Realignment Project, and 38th St. project.

In 2016, there were \$7.7 million of water projects in progress. There were eleven projects for water lines in varying stages of planning, development and construction including: Hartville III, Faircrest, Avondale, Applegrove I and II, Harrison and 44th St, and Westmoreland. Through December 2016, the City had completed the \$9.4 million for the electronic water meter replacement project.

In 2016, the City's Water Reclamation Department continued its progress in the \$92.0 million replacement of its Water Reclamation Facilities and membrane. The membrane purchase, installation, and corresponding construction, is estimated to continue until through 2018. Through December 2016, the City had expended \$53.2 million of the \$92.0 million project.

Debt Administration

At the end of 2016, the gross indebtedness of the City was \$102,956,694. The gross indebtedness of the City was \$94,154,842 at the end of 2015. During 2016, the City continued drawing down from three pre-existing Ohio Water Development Agency (OWDA) loans and did not issue any new OWDA loans. In 2016, the City received \$449,028 from the 2013 water meter planning and design loan, \$9,022,845 from the 2010 Water Reclamation Facility (WRF) phosphorus/nitrogen removal project loan, and \$4,044,437 from the 2014 WRF phosphorus – MBR equipment loan. These projects will take almost seven years to complete at an estimated cost of over \$92 million. At December 31, 2016, the City had \$84,636,723 in OWDA loans outstanding in the enterprise funds and business-type activities and \$40,573 in OWDA loans outstanding in the governmental activities. During 2016, the City received loan proceeds from the Ohio Public Works Commission (OPWC) to finance various projects. The City received \$930,691 in OPWC loan proceeds in the enterprise funds and business-type activities and \$268,122 in OPWC loan proceeds in the governmental activities. At December 31, 2016, the City had \$2,249,469 in OPWC loans outstanding in the enterprise funds and business-type activities and \$1,464,141 in OPWC loans outstanding in the governmental activities. The City also had \$2,065,000 in general obligation bonds outstanding in the governmental activities. The City had \$741,155 in long-term State Infrastructure Bank (SIB) Loans outstanding as of December 31, 2016, all of which are reported in the governmental activities.

In 2016, Moody's Investor Services made no change to its stable outlook for the City. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City a negative outlook on general obligation bond issue. Fitch Rating Service also downgraded the City from AA- to A+ but said its outlook is stable. Neither Moody's Investor Services nor Fitch Rating Services adjusted these ratings in 2016. The general obligation indebtedness of the City is subject to two statutory debt limitations referred to as the "direct debt limitation" (by Ohio Revised Code Section 133.05). The total principal amount of voted and unvoted nonexempt net indebtedness of the City may not exceed 10.5 percent of its assessed value of real and personal property, and in addition, the net principal amount of unvoted nonexempt debt may not exceed 5.5 percent of the same total assessed value. The City's overall legal debt margin was \$74,547,755 and an unvoted debt margin of \$38,076,145 as of December 31, 2016.

Awards

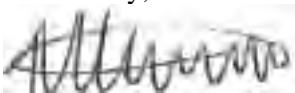
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2015. The Certificate of Achievement is the highest form of recognition for excellence in state and local government.

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

Acknowledgements

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

Sincerely,



Richard A Mallonn II
City Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Canton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

**CITY OF CANTON
STARK COUNTY, OHIO**

CITY OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2016

Mayor

Thomas M. Bernabei

Council Members

Allen Schulman, President

James Babcock
Tom Harmon
Bill Smuckler
David Dougherty
Robert Fisher
Jason Scaglione

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

City Auditor

Richard A. Mallonn II

City Treasurer

Kim Perez

Law Director

Joseph Martuccio

Director of Income Tax

Cynthia Allensworth

Director of Public Service

William Bartos

Director of Public Safety

Andrea Perry

Fire Chief

Thomas Garra

Police Chief

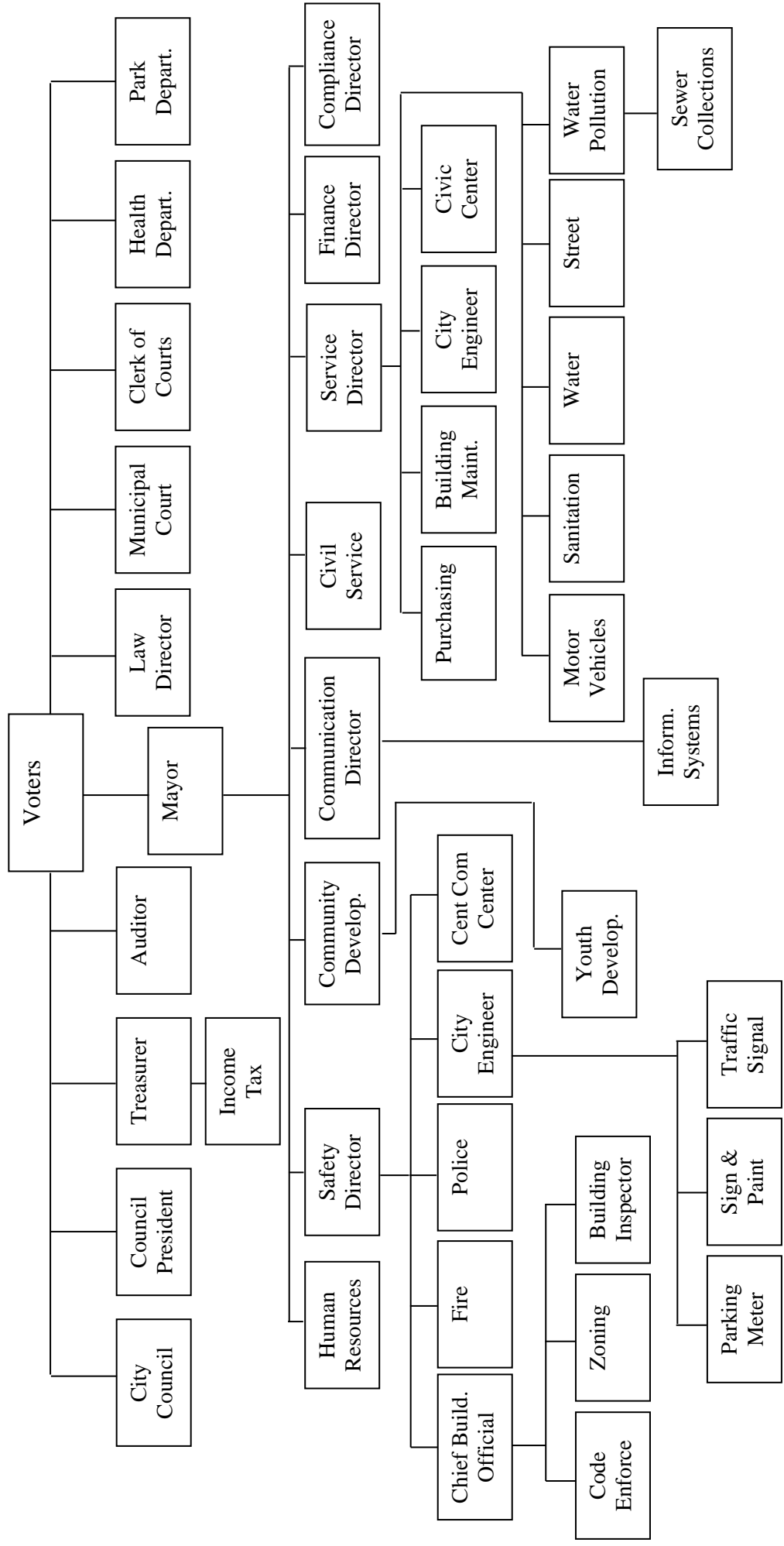
Bruce Lawver

City Engineer

Dan Moeglin

CITY OF CANTON
STARK COUNTY, OHIO

ORGANIZATIONAL CHART





CITY OF CANTON, OHIO

FINANCIAL
City of Canton, Ohio

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Julian & Grube, Inc.

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Independent Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the City of Canton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

City of Canton
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of December 31, 2016, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Community and Economic Development Funds, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

City of Canton
Independent Auditor's Report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017, on our consideration of the City of Canton's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Canton's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a stylized flourish at the end.

Julian & Grube, Inc.
June 26, 2017

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

The management's discussion and analysis (MD&A) of the City of Canton's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City's net position increased \$10.1 million as a result of this year's operations. Net position of the business-type activities increased by \$9.5 million, or 8.77 percent, and net position of governmental activities increased by \$0.6 million, or 0.83 percent.
- General revenues accounted for \$60.4 million, or 60.72 percent, of total governmental activities revenue. Program specific revenues accounted for \$39.1 million, or 39.28 percent, of total governmental activities revenue.
- The City had \$98.4 million in expenses related to governmental activities; \$39.1 million of these expenses was offset by program specific charges for services and sales, grants or contributions. The remaining expenses of the governmental activities of \$59.3 million were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$60.4 million.
- The City's business-type activities consist of water, sewer, refuse, and building code operations. The City had \$35.7 million in expenses related to business-type activities. All of these expenses were offset by \$44.1 million of program specific charges for services and sales, grants or contributions. Program revenues were sufficient to cover expenses of the business-type activities in 2016. General revenues of the business-type activities were \$0.7 million for 2016. The business-type activities had donated capital assets of \$0.5 million from the governmental activities reported as a transfer in. Overall, total revenues of the business-type activities exceeded expenses by \$9.5 million.
- The general fund had revenues of \$58.6 million in 2016. This represents an increase of \$0.6 million from 2015 revenues. The expenditures of the general fund, which totaled \$57.2 million in 2016, decreased \$10.1 million from 2015. The net increase in fund balance for the general fund was \$1.4 million, or 43.75 percent.
- The City received no rating change in 2016; Moody's maintains a stable outlook on the City's debt.
- The City reported an operating loss of \$0.3 million in its compensated absences claim internal service fund. The total liability for compensated absences decreased \$0.3 million from \$8.2 million at December 31, 2015 to \$7.9 million at December 31, 2016. During 2016, the City continued to deposit premiums equal to 125% of earned benefits of employees into the fund. The compensated absences claim internal service fund had a deficit net position of \$7.2 million at December 31, 2016.

USING THIS ANNUAL FINANCIAL REPORT

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

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

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

The City's statement of net position and statement of activities can be found on pages 23 through 25 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes (Ex. parking deck fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (Ex. grants received from the U.S. Department of Housing and Urban Development). The analysis of the City's major governmental and proprietary funds begins on page 15.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Governmental funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, the community and economic development fund, the capital projects fund and the motor vehicles purchase fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 26 through 35 of this report.

Proprietary funds

When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as a statement of cash flows. We use internal service funds, health insurance, worker's compensation insurance, and compensated absences claim funds, (the other component of proprietary funds) to report activities that provide a service to the City's other programs and activities. The basic proprietary fund financial statements can be found on pages 36 through 43 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Private-purpose trust and agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 44 and 45 of this report.

Required Supplementary Information (RSI)

The RSI contains information regarding the City's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and Ohio Police and Fire Retirement System (OP&F) net pension liability/net pension asset and the City's schedule of contributions to OPERS and OP&F. The RSI can be found on pages 108-114 of this report.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 47 through 105 of this report.

Government-Wide Financial Analysis

The table below (Table 1) provides a summary of the City's net position at December 31, 2016 and 2015.

Table 1
Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<u>Assets</u>						
Current and other assets	\$ 51.9	\$ 51.9	\$ 49.9	\$ 46.3	\$ 101.8	\$ 98.2
Capital assets, net	127.2	123.9	172.2	153.6	299.4	277.5
Total assets	179.1	175.8	222.1	199.9	401.2	375.7
Deferred outflows of resources	24.6	9.9	6.1	1.8	30.7	11.7
<u>Liabilities</u>						
Current and other liabilities	\$ 24.3	\$ 26.4	\$ 9.2	\$ 9.7	\$ 33.5	\$ 36.1
Long-term liabilities:						
Due in more than one year	9.4	10.3	84.2	72.8	93.6	83.1
Net pension liability	89.5	70.1	15.8	9.8	105.3	79.9
Total liabilities	123.2	106.8	109.2	92.3	232.4	199.1
Deferred inflows of resources	6.2	5.2	0.3	0.2	6.5	5.4
<u>Net position</u>						
Net investment in capital assets	120.1	114.3	81.2	75.5	201.3	189.8
Restricted	17.9	21.7	-	-	17.9	21.7
Unrestricted	(63.7)	(62.3)	37.5	33.7	(26.2)	(28.6)
Total net position	\$ 74.3	\$ 73.7	\$ 118.7	\$ 109.2	\$ 193.0	\$ 182.9

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

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

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

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

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

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

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

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

In addition, the City reports a net pension liability/asset and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2016, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$193.0 million. At year-end, net position was \$74.3 million and \$118.7 million for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets, net represented 74.62 percent of total assets. Capital assets include land, construction in progress, buildings and structures, vehicles, equipment and infrastructure. The net investment in capital assets at December 31, 2016, was \$120.1 million and \$81.2 million in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets are not used to liquidate these liabilities.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

As of December 31, 2016, the City is not able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. A portion of the City's net position, \$17.9 million represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$26.2 million may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements.

The table below (Table 2) shows the changes in net position for fiscal year 2016 and 2015.

Table 2
Change in Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 11.1	\$ 14.0	\$ 39.2	\$ 38.3	\$ 50.3	\$ 52.3
Operating grants and contributions	16.6	9.8	0.1	0.1	16.7	9.9
Capital grants and contributions	11.4	13.9	4.8	-	16.2	13.9
Total program revenues	<u>39.1</u>	<u>37.7</u>	<u>44.1</u>	<u>38.4</u>	<u>83.2</u>	<u>76.1</u>
General revenues:						
City income taxes	44.4	45.0	-	-	44.4	45.0
Property taxes	4.7	4.5	-	-	4.7	4.5
Intergovernmental (grants and entitlements)	6.7	6.9	-	-	6.7	6.9
Interest and investment earnings	0.4	0.4	-	-	0.4	0.4
Other	4.2	4.0	0.6	0.9	4.8	4.9
Transfers	(0.5)	-	0.5	-	-	-
Total general revenues	<u>59.9</u>	<u>60.8</u>	<u>1.1</u>	<u>0.9</u>	<u>61.0</u>	<u>61.7</u>
Total revenues	<u>99.0</u>	<u>98.5</u>	<u>45.2</u>	<u>39.3</u>	<u>144.2</u>	<u>137.8</u>
<u>Expenses</u>						
Program expenses:						
General government	21.4	20.8	-	-	21.4	20.8
Security of persons and property	45.3	42.9	-	-	45.3	42.9
Public health	6.6	6.2	-	-	6.6	6.2
Transportation	14.2	14.5	-	-	14.2	14.5
Community environment	6.8	12.0	-	-	6.8	12.0
Leisure time activities	3.7	3.4	-	-	3.7	3.4
Economic development	-	0.3	-	-	-	0.3
Interest and fiscal charges	0.4	0.4	-	-	0.4	0.4
Water	-	-	14.6	14.2	14.6	14.2
Sewer	-	-	12.4	14.2	12.4	14.2
Refuse	-	-	6.9	6.3	6.9	6.3
Building	-	-	1.8	-	1.8	-
Total program expenses	<u>98.4</u>	<u>100.5</u>	<u>35.7</u>	<u>34.7</u>	<u>134.1</u>	<u>135.2</u>
Increase (decrease) in net position	0.6	(2.0)	9.5	4.6	10.1	2.6
Net position at beginning of year	<u>73.7</u>	<u>75.7</u>	<u>109.2</u>	<u>104.6</u>	<u>182.9</u>	<u>180.3</u>
Net position at end of year	<u>\$ 74.3</u>	<u>\$ 73.7</u>	<u>\$ 118.7</u>	<u>\$ 109.2</u>	<u>\$ 193.0</u>	<u>\$ 182.9</u>

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Governmental Activities

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

When looking at sources of income to support governmental activities, it should be noted that charges for services are only 11.12 percent of governmental activities revenue. Revenues provided by sources other than city residents in the form of operating grants and contributions, capital grants and contributions and grants and entitlements not restricted to specific programs comprise another 34.92 percent. The remaining revenues are primarily generated locally through property taxes (4.77 percent) and income taxes (44.56 percent).

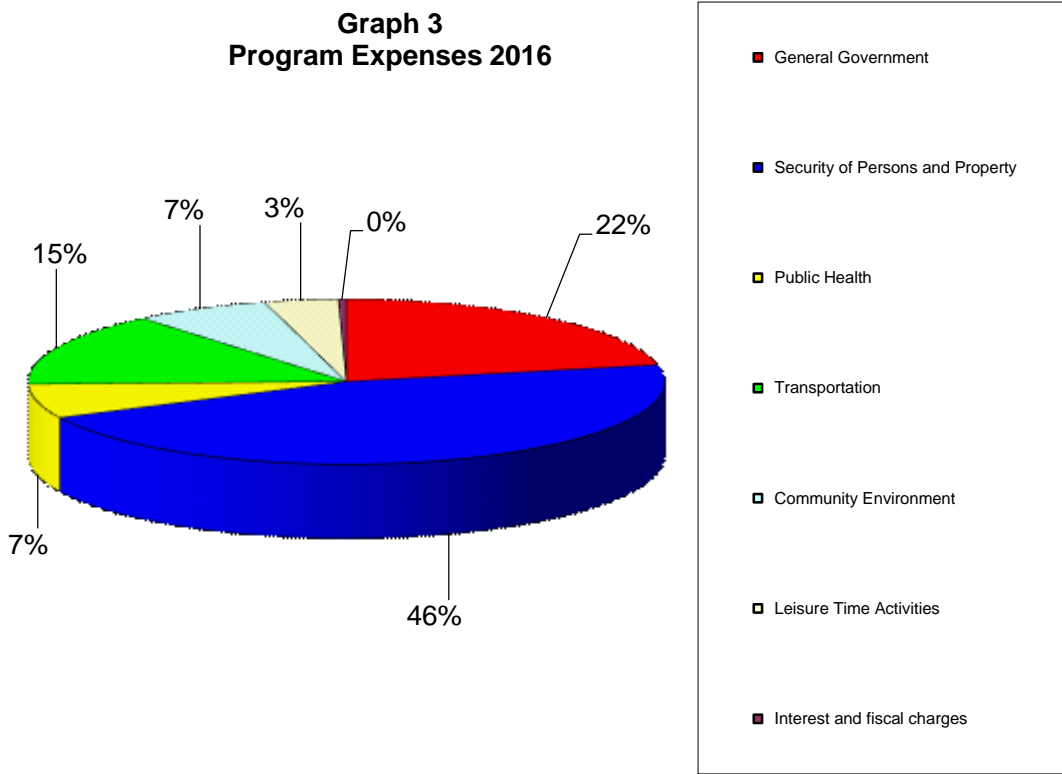
Overall, governmental activities revenues increased \$1.0 million primarily due to an increase in operating grants and contributions (\$6.8 million) being offset by decreases in charges for services (\$2.9 million) and capital grants and contributions (\$2.5 million). Operating grants and contributions increased primarily due to increased grant activity supporting public health initiatives and community environment projects. Charges for services decreased due to decreases in receipts from services provided by general government and community environment programs. Capital grants and contributions decreased due to the receiving less grants for transportation projects during the year.

Overall, governmental activities expenses decreased \$2.1 million primarily due to decreases in public health (\$0.4 million) and community environment (\$5.2 million). Public health decreased primarily due to decreased expenses related to the administration of the environmental health department of the City. Community environment decreased as a result of decreased expenses related to the Hall of Fame Village project.

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

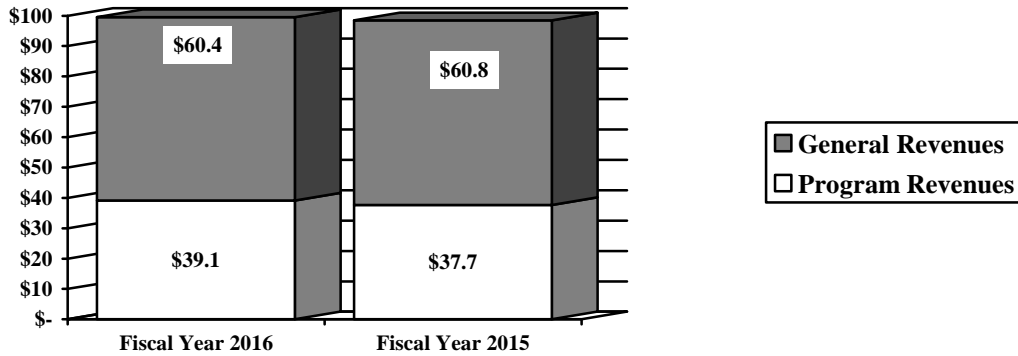
**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

**Graph 3
Program Expenses 2016**



The graph below compares the City's general revenues (which includes property taxes, income taxes and unrestricted grants and entitlements) and program revenues for fiscal year 2016 and 2015.

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



**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

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

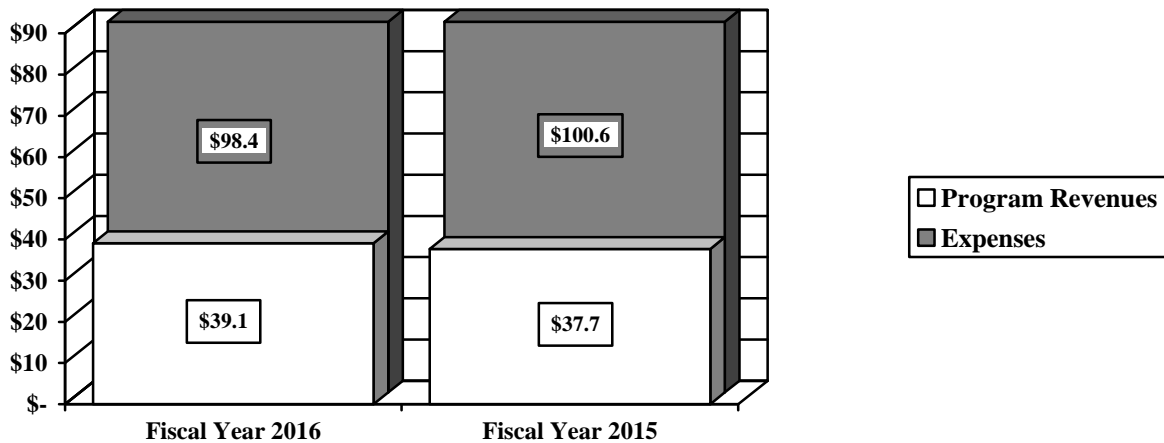
Table 5
Governmental Activities (In Millions)

	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Program expenses:				
General government	\$ 21.4	\$ 15.0	\$ 20.8	\$ 13.4
Security of persons and property	45.3	38.9	42.9	35.9
Public health	6.6	(0.6)	6.2	2.1
Transportation	14.2	0.6	14.6	(1.2)
Community environment	6.8	1.5	12.0	9.2
Leisure time activities	3.7	3.5	3.4	2.8
Economic development	-	-	0.3	0.3
Interest and fiscal charges	0.4	0.4	0.4	0.4
Total	<u>\$ 98.4</u>	<u>\$ 59.3</u>	<u>\$ 100.6</u>	<u>\$ 62.9</u>

The dependence upon general revenues for governmental activities is apparent, with 60.3 percent of expenses supported through taxes and other general revenues.

The graph below compares the City's governmental activities program revenues and total governmental activities expenses for fiscal year 2016 and 2015.

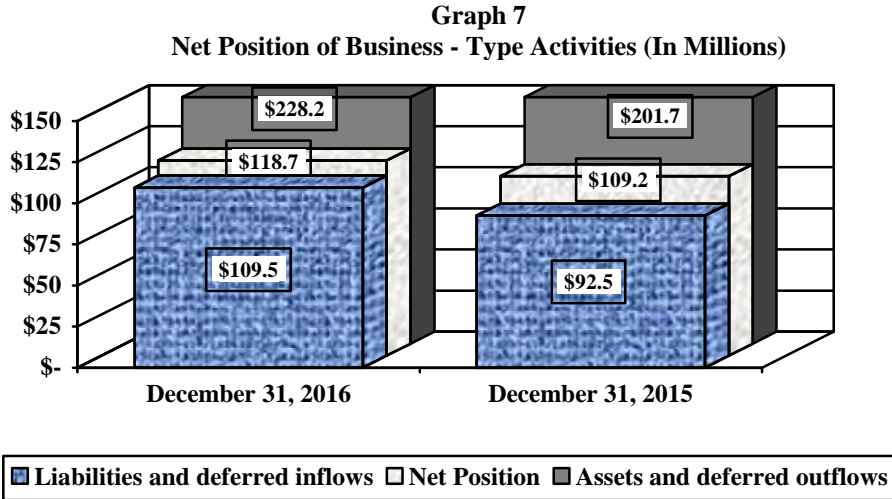
Graph 6
Governmental Activities – Program Revenues vs. Total Expenses (In Millions)



**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Business-Type Activities

The net position of the business-type activities, include the water, sewer, refuse and building code enterprise funds. For a description of these funds, see the accompanying notes to the basic financial statements. These programs had program revenues of \$44.1 million and general revenues of \$1.1 million which were sufficient to support the total expenses of \$35.7 million. Total revenues exceeded total expenses by \$9.5 million in 2016. The graph below shows the business-type activities assets, liabilities and deferred inflows and net position at year-end.



The basic financial statements for the major funds are included in this report. Because the focus on business-type activities is a cost of service measurement or capital maintenance, we have included an assessment of the capital asset balances for the business-type activities in Graph 10 which is located on page 17.

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end. The City's governmental funds (as presented on the balance sheet on pages 24 and 25) reported a combined fund balance of \$16.3 million which is \$3.4 million higher than last year's total of \$12.9 million. The schedule below indicates the fund balances as of December 31, 2016 and 2015 for the governmental funds.

Table 8
Fund Balances (deficit) (In Millions)

	12/31/16	12/31/15	Increase (Decrease)
Major funds:			
General	\$ (1.8)	\$ (3.2)	\$ 1.4
Community and economic development	1.0	1.4	(0.4)
Capital projects	3.8	3.3	0.5
Motor vehicle purchase	0.3	0.3	-
Nonmajor governmental funds	<u>13.0</u>	<u>11.1</u>	<u>1.9</u>
Total	<u>\$ 16.3</u>	<u>\$ 12.9</u>	<u>\$ 3.4</u>

General Fund

Fund balance of the general fund increased \$1.4 million from 2015 primarily due to an increase of \$1.1 million in income tax revenue and by decreases in expenditures of approximately \$10.0 million primarily in the areas of security of persons and property and community environment. Income tax revenue increased due primarily to more aggressive income tax collection practices implemented by the City. Security of persons and property expense decreased primarily to decreases in police and fire administration. Community environment expenditures decreased primarily in the area of the hall of fame village which reported expenditures of approximately \$0 compared to \$5.0 million for 2015. Police expenditures decreased approximately \$0.8 million and fire administration expenditures decreased approximately \$1.0 million.

Community and Economic Development Fund

Fund balance of the community and economic development fund decreased \$0.4 million from the prior year. Revenues decreased \$0.9 million from \$3.9 million in 2015 to \$3.0 million in 2016 primarily due to decreased operating grants. Expenditures decreased \$0.5 million from \$4.0 million in 2015 to \$3.4 million in 2016 due to decreased community environment projects funded by the decrease in operating grants. The community and economic development fund had \$0.7 million in economic development loans receivable at December 31, 2016.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Capital Projects Fund

Fund balance of the capital projects fund increased \$0.5 million from \$3.3 million at December 31, 2015 to \$3.8 million at December 31, 2016. Revenues in the fund remained comparable to 2015 levels. Expenditures decreased \$1.1 million from \$9.1 million in 2015 to \$8.0 million in 2016 primarily to a decrease in capital outlay (\$0.6 million) and debt service (\$0.7 million). Capital outlay decreased as a result of less expenses related to transportation capital projects. Debt service payments decreased as debt was paid down from the prior year.

Motor Vehicle Purchase Fund

Fund balance of the motor vehicle purchase fund decreased \$0 from \$0.3 million at December 31, 2015 to \$0.3 million at December 31, 2016. Revenues decreased \$0.1 million from 2015 levels at \$2.2 million. Expenditures decreased \$0.3 million from \$2.5 million in 2015 to \$2.2 million in 2016 due to decreased capital purchases made by the City in 2016.

Nonmajor Governmental Funds

Fund balance of the nonmajor governmental funds increased \$1.9 million from \$11.1 million at December 31, 2015 to \$13.0 million at December 31, 2016. Revenues decreased \$0.3 million from \$30.8 million in 2015 to \$30.5 million in 2016 due to a decrease in capital grants of approximately \$3.1 million. Expenditures increased \$0.3 million from \$28.3 million in 2015 to \$28.6 million in 2016 primarily in the areas of security of persons and property and public health. In addition, the City entered into notes and OPWC loan agreements in 2016. Loan proceeds in the amount of \$3.9 million were reported in the nonmajor governmental funds in 2016.

General Fund Budgeting Highlights

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

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

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

The City's general fund reported a \$8.3 million increase to original estimated revenues of \$62.6 million to arrive at the final estimated revenues of \$70.9 million. The primary increases were in the areas of notes issued (\$6.0) and other debt issuances of (\$1.0 million). The actual revenue was more than final budgeted revenue by \$1.8 million.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

The general fund variance from original budgeted expenditures to final budgeted expenditures was an increase of \$8.8 million. The primary areas of increase were \$12.0 million in debt service which did not report the repayment of manuscript debt of \$12.0 million in the original budgeted expenditures. The final budgeted expenditures of \$71.9 million exceeded actual expenditures of \$69.2 million by \$2.7 million. The actual expenditures of \$69.2 million were approximately \$6.1 million higher than the original budgeted expenditures.

Financial Analysis of the Proprietary Funds

Proprietary Funds

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

The water operating fund, the sewer operating fund, and the building code fund (nonmajor enterprise fund) had net position increases of \$3.8 million, \$6.4 million, and \$0.8 million, respectively. The refuse operating fund had a decrease in net position of \$0.8 million. The water operating fund experienced a decrease in operating revenue of 3.2 percent while the sewer operating fund experienced a decrease in operating revenue of 5.3 percent, respectively from the prior year. The water operating fund had an increase in operating expenses of 0.2 percent from the prior year while the sewer operating fund had a decrease in operating expenses of 13.5 percent from the prior year. The Refuse Fund's operating revenue increased \$1.9 million from 2015 while operating expenses increased \$6.2 million. These two factors caused the refuse operating fund to report a decrease in net position of \$0.8 million in 2016 versus a decrease in net position of \$0.6 million in 2015. The building code fund (nonmajor enterprise fund) was a new enterprise fund in 2016. This fund had operating revenues, operating expenses and a net position increase of \$2.0 million, \$1.7 million, and \$0.8 million, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the City had \$299.4 million invested in a variety of capital assets, including police and fire equipment, land, buildings, park facilities, roads, bridges, and water and sewer lines (see following graphs). This amount represents a net increase from prior year.

Major additions for the governmental activities include both projects completed in 2016 and removed from construction in progress as well as projects that remain construction in progress at December 31, 2016. These projects include ongoing major road and storm sewer projects, park equipment additions and renovations, and a major street lighting upgrade.

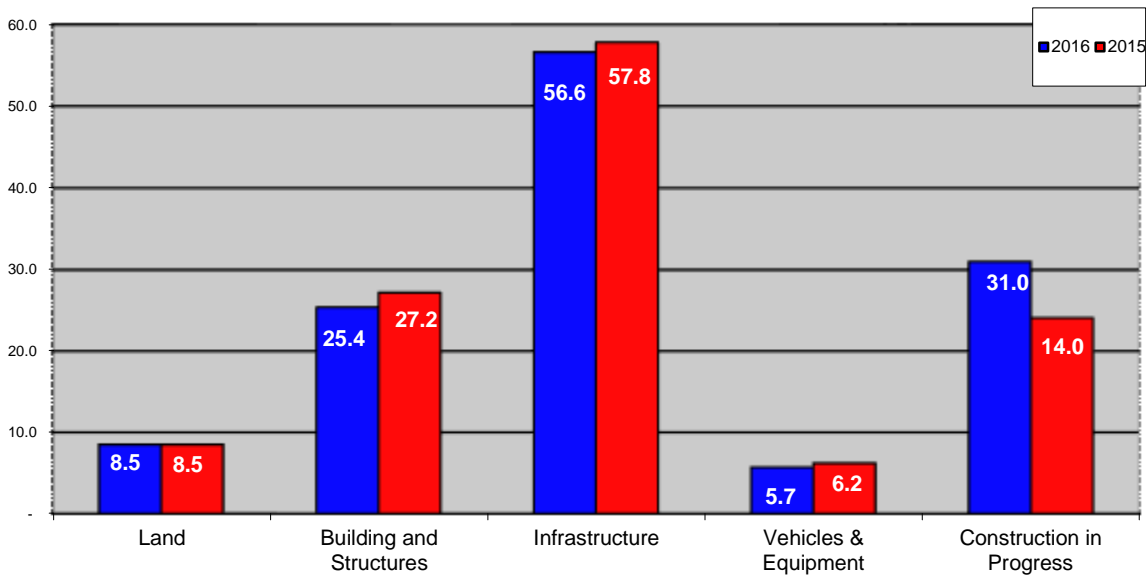
Additions to Business-Type Activities included additional water and sewer line construction, the continuation of a major renovation project at the City's Water Reclamation Plant, and ongoing restoration work at two of the City's water plants

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

The City's 2016 capital budget anticipates a spending level of \$3.5 million for capital projects. The City will continue to spend the balance remaining of the \$3.4 generated from the sale of general obligation bonds during 2006 to construct a scaled back version of a scaled back version of a community water park for the youth of the City. The water park plans have been greatly reduced since its inception in 2006. In fact, in 2009, 2010, and 2011 the City spent a portion of the unspent portion of the 2006 issuance, dedicated for both Mallonn Park and the water park, to retire the corresponding years principal and interest due on the aforementioned bonds. In early 2015, the City entered into contracts for a scaled down version of the water park. The prior portion of this issuance expended was used for constructing a fire station, additional building improvement and expansion to City Hall, improve infrastructure and city parks expansion and developments

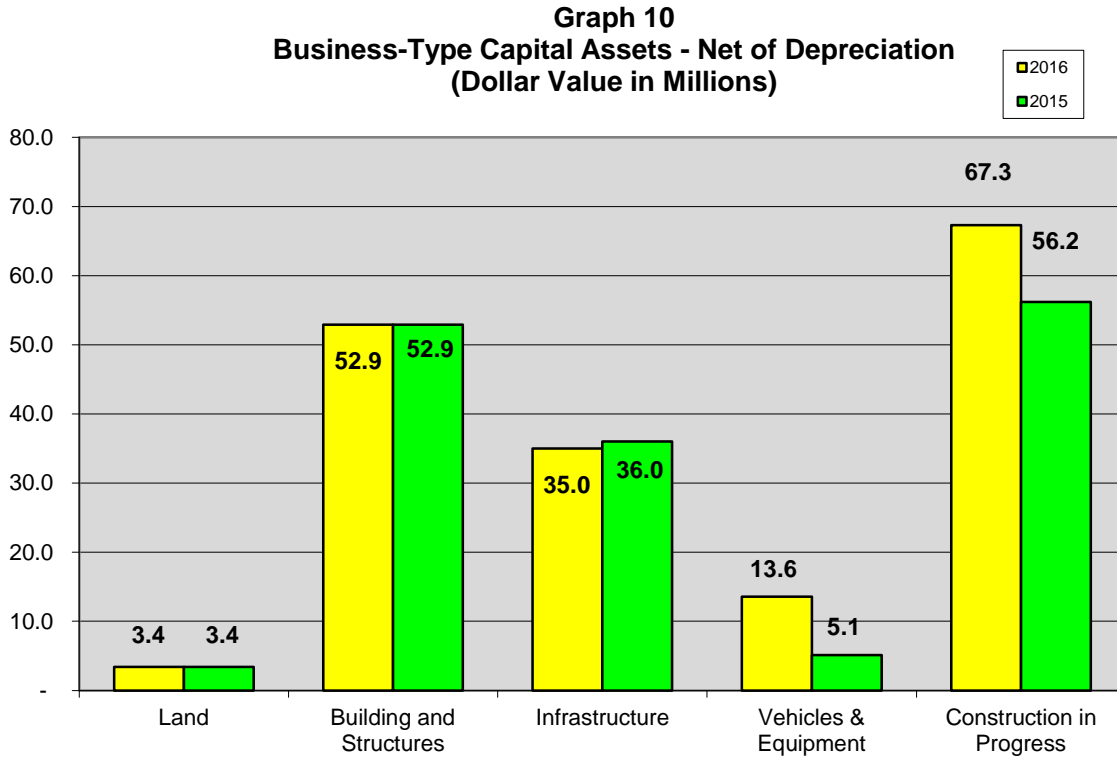
More detailed information about the City's capital assets is presented in Note 7 to the basic financial statements. The graph below reflects the City's governmental activities capital assets, net of accumulated depreciation, for December 31, 2016 and 2015:

Graph 9
Governmental Capital Assets-Net of Depreciation
(Dollar Value in Millions)



**CITY OF CANTON
STARK COUNTY, OHIO**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

The graph below reflects the City's business-type activities capital assets, net of accumulated depreciation, for December 31, 2016 and 2015:



Debt

At December 31, 2016, the City had \$2.1 million in governmental activities general obligation bonds.

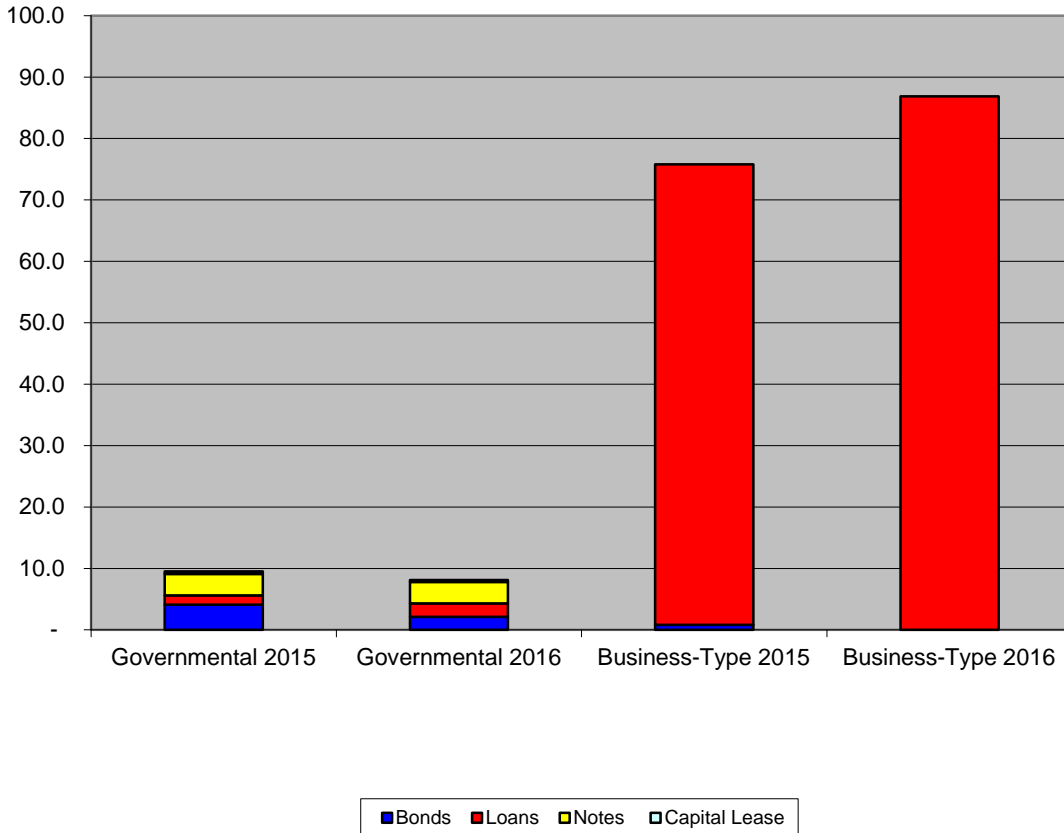
Table 11
General Obligation Bond Debt Outstanding at Year End

	Governmental Activities	
	2016	2015
Unvoted General Obligation Bonds:		
2009 Refunding Bonds	\$ 2.1	\$ 3.0
2006 Various Purpose	-	1.1
Total Unvoted General Obligation Bonds	\$ 2.1	\$ 4.1

**CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

At December 31, 2016, the City had outstanding long-term debt obligations in the amount of \$2.1 million down from \$4.1 million in 2015 for the governmental activities this represents a 48.78 percent decrease. The City's business-type activities debt obligation as of December 31, 2016 was \$86.9 million which is an increase from \$75.8 million in 2015 this represents an increase of 14.64 percent. The breakout on debt is presented in the graph below.

**Graph 12
Total Debt Outstanding by Type**



During 2016, the City issued \$8.0 million in notes payable and retired \$8.3 million in notes payable. The balance of the City's notes payable at December 31, 2016 is \$8.0 million. See Note 11 to the basic financial statements for more information on the City's note obligations.

In 2016, no adjustments were made to the City's credit rating; however, in 2012 Moody's Investor Services confirmed the City's rating of A1 and changed its negative outlook to stable. In 2010, Moody's downgraded the City's rating to A1 from Aa3 and gave the City negative outlook on a general obligation bond issue. Fitch Rating service did not evaluate the City in 2013; however, Fitch had previously downgraded the City from AA- to A+ but said its outlook is stable. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 9 to the basic financial statements.

CITY OF CANTON
STARK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets:				
Equity in pooled cash and investments	\$ 21,025,277	\$ 35,334,910	\$ 56,360,187	\$ 82,504
Cash with fiscal agent	3,019	-	3,019	-
Cash in segregated accounts	-	600,267	600,267	-
Receivables:				
Income taxes	5,275,606	-	5,275,606	-
Property taxes	7,149,709	-	7,149,709	-
Accounts	2,768,119	8,076,050	10,844,169	-
Accrued interest	82,355	-	82,355	-
Due from other governments	12,058,712	4,013,018	16,071,730	-
Loans receivable	2,456,840	-	2,456,840	-
Materials and supplies inventory	359,933	2,475,426	2,835,359	-
Net pension asset	99,074	60,891	159,965	-
Internal balance	630,981	(630,981)	-	-
Capital assets:				
Land and construction in progress	39,480,920	70,702,820	110,183,740	701,061
Depreciable capital assets, net	87,720,420	101,508,711	189,229,131	60,886
Total capital assets, net	<u>127,201,340</u>	<u>172,211,531</u>	<u>299,412,871</u>	<u>761,947</u>
Total assets	<u>179,110,965</u>	<u>222,141,112</u>	<u>401,252,077</u>	<u>844,451</u>
Deferred outflows of resources:				
Pension	<u>24,554,004</u>	<u>6,089,257</u>	<u>30,643,261</u>	<u>-</u>
Liabilities:				
Accounts payable	4,521,946	991,418	5,513,364	1,727
Contracts payable	-	4,080,620	4,080,620	-
Accrued wages and benefits payable	2,334,510	689,050	3,023,560	2,019
Due to other governments	540,040	124,162	664,202	-
Retainage payable	-	617,183	617,183	-
Accrued interest payable	45,638	-	45,638	-
Note payable	8,000,000	-	8,000,000	-
Claims payable	2,365,920	-	2,365,920	-
Long-term liabilities:				
Due within one year	6,526,929	2,738,306	9,265,235	-
Due in more than one year:				
Net pension liability	89,490,259	15,764,282	105,254,541	-
Other amounts due in more than one year	9,401,925	84,147,886	93,549,811	-
Total liabilities	<u>123,227,167</u>	<u>109,152,907</u>	<u>232,380,074</u>	<u>3,746</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	5,396,857	-	5,396,857	-
Pension	<u>739,471</u>	<u>332,622</u>	<u>1,072,093</u>	<u>-</u>
Total deferred inflows of resources	<u>6,136,328</u>	<u>332,622</u>	<u>6,468,950</u>	<u>-</u>
Net position:				
Net investment in capital assets	120,105,838	81,244,719	201,350,557	761,947
Restricted for:				
Community development programs	4,675,013	-	4,675,013	-
Street construction, maintenance, and repair	1,795,205	-	1,795,205	-
Public health service programs	3,891,954	-	3,891,954	-
Safety and security programs and supplies	931,733	-	931,733	-
Court programs	1,381,043	-	1,381,043	-
Other purposes	1,734,753	-	1,734,753	-
Debt service	28,314	-	28,314	-
Capital projects	3,432,559	-	3,432,559	-
Unrestricted (deficit)	<u>(63,674,938)</u>	<u>37,500,121</u>	<u>(26,174,817)</u>	<u>78,758</u>
Total net position	<u>\$ 74,301,474</u>	<u>\$ 118,744,840</u>	<u>\$ 193,046,314</u>	<u>\$ 840,705</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
<i>Governmental activities:</i>				
General government	\$ 21,401,267	\$ 5,833,526	\$ 520,858	\$ -
Security of persons and property	45,317,984	4,009,703	2,446,183	-
Public health	6,627,161	937,730	6,317,961	-
Transportation	14,177,868	156,742	1,938,840	11,438,948
Community environment	6,829,268	85,502	5,194,399	-
Leisure time activities	3,703,459	46,712	173,664	-
Interest and fiscal charges	361,969	174	-	-
Total governmental activities	<u>98,418,976</u>	<u>11,070,089</u>	<u>16,591,905</u>	<u>11,438,948</u>
<i>Business-type activities:</i>				
Water	14,639,812	17,025,059	-	1,117,807
Sewer	12,423,601	14,340,312	-	3,736,615
Refuse	6,892,183	5,849,351	47,971	-
Building Code	1,768,265	2,011,319	-	-
Total business-type activities	<u>35,723,861</u>	<u>39,226,041</u>	<u>47,971</u>	<u>4,854,422</u>
Total primary government	<u>\$ 134,142,837</u>	<u>\$ 50,296,130</u>	<u>\$ 16,639,876</u>	<u>\$ 16,293,370</u>
Component Unit:				
CCIC	<u>\$ 107,751</u>	<u>\$ -</u>	<u>\$ 102,428</u>	<u>\$ -</u>

General revenues:

Municipal income taxes levied for:

General purposes	
Capital outlay	
Property and other taxes	
Payment in lieu of taxes	
Grants and entitlements not restricted to specific programs	
Interest and investment earnings	
(Decrease) in fair value of investments	
Gain on sale of capital assets	
Miscellaneous	

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	CCIC
\$ (15,046,883)	\$ -	\$ (15,046,883)	\$ -
(38,862,098)	-	(38,862,098)	-
628,530	-	628,530	-
(643,338)	-	(643,338)	-
(1,549,367)	-	(1,549,367)	-
(3,483,083)	-	(3,483,083)	-
(361,795)	-	(361,795)	-
<u>(59,318,034)</u>	<u>-</u>	<u>(59,318,034)</u>	<u>-</u>
-	3,503,054	3,503,054	-
-	5,653,326	5,653,326	-
-	(994,861)	(994,861)	-
-	243,054	243,054	-
<u>-</u>	<u>8,404,573</u>	<u>8,404,573</u>	<u>-</u>
(59,318,034)	8,404,573	(50,913,461)	-
-	-	-	(5,323)
33,954,857	-	33,954,857	-
10,402,839	-	10,402,839	-
4,746,457	-	4,746,457	-
120,375	-	120,375	-
6,728,791	-	6,728,791	-
470,865	-	470,865	-
(44,902)	-	(44,902)	-
-	10,309	10,309	(1,773,752)
<u>4,057,189</u>	<u>652,386</u>	<u>4,709,575</u>	<u>67,876</u>
60,436,471	662,695	61,099,166	(1,705,876)
<u>(509,135)</u>	<u>509,135</u>	<u>-</u>	<u>-</u>
<u>59,927,336</u>	<u>1,171,830</u>	<u>61,099,166</u>	<u>(1,705,876)</u>
609,302	9,576,403	10,185,705	(1,711,199)
<u>73,692,172</u>	<u>109,168,437</u>	<u>182,860,609</u>	<u>2,551,904</u>
<u>\$ 74,301,474</u>	<u>\$ 118,744,840</u>	<u>\$ 193,046,314</u>	<u>\$ 840,705</u>

CITY OF CANTON
STARK COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	<u>General</u>	<u>Community and Economic Development</u>	<u>Capital Projects</u>	<u>Motor Vehicle Purchase</u>
Assets:				
Equity in pooled cash and investments	\$ 1,851,781	\$ 294,673	\$ 3,314,399	\$ 81,314
Cash with fiscal agent.	-	-	-	-
Receivables:				
Accounts	2,397,934	12,842	-	-
Interfund loans.	61,960	-	-	-
Accrued interest	82,036	-	-	-
Municipal income taxes	3,956,704	-	1,055,121	263,781
Property and other taxes	2,802,036	-	-	-
Due from other funds.	382,579	38,440	-	-
Due from other governments.	3,256,471	3,024,374	-	-
Loans receivable	1,748,070	708,770	-	-
Materials and supplies inventory.	323,052	-	-	-
Total assets.	<u>\$ 16,862,623</u>	<u>\$ 4,079,099</u>	<u>\$ 4,369,520</u>	<u>\$ 345,095</u>
Liabilities:				
Accounts payable.	\$ 892,217	\$ 314,344	\$ 262,208	\$ 800
Accrued wages and benefits payable.	1,855,826	7,513	79,095	-
Interfund loans payable.	-	-	-	-
Due to other funds	164,018	58,985	2,059	-
Due to other governments	451,834	10,234	13,816	-
Note payable	8,000,000	-	-	-
Accrued interest payable	10,801	-	-	-
Total liabilities	<u>11,374,696</u>	<u>391,076</u>	<u>357,178</u>	<u>800</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,007,800	-	-	-
Delinquent property tax revenue not available	794,236	-	-	-
Accrued interest not available	46,978	-	-	-
Miscellaneous revenue not available	457,082	-	-	-
Income tax revenue not available.	774,233	-	206,462	51,616
Charges for services revenue not available	1,651,029	-	-	-
Intergovernmental revenue not available	1,570,068	2,626,750	-	-
Total deferred inflows of resources.	<u>7,301,426</u>	<u>2,626,750</u>	<u>206,462</u>	<u>51,616</u>
Fund balances:				
Nonspendable.	471,541	-	-	-
Restricted	-	1,061,273	-	292,679
Committed	1,091,198	-	3,805,880	-
Unassigned (deficit).	(3,376,238)	-	-	-
Total fund balances (deficit)	<u>(1,813,499)</u>	<u>1,061,273</u>	<u>3,805,880</u>	<u>292,679</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 16,862,623</u>	<u>\$ 4,079,099</u>	<u>\$ 4,369,520</u>	<u>\$ 345,095</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 13,482,409	\$ 19,024,576
3,019	3,019
318,810	2,729,586
-	61,960
319	82,355
-	5,275,606
4,347,673	7,149,709
436	421,455
5,777,867	12,058,712
-	2,456,840
36,881	359,933
<u>\$ 23,967,414</u>	<u>\$ 49,623,751</u>
\$ 2,333,207	\$ 3,802,776
261,942	2,204,376
61,960	61,960
326,815	551,877
44,053	519,937
-	8,000,000
-	10,801
<u>3,027,977</u>	<u>15,151,727</u>
3,389,057	5,396,857
958,616	1,752,852
-	46,978
17,804	474,886
-	1,032,311
276,652	1,927,681
3,330,145	7,526,963
<u>7,972,274</u>	<u>18,158,528</u>
36,881	508,422
12,279,297	13,633,249
2,568,958	7,466,036
(1,917,973)	(5,294,211)
<u>12,967,163</u>	<u>16,313,496</u>
<u>\$ 23,967,414</u>	<u>\$ 49,623,751</u>

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CITY OF CANTON
STARK COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016

Total governmental fund balances		\$	16,313,496
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			127,201,340
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Delinquent property taxes receivable	\$	1,752,852	
Income taxes receivable		1,032,311	
Accounts receivable		2,402,567	
Intergovernmental receivable		7,526,963	
Accrued interest receivable		46,978	
Total			12,761,671
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund, including an internal balance of \$606,587, are included in governmental activities on the statement of net position.			(8,293,042)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(34,837)
The net pension asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:			
Deferred outflows of resources - pension		24,554,004	
Deferred inflows of resources - pension		(739,471)	
Net pension asset		99,074	
Net pension liability		(89,490,259)	
Total			(65,576,652)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(2,065,000)	
Loans payable		(2,245,869)	
Notes payable		(3,500,000)	
Capital lease obligations		(259,633)	
Total			(8,070,502)
Net position of governmental activities		\$	74,301,474

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>General</u>	<u>Community and Economic Development</u>	<u>Capital Projects</u>	<u>Motor Vehicle Purchase</u>
Revenues:				
Property and other taxes	\$ 1,958,912	\$ -	\$ -	\$ -
Municipal income taxes	34,621,895	-	8,500,148	2,125,037
Charges for services	9,868,616	-	-	-
Licenses, permits, and fees.	667,700	-	-	-
Fines and forfeitures	416,186	-	-	-
Intergovernmental	6,756,760	-	-	-
Interest and investment income	416,181	15,315	-	-
Rental income	8,160	-	-	-
Contributions and donations	8,142	-	-	-
Operating grants	2,405,494	2,949,002	-	-
Capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Decrease in fair value of investments.	(44,902)	-	-	-
Other.	1,507,519	78,273	60,355	-
Total revenues	<u>58,590,663</u>	<u>3,042,590</u>	<u>8,560,503</u>	<u>2,125,037</u>
Expenditures:				
Current:				
General government	16,801,500	-	928,080	340,965
Security of persons and property.	33,174,995	-	194,680	1,254,165
Public health.	1,960,432	-	26,026	11,200
Transportation	1,154,005	8,674	2,007,177	9,231
Community environment.	2,991,339	3,423,779	-	-
Leisure time activities	439,138	-	-	-
Capital outlay	-	-	3,021,540	437,984
Debt service:				
Principal retirement	465,000	-	1,752,412	110,590
Interest and fiscal charges	153,697	-	117,822	10,295
Total expenditures	<u>57,140,106</u>	<u>3,432,453</u>	<u>8,047,737</u>	<u>2,174,430</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,450,557</u>	<u>(389,863)</u>	<u>512,766</u>	<u>(49,393)</u>
Other financing sources (uses):				
Issuance of notes	-	-	-	-
Issuance of loans.	-	-	-	-
Sale of capital assets.	-	-	1,422	29,835
Transfers in	-	-	-	-
Transfers (out).	(40,000)	-	-	-
Total other financing sources (uses)	<u>(40,000)</u>	<u>-</u>	<u>1,422</u>	<u>29,835</u>
Net change in fund balances.	1,410,557	(389,863)	514,188	(19,558)
Fund balances (deficit) at beginning of year	<u>(3,224,056)</u>	<u>1,451,136</u>	<u>3,291,692</u>	<u>312,237</u>
Fund balances (deficit) at end of year	<u>\$ (1,813,499)</u>	<u>\$ 1,061,273</u>	<u>\$ 3,805,880</u>	<u>\$ 292,679</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,522,700	\$ 4,481,612
-	45,247,080
1,738,975	11,607,591
277,845	945,545
153,221	569,407
3,581,369	10,338,129
27,035	458,531
65,344	73,504
259,486	267,628
6,930,521	12,285,017
10,405,265	10,405,265
120,375	120,375
-	(44,902)
418,625	2,064,772
<u>26,500,761</u>	<u>98,819,554</u>
1,397,115	19,467,660
3,064,826	37,688,666
4,126,520	6,124,178
2,374,332	5,553,419
274,432	6,689,550
2,417,992	2,857,130
11,286,449	14,745,973
3,565,019	5,893,021
88,475	370,289
<u>28,595,160</u>	<u>99,389,886</u>
<u>(2,094,399)</u>	<u>(570,332)</u>
3,500,000	3,500,000
407,447	407,447
-	31,257
40,000	40,000
-	(40,000)
<u>3,947,447</u>	<u>3,938,704</u>
1,853,048	3,368,372
11,114,115	12,945,124
<u>\$ 12,967,163</u>	<u>\$ 16,313,496</u>

CITY OF CANTON
STARK COUNTY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Net change in fund balances - total governmental funds \$ 3,368,372

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 are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.

Capital asset additions	\$ 12,175,829	
Current year depreciation	(8,304,565)	
Total		3,871,264

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (608,873)

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

Property and other taxes	264,845	
Municipal income taxes	(889,384)	
Intergovernmental revenue	1,029,245	
Operating grants	434,360	
Charges for services	(1,935,241)	
Interest	12,334	
Total		(1,083,841)

The issuance of loans and notes are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position. (3,907,447)

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

General obligation bond principal payments	2,077,229	
Loan principal payments	178,174	
Note principal payments	3,500,000	
Capital lease principal payments	137,618	
		5,893,021

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. 8,320

Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows of resources. 6,449,668

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities. (11,479,630)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds, including an internal balance activity of \$56,309, is reported with the governmental activities on the government-wide statement of net position. (1,901,552)

Change in net position of governmental activities \$ 609,302

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				(Negative)
Revenues:				
Property and other taxes	\$ 1,820,800	\$ 1,870,800	\$ 1,958,912	\$ 88,112
Municipal income taxes	33,465,524	33,465,524	33,065,268	(400,256)
Charges for services	6,603,579	6,753,579	7,534,924	781,345
Licenses, permits, and fees	866,000	866,000	815,560	(50,440)
Fines and forfeitures.	157,000	222,000	420,626	198,626
Intergovernmental	6,208,113	6,348,113	6,811,276	463,163
Interest and investment income	157,000	157,000	389,927	232,927
Rental income	7,494	7,494	8,160	666
Operating grants	1,490,000	2,390,000	2,264,865	(125,135)
Contributions and donations.	-	-	8,142	8,142
Other.	1,179,490	1,179,490	1,694,599	515,109
Total revenues	<u>51,955,000</u>	<u>53,260,000</u>	<u>54,972,259</u>	<u>1,712,259</u>
Expenditures:				
Current:				
General government:				
Service director support administration	419,448	419,673	408,411	11,262
Service director	104,191	84,377	78,019	6,358
Purchase administration	429,670	427,624	406,423	21,201
Annexation.	16,040	12,040	7,413	4,627
Building and maintenance	1,108,249	1,154,722	1,140,248	14,474
Mayor administration	366,729	386,330	379,555	6,775
Human resources.	123,138	126,915	125,427	1,488
Council.	598,418	605,542	604,869	673
Judges	2,117,890	2,084,703	2,050,910	33,793
Clerk of Courts.	1,551,702	1,568,606	1,568,351	255
Law department	1,541,541	1,695,061	1,563,746	131,315
Auditor's office.	1,683,305	1,691,057	1,641,149	49,908
Treasurer's office.	381,664	452,893	423,252	29,641
Civil service	303,223	303,534	289,013	14,521
Zoning board.	8,566	8,566	8,142	424
Management information systems	1,115,951	1,143,496	1,142,635	861
Total general government	<u>11,869,725</u>	<u>12,165,139</u>	<u>11,837,563</u>	<u>327,576</u>
Security of persons and property:				
Safety director	154,294	165,353	164,837	516
Code enforcement	-	845	845	-
Safety director school police administration	122,457	121,023	119,022	2,001
Central communication.	1,720,543	1,723,274	1,697,136	26,138
Police.	15,623,473	15,878,172	15,864,953	13,219
Fire	14,412,890	14,398,056	14,366,085	31,971
Traffic administration.	636,658	748,313	747,644	669
Traffic engineer/parking meters.	143,337	143,926	127,631	16,295
Total security of persons and property	<u>32,813,652</u>	<u>33,178,962</u>	<u>33,088,153</u>	<u>90,809</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				(Negative)
Public health:				
Administration	714,422	779,175	777,407	1,768
Nurses	693,511	614,295	602,981	11,314
Lab.	252,833	272,089	268,093	3,996
Environmental health administration	359,747	407,049	390,188	16,861
Total public health	<u>2,020,513</u>	<u>2,072,608</u>	<u>2,038,669</u>	<u>33,939</u>
Transportation:				
Engineering - daily operations.	50,533	50,543	46,855	3,688
Street department	1,345,110	1,300,434	1,188,801	111,633
Total transportation	<u>1,395,643</u>	<u>1,350,977</u>	<u>1,235,656</u>	<u>115,321</u>
Community environment:				
Community development administration.	2,227,506	5,446,678	3,429,543	2,017,135
Community Improvement Corporation.	50,000	104,631	104,631	-
Land reutilization.	35,760	39,618	6,357	33,261
Historic Onesto Project	2,050,000	4,500	2,528	1,972
HOF village Project	5,000,000	-	-	-
Total community environment	<u>9,363,266</u>	<u>5,595,427</u>	<u>3,543,059</u>	<u>2,052,368</u>
Leisure time activities:				
Civic Center administration	449,746	459,196	459,197	(1)
Total leisure time activities.	<u>449,746</u>	<u>459,196</u>	<u>459,197</u>	<u>(1)</u>
Debt service:				
Principal retirement	4,265,000	16,265,000	16,265,000	-
Interest and fiscal charges	132,600	200,212	154,266	45,946
Total debt service.	<u>4,397,600</u>	<u>16,465,212</u>	<u>16,419,266</u>	<u>45,946</u>
Total expenditures	<u>62,310,145</u>	<u>71,287,521</u>	<u>68,621,563</u>	<u>2,665,958</u>
Excess of revenues over (under) expenditures	<u>(10,355,145)</u>	<u>(18,027,521)</u>	<u>(13,649,304)</u>	<u>4,378,217</u>
Other financing sources (uses):				
Issuance of notes.	8,200,000	14,200,000	14,000,000	(200,000)
Issuance of manuscript debt.	1,900,000	2,900,000	3,515,000	615,000
Transfers in	-	27,600	27,600	-
Transfers (out).	(228,800)	(232,190)	(228,800)	3,390
Advances in	500,000	500,000	200,000	(300,000)
Advances (out).	(575,000)	(388,215)	(348,215)	40,000
Total other financing sources (uses).	<u>9,796,200</u>	<u>17,007,195</u>	<u>17,165,585</u>	<u>158,390</u>
Net change in fund balance.	<u>(558,945)</u>	<u>(1,020,326)</u>	<u>3,516,281</u>	<u>4,536,607</u>
Fund balance at beginning of year	657,165	657,165	657,165	-
Prior year encumbrances appropriated	999,321	999,321	999,321	-
Fund balance at end of year	<u>\$ 1,097,541</u>	<u>\$ 636,160</u>	<u>\$ 5,172,767</u>	<u>\$ 4,536,607</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY AND ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Operating grants	\$ 2,705,658	\$ 6,326,812	\$ 2,803,628	\$ (3,523,184)
Other	188,920	188,920	177,685	(11,235)
Total revenues	<u>2,894,578</u>	<u>6,515,732</u>	<u>2,981,313</u>	<u>(3,534,419)</u>
Expenditures:				
Current:				
Community environment:				
Community development administration	4,663,400	5,553,254	4,392,591	1,160,663
Federal stimulus funding	54,000	54,829	28,454	26,375
Community development demolition	587,000	613,155	327,396	285,759
Fair housing administration.	220,470	220,830	169,392	51,438
Total expenditures	<u>5,524,870</u>	<u>6,442,068</u>	<u>4,917,833</u>	<u>1,524,235</u>
Net change in fund balance	(2,630,292)	73,664	(1,936,520)	(2,010,184)
Fund balance (deficit) at beginning of year.	(747,973)	(747,973)	(747,973)	-
Prior year encumbrances appropriated	1,411,553	1,411,553	1,411,553	-
Fund balance (deficit) at end of year	<u>\$ (1,966,712)</u>	<u>\$ 737,244</u>	<u>\$ (1,272,940)</u>	<u>\$ (2,010,184)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Nonmajor Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 11,996,551	\$ 21,517,064	\$ 878,500	\$ 942,795
Cash in segregated accounts	-	600,267	-	-
Receivables:				
Accounts	3,221,415	2,900,005	1,954,430	200
Due from other funds	-	-	-	-
Due from other governments	108,117	3,893,779	11,122	-
Materials and supplies inventory	1,219,561	1,255,865	-	-
Total current assets	<u>16,545,644</u>	<u>30,166,980</u>	<u>2,844,052</u>	<u>942,995</u>
Non-current assets:				
Net pension asset	24,425	19,368	13,661	3,437
Capital assets:				
Land and construction in progress	9,984,728	60,568,642	149,450	-
Depreciable capital assets, net	64,127,417	35,161,831	1,737,298	482,165
Total capital assets, net	<u>74,112,145</u>	<u>95,730,473</u>	<u>1,886,748</u>	<u>482,165</u>
Total noncurrent assets	<u>74,136,570</u>	<u>95,749,841</u>	<u>1,900,409</u>	<u>485,602</u>
Total assets	<u>90,682,214</u>	<u>125,916,821</u>	<u>4,744,461</u>	<u>1,428,597</u>
Deferred outflows of resources:				
Pension	<u>2,442,551</u>	<u>1,936,897</u>	<u>1,366,142</u>	<u>343,667</u>
Liabilities:				
Current liabilities:				
Accounts payable	406,171	441,914	135,170	8,163
Contracts payable	138,953	3,941,667	-	-
Retainage payable	-	617,183	-	-
Accrued wages and benefits payable	280,005	210,747	153,465	44,833
Due to other funds	13,335	4,132	5,949	978
Due to other governments	59,256	34,245	23,734	6,927
OWDA loans payable	1,652,816	912,441	-	-
OPWC loans payable	164,588	8,461	-	-
Compensated absences payable	-	-	-	-
Claims payable	-	-	-	-
Total current liabilities	<u>2,715,124</u>	<u>6,170,790</u>	<u>318,318</u>	<u>60,901</u>
Non-current liabilities:				
OWDA loans payable	26,892,930	55,178,536	-	-
OPWC loans payable	2,024,913	51,507	-	-
Compensated absences payable	-	-	-	-
Claims payable	-	-	-	-
Net pension liability	6,323,444	5,014,368	3,536,763	889,707
Total non-current liabilities	<u>35,241,287</u>	<u>60,244,411</u>	<u>3,536,763</u>	<u>889,707</u>
Total liabilities	<u>37,956,411</u>	<u>66,415,201</u>	<u>3,855,081</u>	<u>950,608</u>
Deferred inflows of resources:				
Pension	<u>133,423</u>	<u>105,802</u>	<u>74,625</u>	<u>18,772</u>
Net position:				
Net investment in capital assets	43,237,945	35,637,861	1,886,748	482,165
Unrestricted (deficit)	11,796,986	25,694,854	294,149	320,719
Total net position (deficit)	<u>\$ 55,034,931</u>	<u>\$ 61,332,715</u>	<u>\$ 2,180,897</u>	<u>\$ 802,884</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				
Net position of business-type activities				

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 35,334,910	\$ 2,000,701
600,267	-
8,076,050	38,533
-	154,816
4,013,018	-
2,475,426	-
<u>50,499,671</u>	<u>2,194,050</u>
60,891	-
70,702,820	-
101,508,711	-
<u>172,211,531</u>	<u>-</u>
172,272,422	-
<u>222,772,093</u>	<u>2,194,050</u>
6,089,257	-
991,418	719,170
4,080,620	-
617,183	-
689,050	130,134
24,394	-
124,162	20,103
2,565,257	-
173,049	-
-	1,688,579
-	1,255,067
<u>9,265,133</u>	<u>3,813,053</u>
82,071,466	-
2,076,420	-
-	6,169,773
-	1,110,853
<u>15,764,282</u>	<u>-</u>
<u>99,912,168</u>	<u>7,280,626</u>
<u>109,177,301</u>	<u>11,093,679</u>
332,622	-
81,244,719	-
38,106,708	(8,899,629)
119,351,427	<u>\$ (8,899,629)</u>
(606,587)	
<u>\$ 118,744,840</u>	

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 17,000,056	\$ 14,339,280	\$ 5,849,351	\$ 2,011,319
Rental income	25,003	1,032	-	-
Other	52,763	565,555	21,957	12,111
Total operating revenues	17,077,822	14,905,867	5,871,308	2,023,430
Operating expenses:				
Personal services	7,425,885	6,002,681	4,346,841	1,593,911
Contract services	3,226,077	4,221,594	1,925,412	75,897
Materials and supplies	1,152,503	400,896	206,608	20,650
Benefit claim expenses	-	-	-	-
Insurance claims and expenses	17,334	10,641	2,795	1,731
Depreciation	1,654,106	1,446,549	267,244	34,008
Other	42,588	60,662	11,108	3,484
Total operating expenses	13,518,493	12,143,023	6,760,008	1,729,681
Operating income (loss)	3,559,329	2,762,844	(888,700)	293,749
Nonoperating revenues (expenses):				
Interest and fiscal charges	(880,171)	(99,130)	-	-
Gain (loss) on disposal of capital assets	1,219	9,090	-	-
Operating grants	-	-	47,971	-
Total nonoperating revenues (expenses)	(878,952)	(90,040)	47,971	-
Income (loss) before capital contributions	2,680,377	2,672,804	(840,729)	293,749
Capital contributions	1,117,807	3,736,615	-	509,135
Change in net position	3,798,184	6,409,419	(840,729)	802,884
Net position (deficit) at beginning of year	51,236,747	54,923,296	3,021,626	-
Net position (deficit) at end of year	\$ 55,034,931	\$ 61,332,715	\$ 2,180,897	\$ 802,884
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				
Change in net position of business-type activities				

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	Governmental Activities - Internal Service Funds
\$ 39,200,006	\$ 14,681,484
26,035	-
652,386	1,801,700
<u>39,878,427</u>	<u>16,483,184</u>
19,369,318	876,972
9,448,980	1,132,469
1,780,657	-
-	3,254,336
32,501	13,713,774
3,401,907	-
117,842	540
<u>34,151,205</u>	<u>18,978,091</u>
<u>5,727,222</u>	<u>(2,494,907)</u>
(979,301)	-
10,309	-
47,971	-
<u>(921,021)</u>	<u>-</u>
4,806,201	(2,494,907)
<u>5,363,557</u>	<u>-</u>
10,169,758	(2,494,907)
	<u>(6,404,722)</u>
	<u>\$ (8,899,629)</u>
<u>(593,355)</u>	
<u>\$ 9,576,403</u>	

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash received from charges for services	\$ 17,866,681	\$ 14,925,761	\$ 5,908,763	\$ 2,011,119
Cash received from rents	25,003	1,032	-	-
Cash received from other operations	75,154	762,515	21,957	12,111
Cash payments for personal services	(6,908,682)	(5,502,275)	(4,082,136)	(976,705)
Cash payments for contractual services	(3,235,573)	(4,201,377)	(1,901,574)	(74,618)
Cash payments for materials and supplies	(949,444)	(647,170)	(214,811)	(16,920)
Cash payments for claims	(17,334)	(10,641)	(2,795)	(1,731)
Cash payments for insurance claims	-	-	-	-
Cash payments for benefits claims	-	-	-	-
Cash payments for other expenses	(26,703)	(60,136)	(10,896)	(3,423)
Net cash provided by (used in) operating activities	<u>6,829,102</u>	<u>5,267,709</u>	<u>(281,492)</u>	<u>949,833</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	-	-	122,502	-
Cash received from interfund loans	2,000,000	-	-	-
Net cash provided by noncapital financing activities	<u>2,000,000</u>	<u>-</u>	<u>122,502</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(5,721,129)	(16,679,369)	(5,450)	(7,038)
Capital contributions	1,113,600	3,736,615	-	-
Proceeds from sale of capital assets	5,067	9,090	-	-
Proceeds of loans	1,275,809	9,902,685	-	-
Principal paid on bonds	(595,122)	(177,648)	-	-
Interest paid on bonds	(23,805)	(7,106)	-	-
Principal paid on OPWC loans	(89,588)	(8,461)	-	-
Principal paid on OWDA loans	(1,600,826)	(887,930)	-	-
Interest paid on OWDA loans	(858,350)	(92,616)	-	-
Net cash used in capital and related financing activities	<u>(6,494,344)</u>	<u>(4,204,740)</u>	<u>(5,450)</u>	<u>(7,038)</u>
Net increase (decrease) in cash and cash equivalents	2,334,758	1,062,969	(164,440)	942,795
Cash and cash equivalents at beginning of year	9,661,793	20,454,095	1,042,940	-
Cash and cash equivalents at end of year	<u>\$ 11,996,551</u>	<u>\$ 21,517,064</u>	<u>\$ 878,500</u>	<u>\$ 942,795</u>

<u>Total</u>	Governmental Activities - Internal Service Funds
\$ 40,712,324	\$ 14,681,484
26,035	-
871,737	1,875,736
(17,469,798)	(155,882)
(9,413,142)	(1,134,374)
(1,828,345)	-
(32,501)	-
-	(14,476,823)
-	(3,599,017)
<u>(101,158)</u>	<u>(540)</u>
<u>12,765,152</u>	<u>(2,809,416)</u>
122,502	-
<u>2,000,000</u>	<u>-</u>
<u>2,122,502</u>	<u>-</u>
(22,412,986)	-
4,850,215	-
14,157	-
11,178,494	-
(772,770)	-
(30,911)	-
(98,049)	-
(2,488,756)	-
<u>(950,966)</u>	<u>-</u>
<u>(10,711,572)</u>	<u>-</u>
4,176,082	(2,809,416)
31,158,828	4,810,117
<u>\$ 35,334,910</u>	<u>\$ 2,000,701</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 3,559,329	\$ 2,762,844	\$ (888,700)	\$ 293,749
Adjustments:				
Depreciation	1,654,106	1,446,549	267,244	34,008
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable.	889,016	783,441	59,412	(200)
(Increase) decrease in materials and supplies inventory	146,946	(215,131)	-	-
(Increase) in due from other funds	-	-	-	-
Increase (decrease) in accounts payable	11,111	(9,920)	16,895	8,163
Increase in accrued wages and benefits	25,472	17,317	20,142	44,833
Increase in due to other funds	1,689	1,269	3,951	978
Increase in due to other governments	5,775	3,560	3,118	6,927
(Increase) in net pension asset	(5,674)	(4,787)	(2,831)	(3,437)
(Increase) in deferred outflows of resources - pension	(1,679,113)	(1,343,224)	(925,187)	(343,667)
Increase in deferred inflows of resources - pension	54,659	44,553	29,132	18,772
Increase in net pension liability	2,165,786	1,781,238	1,135,332	889,707
(Decrease) in compensated absences payable.	-	-	-	-
(Decrease) in claims payable	-	-	-	-
Net cash provided by (used in) operating activities.	<u>\$ 6,829,102</u>	<u>\$ 5,267,709</u>	<u>\$ (281,492)</u>	<u>\$ 949,833</u>

Non-Cash Transactions:

As of December 31, 2016, the water operating fund and sewer operating fund had purchased \$138,953 and \$3,958,583, in capital assets on account, respectively.

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

During 2016, the nonmajor enterprise fund received contributed capital assets with a net book value of \$509,135 from the governmental activities.

During 2016, the City reported a \$3,893,779 receivable for OWDA loan proceeds disbursed by OWDA but not received by the City by year-end.

During 2016, the City reported a \$103,910 receivable for OPWC loan proceeds disbursed by OPWC but not received by the City by year-end.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	Private-Purpose Trust	
	Hartford Houtz	Agency
Assets:		
Equity in pooled cash and investments	\$ -	\$ 2,666,239
Cash and cash equivalents in segregated accounts	34,391	185,096
Investments in segregated accounts	119,194	-
Receivables:		
Accounts	-	8,386
Total assets	\$ 153,585	\$ 2,859,721
Liabilities:		
Due to other governments.	\$ -	\$ 290,310
Undistributed assets	-	185,096
Deposits held and due to others	-	2,384,315
Total liabilities	-	\$ 2,859,721
Net position:		
Held in trust for individuals.	153,585	
Total net position	\$ 153,585	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CANTON
STARK COUNTY, OHIO
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Private-Purpose Trust
	Hartford Houtz
Additions:	
Investment income.	\$ 660
Change in net position.	660
Net position at beginning of year.	152,925
Net position at end of year	\$ 153,585

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

A. Basis of Presentation

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

Government-wide Financial Statements

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

B. Fund Accounting

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

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

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

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

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

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

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

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

The City's nonmajor enterprise fund is used to account for the provision of building code services.

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

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

C. Measurement Focus

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

D. Basis of Accounting

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, See Note 13 for deferred outflows of resources related the City's net pension liability.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 13 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Appropriations

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

F. Lapsing of Appropriations

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

G. Cash and Cash Equivalents

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

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

During 2016, investments were limited to Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Home Loan Bank (FHLB) securities, Commercial Paper, U.S. Treasury Notes, Repurchase Agreement and U.S. Government Money Market Mutual Funds. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2016 amounted to \$416,181, which includes \$378,816, assigned from other City funds.

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

H. Inventory

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

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City has no prepaid items.

J. Capital Assets

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

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

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

K. Interfund Balances

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

L. Compensated Absences

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance

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

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

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

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

O. Net Position

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

P. Operating Revenues and Expenses

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

Q. Contributions of Capital

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

During 2016, the City recognized capital contributions of \$1,117,807 in the water operating fund related to capital grants funding, \$3,736,615 in the sewer fund related the phosphorus/total nitrogen removal project, the MBR equipment project and the E. Side (Freshmark) sewer project, and \$509,135 in the building code fund related to capital assets contributed from the governmental activities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2016.

T. Estimates

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

U. Pensions

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2016, the City has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the City.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. These disclosures were incorporated in the City's fiscal year 2016 financial statements (see Note 23); however, there was no effect on beginning net position/fund balance

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

B. Deficit Fund Balances

Fund balances at December 31, 2016 included the following individual fund deficits:

	<u>Deficit</u>
<u>Major Governmental Fund</u>	
General	\$1,813,499
<u>Nonmajor Governmental Funds</u>	
Youth development	12,399
Fire grants & donations	87,952
Jobs Ohio	113,193
12th St. N. Corridor project	634,937
Mahoning Rd. Corridor project	319,110
11 St. Improvement project	4,272
Tusc. St W Corridor Safety project	1,832

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interim monies may be invested in the following securities:

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

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Cash with Fiscal Agent: At year end, the City had \$3,019 on deposit with financial institutions to service bonded debt as principal and interest come due. This account is maintained separate from the City’s internal investment pool. The balance in this account is included in “deposits with financial institutions” below. At year-end, the City had \$600,267 on deposit with financial institutions to account for retainage payments. This account is maintained separate from the City’s internal investment pool. The balance in this account is included in “deposits with financial institutions” below.

Cash and Cash Equivalents in Segregated Accounts: At year end, the City had \$185,096 deposited with a financial institution for monies related to the municipal court agency fund. In addition, the City had \$1,680 deposited with a financial institution related to the private-purpose trust fund and \$32,711 of nonnegotiable certificates of deposit held in trust by financial institutions for the private-purpose trust fund. These accounts are maintained separate from the City’s internal investment pool. The balances in these accounts are included in “deposits with financial institutions” below.

Investments in Segregated Accounts: At year end, the City had \$119,194 in municipal bond mutual funds held in trust for the private-purpose trust fund. The mutual funds are maintained separate from the City’s internal investment pool. The balances of the mutual funds are included in “investments” below.

A. Deposits with Financial Institutions

At December 31, 2016, the carrying amount of all City deposits was \$23,114,595. Based on the criteria described in GASB Statement No. 40, “*Deposits and Investment Risk Disclosures*,” as of December 31, 2016, \$24,440,889 of the City’s bank balance of \$25,478,299 was exposed to custodial risk as discussed below, while \$1,037,410 was covered by the FDIC.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2016, the City had the following investments and maturity:

Measurement/ Investment type	Measurement Value	Investment Maturity			
		1 Year or Less	1 to 2 Years	2 to 3 Years	Greater Than 3 Years
Fair Value:					
FFCB	4,756,222	500,063	2,583,749	1,131,153	541,257
FHLB	8,284,784	2,150,179	3,837,733	1,071,021	1,225,851
FHLMC	5,083,368	1,000,969	998,656	1,565,788	1,517,955
FNMA	9,675,010	2,001,374	1,907,298	3,453,168	2,313,170
Commercial paper	1,306,073	1,306,073	-	-	-
U.S. Treasury Notes	1,508,647	-	522,436	-	986,211
Repurchase Agreements	6,085,531	6,085,531	-	-	-
U.S. Government Money					
Market Mutual Funds	153,163	153,163	-	-	-
Total	\$ 36,852,798	\$ 13,197,352	\$ 9,849,872	\$ 7,221,130	\$ 6,584,444

The weighted average of maturity of investments is 1.69 years.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA), commercial paper, U.S. Treasury notes, and repurchase agreements are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2016:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
Fair Value		
FFCB	4,756,222	12.91
FHLB	8,284,784	22.49
FHLMC	5,083,368	13.79
FNMA	9,675,010	26.25
Commercial Paper	1,306,073	3.54
U.S. Treasury Notes	1,508,647	4.09
Repurchase Agreements	6,085,531	16.51
U.S. Government Money		
Market Mutual Funds	<u>153,163</u>	<u>0.42</u>
Total	<u>\$ 36,852,798</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statements as of December 31, 2016:

Cash and investments per note:

Carrying amount of deposits	\$ 23,114,595
Investments	36,852,798
Cash on hand	<u>1,000</u>
Total	<u>\$ 59,968,393</u>

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

Governmental activities	\$ 21,028,296
Business-type activities	35,935,177
Fiduciary funds	<u>3,004,920</u>
Total	<u>\$ 59,968,393</u>

NOTE 5 - RECEIVABLES

Receivables at December 31, 2016, consisted of taxes, accounts (billings for user charged services), loans and intergovernmental receivables. All of these receivables, except loans receivable, are considered fully collectible.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - RECEIVABLES - (Continued)

Special assessments expected to be collected in more than one-year amount to \$1,470,239 in the general fund, \$270,711 in the community and economic development fund, and \$5,941 in the debt service fund (a nonmajor governmental fund). Special assessments are reported among accounts receivable on the statement of net position and the balance sheet and charges for services revenue on the statement of activities and the statement of revenues, expenditures, and changes in fund balance.

A. Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Auditor collects property taxes on behalf of all taxing districts in the County, including the City of Findlay. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2016 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2016, for all City operations applied to taxable property in the following taxing districts within the City limits was \$3.40 for District 2 - Canton City School District, \$2.00 for District 3 - Plain Local School District, \$2.60 for District 4 - Canton Local School District, and \$2.30 for District 90 - Osnaburg Local School District.

The assessed values of real and public utility property upon which 2016 property tax receipts were based are as follows:

Real property	\$ 674,163,260
Real and personal public utility	<u>61,037,560</u>
Total assessed value	<u><u>\$ 735,200,820</u></u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - RECEIVABLES - (Continued)

B. Income Taxes

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 75 percent to the general fund, 20 percent to the capital projects fund and 5 percent to the motor vehicle purchase Fund. The allocation to the motor vehicle purchase fund is the only allocation that was actually voted upon and approved by the voters of the City. This requires the fund balance for the motor vehicle purchase fund to be reported as restricted as seen on page 103.

C. Due From Other Governments

A summary of intergovernmental receivables follows:

	Amounts
Governmental activities	
Local government and local government revenue assistance	\$ 1,519,753
Hotel tax	33,002
Charges for services	284,099
Fines and forfeitures	30,676
Casino revenue	1,077,977
Gasoline and excise tax	1,023,635
\$5 license plate tax	228,597
Motor vehicle tax	266,841
Loan proceeds	1,831
Grants	7,592,301
Total governmental activities	12,058,712
Business-type activities	
Loan proceeds	3,997,689
Grants	15,329
Total business-type activities	4,013,018
Grand total	\$ 16,071,730

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - RECEIVABLES - (Continued)

D. Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$708,770. The loans receivable represent the principal owed to the City for Community Development Block Grants. The loans bear interest at annual rates between 0% and 11%. The loans will be repaid over periods up to 20 years.

The general fund has reported a loan receivable in the amount of \$1,748,070. The loan receivable represents an economic development loan made to Historic Onesto, LLC for betterments and improvements to The Historic Onesto which is being converted from a hotel (closed in 1974) to luxury loft apartments and private event space. The loan bears an annual interest rate of 3% with a repayment period not to exceed 10 years.

NOTE 6 - RISK MANAGEMENT

A. Workers' Compensation

Since 1989, the City has participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan. Under the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in 2016 are \$200,000 per claim.

A minimum premium for fixed costs is charged by the Ohio Bureau of Workers' Compensation. A maximum premium, the employer's experience-rated premium multiplied by the maximum percentage selected by the employer, may be charged back to the City for a ten-year evaluation period per claim. For the policy year 2016, the City selected Tier 1 which calls for no claim limit and a 150 percent maximum premium limit.

The claims liability of \$1,669,140 reported in the workers compensation internal service fund at December 31, 2016, is estimated by the third-party administrators and is based on the requirements of GASB Statement No. 10, "*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*", as amended by GASB Statement No. 30, "*Risk Financing Omnibus*", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

Year	Balance Beginning of Year	Claims Incurred	Claim Payments	Balance End of Year
2016	\$ 1,739,100	\$ 3,258,824	\$ 3,328,784	\$ 1,669,140
2015	2,584,321	745,937	1,591,158	1,739,100

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6 - RISK MANAGEMENT - (Continued)

B. Property and Liability

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

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

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

C. Medical

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

The claims liability of \$696,780 reported in the Health Insurance Internal Service Fund at December 31, 2016, is estimated by the third-party administrators and is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

Year	Balance Beginning of Year	Claims Incurred	Claim Payments	Balance End of Year
2016	\$ 1,389,869	\$ 10,454,950	\$ 11,148,039	\$ 696,780
2015	1,927,789	10,550,178	11,088,098	1,389,869

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance 12/31/15	Additions	Deductions	Balance 12/31/16
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 8,506,048	\$ -	\$ -	\$ 8,506,048
Construction in progress	24,203,371	10,039,617	(3,268,116)	30,974,872
Total capital assets, not being depreciated	32,709,419	10,039,617	(3,268,116)	39,480,920
Capital assets, being depreciated:				
Buildings and structures	52,879,358	219,031	(1,034,849)	52,063,540
Vehicles and equipment	33,248,682	797,295	(1,228,339)	32,817,638
Infrastructure	380,877,991	4,388,002	(370,767)	384,895,226
Total capital assets, being depreciated	467,006,031	5,404,328	(2,633,955)	469,776,404
Less accumulated depreciation:				
Buildings and structures	(25,641,588)	(1,576,320)	545,672	(26,672,236)
Vehicles and equipment	(27,011,787)	(1,291,967)	1,193,357	(27,110,397)
Infrastructure	(323,123,126)	(5,436,278)	286,053	(328,273,351)
Total accumulated depreciation	(375,776,501)	(8,304,565)	2,025,082	(382,055,984)
Total capital assets, being depreciated, net	91,229,530	(2,900,237)	(608,873)	87,720,420
Governmental activities capital assets, net	\$ 123,938,949	\$ 7,139,380	\$ (3,876,989)	\$ 127,201,340

Depreciation expense was charged to governmental functions as follows:

General government	\$ 652,489
Security of persons and property	1,007,371
Public health	157,811
Transportation	5,706,329
Community environment	36,623
Leisure time activities	743,942
Total depreciation expense	<u>\$ 8,304,565</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 - CAPITAL ASSETS - (Continued)

	Balance 12/31/15	Additions	Deductions	Balance 12/31/16
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 3,366,114	\$ 5,450	\$ -	\$ 3,371,564
Construction in progress	56,258,336	20,880,358	(9,807,438)	67,331,256
Total capital assets, not being depreciated	59,624,450	20,885,808	(9,807,438)	70,702,820
Capital assets, being depreciated:				
Buildings and structures	117,963,845	1,004,462	-	118,968,307
Vehicles and equipment	14,221,205	9,855,710	(331,529)	23,745,386
Infrastructure	162,673,083	679,641	-	163,352,724
Total capital assets, being depreciated	294,858,133	11,539,813	(331,529)	306,066,417
Less accumulated depreciation:				
Buildings and structures	(65,079,577)	(1,065,777)	-	(66,145,354)
Vehicles and equipment	(9,067,821)	(1,352,372)	327,681	(10,092,512)
Infrastructure	(126,728,613)	(1,591,227)	-	(128,319,840)
Total accumulated depreciation	(200,876,011)	(4,009,376)	327,681	(204,557,706)
Total capital assets, being depreciated, net	93,982,122	7,530,437	(3,848)	101,508,711
Business-type activities capital assets, net	<u>\$ 153,606,572</u>	<u>\$ 28,416,245</u>	<u>\$ (9,811,286)</u>	<u>\$ 172,211,531</u>

Depreciation expense was charged to the enterprise funds as follows:

Water operating	\$ 1,654,106
Sewer operating	1,446,549
Refuse operating	267,244
Building operating	34,008
Total depreciation expense	<u>3,401,907</u>
Accumulated depreciation on capital assets transferred from governmental activities to building fund	<u>607,469</u>
Increase in accumulated depreciation	<u>\$ 4,009,376</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8 - COMPENSATED ABSENCES

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

Employees may bank up to 75 days earned vacation time toward retirement, payable at retirement or termination. No more than 15 days of earned vacation may be banked in any one-year in minimum increments of five days. In March 2003, the City eliminated banked vacation for individuals in management and non-bargaining classifications. In lieu of, or in addition to banking vacation, an employee may request to receive cash payment for unused vacation of no more than 10 days per year in minimum increments of five days calculated at 90 percent of the current rate of pay. Employees in their 28th year or later, can be paid for 20 days at 90%. Employees must declare their desire to receive cash payment no later than October 1 of each year. Payment shall be made on the first regular pay day in November of each year. Approval of the cash payment is within the sole discretion of the appointing authority.

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

In 2004, the City established a compensated absences claim fund for the purpose of depositing sick expense premiums from the employees' labor fund distribution to pay both current and previous unfunded compensated absences. The expense associated with current and future obligations is being charged as a direct claim against the compensated absences claim fund. The premium supporting the fund is included in the personal service charge for each fund. Prior to 2009, and the collapse of the City of Canton operational income, the premium was equal to 125% of the total cost of the sick leave accrued on biweekly payrolls. In an attempt to maintain an adequate workforce in light of this revenue decline, the premium was reduced to 105% of the total cost of the sick leave accrued on a biweekly payroll for 2009 and 2010. The premium reset to 125% effective January 1, 2011 and remained unchanged for 2012, 2013, 2014 and 2015. During 2016 the premium was reduced to 105% and scheduled to reset to 125% during 2017.

NOTE 9 - LONG-TERM OBLIGATIONS

General Obligation Bonds

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

Year Ending December 31	General Obligation Bonds	
	Governmental Activities	
	Principal	Interest
2017	\$ 1,015,000	\$ 82,600
2018	1,050,000	42,000
Total	<u>\$ 2,065,000</u>	<u>\$ 124,600</u>

State Infrastructure Bank (SIB) Loans and Other Loans

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

A additional SIB loan was entered into in 2014 for the 12th Street North Corridor Safety project. The interest rate for this loan is 3%. As of December 31, 2016, the City has drawn \$513,855 of the available borrowings. This SIB loan is not included in the schedule of annual debt service requirements to maturity below as the loan is not closed as of December 31, 2016 and a final amortization schedule is not available.

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

Year Ending December 31	1998 State Infrastructure Bank Loan	
	Governmental Activities	
	Principal	Interest
2017	\$ 88,728	\$ 6,672
2018	91,635	3,765
2019	46,937	763
Total	<u>\$ 227,300</u>	<u>\$ 11,200</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Ohio Public Works Commission (OPWC) Loans

The City entered into various loan agreements with the OPWC for the purpose of improving the water pollution control system, improving storm sewer operations and installing water lines. These are interest free loans. The City has pledged future revenues, net of certain operating expenses, in the water operating fund and sewer operating fund to repay the loans reported in the water and sewer operating activities. The debt is payable from net revenues and is payable through 2036. Annual principal payments on the debt issues are expected to require 1.72 percent of net revenues for water and 0.2 percent of net revenues for sewer. The total principal remaining to be paid on the debt is \$2,189,501 for water and \$59,968 for sewer. Principal paid for the current year and total net revenues were \$89,588 and \$5,213,435, respectively, for water and \$8,461 and \$4,209,393, respectively, for sewer.

During 2016, the City received OPWC loans proceeds for the following projects: Mahoning Road Corridor, Faircrest Street waterline extension, 30th Street Resurfacing, Westmoreland water main improvements, and 53rd Street water storage reservoir repairs. The Mahoning Road Corridor loan is not included in the schedule of annual debt service requirements to maturity below as the loan is not closed as of December 31, 2016 and a final amortization schedule is not available. The 30th Street Resurfacing loan is not included in the schedule of annual debt service requirements to maturity below as the loan is not closed as of December 31, 2016 and a final loan amortization schedule is not available. The 53rd Street water storage reservoir repair loan is not included in the schedule of annual debt service requirements to maturity below as the loan is not closed as of December 31, 2016 and a final amortization schedule is not available. The Faircrest Street waterline extension loan is included in the schedule of annual debt service requirements to maturity below. As of December 31, 2016, the City has received a total of \$1,137,292 of the total permissible borrowings of \$1,197,150 under this loan agreement. A final amortization schedule has been provided based upon total permissible borrowings. The Westmoreland water main loan is included in the schedule of annual debt service requirements to maturity below. As of December 31, 2016, the City has received a total of \$739,680 of the total permissible borrowings of \$750,000 under this loan agreement. A final amortization schedule has been provided based upon total permissible borrowings.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental activities, 35th Street N.E. storm sewer reconstruction	0.00%	\$ 380,812
Governmental activities, Market Avenue North sewer replacement	0.00%	300,000
Governmental activities, 30th Street N.E. storm sewer improvement	0.00%	494,000
Governmental activities, 55th Street N.E. storm sewer improvement	0.00%	413,000
Governmental activities, 37th Street Project (street portion)	0.00%	110,457
Governmental activities, Mahoning Road corridor	0.00%	900,000 *
Governmental activities, 30th Street Resurfacing	0.00%	765,000 *
Business-type activities, Harrisburg waterline	0.00%	63,102
Business-type activities, Harmont Avenue pump station	0.00%	107,900
Business-type activities, 37th Street Project (water and sewer portions)	0.00%	264,866
Business-type activities, Westmoreland water main	0.00%	750,000 *
Business-type activities, 53rd Street water storage reservoir repair	0.00%	369,923 *
Business-type activities, Faircrest Street waterline extension	0.00%	1,197,150 *
		<u>\$ 6,116,210</u>

* Total permissible borrowings under the loan agreement.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Ohio Public Works Commission Loans

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 89,900	\$ -	\$ 173,049	\$ -
2018	77,206	-	173,049	-
2019	64,512	-	173,049	-
2020	64,512	-	173,049	-
2021	64,512	-	173,049	-
2022 - 2026	289,016	-	788,784	-
2027 - 2031	142,933	-	299,288	-
2032 - 2036	68,833	-	239,430	-
2037 - 2041	68,833	-	-	-
2042 - 2044	34,419	-	-	-
Total	\$ 964,676	\$ -	\$ 2,192,747	\$ -

As stated above, for the business-type activities, the schedule of annual debt service requirements to maturity includes the Faircrest Street waterline extension and Westmoreland water main loans based upon total permissible borrowings (\$1,197,150 and \$750,000) rather than amounts actually received by December 31, 2016 (\$1,137,292 and \$739,680) as a final amortization schedule for these loans has been established. For the governmental activities, the schedule above does not include the Mahoning Road Corridor and 30th Street resurfacing loans as these loans are not closed as of December 31, 2016 and a final amortization schedule is not available.

Ohio Water Development Authority (OWDA) Loans

The City entered into various loan agreements with the OWDA for the purpose of improving and expanding both the water and the water pollution control operations. The City has pledged future revenues, net of certain operating expenses, to repay these loans in the water operating fund and sewer operating fund. The debt is payable from net revenues and is payable through 2031. Annual principal and interest payments on the debt issues are expected to require 34.9 percent of net revenues for water and 23.3 percent of net revenues for sewer. The total principal and interest remaining to be paid on the debt is \$28,545,746 for water and \$56,090,977 for sewer. Principal and interest paid for the current year and total net revenues were \$1,821,516 and \$5,213,435, respectively, for water and \$980,544 and \$4,209,393, respectively, for sewer.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The City has both closed and open OWDA loans at December 31, 2016. The closed loans are those that OWDA has made the final disbursements and the City has final amortization schedules for the future debt payments. The water meter planning and design project (water fund) received the final disbursement in 2016 and was closed. An amortization schedule is now available for the loan. The following is the City's closed OWDA loans:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental activities, Harmont Avenue NE improvement	3.25%	\$ 60,100
Business-type activities, Plain Township waterline extension (55th St)	4.74%	1,653,459
Business-type activities, Lake Local Schools waterline	4.64%	1,980,974
Business-type activities, Osnaburg water main extension	3.62%	1,402,001
Business-type activities, Sugarcreek water plant improvement	3.25%	3,365,682
Business-type activities, NW water plant improvement	3.52%	7,094,093
Business-type activities, NE water plant improvement	5.39%	14,903,080
Business-type activities, water pollution system	2.64%	14,230,181
Business-type activities, new water meters	3.33%	9,414,052
Business-type activities, discharge line (J.L.)	3.81%	835,606
		<u>\$ 54,939,228</u>

During 2016, the phosphorus/nitrogen removal project (sewer fund) and the WRF phosphorus - MBR equipment project (sewer fund) received OWDA loan proceeds. As of the end of the audit period, the final amount borrowed for these two loans had not been determined and no final reconciliation has been completed by OWDA. Due to these issues, no payment schedules were available for either of these loans. Consequently, these loans were not included in the yearly schedule shown above nor were they used in calculating the amount due within one year in the schedule that follows. These loans are considered open since final disbursements have not been made. The total amount borrowed and the total permissible borrowing under the loan agreements are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount Borrowed as of 12/31/16</u>	<u>Total Permissible Borrowings</u>
Business-type activities, WRF phosphorus/nitrogen removal project	3.38%	38,222,258	52,547,928
Business-type activities, WRF phosphorus project - MBR equipment	3.39%	15,055,108	30,234,835
		<u>\$ 53,277,366</u>	<u>\$ 82,782,763</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Ohio Water Development Authority Loans

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 2,438	\$ 1,199	\$ 2,565,256	\$ 880,158
2018	2,518	1,125	2,644,241	805,988
2019	2,600	1,049	2,725,794	729,437
2020	2,685	971	1,819,850	657,040
2021	2,773	889	1,879,442	602,317
2022 - 2026	15,291	3,133	9,064,107	2,216,170
2027 - 2031	12,268	748	8,250,764	949,976
2032 - 2036	-	-	2,409,904	165,802
Total	<u>\$ 40,573</u>	<u>\$ 9,114</u>	<u>\$ 31,359,358</u>	<u>\$ 7,006,888</u>

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2016 were as follows:

	Outstanding 12/31/15	Additions	Reductions	Outstanding 12/31/16	Due Within One Year
<i>Business-type activities</i>					
OPWC loans:					
Water operations:					
2012 Harrisburg waterline 0%	\$ 41,016	\$ -	\$ (6,310)	\$ 34,706	\$ 6,310
2014 37th Street waterline project 0%	234,202	-	(23,420)	210,782	23,420
2016 Westmoreland Water Main	-	739,680	-	739,680	75,000
2016 53rd St Water Storage Reservoir Repair	-	67,041	-	67,041	-
2015 Faircrest Street waterline extension 0%	1,073,180	123,970	(59,858)	1,137,292	59,858
Sewer operations:					
2014 37th Street sewerline project 0%	30,664	-	(3,066)	27,598	3,066
2003 Harmont pump station 0%	37,765	-	(5,395)	32,370	5,395
Total OPWC loans	1,416,827	930,691	(98,049)	2,249,469	173,049
OWDA loans:					
Water operations:					
2001 Plain Township waterline extension (55th St) 4.74%	713,696	-	(96,164)	617,532	100,777
2002 Lake School waterline 4.64%	906,094	-	(112,328)	793,766	117,600
2007 Osnaburg water main extension 3.62%	928,627	-	(66,419)	862,208	68,845
2007 SC water plant improvements 3.25%	2,141,271	-	(141,364)	1,999,907	145,996
2008 NW water plant improvements 3.52%	4,233,766	-	(238,676)	3,995,090	247,151
2009 NE water plant improvements 5.39%	11,809,066	-	(608,089)	11,200,977	623,319
2013 water meter planning and design 3.33%	8,965,024	449,028	(337,786)	9,076,266	349,128
Sewer operations:					
1997 water pollution system 2.64%	3,480,583	-	(835,777)	2,644,806	858,282
1999 discharge line (J.L.) 3.81%	220,958	-	(52,153)	168,805	54,159
2010 WRF phosphorus/nitrogen removal project 3.38%	29,199,413	9,022,845	-	38,222,258	-
2014 WRF phosphorus - MBR equipment 3.39%	11,010,671	4,044,437	-	15,055,108	-
Total OWDA loans	73,609,169	13,516,310	(2,488,756)	84,636,723	2,565,257
General obligation bonds:					
Water operations:					
2006 refunding bonds 4.0%	595,122	-	(595,122)	-	-
Sewer operations:					
2006 various purpose 4.0%	177,648	-	(177,648)	-	-
Total general obligation bonds	772,770	-	(772,770)	-	-
Net pension liability:					
OPERS	9,792,219	5,972,063	-	15,764,282	-
Compensated absences	1,294,139	338,373	(362,972)	1,269,540	314,851
Total business-type activities	\$ 86,885,124	\$ 20,757,437	\$ (3,722,547)	\$ 103,920,014	\$ 3,053,157

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

	Outstanding 12/31/15	Additions	Reductions	Outstanding 12/31/16	Due Within One Year
<i>Governmental activities</i>					
General obligation bonds:					
2009 pension refunding bonds 3.0%-4.0%	\$ 1,440,000	\$ -	\$ (465,000)	\$ 975,000	\$ 480,000
2009 refunding bonds 3.0%-4.0%	1,600,000	-	(510,000)	1,090,000	535,000
2006 various purpose 4.0%	1,102,229	-	(1,102,229)	-	-
Total general obligation bonds	<u>4,142,229</u>	<u>-</u>	<u>(2,077,229)</u>	<u>2,065,000</u>	<u>1,015,000</u>
1998 SIB loan 3.0%	313,213	-	(85,913)	227,300	88,728
2014 SIB loan 3.0%	374,530	139,325	-	513,855	-
OWDA loan:					
2010 Harmont Avenue sewer extension 3.25%	42,934	-	(2,361)	40,573	2,438
OPWC loans:					
2014 55th Street NE storm sewer 0%	392,350	-	(13,767)	378,583	13,767
2015 Mahoning Road Corridor	231,343	199,140	-	430,483	-
2016 30th Street Resurfacing 0%	-	68,982	-	68,982	-
2003 35th Street NE storm sewer 0%	63,469	-	(25,387)	38,082	25,387
2004 Market Avenue sewer 0%	142,500	-	(15,000)	127,500	15,000
2014 37th Street road project	110,457	-	(11,046)	99,411	11,046
2009 30th Street NE storm sewer 0%	345,800	-	(24,700)	321,100	24,700
Total OPWC loans	<u>1,285,919</u>	<u>268,122</u>	<u>(89,900)</u>	<u>1,464,141</u>	<u>89,900</u>
Compensated absences	6,917,394	1,408,489	(1,737,071)	6,588,812	1,373,728
Note payable	3,500,000	3,500,000	(3,500,000)	3,500,000	3,500,000
Net pension liability:					
OPERS	18,932,178	6,717,635	-	25,649,813	-
OP&F	51,207,977	12,632,469	-	63,840,446	-
Capital leases	397,251	-	(137,618)	259,633	142,284
Total governmental activities	<u>87,113,625</u>	<u>24,666,040</u>	<u>(7,630,092)</u>	<u>104,149,573</u>	<u>6,212,078</u>
Totals	<u>\$ 173,998,749</u>	<u>\$ 45,423,477</u>	<u>\$ (11,352,639)</u>	<u>\$ 208,069,587</u>	<u>\$ 9,265,235</u>

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

A reconciliation of the schedule of long-term obligations to the statement of net position at December 31, 2016 were as follows:

	Governmental Activities	Business-Type Activities	Total
Long-term obligations per schedule above	\$ 104,149,573	\$ 103,920,014	\$ 208,069,587
Consolidation of compensated absences claim internal service fund into governmental activities	1,269,540	(1,269,540)	-
Long-term liabilities on government-wide statement of net position	\$ 105,419,113	\$ 102,650,474	\$ 208,069,587

Of the \$1,269,540 of business-type compensated absences to be paid from the compensated absences claim internal service fund (which is consolidated with the governmental activities on the statement of net position), \$314,851 is due within one year.

Notes Payable

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

Net Pension Liability

The City pays obligations related to employee compensation from the fund benefitting from their services. For the City's governmental activities, any net pension liability would be primarily liquidated by the general fund. See Note 13 for further information.

Capital Lease Obligation

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

Legal Debt Margin

The City's overall legal debt margin was \$74,547,755 and an unvoted debt margin of \$38,076,145 at December 31, 2016.

NOTE 10 - CAPITAL LEASES

In 2014, the City entered into four new capital lease agreements for the acquisition of police sedans, a street sweeper, an ambulance and a salt truck. In addition, in a previous year, the City entered into capital lease agreement for the acquisition of a fire truck. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital assets acquired by the leases have been capitalized in the amount of \$1,602,932, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2016 was \$1,122,052, leaving a current book value of \$480,880.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - CAPITAL LEASES - (Continued)

A corresponding liability was recorded on the statement of net position. In 2016, principal payments of \$137,618 are reflected as debt service principal retirement in the motor vehicle purchase fund and the federal forfeiture fund (a nonmajor governmental fund). The principal payments are reported as a reduction to the long-term liabilities reported on the statement of net position. The following is a schedule of the future minimum lease payments for all of the City's capital leases and the present value of the minimum lease payments as of December 31, 2016.

Year Ending	Governmental Activities
2017	\$ 150,656
2018	120,886
Total minimum lease payments	271,542
Less: amount representing interest	(11,909)
Present value of minimum lease payments	\$ 259,633

NOTE 11 - NOTES PAYABLE

The following is a summary of short-term note transactions for the year ended December 31, 2016 reflected in the general fund on the fund financial statements and in the governmental activities on the government-wide financial statements:

	Balance 12/31/2015	Issued	Retired	Balance 12/31/2016
Notes Payable:				
Civil Suit Settlement	\$ 1,300,000	\$ 1,200,000	\$ (1,300,000)	\$ 1,200,000
Historic Onesto Project	2,000,000	1,800,000	(2,000,000)	1,800,000
Hall of Fame Village Project	5,000,000	5,000,000	(5,000,000)	5,000,000
	\$ 8,300,000	\$ 8,000,000	\$ (8,300,000)	\$ 8,000,000

The civil suit settlement note was issued on June 24, 2016 and had an outstanding balance of \$1,200,000 at December 31, 2016. This note was issued to refinance notes previously issued on June 24, 2015 which matured June 24, 2016. The note was issued at an interest rate of 1% and matures on June 24, 2017. The purpose of the issuance was to pay for the settlement of a civil suit in which the City agreed to pay the plaintiff \$1,800,000. This note is an obligation of the fund which is responsible for payment of the settlement.

The Historic Onesto project note was issued on December 22, 2016 and had an outstanding balance of \$1,800,000 at December 31, 2016. This note was issued to refinance notes previously issued on December 22, 2015 which matured December 22, 2016. The note was issued at an interest rate ranging from 1.5% to 4.0% and mature on December 22, 2017. The note was issued in anticipation of a long-term bond financing for improvements to Historic Onesto property.

The Hall of Fame Village project note was issued on December 1, 2016 and had an outstanding balance of \$5,000,000 at December 31, 2016. The note was issued at an interest rate ranging from 1% to 4% and matures on December 1, 2017. The note was issued in anticipation of a long-term bond financing for improvements to Hall of Fame Village related to economic development.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	General Fund	Community and Economic Development Fund
	<u> </u>	<u> </u>
Budget basis	\$ 3,516,281	\$ (1,936,520)
Net adjustment for revenue accruals	(1,600,364)	61,277
Net adjustment for expenditure accruals	16,105,948	(82,233)
Net adjustment for other financing sources (uses) accruals	(17,366,785)	-
Funds budgeted elsewhere	140,174	-
Encumbrances	<u>615,303</u>	<u>1,567,613</u>
GAAP basis	<u>\$ 1,410,557</u>	<u>\$ (389,863)</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

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

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
Employee	10.0 %

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$3,744,866 for 2016. Of this amount, \$264,682 is reported as due to other governments.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$4,130,286 for 2016. Of this amount \$245,914 is reported as due to other governments.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2015, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS	OP&F	Total
Proportion of the net pension liability prior measurement date	0.23815700%	0.98849140%	
Proportion of the net pension liability current measurement date	<u>0.23909400%</u>	<u>0.99237900%</u>	
Change in proportionate share	<u>0.00093700%</u>	<u>0.00388760%</u>	
Proportion of the net pension asset prior measurement date	0.33646500%		
Proportion of the net pension asset current measurement date	<u>0.50889100%</u>		
Change in proportionate share	<u>0.17242600%</u>		
Proportionate share of the net pension liability	\$ 41,414,095	\$ 63,840,446	\$ 105,254,541
Proportionate share of the net pension asset	159,965	-	159,965
Pension expense	6,011,252	8,705,121	14,716,373

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 4,803	\$ -	\$ 4,803
Net difference between projected and actual earnings on pension plan investments	12,243,036	10,390,775	22,633,811
Changes in employer's proportionate percentage/difference between employer contributions	4,284	125,211	129,495
City contributions subsequent to the measurement date	<u>3,744,866</u>	<u>4,130,286</u>	<u>7,875,152</u>
Total deferred outflows of resources	<u><u>\$ 15,996,989</u></u>	<u><u>\$ 14,646,272</u></u>	<u><u>\$ 30,643,261</u></u>
Deferred inflows of resources			
Differences between expected and actual experience	872,878	179,261	1,052,139
Changes in employer's proportionate percentage/difference between employer contributions	<u>949</u>	<u>19,005</u>	<u>19,954</u>
Total deferred inflows of resources	<u><u>\$ 873,827</u></u>	<u><u>\$ 198,266</u></u>	<u><u>\$ 1,072,093</u></u>

\$7,875,152 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2017.

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

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$ 2,674,985	\$ 2,719,425	\$ 5,394,410
2018	2,866,577	2,719,425	5,586,002
2019	3,108,043	2,719,425	5,827,468
2020	2,762,190	2,171,835	4,934,025
2021	(8,592)	(10,415)	(19,007)
Thereafter	<u>(24,910)</u>	<u>(1,975)</u>	<u>(26,885)</u>
Total	<u><u>\$ 11,378,293</u></u>	<u><u>\$ 10,317,720</u></u>	<u><u>\$ 21,696,013</u></u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3 percent, simple Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.80% simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 401 (h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.31 %
Domestic equities	20.70	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 65,982,771	\$ 41,414,095	\$ 20,691,195
Combined Plan	(3,273)	(159,271)	(284,751)
Member-Directed Plan	1,816	(694)	(1,816)

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Changes Between Measurement Date and Report Date - In October 2016, the OPERS Board of Trustees adopted certain assumption changes which impacted their annual actuarial valuation prepared as of December 31, 2016. The most significant changes are a reduction in the expected investment return to 7.50% from 8.00%, the expected long-term average wage inflation was reduced to 3.25% from 3.75%, the expected long-term average price inflation was reduced to 2.50% from 3.00% and a change to various demographic assumptions. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 and 3.00 percent simple

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

The most recent experience study was completed for the five-year period ended December 31, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2012 actuarial valuation.

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	6.50 %	7.80 %
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation			
Protected Securities *	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

* levered 2x

** numbers include inflation

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 84,196,985	\$ 63,840,446	\$ 46,596,437

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$650,519, \$620,986, and \$623,331, respectively; 93.98% has been contributed for 2016 and 100% has been contributed for 2015 and 2014. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments/pension and postemployment benefits payable on the basic financial statements.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits were \$97,744 for the year ended December 31, 2016, \$100,560 for the year ended December 31, 2015, and \$97,006, for the year ended December 31, 2014. 100% has been contributed for 2015 and 2014. 94.18% has been contributed for police and firefighters for 2016. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

NOTE 15 - JOINT VENTURES

Canton Tomorrow, Inc.

The City participates in Canton Tomorrow, Inc., formed under Chapter 1702 of the Ohio Revised Code. Of the 26 member board, the City appoints three members. The degree of control exercised by any participating government is limited to its representation on the board. Canton Tomorrow, Inc., was formed to serve as a catalyst to bring together the vision, initiative and action necessary for the continuing revitalization of the City. Continued existence of Canton Tomorrow, Inc. is dependent on the City's continued participation, despite its minimal contribution to the overall budget; however, the City does not have an equity interest in Canton Tomorrow, Inc. (Agency). The Agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. Canton Tomorrow Inc.'s funding comes from a grant given by the City through the Canton Community Improvement Corporation to the Canton Regional Chamber of Commerce. In 2016, the grant was for \$175,000; however, there were two payments made in 2016 to account for a payment missed in 2015. The total amount disbursed was \$350,000. The Chamber of Commerce is responsible for dividing it up amongst its various agencies like Canton Tomorrow, Inc. Complete financial statements can be obtained from Canton Tomorrow, Inc.

Downtown Canton Special Improvement District

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 13 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The District was created for the purpose of developing and implementing plans for public improvements and public services. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. In 2016, the City contributed \$173,092 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

NOTE 16 - RELATED ORGANIZATION

Joint Recreation District

The City appoints three of the five members of the Joint Recreation District (District) Board. The District manages recreational activities at sites within the City at facilities owned by either the City or Canton City Schools. The District hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the District nor is the District financially dependent on the City. The District serves as its own budgeting, taxing and debt issuance authority. The City made payments totaling \$20,837 during 2016. Complete financial statements can be obtained from the Canton Recreation Department.

**CITY OF CANTON
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Stark Area Regional Transit Authority

The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon and Alliance. A nine-member board of trustees oversees the operation of the Authority whose purpose is to provide a low cost mass transportation system for Stark County. The City appoints three of the nine members. Each member's control over the operation of the Authority is limited to its representation on the Board. The Board exercises total authority for the day-to-day operations of the Authority, which include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Authority's liabilities. The City made no monetary contributions to assist in the operational expenses of the Authority during 2016. Complete financial statements may be obtained from the Stark Area Regional Transit Authority.

Stark Council of Governments

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities and villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is dependent on the City's continued participation; however, the City does not have an equity interest in the agency. The agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. The City contributed \$452,271 from the general fund for 2016 for the operation of SCOG. Complete financial statements may be obtained from the Stark Council of Governments.

Stark County Regional Planning Commission

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

The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2016, the City contributed \$12,628 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT

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

Canton Community Improvement Corporation

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

A. Summary of Significant Accounting Policies

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

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

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

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

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

In-Kind Contributions - City of Canton employees perform services for CCIC. This portion of salaries and related fringe benefits for these services are paid by the City of Canton. The estimated fair value of in-kind contribution is reported as revenue and an expense in the period in which the services are used. CCIC also benefited from the Board of Directors' time to attend board meetings. The estimated fair value of these members' contributions is not reflected in these statements since it is not susceptible to objective valuation. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. CCIC had no in-kind contributions in 2016.

Net Position - Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the statement of net position. CCIC's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations. CCIC had no restricted net position as of December 31, 2016.

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

B. Cash and Investments

At December 31, 2016, the carrying value and the bank balance of CCIC was \$82,504. The entire bank balance of \$103,004 was covered by the Federal Deposit Insurance Corporation. CCIC has not experienced any losses on this account and management of CCIC believes it is not exposed to any significant credit risk.

At December 31, 2016, CCIC had no investments.

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2016, is as follows:

	Balance 12/31/15	Additions	Deductions	Balance 12/31/16
Capital assets, not being depreciated:				
Land	\$ 41,700	\$ -	\$ -	\$ 41,700
Land improvements	172,400	-	-	172,400
Land held for future use	486,961	-	-	486,961
Total capital assets, not being depreciated	<u>701,061</u>	<u>-</u>	<u>-</u>	<u>701,061</u>
Capital assets, being depreciated				
Buildings	2,080,800	-	(1,990,600)	90,200
Building improvements	34,569	-	(34,569)	-
Total capital assets, being depreciated	<u>2,115,369</u>	<u>-</u>	<u>(2,025,169)</u>	<u>90,200</u>
Less accumulated depreciation				
Buildings	(275,884)	(2,255)	248,825	(29,314)
Building improvements	(2,592)	-	2,592	-
Total accumulated depreciation	<u>(278,476)</u>	<u>(2,255)</u>	<u>251,417</u>	<u>(29,314)</u>
Total capital assets, being depreciated, net	<u>1,836,893</u>	<u>(2,255)</u>	<u>(1,773,752)</u>	<u>60,886</u>
Governmental activities total capital assets, net	<u>\$ 2,537,954</u>	<u>\$ (2,255)</u>	<u>\$ (1,773,752)</u>	<u>\$ 761,947</u>

D. Community Development Loans

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT - (Continued)

E. Commitments

In 2016, there were no loans or grants committed to or approved by the Board of Directors

F. In-Kind Contributions, Donated Facilities and Services

The City of Canton provides CCIC with office space and various office services without charge. The value of the donated facilities is not recognized in the financial statements because no objective basis is available to measure the value of the donated facilities. No in-kind wages were received from the City of Canton in 2016.

NOTE 19 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 20 - COMMITMENTS

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

	Encumbrances as of 12/31/16
Major Funds	
General Fund	\$ 760,040
Community and Economic Development Fund	1,259,725
Capital Project Fund	1,155,584
Motor Vehicle Purchase Fund	-
Nonmajor Governmental Funds	6,457,068
<i>Total</i>	\$ 9,632,417

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - COMMITMENTS - (Continued)

As of December 31, 2016, the City had significant contractual commitments as follows:

Company	Project	Amount Remaining On Contract
Lockhart Construction	I-77 Faircrest Street	\$ 50,644
Lockhart Construction	41st St NW Storm Sewer Improvement	51,102
Lockhart Construction	East Side Interceptor Project	102,294
Lockhart Construction	Allenford Sanitary Sewer Project	98,335
Transystems RE Consulting	Mahoning Road Corridor Improvement Project	446,971
GDP	Mahoning Road Corridor Improvement Project	125,966
JR Coleman	Mahoning Road Corridor Improvement Project	18,595
Michael Baker, Jr.	Mahoning Road Corridor Improvement Project	468,813
Wenger	Mahoning Road Corridor Improvement Project	4,064,716
Brownfield Restoration	Ohio Casting Products Remediation Project	16,606
Cormony Development Corp	Remediation at Hercules Factory Project	1,618,291
CT Consultants	Water Reclamation Facility Phosphorus Project	49,974
OVIO USA LLL	Water Reclamation Facility Membrane	10,304,947
Shook Construction	Water Reclamation Facility Membrane	21,299,700
Metro Regional Transit Authority	12th St N Corridor	213,704
ME Company	12Th St N.W. Corridor Project	9,177
Central Allied	12th St N Corridor	1,177,526
Omni Pro Services	12th St NW	507,452
Total		<u>\$ 40,624,813</u>

NOTE 21 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2016, consisted of the following, as reported on the fund financial statements:

Transfers Out	Transfer In	Amount
General Fund	Nonmajor Governmental Funds	<u>\$ 40,000</u>

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

During 2016, the governmental activities transferred capital assets to the Building enterprise fund in the amount of \$509,135. This amount is reported as a transfer in/out on the government-wide Statement of Activities.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 21 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES - (Continued)

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

B. Interfund Loans and Manuscript Debt

Interfund loans receivable/payable consisted of the following at December 31, 2016, as reported on the fund financial statements:

	Interfund loan Receivable
<u>Interfund Loan Payable</u>	<u>General Fund</u>
Nonmajor Governmental Funds	\$ 61,960

In 2015, the health services fund (a nonmajor governmental fund) received a \$61,960 advance in from the general fund. The advance was not repaid by December 31, 2016. The interfund loan is expected to be repaid in 2017.

On May 22, 2016, the general fund issued \$1,515,000 in manuscript notes which were purchased by the land reutilization and note fund (a component of the general fund on a GAAP basis). The manuscript notes bear an interest rate of 1.0 percent and mature on May 22, 2017.

On July 22, 2016, the general fund issued \$2,000,000 in manuscript notes which were purchased by the NIP acquisition demo debt fund (a component of the general fund on a GAAP basis). The manuscript notes bear an interest rate of 1.0 percent and mature on July 21, 2017.

On October 25, 2016, the general fund issued \$2,000,000 in manuscript notes which were purchased by the NIP acquisition demo debt fund (a component of the general fund on a GAAP basis). The manuscript notes bear an interest rate of 1.0 percent and mature on October 24, 2017.

On July 29, 2016, the water operating fund issued \$2,000,000 in manuscript notes which were purchased by the general fund. The manuscript notes were paid off by December 31, 2016.

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

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

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 21 - INTERFUND TRANSACTIONS AND INTERFUND BALANCES - (Continued)

C. Interfund Balances

<u>Due To Other Funds (Payable)</u>	Due From Other Funds (Receivable)				<u>Total</u>
	General Fund	Community and economic development fund	Nonmajor Governmental	Internal Service Funds	
General fund	\$ -	\$ 38,440	\$ -	\$ 125,578	\$ 164,018
Community and economic development fund	58,985	-	-	-	58,985
Capital projects fund	-	-	-	2,059	2,059
Water operating fund	-	-	-	13,335	13,335
Sewer operating fund	-	-	-	4,132	4,132
Refuse operating fund	-	-	-	5,949	5,949
Nonmajor governmental funds	323,594	-	436	2,785	326,815
Nonmajor enterprise funds	-	-	-	978	978
Total	\$ 382,579	\$ 38,440	\$ 436	\$ 154,816	\$ 576,271

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

During 2016, the Community and economic development fund paid a reimbursement for fair housing in error and will be reimbursed by the general fund in 2017.

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**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 22 - FUND BALANCES

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

Fund Balances	General Fund	Community and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>						
Materials & supplies	\$ 323,052	\$ -	\$ -	\$ -	\$ 36,881	\$ 359,933
Unclaimed monies	148,489	-	-	-	-	148,489
<i>Total nonspendable</i>	<u>471,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,881</u>	<u>508,422</u>
<i>Restricted for:</i>						
Road improvements	-	-	-	-	1,757,653	1,757,653
Community development grants & programs	-	1,061,273	-	-	413,555	1,474,828
Public health service grants & programs	-	-	-	-	4,197,760	4,197,760
Police department grants, donations & programs	-	-	-	-	960,083	960,083
Judicial system grants & programs	-	-	-	-	1,753,915	1,753,915
Market square	-	-	-	-	115,320	115,320
Cornerstone parking deck operations	-	-	-	-	32,134	32,134
Youth development donations & programs	-	-	-	-	862	862
Employee recognition program	-	-	-	-	143	143
Debt service payments	-	-	-	-	22,373	22,373
Infrastructure improvements	-	-	-	-	297,048	297,048
Recreational facility improvements	-	-	-	-	449,402	449,402
Construction projects	-	-	-	-	2,266,537	2,266,537
City hall renovations	-	-	-	-	1,744	1,744
Canton merchandising	-	-	-	-	10,768	10,768
Motor vehicle purchases	-	-	-	292,679	-	292,679
<i>Total restricted</i>	<u>\$ -</u>	<u>\$ 1,061,273</u>	<u>\$ -</u>	<u>\$ 292,679</u>	<u>\$ 12,279,297</u>	<u>\$ 13,633,249</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 22 - FUND BALANCES - (Continued)

Fund Balances	General Fund	Community and Economic Development	Capital Projects	Motor Vehicle Purchase	Nonmajor Governmental Funds	Total
<i>Committed to:</i>						
Vehicle self-insurance	\$ 614,535	\$ -	\$ -	\$ -	\$ -	\$ 614,535
Motor vehicle maintenance	476,663	-	-	-	-	476,663
Park department operations	-	-	-	-	1,985,944	1,985,944
Community environment	-	-	-	-	474,755	474,755
Capital improvements	-	-	3,805,880	-	-	3,805,880
Other purposes	-	-	-	-	108,259	108,259
<i>Total committed</i>	<u>1,091,198</u>	<u>-</u>	<u>3,805,880</u>	<u>-</u>	<u>2,568,958</u>	<u>7,466,036</u>
Unassigned (deficit)	<u>(3,376,238)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,917,973)</u>	<u>(5,294,211)</u>
Total fund balances	<u>\$ (1,813,499)</u>	<u>\$ 1,061,273</u>	<u>\$ 3,805,880</u>	<u>\$ 292,679</u>	<u>\$ 12,967,163</u>	<u>\$ 16,313,496</u>

NOTE 23 – TAX ABATEMENTS

As of December 31, 2016, the City provides tax abatements through two programs—Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 23 – TAX ABATEMENTS – (Continued)

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The City has entered into agreements to abate property taxes through these programs. During 2016, the City's property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	City <u>Taxes Abated</u>
CRA	\$ 6,265
Ezone	<u>42,633</u>
Total	<u>\$ 48,898</u>

During 2016, the City did not incur a reduction in taxes by agreements entered into by other governments that reduced the City's taxes.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANTON
STARK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>			
City's proportion of the net pension liability	0.239094%	0.238157%	0.238157%
City's proportionate share of the net pension liability	\$ 41,414,095	\$ 28,724,397	\$ 28,075,608
City's covered-employee payroll	\$ 29,866,883	\$ 29,295,150	\$ 28,672,100
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	138.66%	98.05%	97.92%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%
<i>Combined Plan:</i>			
City's proportion of the net pension asset	0.327300%	0.336465%	0.336465%
City's proportionate share of the net pension asset	\$ 159,271	\$ 129,546	\$ 35,305
City's covered-employee payroll	\$ 1,182,483	\$ 1,229,908	\$ 1,194,669
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	13.47%	10.53%	2.96%
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>			
City's proportion of the net pension asset	0.181591%	n/a	n/a
City's proportionate share of the net pension asset	\$ 694	n/a	n/a
City's covered-employee payroll	\$ 1,011,317	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.91%	n/a	n/a

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANTON
STARK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.99237900%	0.98849140%	0.98849140%
City's proportionate share of the net pension liability	\$ 63,840,446	\$ 51,207,977	\$ 48,142,632
City's covered-employee payroll	\$ 19,839,596	\$ 19,409,588	\$ 21,641,256
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	321.78%	263.83%	222.46%
Plan fiduciary net position as a percentage of the total pension liability	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANTON
STARK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST FOUR YEARS (1)			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 3,511,136	\$ 3,584,026	\$ 3,515,418	\$ 3,727,373
Contributions in relation to the contractually required contribution	<u>(3,511,136)</u>	<u>(3,584,026)</u>	<u>(3,515,418)</u>	<u>(3,727,373)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 29,259,467	\$ 29,866,883	\$ 29,295,150	\$ 28,672,100
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 147,826	\$ 141,898	\$ 147,589	\$ 155,307
Contributions in relation to the contractually required contribution	<u>(147,826)</u>	<u>(141,898)</u>	<u>(147,589)</u>	<u>(155,307)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,231,883	\$ 1,182,483	\$ 1,229,908	\$ 1,194,669
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 85,904	\$ 121,358		
Contributions in relation to the contractually required contribution	<u>(85,904)</u>	<u>(121,358)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered-employee payroll	\$ 715,867	\$ 1,011,317		
Contributions as a percentage of covered-employee payroll	12.00%	12.00%		

(1) Information prior to 2013 not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF CANTON
STARK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2016	2015	2014	2013
<i>Police:</i>				
Contractually required contribution	\$ 1,957,745	\$ 1,915,238	\$ 1,925,993	\$ 1,781,676
Contributions in relation to the contractually required contribution	(1,957,745)	(1,915,238)	(1,925,993)	(1,781,676)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 10,303,921	\$ 10,080,200	\$ 10,136,805	\$ 11,219,622
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	19.00%	15.88%
 <i>Fire:</i>				
Contractually required contribution	\$ 2,172,541	\$ 2,293,458	\$ 2,179,104	\$ 2,123,929
Contributions in relation to the contractually required contribution	(2,172,541)	(2,293,458)	(2,179,104)	(2,123,929)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 9,244,855	\$ 9,759,396	\$ 9,272,783	\$ 10,421,634
Contributions as a percentage of covered-employee payroll	23.50%	23.50%	23.50%	20.38%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,766,663	\$ 1,928,444	\$ 1,936,464	\$ 1,992,982	\$ 2,007,463	\$ 2,028,394
<u>(1,766,663)</u>	<u>(1,928,444)</u>	<u>(1,936,464)</u>	<u>(1,992,982)</u>	<u>(2,007,463)</u>	<u>(2,028,394)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,856,180	\$ 15,125,051	\$ 15,187,953	\$ 15,631,231	\$ 15,744,808	\$ 15,908,973
12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 2,188,878	\$ 2,257,140	\$ 2,452,065	\$ 2,412,232	\$ 2,389,567	\$ 2,260,930
<u>(2,188,878)</u>	<u>(2,257,140)</u>	<u>(2,452,065)</u>	<u>(2,412,232)</u>	<u>(2,389,567)</u>	<u>(2,260,930)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,689,148	\$ 13,084,870	\$ 14,214,870	\$ 13,983,954	\$ 13,852,562	\$ 13,106,841
17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

**CITY OF CANTON
STARK COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Major Governmental Funds

General Fund

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

Community and Economic Development Fund

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

Capital Projects Fund

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

Motor Vehicle Purchase Fund

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

Nonmajor Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

State Highway Fund

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

Municipal Road Fund

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

Cornerstone Parking Deck Fund

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

Mills Industrial Park TIF Fund

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

Gervasi 1700, LLC TIF Fund

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

Lesh Rd./30th St. TIF Fund

To account for tax incremental financing (TIF) revenues associated with the City's Lesh Rd./30th St. TIF agreement.

Health Services Fund

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

Crime Lab Fund

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

Court Computer Fund

To account for monies used to maintain court computer systems.

Court Funds

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

Law Department Dispute Resolution Fund

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

**CITY OF CANTON
STARK COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

SARTA Area Improvement Fund

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

Park Department Fund

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

Youth Development Fund

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

Federal Forfeiture Fund

To account for the proceeds from seizures in federal cases.

Enforcement and Education Fund

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

Indigent Driver Alcohol Treatment Fund

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

Law Enforcement Trust Fund

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

Municipal Probation Services Fund

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

Misdemeanor Community Sanction Grant Fund

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

Prisoner Housing Fund

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

Local Law Enforcement Block Grant Fund

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

Supplementary Police Forces Funds

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

Police Funds

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

Fire Funds

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

Vacant/Forclosed Registry Fund

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

Clean Ohio Revitalization Fund

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

Canton Merchandising Fund

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

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

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

Market Square Donation Fund

To account for the receipts and expenditures associated with donations to the market square.

Jobs Ohio Fund

To account for the receipts and expenditures associated with the Jobs Ohio program.

Other

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

Income Tax Fund

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

Nonmajor Debt Service Funds

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

General Obligation Bond Retirement Fund

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

Special Assessment Bond Retirement Fund

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

Nonmajor Capital Projects Funds

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

2015 Construction/Reconstruction Note Fund

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

2006 City Infrastructure Bond Fund

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

2006 Recreational Bond Fund

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

2006 Construction/Reconstruction Bond Fund

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

2006 Judges Facilities/City Hall Renovation Bond Fund

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

12th St. N Corridor Project Fund

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

Mahoning Rd. Corridor Project Fund

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

11th St. NW Improvement Project Fund

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

41st St. NW Roadway Reconstruction Project

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

Railroad Crossing/Traffic Signal Upgrade Fund

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

Harrisburg Rd. Resurfacing Project Fund

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

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

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

37th St. NW Water Main Replacement Fund

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

SIB Loan 12th St. N Corridor Project Fund

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

Fulton Road Resurfacing Project Fund

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

Tuscarawas Street W. Corridor Safety Project Fund

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

30th Street NW Resurfacing Project

To account for capital grants and all costs associated with the 30th Street NW Resurfacing project.

Overbrook Ave NW Storm Sewer Rehab Project

To account for capital grants and all costs related to the Overbrook Ave NW Storm Sewer Rehab project.

12th Street NW Bridge Replacement Project

To account for capital grants and all costs related to the 12th Street NW Bridge Replacement project.

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes	\$ 1,870,800	\$ 1,958,912	\$ 88,112
Municipal income taxes	33,465,524	33,065,268	(400,256)
Charges for services	6,753,579	7,534,924	781,345
Licenses, permits, and fees	866,000	815,560	(50,440)
Fines and forfeitures	222,000	420,626	198,626
Intergovernmental.	6,348,113	6,811,276	463,163
Interest and investment income.	157,000	389,927	232,927
Rental income.	7,494	8,160	666
Contributions and donations	-	8,142	8,142
Operating grants.	2,390,000	2,264,865	(125,135)
Other	1,179,490	1,694,599	515,109
Total revenues	53,260,000	54,972,259	1,712,259
Expenditures:			
Current:			
General government:			
<i>General Government - Support Administration:</i>			
Materials and supplies	1,330	-	1,330
Contractual services	386,743	377,911	8,832
Other	31,600	30,500	1,100
<i>Total Service Director - Support Administration</i>	<i>419,673</i>	<i>408,411</i>	<i>11,262</i>
<i>Service Director - Service Director Administration:</i>			
Personal services	77,166	71,045	6,121
Materials and supplies	196	190	6
Contractual services	4,521	4,520	1
Other	2,494	2,264	230
<i>Total Service Director - Service Director Administration.</i>	<i>84,377</i>	<i>78,019</i>	<i>6,358</i>
<i>Service Director - Purchase Administration:</i>			
Personal services	230,760	224,332	6,428
Materials and supplies	187,870	173,618	14,252
Contractual services	1,941	1,905	36
Other	7,053	6,568	485
<i>Total Service Director - Purchase Administration</i>	<i>427,624</i>	<i>406,423</i>	<i>21,201</i>
<i>Service Director - Annexation:</i>			
Personal services	6,040	5,563	477
Contractual services	6,000	1,850	4,150
<i>Total Service Director - Annexation</i>	<i>12,040</i>	<i>7,413</i>	<i>4,627</i>
<i>Building and Maintenance - Other Building:</i>			
Personal services	735,926	728,329	7,597
Materials and supplies	34,567	34,372	195
Contractual services	379,945	373,319	6,626
Other	4,284	4,228	56
<i>Total Building and Maintenance - Other Building</i>	<i>1,154,722</i>	<i>1,140,248</i>	<i>14,474</i>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Mayor - Administration:</i>			
Personal services	369,917	368,910	1,007
Materials and supplies	2,971	2,111	860
Contractual services	7,969	7,821	148
Other	5,473	713	4,760
Total Mayor - Administration	386,330	379,555	6,775
<i>Mayor - Human Resources Administration:</i>			
Personal services	115,778	115,590	188
Materials and supplies	640	31	609
Contractual services	10,013	9,538	475
Other	484	268	216
Total Mayor - Human Resources Administration	126,915	125,427	1,488
<i>Council - Council Administration:</i>			
Personal services	570,891	570,436	455
Materials and supplies	715	711	4
Contractual services	33,936	33,722	214
Total Council - Council Administration	605,542	604,869	673
<i>Courts/Judge - Judge Administration:</i>			
Personal services	1,957,497	1,955,370	2,127
Materials and supplies	48,671	35,719	12,952
Contractual services	58,094	44,064	14,030
Capital outlay	18,441	14,757	3,684
Other	2,000	1,000	1,000
Total Courts/Judge - Judge Administration	2,084,703	2,050,910	33,793
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	1,526,530	1,526,444	86
Materials and supplies	27,795	27,690	105
Contractual services	13,576	13,567	9
Other	705	650	55
Total Courts/Clerk - Clerk of Courts Administration	1,568,606	1,568,351	255
<i>Law Director - Law Administration:</i>			
Personal services	1,369,525	1,369,210	315
Materials and supplies	14,337	13,015	1,322
Contractual services	23,568	17,534	6,034
Other	287,631	163,987	123,644
Total Law Director - Law Administration	1,695,061	1,563,746	131,315
<i>Auditor - Auditor Administrations:</i>			
Personal services	1,051,894	1,050,552	1,342
Materials and supplies	18,397	16,852	1,545
Contractual services	26,106	15,963	10,143
Other	127,385	106,227	21,158
Total Auditor - Auditor Administration	1,223,782	1,189,594	34,188
<i>Auditor - Legally Binding Expenses:</i>			
Contractual services	432,031	416,357	15,674
Other	35,244	35,198	46
Total Auditor - Legally Binding Expenses	467,275	451,555	15,720

(Continued)

**CITY OF CANTON
STARK COUNTY, OHIO**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Treasurer - Administration & Operations:</i>			
Personal services	260,124	257,707	2,417
Materials and supplies	448	198	250
Contractual services	37,321	34,045	3,276
Other	155,000	131,302	23,698
<i>Total Treasurer - Administration & Operations</i>	<u>452,893</u>	<u>423,252</u>	<u>29,641</u>
<i>Board of Commission - Civil Service:</i>			
Personal services	275,441	267,512	7,929
Materials and supplies	4,085	3,720	365
Contractual services	22,627	16,703	5,924
Other	1,381	1,078	303
<i>Total Board of Commission - Civil Service</i>	<u>303,534</u>	<u>289,013</u>	<u>14,521</u>
<i>Board of Commission - Zoning Board:</i>			
Personal services	8,566	8,142	424
<i>Management Information Systems:</i>			
Personal services	1,022,465	1,022,064	401
Materials and supplies	2,074	1,802	272
Contractual services	118,057	117,870	187
Other	900	899	1
<i>Total Management Information Systems</i>	<u>1,143,496</u>	<u>1,142,635</u>	<u>861</u>
<i>Total general government</i>	<u>12,165,139</u>	<u>11,837,563</u>	<u>327,576</u>
Security of persons and property:			
<i>Safety Director - Safety Director Administration:</i>			
Personal services	163,733	163,319	414
Materials and supplies	269	268	1
Contractual services	1,285	1,200	85
Other	66	50	16
<i>Total Safety Director - Safety Director Administration</i>	<u>165,353</u>	<u>164,837</u>	<u>516</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Safety Director - Code Enforcement Administration:</i>			
Contractual services	845	845	-
<i>Safety Director - School Police Administration:</i>			
Personal services	121,023	119,022	2,001
<i>Safety Director - Central Communication Administration:</i>			
Personal services	1,669,917	1,644,208	25,709
Materials and supplies	3,521	3,411	110
Contractual services	49,398	49,087	311
Other	438	430	8
<i>Total Safety Director - Central Communication Administration</i>	<u>1,723,274</u>	<u>1,697,136</u>	<u>26,138</u>
<i>Police Administration:</i>			
Personal services	14,970,953	14,960,487	10,466
Materials and supplies	208,329	208,485	(156)
Contractual services	684,928	682,429	2,499
Other	13,962	13,552	410
<i>Total Police Administration</i>	<u>15,878,172</u>	<u>15,864,953</u>	<u>13,219</u>
<i>Fire Administration:</i>			
Personal services	13,797,742	13,772,327	25,415
Materials and supplies	220,213	217,226	2,987
Contractual services	344,101	341,822	2,279
Capital outlay	1,565	1,565	-
Other	34,435	33,145	1,290
<i>Total Fire Administration</i>	<u>14,398,056</u>	<u>14,366,085</u>	<u>31,971</u>
<i>Traffic Administration:</i>			
Personal services	748,313	747,644	669
<i>Traffic Divisions - Traffic Engineer/Parking Meter:</i>			
Personal services	140,608	125,635	14,973
Materials and supplies	2,578	1,606	972
Contractual services	279	279	-
Other	461	111	350
<i>Total Traffic Divisions - Traffic Engineer/Parking Meter</i>	<u>143,926</u>	<u>127,631</u>	<u>16,295</u>
<i>Total security of persons and property</i>	<u>33,178,962</u>	<u>33,088,153</u>	<u>90,809</u>
Public health:			
<i>Health - Administration:</i>			
Personal services	427,903	426,487	1,416
Materials and supplies	18,931	18,735	196
Contractual services	105,342	105,196	146
Other	226,999	226,989	10
<i>Total Health - Administration</i>	<u>779,175</u>	<u>777,407</u>	<u>1,768</u>
<i>Health - Nurses:</i>			
Personal services	551,182	540,491	10,691
Materials and supplies	6,502	6,077	425
Contractual services	55,027	54,937	90
Other	1,584	1,476	108
<i>Total Health - Nurses</i>	<u>614,295</u>	<u>602,981</u>	<u>11,314</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Health - Lab:</i>			
Personal services	216,220	213,034	3,186
Materials and supplies	32,578	31,768	810
Contractual services	22,122	22,122	-
Other	1,169	1,169	-
<i>Total Health - Lab</i>	<u>272,089</u>	<u>268,093</u>	<u>3,996</u>
<i>Health - Environmental Health Administration:</i>			
Personal services	400,623	384,210	16,413
Materials and supplies	275	49	226
Contractual services	4,689	4,509	180
Other	1,462	1,420	42
<i>Total Health - Environmental Health Administration</i>	<u>407,049</u>	<u>390,188</u>	<u>16,861</u>
<i>Total public health</i>	<u>2,072,608</u>	<u>2,038,669</u>	<u>33,939</u>
<i>Transportation:</i>			
<i>Engineering - Daily Operations:</i>			
Personal services	49,264	46,506	2,758
Materials and supplies	400	220	180
Contractual services	879	129	750
<i>Total Engineering - Daily Operations</i>	<u>50,543</u>	<u>46,855</u>	<u>3,688</u>
<i>Street - Maintenance:</i>			
Personal services	427,423	374,899	52,524
Materials and supplies	16,175	15,650	525
Contractual services	850,624	793,044	57,580
Other	6,212	5,208	1,004
<i>Total Street - Maintenance</i>	<u>1,300,434</u>	<u>1,188,801</u>	<u>111,633</u>
<i>Total transportation</i>	<u>1,350,977</u>	<u>1,235,656</u>	<u>115,321</u>
<i>Community environment:</i>			
<i>Community Development - Community Development Administration:</i>			
Personal services	995,181	997,841	(2,660)
Materials and supplies	2,750	2,550	200
Contractual services	3,812,509	1,911,526	1,900,983
Capital outlay	68,103	-	68,103
Other	568,135	517,626	50,509
<i>Total Community Development - Community Development Administration</i>	<u>5,446,678</u>	<u>3,429,543</u>	<u>2,017,135</u>
<i>Community Improvement Corporation:</i>			
Other	104,631	104,631	-
<i>Land Reutilization:</i>			
Contractual services	39,618	6,357	33,261
<i>Historic Onesto Project</i>			
Other	4,500	2,528	1,972
<i>Total community environment</i>	<u>5,595,427</u>	<u>3,543,059</u>	<u>2,052,368</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Civic Center - Civic Center Administration:</i>			
Materials and supplies	17	17	-
Contractual services	459,179	459,180	(1)
<i>Total Civic Center - Civic Center Administration</i>	<u>459,196</u>	<u>459,197</u>	<u>(1)</u>
<i>Total leisure time activities</i>	<u>459,196</u>	<u>459,197</u>	<u>(1)</u>
Debt service:			
Principal retirement	16,265,000	16,265,000	-
Interest and fiscal charges	200,212	154,266	45,946
<i>Total debt service.</i>	<u>16,465,212</u>	<u>16,419,266</u>	<u>45,946</u>
Total expenditures	<u>71,287,521</u>	<u>68,621,563</u>	<u>2,665,958</u>
Excess of expenditures over revenues.	<u>(18,027,521)</u>	<u>(13,649,304)</u>	<u>4,378,217</u>
Other financing sources (uses):			
Issuance of notes	14,200,000	14,000,000	(200,000)
Issuance of manuscript debt	2,900,000	3,515,000	615,000
Transfers in	27,600	27,600	-
Transfers (out).	(232,190)	(228,800)	3,390
Advances in	500,000	200,000	(300,000)
Advances (out).	(388,215)	(348,215)	40,000
Total other financing sources (uses)	<u>17,007,195</u>	<u>17,165,585</u>	<u>158,390</u>
Net change in fund balance	(1,020,326)	3,516,281	4,536,607
Fund balance at beginning of year	657,165	657,165	-
Prior year encumbrances appropriated	999,321	999,321	-
Fund balance at end of year	<u>\$ 636,160</u>	<u>\$ 5,172,767</u>	<u>\$ 4,536,607</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY AND ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 6,326,812	\$ 2,803,628	\$ (3,523,184)
Other	188,920	177,685	(11,235)
Total revenues	6,515,732	2,981,313	(3,534,419)
Expenditures:			
Current:			
Community environment:			
<i>Community Development Administration:</i>			
Materials and supplies	21,010	10,227	10,783
Contractual services	231,179	159,238	71,941
Capital outlay	226,026	207,814	18,212
Other	5,075,039	4,015,312	1,059,727
<i>Total Community Development Administration</i>	<i>5,553,254</i>	<i>4,392,591</i>	<i>1,160,663</i>
<i>Federal Stimulus Funding:</i>			
Contractual services	17,500	15,452	2,048
Other	37,329	13,002	24,327
<i>Total Federal Stimulus Funding</i>	<i>54,829</i>	<i>28,454</i>	<i>26,375</i>
<i>Community Development Demolition:</i>			
Contractual services	577,583	305,628	271,955
Other	35,572	21,768	13,804
<i>Total Community Development Demolition</i>	<i>613,155</i>	<i>327,396</i>	<i>285,759</i>
<i>Fair Housing Administration:</i>			
Personal services	144,359	112,866	31,493
Materials and supplies	3,525	831	2,694
Contractual services	19,300	2,970	16,330
Other	53,646	52,725	921
<i>Total Fair Housing Administration</i>	<i>220,830</i>	<i>169,392</i>	<i>51,438</i>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY AND ECONOMIC DEVELOPMENT FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total expenditures	6,442,068	4,917,833	1,524,235
Net change in fund balance.	73,664	(1,936,520)	(2,010,184)
Fund balance (deficit) at beginning of year	(747,973)	(747,973)	-
Prior year encumbrances appropriated	1,411,553	1,411,553	-
Fund balance (deficit) at end of year.	<u>\$ 737,244</u>	<u>\$ (1,272,940)</u>	<u>\$ (2,010,184)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 8,674,128	\$ 8,817,404	\$ 143,276
Capital grants	-	26,777	26,777
Other	-	74,520	74,520
Total revenues	8,674,128	8,918,701	244,573
Expenditures:			
Capital outlay:			
<i>Safety Director:</i>			
Central communication administration	11,000	10,913	87
Police Department - Police Administration	181,544	149,136	32,408
Fire Department - Fire Administration.	176,812	176,769	43
Total Safety Director	369,356	336,818	32,538
<i>Traffic Divisions:</i>			
Traffic Signal	41,344	40,950	394
<i>Service Director:</i>			
Service Director Administration	247,163	163,859	83,304
Engineering Administration.	1,512,501	1,509,080	3,421
Engineering - 3rd Street SE Bridge Rehabilitation Project	124,461	74,461	50,000
Engineering - 30th St NW Resurface Project	84,000	62,073	21,927
Engineering - 11th Street Improvement Project.	62,520	37,520	25,000
Engineering - Tuscarawas Street W. Corridor Safety Project	41,891	41,891	-
Engineering - Ridgewood East Water Main Replacement	16,675	16,675	-
Street Administration	336,985	335,700	1,285
Street Paving	3,980,510	3,307,972	672,538
Building Maintenance Administration.	29,000	29,000	-
Collection System Department	325,140	296,731	28,409
Engineering - Fulton Road Resurfacing Project	182,500	-	182,500
Engineering - 55st St. NE Storm Sewer Project	12,553	-	12,553
Engineering - 12th Street NW Bridge Replacement	29,467	29,467	-
Engineering - 12th St. N. Corridor Project.	35,000	-	35,000
Engineering - Urban Forestry.	34,803	32,680	2,123
Engineering - 38th Street NW Improvement Project	13,680	13,680	-
Engineering - Mahoning Rd. Corridor Project	139,845	139,845	-
Total Service Director	7,208,694	6,090,634	1,118,060
<i>Water:</i>			
37th Street Water Sewer Street Improvement Project	110,458	110,458	-
<i>Health:</i>			
Health Administration.	37,800	31,413	6,387
<i>Human Resources</i>			
Human Resources.	10,000	10,000	-
<i>Management Information Systems:</i>			
Information Technology Manager.	519,512	519,514	(2)
<i>Judges:</i>			
Judges Administration	58,309	58,309	-
<i>Council:</i>			
Council Administration	9,975	2,045	7,930
<i>Auditor:</i>			
Auditor Administration	236,758	235,111	1,647

(continued)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Law:</i>			
Law - Administration	4,733	4,733	-
<i>Income Tax:</i>			
Income Tax - Administration	71,280	71,280	-
<i>Total capital outlay</i>	<u>8,678,219</u>	<u>7,511,265</u>	<u>1,166,954</u>
<i>Debt service:</i>			
<i>Principal retirement:</i>			
Various purpose loans	178,862	164,406	14,456
General obligation various improvement bonds	1,588,005	1,588,005	-
<i>Total principal retirement</i>	<u>1,766,867</u>	<u>1,752,411</u>	<u>14,456</u>
<i>Interest and fiscal charges:</i>			
Various purpose loans	10,864	10,702	162
General obligation various improvement bonds	107,121	107,120	1
<i>Interest and fiscal charges</i>	<u>117,985</u>	<u>117,822</u>	<u>163</u>
<i>Total debt service</i>	<u>1,884,852</u>	<u>1,870,233</u>	<u>14,619</u>
<i>Total expenditures</i>	<u>10,563,071</u>	<u>9,381,498</u>	<u>1,181,573</u>
<i>Excess of expenditures over revenues</i>	<u>(1,888,943)</u>	<u>(462,797)</u>	<u>1,426,146</u>
Other financing sources:			
Sale of assets	-	1,422	1,422
Loan proceeds - OPWC	255,000	110,458	(144,542)
<i>Total other financing sources (uses)</i>	<u>255,000</u>	<u>111,880</u>	<u>(143,120)</u>
<i>Net change in fund balance</i>	<u>(1,633,943)</u>	<u>(350,917)</u>	<u>1,283,026</u>
Fund balance at beginning of year	789,444	789,444	-
Prior year encumbrances appropriated	1,465,944	1,465,944	-
Fund balance at end of year	<u>\$ 621,445</u>	<u>\$ 1,904,471</u>	<u>\$ 1,283,026</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE PURCHASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes	\$ 2,189,521	\$ 2,204,350	\$ 14,829
Expenditures:			
Capital outlay:			
<i>Safety Director:</i>			
Central Communication Administration	239,500	239,500	-
Police Department - Police Administration	378,091	372,068	6,023
Fire Department - Fire Administration	755,497	755,496	1
<i>Total Safety Director</i>	<u>1,373,088</u>	<u>1,367,064</u>	<u>6,024</u>
<i>Traffic Divisions:</i>			
Traffic Divisions - Engineer Administration	8,619	8,619	-
Traffic Divisions - Traffic Sign & Paint	20,466	10,466	10,000
Traffic Divisions - Traffic Signal	29,143	29,143	-
<i>Total Traffic Divisions</i>	<u>58,228</u>	<u>48,228</u>	<u>10,000</u>
<i>Service Director:</i>			
Engineer Administration	9,231	9,231	-
Street Administration	389,219	389,218	1
Street Paving	323,329	323,329	-
Building Maintenance Administration	3,059	3,059	-
Collection System Department	8,852	8,852	-
<i>Total Service Director</i>	<u>733,690</u>	<u>733,689</u>	<u>1</u>
<i>Health:</i>			
Health Administration	11,200	11,200	-
<i>Mayor:</i>			
Mayor Administration	931	931	-
<i>Management Information Systems:</i>			
Information Technology Manager	1,712	1,712	-
<i>Judges:</i>			
Judge Administration	11,606	11,606	-
<i>Total capital outlay</i>	<u>2,190,455</u>	<u>2,174,430</u>	<u>16,025</u>

(continued)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE PURCHASE FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total expenditures	2,190,455	2,174,430	16,025
Excess of revenues over expenditures	(934)	29,920	30,854
Other financing sources:			
Sale of assets.	-	29,835	29,835
Net change in fund balance	(934)	59,755	60,689
Fund balance at beginning of year.	20,053	20,053	-
Prior year encumbrances appropriated.	934	934	-
Fund balance at end of year.	<u>\$ 20,053</u>	<u>\$ 80,742</u>	<u>\$ 60,689</u>

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 10,374,600	\$ 19,061	\$ 3,088,748	\$ 13,482,409
Cash with fiscal agent	-	3,019	-	3,019
Receivables:				
Accounts	312,576	6,234	-	318,810
Accrued interest	18	-	301	319
Property and other taxes	4,347,673	-	-	4,347,673
Due from other funds	436	-	-	436
Due from other governments	4,134,051	-	1,643,816	5,777,867
Materials and supplies inventory	36,881	-	-	36,881
Total assets	<u>\$ 19,206,235</u>	<u>\$ 28,314</u>	<u>\$ 4,732,865</u>	<u>\$ 23,967,414</u>
Liabilities:				
Accounts payable	\$ 688,605	\$ -	\$ 1,644,602	\$ 2,333,207
Accrued wages and benefits payable	261,942	-	-	261,942
Due to other funds	326,815	-	-	326,815
Interfund loans payable	61,960	-	-	61,960
Due to other governments	44,053	-	-	44,053
Total liabilities	<u>1,383,375</u>	<u>-</u>	<u>1,644,602</u>	<u>3,027,977</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	3,389,057	-	-	3,389,057
Delinquent property tax revenue not available	958,616	-	-	958,616
Intergovernmental revenue not available	2,296,462	-	1,033,683	3,330,145
Charges for services revenue not available	270,711	5,941	-	276,652
Miscellaneous revenue not available	17,804	-	-	17,804
Total deferred inflows of resources	<u>6,932,650</u>	<u>5,941</u>	<u>1,033,683</u>	<u>7,972,274</u>
Fund balances:				
Nonspendable	36,881	-	-	36,881
Restricted	9,242,193	22,373	3,014,731	12,279,297
Committed	2,568,958	-	-	2,568,958
Unassigned (deficit)	(957,822)	-	(960,151)	(1,917,973)
Total fund balances	<u>10,890,210</u>	<u>22,373</u>	<u>2,054,580</u>	<u>12,967,163</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,206,235</u>	<u>\$ 28,314</u>	<u>\$ 4,732,865</u>	<u>\$ 23,967,414</u>

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CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other local taxes	\$ 2,522,700	\$ -	\$ -	\$ 2,522,700
Charges for services	1,738,975	-	-	1,738,975
Licenses, permits, and fees	277,845	-	-	277,845
Fines and forfeitures	153,221	-	-	153,221
Intergovernmental	3,581,369	-	-	3,581,369
Interest and investment income	766	22,785	3,484	27,035
Rental income.	65,344	-	-	65,344
Contributions and donations	259,486	-	-	259,486
Operating grants.	6,930,521	-	-	6,930,521
Capital grants	423,946	-	9,981,319	10,405,265
Payment in lieu of taxes.	120,375	-	-	120,375
Other	316,922	293	101,410	418,625
Total revenues.	<u>16,391,470</u>	<u>23,078</u>	<u>10,086,213</u>	<u>26,500,761</u>
Expenditures:				
Current:				
General government.	1,397,115	-	-	1,397,115
Security of persons and property	3,064,826	-	-	3,064,826
Public health	4,126,520	-	-	4,126,520
Transportation.	2,374,332	-	-	2,374,332
Community environment	274,432	-	-	274,432
Leisure time activities.	2,417,992	-	-	2,417,992
Capital outlay	-	-	11,286,449	11,286,449
Debt service:				
Principal retirement.	65,019	-	3,500,000	3,565,019
Interest and fiscal charges	3,711	49,861	34,903	88,475
Total expenditures	<u>13,723,947</u>	<u>49,861</u>	<u>14,821,352</u>	<u>28,595,160</u>
Excess of revenues over (under) expenditures	<u>2,667,523</u>	<u>(26,783)</u>	<u>(4,735,139)</u>	<u>(2,094,399)</u>
Other financing sources:				
Note issuance	-	-	3,500,000	3,500,000
Issuance of loans	-	-	407,447	407,447
Transfers in.	40,000	-	-	40,000
Total other financing sources.	<u>40,000</u>	<u>-</u>	<u>3,907,447</u>	<u>3,947,447</u>
Net change in fund balances	2,707,523	(26,783)	(827,692)	1,853,048
Fund balances at beginning of year	<u>8,182,687</u>	<u>49,156</u>	<u>2,882,272</u>	<u>11,114,115</u>
Fund balances at end of year	<u>\$ 10,890,210</u>	<u>\$ 22,373</u>	<u>\$ 2,054,580</u>	<u>\$ 12,967,163</u>

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016

	Street Construction, Maintenance, and Repair	State Highway	Municipal Road	Cornerstone Parking Deck	Mills Industrial Park TIF
Assets:					
Equity in pooled cash and cash equivalents.	\$ 742,393	\$ 65,661	\$ 596,517	\$ 41,187	\$ 81,542
Receivables:					
Accounts	-	-	-	871	-
Accrued interest.	-	-	-	-	-
Property and other taxes	-	-	-	-	-
Due from other funds.	-	-	-	-	-
Due from other governments	1,422,287	96,786	-	-	-
Materials and supplies inventory	21,727	-	-	-	-
Total assets	<u>\$ 2,186,407</u>	<u>\$ 162,447</u>	<u>\$ 596,517</u>	<u>\$ 42,058</u>	<u>\$ 81,542</u>
Liabilities:					
Accounts payable.	\$ 62,311	\$ 11,410	\$ 8,125	\$ 1,538	\$ -
Accrued wages and benefits payable.	64,463	4,985	-	7,264	-
Due to other funds	2,389	191	-	-	-
Interfund loan payable	-	-	-	-	-
Due to other governments	9,959	770	-	1,122	-
Total liabilities	<u>139,122</u>	<u>17,356</u>	<u>8,125</u>	<u>9,924</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	-	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-	-
Intergovernmental revenue not available	937,928	63,460	-	-	-
Charges for services revenue not available	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>937,928</u>	<u>63,460</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable.	21,727	-	-	-	-
Restricted.	1,087,630	81,631	588,392	32,134	81,542
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit).	<u>1,109,357</u>	<u>81,631</u>	<u>588,392</u>	<u>32,134</u>	<u>81,542</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,186,407</u>	<u>\$ 162,447</u>	<u>\$ 596,517</u>	<u>\$ 42,058</u>	<u>\$ 81,542</u>

<u>Gervasi 1700, LLC TIF</u>	<u>Lesh Rd./30th St. TIF</u>	<u>Health Services</u>	<u>Crime Lab</u>	<u>Court Computer</u>	<u>Court</u>	<u>Law Department Dispute Resolution</u>	<u>SARTA Area Improvement</u>
\$ 16,877	\$ 35,627	\$ 4,054,615	\$ 29,861	\$ 195,068	\$ 896,860	\$ 724	\$ 642
-	-	18,939	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,581,439	1,136	17,541	45,403	-	-
-	-	-	-	-	-	-	-
<u>\$ 16,877</u>	<u>\$ 35,627</u>	<u>\$ 5,654,993</u>	<u>\$ 30,997</u>	<u>\$ 212,609</u>	<u>\$ 942,263</u>	<u>\$ 724</u>	<u>\$ 642</u>
\$ -	\$ -	\$ 125,086	\$ -	\$ 2,784	\$ 8,151	\$ -	\$ -
-	-	106,703	-	6,585	7,883	-	-
-	-	-	-	-	-	-	-
-	-	61,960	-	-	-	-	-
-	-	16,625	-	1,017	1,218	-	-
-	-	310,374	-	10,386	17,252	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,146,859	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,146,859	-	-	-	-	-
-	-	-	-	-	-	-	-
16,877	35,627	4,197,760	30,997	202,223	925,011	724	642
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>16,877</u>	<u>35,627</u>	<u>4,197,760</u>	<u>30,997</u>	<u>202,223</u>	<u>925,011</u>	<u>724</u>	<u>642</u>
<u>\$ 16,877</u>	<u>\$ 35,627</u>	<u>\$ 5,654,993</u>	<u>\$ 30,997</u>	<u>\$ 212,609</u>	<u>\$ 942,263</u>	<u>\$ 724</u>	<u>\$ 642</u>

(Continued)

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2016

	<u>Park Department</u>	<u>Youth Development</u>	<u>Federal Forfeiture</u>	<u>Enforcement and Education</u>	<u>Indigent Driver Alcohol Treatment</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 1,389,779	\$ 4,470	\$ 334,526	\$ 28,326	\$ 32,554
Receivables:					
Accounts	3,756	-	270,711	-	-
Accrued interest.	-	-	18	-	-
Property and other taxes	4,347,673	-	-	-	-
Due from other funds.	-	-	-	-	-
Due from other governments	-	-	-	441	1,760
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 5,741,208</u>	<u>\$ 4,470</u>	<u>\$ 605,255</u>	<u>\$ 28,767</u>	<u>\$ 34,314</u>
Liabilities:					
Accounts payable.	\$ 98,954	\$ 124	\$ 13,094	\$ 60	\$ 5,000
Accrued wages and benefits payable.	42,672	14,504	1,485	-	-
Due to other funds	205	-	436	-	-
Interfund loan payable	-	-	-	-	-
Due to other governments	10,038	2,241	230	-	-
Total liabilities	<u>151,869</u>	<u>16,869</u>	<u>15,245</u>	<u>60</u>	<u>5,000</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	3,389,057	-	-	-	-
Delinquent property tax revenue not available	958,616	-	-	-	-
Intergovernmental revenue not available	-	-	-	-	-
Charges for services revenue not available	-	-	270,711	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>4,347,673</u>	<u>-</u>	<u>270,711</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable.	-	-	-	-	-
Restricted.	-	-	319,299	28,707	29,314
Committed	1,985,944	-	-	-	-
Unassigned (deficit)	<u>(744,278)</u>	<u>(12,399)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit).	<u>1,241,666</u>	<u>(12,399)</u>	<u>319,299</u>	<u>28,707</u>	<u>29,314</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,741,208</u>	<u>\$ 4,470</u>	<u>\$ 605,255</u>	<u>\$ 28,767</u>	<u>\$ 34,314</u>

CITY OF CANTON
 STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2016

	<u>Vacant/ Foreclosed Registry</u>	<u>Clean Ohio Revitalization</u>	<u>Canton Merchandising</u>	<u>Market Square Donation</u>	<u>Jobs Ohio</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 479,322	\$ 8	\$ 10,768	\$ 150,320	\$ 67,812
Receivables:					
Accounts	120	-	-	-	-
Accrued interest.	-	-	-	-	-
Property and other taxes	-	-	-	-	-
Due from other funds.	-	-	-	-	-
Due from other governments	-	278,859	-	-	148,215
Materials and supplies inventory	-	-	15,154	-	-
Total assets	<u>\$ 479,442</u>	<u>\$ 278,867</u>	<u>\$ 25,922</u>	<u>\$ 150,320</u>	<u>\$ 216,027</u>
Liabilities:					
Accounts payable.	\$ 2,500	\$ -	\$ -	\$ 35,000	\$ 32,790
Accrued wages and benefits payable.	1,895	-	-	-	-
Due to other funds	-	-	-	-	148,215
Interfund loan payable	-	-	-	-	-
Due to other governments	292	-	-	-	-
Total liabilities	<u>4,687</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>181,005</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	-	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-	-
Intergovernmental revenue not available	-	-	-	-	148,215
Charges for services revenue not available	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,215</u>
Fund balances:					
Nonspendable.	-	-	15,154	-	-
Restricted.	-	278,867	10,768	115,320	-
Committed	474,755	-	-	-	-
Unassigned (deficit)	-	-	-	-	(113,193)
Total fund balances (deficit).	<u>474,755</u>	<u>278,867</u>	<u>25,922</u>	<u>115,320</u>	<u>(113,193)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 479,442</u>	<u>\$ 278,867</u>	<u>\$ 25,922</u>	<u>\$ 150,320</u>	<u>\$ 216,027</u>

<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 110,706	\$ 10,374,600
18,179	312,576
-	18
-	4,347,673
-	436
-	4,134,051
-	36,881
<u>\$ 128,885</u>	<u>\$ 19,206,235</u>
\$ -	\$ 688,605
1,574	261,942
-	326,815
-	61,960
243	44,053
<u>1,817</u>	<u>1,383,375</u>
-	3,389,057
-	958,616
-	2,296,462
-	270,711
17,804	17,804
<u>17,804</u>	<u>6,932,650</u>
-	36,881
1,005	9,242,193
108,259	2,568,958
-	(957,822)
<u>109,264</u>	<u>10,890,210</u>
<u>\$ 128,885</u>	<u>\$ 19,206,235</u>

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Street Construction, Maintenance, and Repair	State Highway	Municipal Road	Cornerstone Parking Deck	Mills Industrial Park TIF
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	259,016	-
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	2,979,742	205,664	-	-	-
Interest and investment income	480	66	-	-	-
Rental income	-	-	-	19,008	-
Contributions and donations	-	-	-	-	-
Operating grants	-	-	-	-	-
Capital grants	-	-	423,946	-	-
Payment in lieu of taxes	-	-	-	-	54,574
Other	3,277	78	100,000	7,509	-
Total revenues	2,983,499	205,808	523,946	285,533	54,574
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	1,162,799	8,398	-	258,779	-
Public health	-	-	-	-	-
Transportation	1,471,510	180,948	605,646	-	-
Community environment	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	2,634,309	189,346	605,646	258,779	-
Excess of revenues over (under) expenditures	349,190	16,462	(81,700)	26,754	54,574
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balance	349,190	16,462	(81,700)	26,754	54,574
Fund balances (deficit) at beginning of year	760,167	65,169	670,092	5,380	26,968
Fund balances (deficit) at end of year	\$ 1,109,357	\$ 81,631	\$ 588,392	\$ 32,134	\$ 81,542

Gervasi 1700, LLC TIF	Lesh Rd./30th St. TIF	Health Services	Crime Lab	Court Computer	Court	Law Department Dispute Resolution	SARTA Area Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	212,703	18,090	226,638	556,161	240	-
-	-	277,845	-	-	-	-	-
-	-	-	-	-	1,827	-	-
-	-	87,890	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,117	-	-	-	-	-
-	-	5,154,914	-	-	-	-	-
-	-	-	-	-	-	-	-
23,510	4,591	-	-	-	-	-	-
-	-	2,594	-	-	435	-	50
<u>23,510</u>	<u>4,591</u>	<u>5,738,063</u>	<u>18,090</u>	<u>226,638</u>	<u>558,423</u>	<u>240</u>	<u>50</u>
-	-	-	-	279,118	351,494	390	-
-	-	-	100,000	-	-	-	-
-	-	4,126,520	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,766	-	-	-	-	24,225	-	-
-	-	-	-	-	969	-	-
<u>13,766</u>	<u>-</u>	<u>4,126,520</u>	<u>100,000</u>	<u>279,118</u>	<u>376,688</u>	<u>390</u>	<u>-</u>
<u>9,744</u>	<u>4,591</u>	<u>1,611,543</u>	<u>(81,910)</u>	<u>(52,480)</u>	<u>181,735</u>	<u>(150)</u>	<u>50</u>
-	-	40,000	-	-	-	-	-
-	-	40,000	-	-	-	-	-
9,744	4,591	1,651,543	(81,910)	(52,480)	181,735	(150)	50
7,133	31,036	2,546,217	112,907	254,703	743,276	874	592
<u>\$ 16,877</u>	<u>\$ 35,627</u>	<u>\$ 4,197,760</u>	<u>\$ 30,997</u>	<u>\$ 202,223</u>	<u>\$ 925,011</u>	<u>\$ 724</u>	<u>\$ 642</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Park Department</u>	<u>Youth Development</u>	<u>Federal Forfeiture</u>	<u>Enforcement and Education</u>	<u>Indigent Driver Alcohol Treatment</u>
Revenues:					
Property and other local taxes	\$ 2,522,700	\$ -	\$ -	\$ -	\$ -
Charges for services	387	-	-	-	-
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	-	6,066	87,172
Intergovernmental	142,050	-	-	-	-
Interest and investment income	-	-	220	-	-
Rental income	46,336	-	-	-	-
Contributions and donations	-	-	-	-	-
Operating grants	31,654	-	-	-	-
Capital grants	-	-	-	-	-
Payment in lieu of taxes	37,700	-	-	-	-
Other	87,290	671	26,100	-	-
Total revenues	<u>2,868,117</u>	<u>671</u>	<u>26,320</u>	<u>6,066</u>	<u>87,172</u>
Expenditures:					
Current:					
General government	-	-	-	-	123,185
Security of persons and property	563	-	82,525	4,267	-
Public health	-	-	-	-	-
Transportation	-	-	-	-	-
Community environment	-	-	-	-	-
Leisure time activities	2,417,992	-	-	-	-
Debt service:					
Principal retirement	-	-	27,028	-	-
Interest and fiscal charges	-	-	2,742	-	-
Total expenditures	<u>2,418,555</u>	<u>-</u>	<u>112,295</u>	<u>4,267</u>	<u>123,185</u>
Excess (deficiency) of revenues over (under) expenditures	449,562	671	(85,975)	1,799	(36,013)
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	449,562	671	(85,975)	1,799	(36,013)
Fund balances (deficit) at beginning of year	<u>792,104</u>	<u>(13,070)</u>	<u>405,274</u>	<u>26,908</u>	<u>65,327</u>
Fund balances (deficit) at end of year	<u>\$ 1,241,666</u>	<u>\$ (12,399)</u>	<u>\$ 319,299</u>	<u>\$ 28,707</u>	<u>\$ 29,314</u>

Law Enforcement Trust	Municipal Probation Services	Misdemeanor Community Sanction Grant	Prisoner Housing	Local Law Enforcement Block Grant	Supplementary Police Forces	Police	Fire
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	232,365	-	-	-	-	-	-
-	-	-	-	-	-	-	-
42,260	-	-	15,896	-	-	-	-
-	-	-	-	166,023	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	100	50,824	6,445
-	-	223,523	-	-	-	788,175	249,298
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
234	29,792	11,044	-	-	-	-	38
<u>42,494</u>	<u>262,157</u>	<u>234,567</u>	<u>15,896</u>	<u>166,023</u>	<u>100</u>	<u>838,999</u>	<u>255,781</u>
-	272,314	191,217	-	-	-	50,751	-
105,239	-	-	-	34,894	69	956,356	350,937
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>105,239</u>	<u>272,314</u>	<u>191,217</u>	<u>-</u>	<u>34,894</u>	<u>69</u>	<u>1,007,107</u>	<u>350,937</u>
<u>(62,745)</u>	<u>(10,157)</u>	<u>43,350</u>	<u>15,896</u>	<u>131,129</u>	<u>31</u>	<u>(168,108)</u>	<u>(95,156)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(62,745)	(10,157)	43,350	15,896	131,129	31	(168,108)	(95,156)
<u>138,881</u>	<u>446,483</u>	<u>55,502</u>	<u>45,569</u>	<u>20,378</u>	<u>77</u>	<u>521,437</u>	<u>7,204</u>
<u>\$ 76,136</u>	<u>\$ 436,326</u>	<u>\$ 98,852</u>	<u>\$ 61,465</u>	<u>\$ 151,507</u>	<u>\$ 108</u>	<u>\$ 353,329</u>	<u>\$ (87,952)</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Vacant/ Foreclosed Registry</u>	<u>Clean Ohio Revitalization</u>	<u>Canton Merchandising</u>	<u>Market Square Donation</u>	<u>Jobs Ohio</u>
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	233,375	-	-	-	-
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest and investment income	-	-	-	-	-
Rental income	-	-	-	-	-
Contributions and donations	-	-	-	200,000	-
Operating grants	-	397,555	-	-	-
Capital grants	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Other	10,376	-	1,044	-	-
Total revenues	243,751	397,555	1,044	200,000	-
Expenditures:					
Current:					
General government	4,687	-	321	84,680	-
Security of persons and property	-	-	-	-	-
Public health	-	-	-	-	-
Transportation	68,889	-	-	-	-
Community environment	42,543	118,696	-	-	113,193
Leisure time activities	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	116,119	118,696	321	84,680	113,193
Excess (deficiency) of revenues over (under) expenditures	127,632	278,859	723	115,320	(113,193)
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balance	127,632	278,859	723	115,320	(113,193)
Fund balances (deficit) at beginning of year	347,123	8	25,199	-	-
Fund balances (deficit) at end of year	\$ 474,755	\$ 278,867	\$ 25,922	\$ 115,320	\$ (113,193)

<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 2,522,700
-	1,738,975
-	277,845
-	153,221
-	3,581,369
-	766
-	65,344
-	259,486
85,402	6,930,521
-	423,946
-	120,375
<u>36,390</u>	<u>316,922</u>
<u>121,792</u>	<u>16,391,470</u>
38,958	1,397,115
-	3,064,826
-	4,126,520
47,339	2,374,332
-	274,432
-	2,417,992
-	65,019
-	3,711
<u>86,297</u>	<u>13,723,947</u>
<u>35,495</u>	<u>2,667,523</u>
-	40,000
-	40,000
35,495	2,707,523
<u>73,769</u>	<u>8,182,687</u>
<u>\$ 109,264</u>	<u>\$ 10,890,210</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE, AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,800,000	\$ 2,962,403	\$ 162,403
Interest and investment income	-	480	480
Other	-	3,277	3,277
Total revenues	2,800,000	2,966,160	166,160
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Divisions - Traffic Engineer/parking meter:</i>			
Personal services	360,016	357,010	3,006
Materials and supplies	13,061	9,755	3,306
Contractual services	16,437	16,436	1
Capital outlay	2,000	2,000	-
Other	1,087	1,058	29
<i>Total Traffic Divisions - Traffic Engineer/parking meter</i>	<i>392,601</i>	<i>386,259</i>	<i>6,342</i>
<i>Traffic Divisions - Traffic Sign and Paint:</i>			
Personal services	264,486	176,074	88,412
Materials and supplies	63,451	60,682	2,769
Contractual services	37,505	37,506	(1)
Other	24	24	-
<i>Total Traffic Divisions - Traffic Sign and Paint</i>	<i>365,466</i>	<i>274,286</i>	<i>91,180</i>
<i>Traffic Divisions - Traffic Signal:</i>			
Personal services	339,560	321,528	18,032
Materials and supplies	31,517	29,519	1,998
Contractual services	154,524	154,525	(1)
Capital outlay	33,480	33,479	1
Other	282	227	55
<i>Total Traffic Divisions - Traffic Signal</i>	<i>559,363</i>	<i>539,278</i>	<i>20,085</i>
<i>Total security of persons and property</i>	<i>1,317,430</i>	<i>1,199,823</i>	<i>117,607</i>
Transportation:			
<i>Engineering - daily operations:</i>			
Personal services	21,830	21,621	209
Materials and supplies	500	-	500
Capital outlay	500	-	500
<i>Total Engineering - daily operations</i>	<i>22,830</i>	<i>21,621</i>	<i>1,209</i>
<i>Street Maintenance:</i>			
Personal services	884,918	784,502	100,416
Materials and supplies	631,380	621,897	9,483
Contractual services	76,435	71,778	4,657
Capital outlay	163,910	162,445	1,465
Other	4,297	1,853	2,444
<i>Total Street Maintenance</i>	<i>1,760,940</i>	<i>1,642,475</i>	<i>118,465</i>
<i>Total Transportation</i>	<i>1,783,770</i>	<i>1,664,096</i>	<i>119,674</i>
Total expenditures	3,101,200	2,863,919	237,281
Net change in fund balance	(301,200)	102,241	403,441
Fund balance at beginning of year	226,209	226,209	-
Prior year encumbrances appropriated	125,236	125,236	-
Fund balance at end of year	\$ 50,245	\$ 453,686	\$ 403,441

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 202,000	\$ 204,567	\$ 2,567
Interest and investment income	-	66	66
Other	-	78	78
Total revenues	202,000	204,711	2,711
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Divisions - Traffic Signal:</i>			
Capital outlay	8,500	8,500	-
Transportation:			
<i>Street Maintenance:</i>			
Personal services	124,723	114,081	10,642
Materials and supplies.	35,855	31,862	3,993
Contractual services.	45,027	45,027	-
Capital outlay.	1,000	-	1,000
<i>Total Street Maintenance</i>	<i>206,605</i>	<i>190,970</i>	<i>15,635</i>
Total expenditures	215,105	199,470	15,635
Net change in fund balance.	(13,105)	5,241	18,346
Fund balance at beginning of year	36,866	36,866	-
Prior year encumbrances appropriated	2,558	2,558	-
Fund balance at end of year.	\$ 26,319	\$ 44,665	\$ 18,346

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNICIPAL ROAD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 423,946	\$ 423,946	\$ -
Other	100,000	100,000	-
Total revenues	523,946	523,946	-
Expenditures:			
Current:			
Transportation:			
<i>Engineering - Engineering Administration:</i>			
Capital outlay	1,159,039	749,589	409,450
Net change in fund balance	(635,093)	(225,643)	409,450
Fund balance at beginning of year	670,092	670,092	-
Fund balance at end of year	\$ 34,999	\$ 444,449	\$ 409,450

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CORNERSTONE PARKING DECK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 273,600	\$ 259,016	\$ (14,584)
Rental income	11,400	19,008	7,608
Other	-	7,391	7,391
Total revenues	285,000	285,415	415
Expenditures:			
Current:			
Security of persons and property:			
<i>Traffic Division - Traffic Engineer/parking meter</i>			
Personal services	176,496	173,123	3,373
Materials and supplies.	11,578	6,885	4,693
Contractual services.	124,000	113,148	10,852
Capital outlay	1,400	-	1,400
Other	1,800	1,250	550
<i>Total Traffic Division - Traffic Engineer/parking meter</i>	<i>315,274</i>	<i>294,406</i>	<i>20,868</i>
Net change in fund balance.	(30,274)	(8,991)	21,283
Fund balance at beginning of year.	42,457	42,457	-
Prior year encumbrances appropriated	3,351	3,351	-
Fund balance at end of year	\$ 15,534	\$ 36,817	\$ 21,283

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLS INDUSTRIAL PARK TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes.	\$ -	\$ 54,574	\$ 54,574
Net change in fund balance	-	54,574	54,574
Fund balance at beginning of year	<u>26,968</u>	<u>26,968</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 26,968</u>	<u>\$ 81,542</u>	<u>\$ 54,574</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GERVASI 1700, LLC TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in lieu of taxes	\$ 7,000	\$ 23,510	\$ 16,510
Expenditures:			
Debt service:			
Principal retirement	13,767	13,766	1
Net change in fund balance	(6,767)	9,744	16,511
Fund balance at beginning of year	7,132	7,132	-
Fund balance at end of year.	\$ 365	\$ 16,876	\$ 16,511

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LESH RD./30TH ST. TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes.	\$ -	\$ 4,591	\$ 4,591
Net change in fund balance	-	4,591	4,591
Fund balance at beginning of year	<u>31,036</u>	<u>31,036</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 31,036</u>	<u>\$ 35,627</u>	<u>\$ 4,591</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 133,500	\$ 193,787	\$ 60,287
Licenses, permits, and fees	236,893	277,845	40,952
Intergovernmental	4,603	15,450	10,847
Operating grants	4,637,736	4,743,749	106,013
Contributions and donations	-	2,117	2,117
Other	-	2,571	2,571
Total revenues	5,012,732	5,235,519	222,787
Expenditures:			
Current:			
Public health:			
<i>Health Administration:</i>			
Personal services	2,843,781	2,462,044	381,737
Materials and supplies	660,357	183,813	476,544
Contractual services	2,345,762	2,064,162	281,600
Capital outlay	86,651	18,528	68,123
Other	76,862	41,031	35,831
<i>Total Health Administration</i>	<i>6,013,413</i>	<i>4,769,578</i>	<i>1,243,835</i>
Excess of revenues over expenditures	(1,000,681)	465,941	1,466,622
Other financing sources:			
Transfers in	-	40,000	40,000
Net change in fund balance	(1,000,681)	505,941	1,506,622
Fund balance at beginning of year	2,695,789	2,695,789	-
Prior year encumbrances appropriated	91,225	91,225	-
Fund balance at end of year	\$ 1,786,333	\$ 3,292,955	\$ 1,506,622

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CRIME LAB FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 15,000	\$ 19,011	\$ 4,011
Expenditures:			
Current:			
Security of persons and property:			
<i>Police administration</i>			
Capital outlay	100,000	100,000	-
Net change in fund balance.	(85,000)	(80,989)	4,011
Fund balance at beginning of year	110,850	110,850	-
Fund balance at end of year	\$ 25,850	\$ 29,861	\$ 4,011

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMPUTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for services	\$ 341,080	\$ 228,124	\$ (112,956)
Expenditures:			
Current:			
General government:			
<i>Courts/Clerk - Clerk of Courts Administration:</i>			
Personal services	263,980	158,965	105,015
Materials and supplies	70,191	39,926	30,265
Contractual services	108,540	78,774	29,766
Capital outlay	131,629	25,911	105,718
Other	15,200	200	15,000
<i>Total Courts/Clerk - Clerk of Courts Administration</i>	<u>589,540</u>	<u>303,776</u>	<u>285,764</u>
Net change in fund balance	(248,460)	(75,652)	172,808
Fund balance at beginning of year	230,663	230,663	-
Prior year encumbrances appropriated.	29,466	29,466	-
Fund balance at end of year.	<u>\$ 11,669</u>	<u>\$ 184,477</u>	<u>\$ 172,808</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT CAPITAL IMPROVEMENT SPECIAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 340,000	\$ 458,728	\$ 118,728
Other	-	435	435
Total revenues	340,000	459,163	119,163
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	162,622	132,400	30,222
Materials and supplies	30,250	20,245	10,005
Contractual services	171,348	85,090	86,258
Capital outlay	49,172	44,556	4,616
Other	41,150	25,529	15,621
<i>Total Courts/Judge - Judge Administration</i>	<i>454,542</i>	<i>307,820</i>	<i>146,722</i>
Debt service:			
Principal retirement	24,225	24,225	-
Interest and fiscal charges	969	969	-
<i>Total debt service</i>	<i>25,194</i>	<i>25,194</i>	<i>-</i>
Total expenditures	479,736	333,014	146,722
Net change in fund balance	(139,736)	126,149	265,885
Fund balance at beginning of year	314,320	314,320	-
Prior year encumbrances appropriated.	40,334	40,334	-
Fund balance at end of year.	\$ 214,918	\$ 480,803	\$ 265,885

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LEGAL RESEARCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ 19,713	\$ 12,801	\$ (6,912)
Expenditures:			
Current:			
General Government			
<i>Courts/Judge- Judge Administration:</i>			
Contractual services.	20,500	-	20,500
Net change in fund balance	(787)	12,801	13,588
Fund balance at beginning of year	787	787	-
Fund balance at end of year.	\$ -	\$ 13,588	\$ 13,588

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT GPS COST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 850	\$ 850
Expenditures:			
Current:			
General Government			
<i>Courts/judge - judge administration:</i>			
Contractual services.	11,300	-	11,300
Net change in fund balance	(11,300)	850	12,150
Fund balance at beginning of year	11,384	11,384	-
Fund balance at end of year.	\$ 84	\$ 12,234	\$ 12,150

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 IGNITION INTERLOCK/ALCOHOL MONITORING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services.	\$ 75,000	\$ 82,259	\$ 7,259
Expenditures:			
Current:			
General Government			
<i>Courts/Judge- Judge Administration:</i>			
Contractual services.	67,250	20,407	46,843
Other	125,000	-	125,000
<i>Total Courts/Judge- Judge Administration:</i>	<u>192,250</u>	<u>20,407</u>	<u>171,843</u>
Excess of revenues over (under) expenditures.	(117,250)	61,852	179,102
Other financing (uses):			
Transfers out	<u>(57,750)</u>	<u>(57,750)</u>	-
Net change in fund balance	(175,000)	4,102	179,102
Fund balance at beginning of year	362,154	362,154	-
Prior year encumbrances appropriated.	1,440	1,440	-
Fund balance at end of year.	<u>\$ 188,594</u>	<u>\$ 367,696</u>	<u>\$ 179,102</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW DEPARTMENT DISPUTE RESOLUTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ -	\$ 240	\$ 240
Expenditures:			
Current:			
General government:			
<i>Law Director - Administration:</i>			
Contractual services.	400	390	10
Net change in fund balance	(400)	(150)	250
Fund balance at beginning of year	<u>874</u>	<u>874</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 474</u>	<u>\$ 724</u>	<u>\$ 250</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SARTA AREA IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 642	\$ 642	-
Fund balance at end of year	\$ 642	\$ 642	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARK DEPARTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 2,257,500	\$ 2,522,700	\$ 265,200
Intergovernmental.	152,500	146,435	(6,065)
Operating grants	400	31,654	31,254
Rental income	27,000	46,336	19,336
Contributions and donations	37,000	37,700	700
Other	19,000	83,921	64,921
Total revenues	2,493,400	2,868,746	375,346
Expenditures:			
Current:			
Leisure time activities:			
<i>Park Division - Special Parks Funds:</i>			
Personal services	1,479,948	1,401,137	78,811
Materials and supplies.	219,925	162,983	56,942
Contractual services.	869,605	666,185	203,420
Capital outlay	589,463	474,825	114,638
Other	97,266	85,960	11,306
<i>Total Park Division - Special Parks Funds</i>	<i>3,256,207</i>	<i>2,791,090</i>	<i>465,117</i>
 Net change in fund balance	 (762,807)	 77,656	 840,463
 Fund balance at beginning of year	 727,960	 727,960	 -
Prior year encumbrances appropriated.	196,702	196,702	-
Fund balance at end of year.	\$ 161,855	\$ 1,002,318	\$ 840,463

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 YOUTH DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEDERAL FORFEITURE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income.	\$ -	\$ 218	\$ 218
Other	-	26,100	26,100
Total revenues	<u>-</u>	<u>26,318</u>	<u>26,318</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Personal services	30,010	9,084	20,926
Materials and supplies.	123,457	83,986	39,471
Contractual services.	80,480	61,797	18,683
Capital outlay	96,898	3,353	93,545
Other	54,980	10,193	44,787
<i>Total Police Administration</i>	<u>385,825</u>	<u>168,413</u>	<u>217,412</u>
Net change in fund balance	(385,825)	(142,095)	243,730
Fund balance at beginning of year	348,267	348,267	-
Prior year encumbrances appropriated.	60,163	60,163	-
Fund balance at end of year.	<u>\$ 22,605</u>	<u>\$ 266,335</u>	<u>\$ 243,730</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 8,000	\$ 5,921	\$ (2,079)
Other	-	12,480	12,480
Total revenues	8,000	18,401	10,401
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Other	15,516	6,207	9,309
Net change in fund balance.	(7,516)	12,194	19,710
Fund balance at beginning of year	11,799	11,799	-
Prior year encumbrances appropriated	2,563	2,563	-
Fund balance at end of year	\$ 6,846	\$ 26,556	\$ 19,710

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVER ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 57,650	\$ 29,606	\$ (28,044)
Expenditures:			
Current:			
General government			
<i>Courts/Judge - Judge Administration:</i>			
Contractual services	162,918	155,435	7,483
Excess of expenditures over revenues	(105,268)	(125,829)	(20,561)
Other financing sources:			
Transfers in	33,000	57,750	24,750
Net change in fund balance	(72,268)	(68,079)	4,189
Fund balance at beginning of year	50,272	50,272	-
Prior year encumbrances appropriated.	43,361	43,361	-
Fund balance at end of year.	\$ 21,365	\$ 25,554	\$ 4,189

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ -	\$ 42,420	\$ 42,420
Other	-	234	234
Total revenues	-	42,654	42,654
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies.	49,689	47,722	1,967
Contractual services.	46,766	45,129	1,637
Capital outlay	170	-	170
Other	16,790	16,523	267
<i>Total Police Administration.</i>	<u>113,415</u>	<u>109,374</u>	<u>4,041</u>
Net change in fund balance	(113,415)	(66,720)	46,695
Fund balance at beginning of year	127,407	127,407	-
Prior year encumbrances appropriated.	9,857	9,857	-
Fund balance at end of year.	<u>\$ 23,849</u>	<u>\$ 70,544</u>	<u>\$ 46,695</u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL PROBATION SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 270,000	\$ 238,359	\$ (31,641)
Other	-	29,792	29,792
Total revenues	270,000	268,151	(1,849)
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	281,100	215,666	65,434
Materials and supplies	29,150	28,651	499
Contractual services	15,595	12,047	3,548
Capital outlay	3,480	885	2,595
Other	34,592	27,708	6,884
<i>Total Courts/Judge - Judge Administration.</i>	<i>363,917</i>	<i>284,957</i>	<i>78,960</i>
Net change in fund balance	(93,917)	(16,806)	77,111
Fund balance at beginning of year	413,360	413,360	-
Prior year encumbrances appropriated.	22,267	22,267	-
Fund balance at end of year.	\$ 341,710	\$ 418,821	\$ 77,111

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISDEMEANOR COMMUNITY SANCTION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 164,558	\$ 173,101	\$ 8,543
Other	11,043	11,044	1
Total Revenues	<u>175,601</u>	<u>184,145</u>	<u>8,544</u>
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Personal services	162,698	162,560	138
Materials and supplies	13,800	13,800	-
Contractual services	1	-	1
Other	4,308	3,813	495
Total Courts/Judge- Judge Administration.	<u>180,807</u>	<u>180,173</u>	<u>634</u>
Net change in fund balance	(5,206)	3,972	9,178
Fund balance at beginning of year	44,458	44,458	-
Fund balance at end of year.	<u>\$ 39,252</u>	<u>\$ 48,430</u>	<u>\$ 9,178</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PRISONER HOUSING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Fines and forfeitures.	\$ 18,000	\$ 15,857	\$ (2,143)
Expenditures:			
Current:			
General government:			
<i>Courts/Judge - Judge Administration:</i>			
Contractual services	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Net change in fund balance	6,000	15,857	9,857
Fund balance at beginning of year	<u>44,204</u>	<u>44,204</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 50,204</u></u>	<u><u>\$ 60,061</u></u>	<u><u>\$ 9,857</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 69,709	\$ 69,709	\$ -
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Other.	69,749	34,894	34,855
Net change in fund balance	(40)	34,815	34,855
Fund balance at beginning of year.	40	40	-
Fund balance at end of year.	\$ -	\$ 34,855	\$ 34,855

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON POLICE YOUTH CORP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Contributions and donations	-	100	100
Net change in fund balance	-	100	100
Fund balance at beginning of year.	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ -</u>
Fund balance at end of year	<u><u>\$ 8</u></u>	<u><u>\$ 108</u></u>	<u><u>\$ 100</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON AUXILIARY POLICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and supplies	\$ 69	\$ 69	\$ -
Net change in fund balance.	(69)	(69)	-
Fund balance at beginning of year	69	69	-
Fund balance at end of year	\$ -	\$ -	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 D.A.R.E. PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROB IMPROV AND INCENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Operating Grants	\$ 221,235	\$ 54,033	\$ (167,202)
Expenditures:			
Current:			
General Government			
<i>Courts/judge - judge administration:</i>			
Personal services	226,101	50,751	175,350
Contractual services	6,584	-	6,584
<i>Total Police Administration</i>	<u>232,685</u>	<u>50,751</u>	<u>181,934</u>
Net change in fund balance	(11,450)	3,282	14,732
Fund balance at beginning of year	<u>11,450</u>	<u>11,450</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 14,732</u>	<u>\$ 14,732</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2015 COPS HIRING PROGRAM GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 200,000	\$ 212,829	\$ 12,829
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Other	200,000	183,915	16,085
Net change in fund balance	-	28,914	28,914
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 28,914	\$ 28,914

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFE NEIGHBORHOOD HEROES GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE GRANTS AND DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 53,059	\$ 50,824	\$ (2,235)
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Materials and supplies	2,535	446	2,089
Contractual services	45,372	7,915	37,457
Capital outlay	10,000	5,219	4,781
<i>Total Police Administration</i>	<u>57,907</u>	<u>13,580</u>	<u>44,327</u>
Net Change in Fund Balance	(4,848)	37,244	42,092
Fund balance at beginning of year	4,848	4,848	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 42,092</u>	<u>\$ 42,092</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2014 COPS HIRING PROGRAM GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 471,266	\$ 296,091	\$ (175,175)
Expenditures:			
Current:			
General government			
<i>Police Administration</i>			
Other	<u>325,000</u>	<u>269,798</u>	<u>55,202</u>
Net change in fund balance.	146,266	26,293	(119,973)
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 146,266</u></u>	<u><u>\$ 26,293</u></u>	<u><u>\$ (119,973)</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BYRNE MEMORIAL RECOVERY ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Security of persons and property:			
<i>Police Administration:</i>			
Other.	\$ 7,441	\$ -	\$ 7,441
Net change in fund balance	(7,441)	-	7,441
Fund balance at beginning of year	<u>7,442</u>	<u>7,442</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1</u>	<u>\$ 7,442</u>	<u>\$ 7,441</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2010 LOCAL SOLICITATION BYRNE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE EMS TRAINING AND EQUIPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

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

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2014 BYRNE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Security of persons and property			
<i>Police Administration:</i>			
Other	\$ 32,563	\$ 12,765	\$ 19,798
Net change in fund balance	(32,563)	(12,765)	19,798
Fund balance at beginning of year	<u>32,653</u>	<u>32,653</u>	<u>-</u>
Fund balance at end of year	<u>\$ 90</u>	<u>\$ 19,888</u>	<u>\$ 19,798</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2013 COPS HIRING PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 227,330	\$ 188,046	\$ (39,284)
Expenditures:			
Current:			
Security of persons and property			
<i>Police Administration:</i>			
Other	<u>299,054</u>	<u>147,929</u>	<u>151,125</u>
Net change in fund balance	(71,724)	40,117	111,841
Fund balance at beginning of year	<u>71,725</u>	<u>71,725</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1</u></u>	<u><u>\$ 111,842</u></u>	<u><u>\$ 111,841</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2012 COPS HIRING PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 273,830	\$ 230,255	\$ (43,575)
Expenditures:			
Current:			
Security of persons and property			
<i>Police Administration:</i>			
Other	314,352	250,649	63,703
Net change in fund balance	(40,522)	(20,394)	20,128
Fund balance at beginning of year	40,522	40,522	-
Fund balance at end of year.	\$ -	\$ 20,128	\$ 20,128

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE GRANTS AND DONATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations.	\$ 6,445	\$ 6,445	\$ -
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Materials and supplies.	6,400	6,384	16
Net change in fund balance	45	61	16
Fund balance at beginning of year	506	506	-
Fund balance at end of year.	\$ 551	\$ 567	\$ 16

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMS TRAINING AND EQUIPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 2,750	\$ 3,500	\$ 750
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Materials and supplies	<u>7,750</u>	<u>4,106</u>	<u>3,644</u>
Net change in fund balance	(5,000)	(606)	4,394
Fund balance at beginning of year	<u>5,569</u>	<u>5,569</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 569</u></u>	<u><u>\$ 4,963</u></u>	<u><u>\$ 4,394</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIREFIGHTER ASSISTANCE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ -	\$ 38	\$ 38
Net change in fund balance	-	38	38
Fund balance at beginning of year	<u>1,129</u>	<u>1,129</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,129</u>	<u>\$ 1,167</u>	<u>\$ 38</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE FEMA SAFER GRANT 2009
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants.	\$ 170,000	\$ 67,642	\$ (102,358)
Expenditures:			
Current:			
Security of persons and property:			
<i>Fire Administration:</i>			
Other.	170,000	-	170,000
Net change in fund balance	-	67,642	67,642
Fund balance at beginning of year.	-	-	-
Fund balance at end of year.	\$ -	\$ 67,642	\$ 67,642

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VACANT/FORECLOSED REGISTRY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 233,375	\$ 233,375
Other	-	10,256	10,256
Total revenues	-	243,631	243,631
Expenditures:			
Current:			
Security of persons and property			
<i>Safety director - code enforcement administration</i>			
Contractual services	30,000	-	30,000
Special projects			
Transportation			
<i>Engineering - daily operations</i>			
Contractual services	100,000	72,889	27,111
Community environment:			
<i>Community Development Administration:</i>			
Personal services	56,484	42,543	13,941
Materials and supplies	(1,300)	-	(1,300)
Contractual services	2,300	-	2,300
Other	(1,000)	-	(1,000)
<i>Total Community Development Administration</i>	<i>56,484</i>	<i>42,543</i>	<i>13,941</i>
Total expenditures	186,484	115,432	71,052
Net change in fund balance	(186,484)	128,199	314,683
Fund balance at beginning of year	346,564	346,564	-
Prior year encumbrances appropriated	559	559	-
Fund balance at end of year	\$ 160,639	\$ 475,322	\$ 314,683

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CLEAN OHIO REVITALIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 2,047,486	\$ 118,696	\$ (1,928,790)
Expenditures:			
Current:			
Community environment:			
<i>Community Development Administration:</i>			
Capital outlay	1,753,590	1,753,590	-
Net change in fund balance	293,896	(1,634,894)	(1,928,790)
Fund balance (deficit) at beginning of year	(1,753,696)	(1,753,696)	-
Prior year encumbrances appropriated	1,753,704	1,753,704	-
Fund balance (deficit) at end of year	\$ 293,904	\$ (1,634,886)	\$ (1,928,790)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CANTON MERCHANDISING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Other	\$ 1,000	\$ 1,044	\$ 44
Expenditures:			
Current:			
General government:			
<i>Council Administration:</i>			
Materials and supplies.	3,500	-	3,500
Contractual services.	500	500	-
<i>Total Council Administration</i>	<u>4,000</u>	<u>500</u>	<u>3,500</u>
Net change in fund balance	(3,000)	544	3,544
Fund balance at beginning of year	9,824	9,824	-
Fund balance at end of year.	<u>\$ 6,824</u>	<u>\$ 10,368</u>	<u>\$ 3,544</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MARKET SQUARE DONATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 125,000	\$ 200,000	\$ 75,000
Expenditures:			
Current:			
General government:			
<i>Service Director Administration</i>			
Contractual services.	125,000	85,000	40,000
Net change in fund balance	-	115,000	115,000
Fund balance at beginning of year	-	-	-
Fund balance at end of year.	\$ -	\$ 115,000	\$ 115,000

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JOBS OHIO FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Operating grants	\$ 148,215	\$ -	\$ (148,215)
Expenditures:			
Current:			
Community environment:			
<i>Community Development Administration:</i>			
Capital outlay	148,215	148,215	-
Excess of expenditures over revenues	-	(148,215)	(148,215)
Other financing sources (uses):			
Advances in	-	148,215	(148,215)
Net change in fund balance	-	-	(296,430)
Fund balance (deficit) at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ -	\$ (296,430)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMPLOYEE RECOGNITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
General government			
<i>Mayor Administration:</i>			
Contractual services	\$ 143	\$ -	\$ 143
Net change in fund balance.	(143)	-	143
Fund balance at beginning of year	<u>143</u>	<u>143</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 143</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CITY HALL PLAZA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 173	\$ 173	\$ -
Fund balance at end of year	\$ 173	\$ 173	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECYCLE OHIO GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 7,515	\$ 7,515	\$ -
Fund balance at end of year.	\$ 7,515	\$ 7,515	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GUARDRAIL/ATTENUATOR REPLACEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ -	\$ 36,641	\$ 36,641
Expenditures:			
Current:			
Transportation			
<i>Street Maintenance:</i>			
Contractual services.	400	400	-
Capital outlay.	<u>57,167</u>	<u>54,728</u>	<u>2,439</u>
Net change in fund balance.	(57,567)	(18,487)	39,080
Fund balance at beginning of year.	60,126	60,126	-
Prior year encumbrances appropriated	<u>17,567</u>	<u>17,567</u>	-
Fund balance at end of year	<u>\$ 20,126</u>	<u>\$ 59,206</u>	<u>\$ 39,080</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SOUTHEAST COMMUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year.	\$ 862	\$ 862	\$ -
Fund balance at end of year	\$ 862	\$ 862	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 THURMAN MUNSON MEMORIAL STADIUM DONATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 1,566	\$ 1,566	\$ -
Fund balance at end of year	\$ 1,566	\$ 1,566	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT TECHNOLOGY GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
General government			
<i>Courts/judge - judge administration</i>			
Contractual services	\$ 51,150	\$ 51,150	\$ -
Net change in fund balance.	(51,150)	(51,150)	-
Fund balance at beginning of year.	<u>51,150</u>	<u>51,150</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIALIZED DOCKET GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Operating grants	\$ 85,402	\$ 85,402	\$ -
Expenditures:			
Current:			
General government			
<i>Courts/judge - judge administration</i>			
Personal services	55,794	23,573	32,221
Other	29,608	29,607	1
<i>Total Courts/judge - judge administration</i>	<u>85,402</u>	<u>53,180</u>	<u>32,222</u>
Net change in fund balance.	-	32,222	32,222
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 32,222</u>	<u>\$ 32,222</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CLERK OF COURTS ADMINISTRATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 1,229	\$ 1,229	\$ -
Fund balance at end of year.	\$ 1,229	\$ 1,229	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 3,550,000	\$ 2,775,627	\$ (774,373)
Other	-	30	30
Total Revenues	3,550,000	2,775,657	(774,343)
Expenditures:			
Current:			
General government			
<i>Law Administration</i>			
Personal services.	58,579	57,344	1,235
<i>Income Tax Administration</i>			
Personal services.	926,180	909,204	16,976
Materials and supplies	93,452	65,238	28,214
Contractual services	88,464	70,114	18,350
Capital outlay	24,897	13,916	10,981
Other.	2,181,855	1,983,687	198,168
<i>Total income tax administration</i>	3,314,848	3,042,159	272,689
<i>Total general government</i>	3,373,427	3,099,503	273,924
Net change in fund balance.	176,573	(323,846)	(500,419)
Fund balance at beginning of year.	56	56	-
Prior year encumbrances appropriated	323,792	323,792	-
Fund balance at end of year	\$ 500,421	\$ 2	\$ (500,419)

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2016

	<u>General Obligation Bond Retirement</u>	<u>Special Assessment Bond Retirement</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 19,061	\$ -	\$ 19,061
Cash with fiscal agent.	3,019	-	3,019
Receivables:			
Accounts	293	5,941	6,234
Total assets.	<u>\$ 22,373</u>	<u>\$ 5,941</u>	<u>\$ 28,314</u>
Deferred inflows of resources:			
Charges for services revenue not available	\$ -	\$ 5,941	\$ 5,941
Total deferred inflows of resources.	<u>-</u>	<u>5,941</u>	<u>5,941</u>
Fund balances:			
Restricted	22,373	-	22,373
Total fund balances	<u>22,373</u>	<u>-</u>	<u>22,373</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,373</u>	<u>\$ 5,941</u>	<u>\$ 28,314</u>

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Obligation Bond Retirement	Total Non Major Debt Service
Revenues:		
Interest and investment income	\$ 22,785	\$ 22,785
Other	293	293
Total revenues	23,078	23,078
Expenditures:		
Debt service:		
Interest and fiscal charges	49,861	49,861
Total expenditures	49,861	49,861
Net change in fund balances	(26,783)	(26,783)
Fund balances at beginning of year	49,156	49,156
Fund balances at end of year	\$ 22,373	\$ 22,373

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL OBLIGATION BOND RETIREMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest and investment income	\$ 18,285	\$ 22,785	\$ 4,500
Expenditures:			
Current:			
Debt Service:			
Interest and fiscal charges.	<u>64,421</u>	<u>49,861</u>	<u>14,560</u>
Net change in fund balance.	(46,136)	(27,076)	19,060
Fund balance at beginning of year	<u>46,137</u>	<u>46,137</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1</u>	<u>\$ 19,061</u>	<u>\$ 19,060</u>

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2016

	2015 Construction Reconstruction Note	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construction/ Reconstruction Bond
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,256,355	\$ 297,048	\$ 449,377	\$ 10,691
Receivables:				
Accrued interest	276	-	25	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 2,256,631</u>	<u>\$ 297,048</u>	<u>\$ 449,402</u>	<u>\$ 10,691</u>
Liabilities:				
Accounts payable	\$ 785	\$ -	\$ -	\$ -
Total liabilities	<u>785</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	2,255,846	297,048	449,402	10,691
Unassigned (deficit).	-	-	-	-
Total fund balances (deficit)	<u>2,255,846</u>	<u>297,048</u>	<u>449,402</u>	<u>10,691</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 2,256,631</u>	<u>\$ 297,048</u>	<u>\$ 449,402</u>	<u>\$ 10,691</u>

2006 Judges Facilities/ City Hall Renovation Bond	12th St. N Corridor Project	Mahoning Rd. Corridor Project	11th St. NW Improvement Project	Tuscarawas Street West Corridor Safety Project	Totals Nonmajor Capital Projects Funds
\$ 1,744	\$ -	\$ 73,533	\$ -	\$ -	\$ 3,088,748
-	-	-	-	-	301
-	1,263,723	373,990	4,272	1,831	1,643,816
<u>\$ 1,744</u>	<u>\$ 1,263,723</u>	<u>\$ 447,523</u>	<u>\$ 4,272</u>	<u>\$ 1,831</u>	<u>\$ 4,732,865</u>
\$ -	\$ 1,242,567	\$ 395,146	\$ 4,272	\$ 1,832	\$ 1,644,602
-	1,242,567	395,146	4,272	1,832	1,644,602
-	656,093	371,487	4,272	1,831	1,033,683
-	656,093	371,487	4,272	1,831	1,033,683
1,744	-	-	-	-	3,014,731
-	(634,937)	(319,110)	(4,272)	(1,832)	(960,151)
1,744	(634,937)	(319,110)	(4,272)	(1,832)	2,054,580
<u>\$ 1,744</u>	<u>\$ 1,263,723</u>	<u>\$ 447,523</u>	<u>\$ 4,272</u>	<u>\$ -</u>	<u>\$ 4,732,865</u>

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2015 Construction Reconstruction Note	2006 City Infrastructure Bond	2006 Recreational Bond	2006 Construction/ Reconstruction Bond
Revenues:				
Interest and investment income	\$ 3,191	\$ -	\$ 293	\$ -
Capital grants	-	185,916	-	-
Other	-	-	101,410	-
Total revenues	<u>3,191</u>	<u>185,916</u>	<u>101,703</u>	<u>-</u>
Expenditures:				
Capital outlay	999,262	10,060	-	39,608
Debt service:				
Principal retirement	3,500,000	-	-	-
Interest and fiscal charges	34,903	-	-	-
Total expenditures	<u>4,534,165</u>	<u>10,060</u>	<u>-</u>	<u>39,608</u>
Excess of revenues over (under) expenditures	<u>(4,530,974)</u>	<u>175,856</u>	<u>101,703</u>	<u>(39,608)</u>
Other financing sources:				
Note issuance	3,500,000	-	-	-
Issuance of loans	-	-	-	-
Total other financing sources	<u>3,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,030,974)	175,856	101,703	(39,608)
Fund balances at beginning of year	<u>3,286,820</u>	<u>121,192</u>	<u>347,699</u>	<u>50,299</u>
Fund balances (deficit) at end of year	<u>\$ 2,255,846</u>	<u>\$ 297,048</u>	<u>\$ 449,402</u>	<u>\$ 10,691</u>

2006 Judges Facilities/ City Hall Renovation Bond	12th St. N Corridor Project	Mahoning Rd. Corridor Project	11th St. NW Improvement Project	SIB Loan 12th St. N Cooridor Project	Fulton Road Resurfacing Project	Tuscarawas Street West Corridor Safety Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,097,058	3,709,209	19,557	-	187,511	47,068
-	-	-	-	-	-	-
-	5,097,058	3,709,209	19,557	-	187,511	47,068
-	5,073,334	4,033,312	23,829	139,325	114,837	48,900
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,073,334	4,033,312	23,829	139,325	114,837	48,900
-	23,724	(324,103)	(4,272)	(139,325)	72,674	(1,832)
-	-	-	-	-	-	-
-	-	199,140	-	139,325	-	-
-	-	199,140	-	139,325	-	-
-	23,724	(124,963)	(4,272)	-	72,674	(1,832)
1,744	(658,661)	(194,147)	-	-	(72,674)	-
<u>\$ 1,744</u>	<u>\$ (634,937)</u>	<u>\$ (319,110)</u>	<u>\$ (4,272)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,832)</u>

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2016

	30th Street NW Resurfacing Project	Total Nonmajor Capital Projects Funds
Revenues:		
Interest and investment income.	\$ -	\$ 3,484
Capital grants	735,000	9,981,319
Other	-	101,410
	<u>735,000</u>	<u>10,086,213</u>
Total revenues		
Expenditures:		
Capital outlay.	803,982	11,286,449
Debt service:		
Principal retirement	-	3,500,000
Interest and fiscal charges	-	34,903
	<u>803,982</u>	<u>14,821,352</u>
Total expenditures		
Excess of revenues over (under) expenditures	<u>(68,982)</u>	<u>(4,735,139)</u>
Other financing sources:		
Note issuance	-	3,500,000
Issuance of loans	68,982	407,447
	<u>68,982</u>	<u>3,907,447</u>
Total other financing sources.		
Net change in fund balances	-	(827,692)
Fund balances at beginning of year.	<u>-</u>	<u>2,882,272</u>
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>\$ 2,054,580</u>

**CITY OF CANTON
STARK COUNTY, OHIO**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
2015 CONSTRUCTION/RECONSTRUCTION NOTE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ -	\$ 3,265	\$ 3,265
 Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Service Director Administration	3,357,628	1,189,433	2,168,195
 Debt Service			
<i>Principle Retirement:</i>			
Various purpose loans	3,500,000	3,500,000	-
 <i>Interest and Fiscal Charges:</i>			
Various purpose loans	34,903	34,903	-
 Total Debt Service	3,534,903	3,534,903	-
 <i>Total expenditures</i>	<i>6,892,531</i>	<i>4,724,336</i>	<i>2,168,195</i>
 Excess of Expenditures Over Revenues	(6,892,531)	(4,721,071)	2,171,460
 Other financing sources:			
Note issuance	3,500,350	3,500,000	(350)
Net change in fund balance.	(3,392,181)	(1,221,071)	2,171,110
 Fund balance at beginning of year	2,638,649	2,638,649	-
Prior year encumbrances appropriated	771,740	771,740	-
Fund balance at end of year.	\$ 18,208	\$ 2,189,318	\$ 2,171,110

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
2006 CITY INFRASTRUCTURE BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 185,916	\$ 185,916	\$ -
Interest and investment income	100	-	(100)
Total revenues	186,016	185,916	(100)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Service Director Administration	185,916	36,927	148,989
Engineering - 12th Street NW Bridge Replacement	29,087	29,087	-
Engineering - 12th Street N. Corridor Project	6,962	6,962	-
Engineering - 41st St. NW Storm Sewer Project	3,004	-	3,004
Engineering - Mahoning Road Corridor Project	18,595	18,595	-
<i>Total Service Director</i>	<i>243,564</i>	<i>91,571</i>	<i>151,993</i>
Net change in fund balance.	(57,548)	94,345	151,893
Fund balance at beginning of year	3,418	3,418	-
Prior year encumbrances appropriated	138,315	138,315	-
Fund balance at end of year.	\$ 84,185	\$ 236,078	\$ 151,893

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 RECREATIONAL BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest and investment income	\$ -	\$ 290	\$ 290
Other	-	101,410	101,410
Total Revenues	-	101,700	101,700
Expenditures:			
Capital outlay:			
<i>Community Development:</i>			
Community development - Administration.	211,080	-	211,080
Net change in fund balance.	(211,080)	101,700	312,780
Fund balance at beginning of year	300,422	300,422	-
Prior year encumbrances appropriated	47,255	47,255	-
Fund balance at end of year.	\$ 136,597	\$ 449,377	\$ 312,780

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 CONSTRUCTION/RECONSTRUCTION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Service Director Administration	39,592	39,592	-
Net change in fund balance.	(39,592)	(39,592)	-
Fund balance at beginning of year	10,690	10,690	-
Prior year encumbrances appropriated	39,593	39,593	-
Fund balance at end of year.	<u>\$ 10,691</u>	<u>\$ 10,691</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2006 JUDGES FACILITIES/CITY HALL RENOVATION BOND FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 1,744	\$ 1,744	\$ -
Fund balance at end of year.	<u>\$ 1,744</u>	<u>\$ 1,744</u>	<u>\$ -</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 12TH ST. N CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Capital grants.	\$ 7,426,657	\$ 5,265,365	\$ (2,161,292)
Expenditures:			
Capital outlay:			
<i>Engineering:</i>			
Engineering - 12th Street N. Corridor Project.	<u>6,977,338</u>	<u>6,948,449</u>	<u>28,889</u>
Net change in fund balance	449,319	(1,683,084)	(2,132,403)
Fund balance (deficit) at beginning of year.	(7,252,185)	(7,252,185)	-
Prior year encumbrances appropriated.	<u>7,265,118</u>	<u>7,265,118</u>	-
Fund balance (deficit) at end of year	<u>\$ 462,252</u>	<u>\$ (1,670,151)</u>	<u>\$ (2,132,403)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MAHONING RD. CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Capital grants	\$ 476,851	\$ 3,950,336	\$ 3,473,485
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Mahoning Road Corridor Project	<u>6,939,279</u>	<u>5,314,844</u>	<u>1,624,435</u>
Excess of expenditures over revenues	(6,462,428)	(1,364,508)	5,097,920
Other financing sources:			
Issuance of loans	<u>6,668,895</u>	<u>219,326</u>	<u>(6,449,569)</u>
Net change in fund balance	206,467	(1,145,182)	(1,351,649)
Fund balance (deficit) at beginning of year.	(5,302,572)	(5,302,572)	-
Prior year encumbrances appropriated.	<u>5,376,105</u>	<u>5,376,105</u>	-
Fund balance (deficit) at end of year	<u><u>\$ 280,000</u></u>	<u><u>\$ (1,071,649)</u></u>	<u><u>\$ (1,351,649)</u></u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 11TH ST. NW IMPROVEMENT PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 150,078	\$ 19,557	\$ (130,521)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 11th St. NW Improvement Project	150,078	150,078	-
Net change in fund balance	-	(130,521)	(130,521)
Fund balance (deficit) at beginning of year	(150,078)	(150,078)	-
Prior year encumbrances appropriated	150,078	150,078	-
Fund balance (deficit) at end of year	\$ -	\$ (130,521)	\$ (130,521)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 41ST ST. NW ROADWAY RECONSTRUCTION PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 109,787	\$ -	\$ (109,787)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 41th St. NW Roadway Reconstruction Project.	51,103	51,103	-
Net change in fund balance	58,684	(51,103)	(109,787)
Fund balance (deficit) at beginning of year	(51,103)	(51,103)	-
Prior year encumbrances appropriated	51,103	51,103	-
Fund balance (deficit) at end of year	\$ 58,684	\$ (51,103)	\$ (109,787)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RAILROAD CROSSING/TRAFFIC SIGNAL UPGRADE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 34,072	\$ -	\$ (34,072)
Net change in fund balance	34,072	-	(34,072)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 34,072	\$ -	\$ (34,072)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HARRISBURG RD. RESURFACING PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 36,549	\$ -	\$ (36,549)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Harrisburg Rd. Resurfacing Project	36,549	-	36,549
Net change in fund balance	-	-	-
Fund balance (deficit) at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 37TH ST. NW WATER MAIN REPLACEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Capital grants	\$ 105,402	\$ -	\$ (105,402)
Net change in fund balance	105,402	-	(105,402)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 105,402</u>	<u>\$ -</u>	<u>\$ (105,402)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SIB LOAN 12TH ST. N CORRIDOR PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - 12th St. N Corridor Project	\$ 2,035,691	\$ 1,678,824	\$ 356,867
Excess of expenditures over revenues	(2,035,691)	(1,678,824)	356,867
Other financing sources:			
Issuance of loans	2,035,691	135,744	(1,899,947)
Net change in fund balance	-	(1,543,080)	(1,543,080)
Fund balance (deficit) at beginning of year	(1,585,469)	(1,585,469)	-
Prior year encumbrances appropriated	1,585,469	1,585,469	-
Fund balance (deficit) at end of year	\$ -	\$ (1,543,080)	\$ (1,543,080)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FULTON ROAD RESURFACING PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 375,269	\$ 355,036	\$ (20,233)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Fulton Rd Resurf Project 92562	355,036	355,036	-
Net change in fund balance	20,233	-	(20,233)
Fund balance at beginning of year	(375,269)	(375,269)	-
Prior year encumbrances appropriated	375,269	375,269	-
Fund balance (deficit) at end of year	\$ 20,233	\$ -	\$ (20,233)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TUSCARAWAS STREET WEST CORRIDOR SAFETY PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 250,000	\$ 63,719	\$ (186,281)
Expenditures:			
Capital outlay:			
<i>Service Director:</i>			
Engineering - Tusc St W Corr Safety Project 92562	250,000	250,000	-
Net change in fund balance	-	(186,281)	(186,281)
Fund balance at beginning of year	(250,000)	(250,000)	-
Prior year encumbrances appropriated	250,000	250,000	-
Fund balance (deficit) at end of year	\$ -	\$ (186,281)	\$ (186,281)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 30th STREET NW RESURFACING PROJECT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Capital grants	\$ 735,000	\$ 735,000	\$ -
Expenditures:			
Capital outlay:			
<i>Engineering:</i>			
Engineering - 30th Street NW Resurfacing Project	<u>1,500,000</u>	<u>1,179,379</u>	<u>320,621</u>
Excess of expenditures over revenues	<u>(765,000)</u>	<u>(444,379)</u>	<u>320,621</u>
Other financing sources:			
Loan proceeds - OPWC	<u>765,000</u>	<u>68,982</u>	<u>(696,018)</u>
Net change in fund balance	-	(375,397)	(375,397)
Fund balance (deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (375,397)</u>	<u>\$ (375,397)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 OVERBROOK AVE NW STORM SEWER REH. PROJECT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants	\$ 94,818	\$ -	\$ (94,818)
Expenditures:			
Capital outlay:			
<i>Engineering:</i>			
Engineering - Overbrook Ave. NW Storm Sewer Reh Project.	193,507	154,230	39,277
Excess of expenditures over revenues	(98,689)	(154,230)	(55,541)
Other financing sources:			
Loan proceeds - OPWC	98,689	-	(98,689)
Net change in fund balance	-	(154,230)	(154,230)
Fund balance (deficit) at beginning of year.	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ (154,230)	\$ (154,230)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 12th STREET NW BRIDGE REPLACEMENT PROJECT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Capital grants.	\$ 8,353,850	\$ -	\$ (8,353,850)
Expenditures:			
Capital outlay:			
<i>Engineering:</i>			
Engineering - 12th Street NW Bridge Replacement Project.	8,353,850	-	8,353,850
Net change in fund balance	-	-	-
Fund balance (deficit) at beginning of year.	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ -	\$ -

**CITY OF CANTON
STARK COUNTY, OHIO**

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The City operates three Major enterprise funds:

Water Operating Fund

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

Sewer Operating Fund

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

Refuse Operating Fund

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

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 18,475,509	\$ 17,862,343	\$ (613,166)
Rental income	25,985	25,003	(982)
Capital grants	2,051,203	1,091,440	(959,763)
Other	128	75,154	75,026
Total revenues.	20,552,825	19,053,940	(1,498,885)
Expenses:			
Personal services	7,643,226	6,908,682	734,544
Materials and supplies	2,326,728	2,037,685	289,043
Contractual services	4,345,580	3,861,963	483,617
Capital outlay	10,555,626	5,786,706	4,768,920
Claims	80,100	18,334	61,766
Other	48,562	31,994	16,568
Debt service:			
Principal retirement	2,454,806	2,263,376	191,430
Interest and fiscal charges	1,014,943	882,155	132,788
Total expenses.	28,469,571	21,790,895	6,678,676
Excess of expenses over revenues	(7,916,746)	(2,736,955)	5,179,791
Nonoperating revenues (expenses):			
Sale of notes	3,266,789	702,811	(2,563,978)
Sale of assets	2,798	5,067	2,269
Transfer in	213,868	195,404	(18,464)
Transfer (out)	(301,090)	(238,104)	62,986
Issuance of loans	2,235,825	807,200	(1,428,625)
Total nonoperating revenues (expenses)	5,418,190	1,472,378	(3,945,812)
Net change in fund balance	(2,498,556)	(1,264,577)	1,233,979
Fund balance at beginning of year	6,558,508	6,558,508	-
Prior year encumbrances appropriated.	5,082,753	5,082,753	-
Fund balance at end of year	\$ 9,142,705	\$ 10,376,684	\$ 1,233,979

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 14,479,968	\$ 14,925,227	\$ 445,259
Intergovernmental	-	44,346	44,346
Operating grants	76,667	-	(76,667)
Rental income	643	1,032	389
Other	765,951	718,169	(47,782)
Total revenues	15,323,229	15,688,774	365,545
Expenses:			
Personal services	5,909,720	5,502,275	407,445
Materials and supplies	1,377,245	849,898	527,347
Contractual services	7,624,222	5,843,530	1,780,692
Capital outlay	111,764,349	45,091,988	66,672,361
Claims	28,979	16,343	12,636
Other	158,973	70,671	88,302
Debt service:			
Principal retirement	1,076,224	1,074,040	2,184
Interest and fiscal charges	102,585	99,721	2,864
Total expenses	128,042,297	58,548,466	69,493,831
Excess of expenses over revenues	(112,719,068)	(42,859,692)	69,859,376
Nonoperating revenues (expenses):			
Sale of assets	501	9,090	8,589
Transfer in	660,936	1,520,000	859,064
Transfer (out)	(1,553,300)	(1,553,300)	-
Issuance of loans	108,956,998	8,454,149	(100,502,849)
Total nonoperating revenues (expenses)	108,065,135	8,429,939	(99,635,196)
Net change in fund balance	(4,653,933)	(34,429,753)	(29,775,820)
Fund balance (deficit) at beginning of year	(25,266,779)	(25,266,779)	-
Prior year encumbrances appropriated	45,710,832	45,710,832	-
Fund balance (deficit) at end of year	\$ 15,790,120	\$(13,985,700)	\$(29,775,820)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REFUSE OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 6,078,939	\$ 5,909,018	\$ (169,921)
Operating grants	-	122,502	122,502
Other	-	21,957	21,957
Total revenues	6,078,939	6,053,477	(25,462)
Expenses:			
Personal services	4,134,138	4,082,136	52,002
Materials and supplies	259,743	249,917	9,826
Contractual services	2,049,111	2,022,499	26,612
Capital outlay	375,924	56,040	319,884
Claims	7,000	2,795	4,205
Other	18,723	16,723	2,000
Total expenses	6,844,639	6,430,110	414,529
Excess of expenses over revenues	(765,700)	(376,633)	389,067
Nonoperating revenues (expenses):			
Transfer (out)	(50,000)	(50,000)	-
Net change in fund balance	(815,700)	(426,633)	389,067
Fund balance at beginning of year	832,181	832,181	-
Prior year encumbrances appropriated.	199,329	199,329	-
Fund balance at end of year.	\$ 215,810	\$ 604,877	\$ 389,067

**CITY OF CANTON
STARK COUNTY, OHIO**

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The City operates one Nonmajor Enterprise Fund:

Building Code Fund

The building code enterprise fund accounts for the provision of license and permit fees collection related to the enforcement of the city building code.

The budgetary statement is only shown, since the building code fund is the City's only nonmajor enterprise fund.

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING CODE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and fees	\$ 1,846,800	\$ 2,010,269	\$ 163,469
Fines and forfeitures	-	850	850
Other	-	12,111	12,111
Total revenues	<u>1,846,800</u>	<u>2,023,230</u>	<u>176,430</u>
Expenses:			
Personal services	1,049,214	976,705	72,509
Materials and supplies	45,834	35,786	10,048
Contractual services	123,480	84,967	38,513
Capital outlay	114,152	87,474	26,678
Claims	5,970	1,731	4,239
Other	8,150	3,489	4,661
Total expenses	<u>1,346,800</u>	<u>1,190,152</u>	<u>156,648</u>
Excess of revenues over expenses	<u>500,000</u>	<u>833,078</u>	<u>333,078</u>
Nonoperating revenues (expenses):			
Advance in	-	200,000	200,000
Advance (out)	(500,000)	(200,000)	300,000
Total nonoperating revenues (expenses)	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
Net change in fund balance	-	833,078	833,078
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 833,078</u>	<u>\$ 833,078</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

Internal Service Funds

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

Workers' Compensation Retrospective Fund

To account for the charges to the operating funds on a percentage of payroll basis and the payment of premiums and claims under the retrospective rating plan as provided by the Ohio Bureau of Workers' Compensation.

Health Insurance Fund

To account for charges to the operating funds on a per employee basis for the health and hospitalization self insurance, eye and dental insurance and for payments to AFSCME for the unions' administered employees' eye and dental premiums. This fund also pays the salaries and fringe benefits of the employees responsible for administering and processing claims.

Compensated Absences Claim Fund

To account for charges to the operating funds on a per employee basis for the claims associated with and mandated by local and state fringe benefit provisions including accumulated sick time, continuing disability, banked vacation, and termination pay.

Vehicle Self Insurance Fund

To account for charges to the operating funds on a per fund basis for the claims associated with a vehicle self insurance fund. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the internal service funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

Motor Vehicles Department Fund

To account for charges to the operating funds on a per fund basis for the department of motor vehicles. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the internal service funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

Management Information Services Fund

To account for charges to the operating funds on a per fund basis for the management information services fund. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the internal service funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Compensated</u> <u>Absences</u> <u>Claim</u>	<u>Total</u> <u>Nonmajor</u> <u>Internal</u> <u>Service</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 1,033,083	\$ 287,826	\$ 679,792	\$ 2,000,701
Receivables:				
Accounts.	30,530	8,003	-	38,533
Due from other funds.	-	-	154,816	154,816
Total assets.	<u>1,063,613</u>	<u>295,829</u>	<u>834,608</u>	<u>2,194,050</u>
Liabilities:				
Current liabilities:				
Accounts payable.	105	719,065	-	719,170
Accrued wages and benefits payable	2,014	5,931	122,189	130,134
Due to other governments	311	914	18,878	20,103
Compensated absences payable	-	-	1,688,579	1,688,579
Claims payable.	558,287	696,780	-	1,255,067
Total current liabilities.	<u>560,717</u>	<u>1,422,690</u>	<u>1,829,646</u>	<u>3,813,053</u>
Non-current liabilities:				
Compensated absences payable	-	-	6,169,773	6,169,773
Claims payable	1,110,853	-	-	1,110,853
Total non-current liabilities	<u>1,110,853</u>	<u>-</u>	<u>6,169,773</u>	<u>7,280,626</u>
Total liabilities	<u>1,671,570</u>	<u>1,422,690</u>	<u>7,999,419</u>	<u>11,093,679</u>
Net position:				
Unrestricted (deficit)	<u>(607,957)</u>	<u>(1,126,861)</u>	<u>(7,164,811)</u>	<u>(8,899,629)</u>
Total net position (deficit).	<u>\$ (607,957)</u>	<u>\$ (1,126,861)</u>	<u>\$ (7,164,811)</u>	<u>\$ (8,899,629)</u>

CITY OF CANTON
STARK COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Compensated</u> <u>Absences</u> <u>Claim</u>	<u>Total</u> <u>Nonmajor</u> <u>Internal</u> <u>Service</u>
Operating revenues:				
Charges for services	\$ 1,514,036	\$ 10,169,652	\$ 2,997,796	\$ 14,681,484
Other	<u>76,590</u>	<u>1,725,110</u>	<u>-</u>	<u>1,801,700</u>
Total operating revenues.	<u>1,590,626</u>	<u>11,894,762</u>	<u>2,997,796</u>	<u>16,483,184</u>
Operating expenses:				
Personal services.	83,470	793,502	-	876,972
Contract services.	49,555	1,073,364	9,550	1,132,469
Benefit claims and expenses	-	-	3,254,336	3,254,336
Insurance claims and expenses.	3,258,824	10,454,950	-	13,713,774
Other.	<u>380</u>	<u>160</u>	<u>-</u>	<u>540</u>
Total operating expenses.	<u>3,392,229</u>	<u>12,321,976</u>	<u>3,263,886</u>	<u>18,978,091</u>
Operating income (loss) / change in net position . .	(1,801,603)	(427,214)	(266,090)	(2,494,907)
Net position (deficit) at beginning of year	<u>1,193,646</u>	<u>(699,647)</u>	<u>(6,898,721)</u>	<u>(6,404,722)</u>
Net position (deficit) at end of year	<u>\$ (607,957)</u>	<u>\$ (1,126,861)</u>	<u>\$ (7,164,811)</u>	<u>\$ (8,899,629)</u>

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Workers' Compensation	Health Insurance	Compensated Absences Claim	Total Nonmajor Internal Service
Cash flows from operating activities:				
Cash received from charges for services	\$ 1,514,036	\$ 10,169,652	\$ 2,997,796	\$ 14,681,484
Cash received from other operations	46,060	1,829,676	-	1,875,736
Cash payments for personal services	(84,571)	(71,311)	-	(155,882)
Cash payments for contractual services	(51,460)	(1,073,364)	(9,550)	(1,134,374)
Cash payments for insurance claims	(3,328,784)	(11,148,039)	-	(14,476,823)
Cash payments for benefits claims	-	-	(3,599,017)	(3,599,017)
Cash payments for other expenses	(380)	(160)	-	(540)
Net cash (used in) operating activities and net decrease in cash and cash equivalents.	(1,905,099)	(293,546)	(610,771)	(2,809,416)
Cash and cash equivalents at beginning of year.	2,938,182	581,372	1,290,563	4,810,117
Cash and cash equivalents at end of year	\$ 1,033,083	\$ 287,826	\$ 679,792	\$ 2,000,701
Reconciliation of operating income (loss) to net cash (used in) operating activities:				
Operating income (loss)	\$ (1,801,603)	\$ (427,214)	\$ (266,090)	\$ (2,494,907)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(30,530)	104,566	-	74,036
(Increase) in due from other funds	-	-	(4,887)	(4,887)
Increase (decrease) in accounts payable	(1,800)	719,065	-	717,265
Increase (decrease) in accrued wages and benefits	(1,045)	2,710	11,596	13,261
Increase (decrease) in due to other governments	(161)	416	1,791	2,046
(Decrease) in compensated absences payable	-	-	(353,181)	(353,181)
(Decrease) in claims payable	(69,960)	(693,089)	-	(763,049)
Net cash (used in) operating activities	\$ (1,905,099)	\$ (293,546)	\$ (610,771)	\$ (2,809,416)

CITY OF CANTON
STARK COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WORKERS' COMPENSATION RETROSPECTIVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 1,668,314	\$ 1,514,036	\$ (154,278)
Other	-	46,060	46,060
Total revenues	<u>1,668,314</u>	<u>1,560,096</u>	<u>(108,218)</u>
Expenses:			
Personal services	86,733	84,571	2,162
Materials and supplies	2,850	-	2,850
Contractual services	213,897	69,109	144,788
Insurance claims and expenses	3,700,000	3,328,784	371,216
Other	3,200	430	2,770
Total expenses	<u>4,006,680</u>	<u>3,482,894</u>	<u>523,786</u>
Net change in fund balance	(2,338,366)	(1,922,798)	415,568
Fund balance at beginning of year	2,899,356	2,899,356	-
Prior year encumbrances appropriated	38,826	38,826	-
Fund balance at end of year	<u>\$ 599,816</u>	<u>\$ 1,015,384</u>	<u>\$ 415,568</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 10,270,739	\$ 10,169,652	\$ (101,087)
Other	1,564,183	1,829,676	265,493
Total revenues	11,834,922	11,999,328	164,406
Expenses:			
Personal services	94,619	71,311	23,308
Materials and supplies	640	-	640
Contractual services	1,086,528	1,086,528	-
Insurance claims and expenses	11,211,665	11,210,590	1,075
Other	1,160	160	1,000
Total expenses	12,394,612	12,368,589	26,023
Net change in fund balance.	(559,690)	(369,261)	190,429
Fund balance at beginning of year	539,130	539,130	-
Prior year encumbrances appropriated	42,242	42,242	-
Fund balance at end of year	\$ 21,682	\$ 212,111	\$ 190,429

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMPENSATED ABSENCES CLAIM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 3,604,038	\$ 2,997,796	\$ (606,242)
Expenses:			
Contractual services	17,852	17,852	-
Benefit claim expenses	4,030,000	3,599,017	430,983
Total expenses	4,047,852	3,616,869	430,983
Net change in fund balance.	(443,814)	(619,073)	(175,259)
Fund balance at beginning of year	1,284,713	1,284,713	-
Prior year encumbrances appropriated	5,850	5,850	-
Fund balance at end of year	\$ 846,749	\$ 671,490	\$ (175,259)

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 VEHICLE SELF INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Interest	\$ -	\$ 359	\$ 359
Other	46,067	31,379	(14,688)
<i>Total revenues</i>	<u>46,067</u>	<u>31,738</u>	<u>(14,329)</u>
Expenses:			
Personal services	36,485	29,054	7,431
Materials and supplies	142	-	142
Contractual services	80,800	46,135	34,665
Benefit claim expenses	342,139	230,339	111,800
Total expenses	<u>459,566</u>	<u>305,528</u>	<u>154,038</u>
Excess of revenues over (under) expenditures . . .	(413,499)	(273,790)	139,709
Nonoperating revenue:			
Transfers in	<u>371,218</u>	<u>287,200</u>	<u>(84,018)</u>
Net change in fund balance.	(42,281)	13,410	55,691
Fund balance at beginning of year	535,186	535,186	-
Prior year encumbrances appropriated	47,532	47,532	-
Fund balance at end of year	<u>\$ 540,437</u>	<u>\$ 596,128</u>	<u>\$ 55,691</u>

CITY OF CANTON
STARK COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLES DEPARTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Charges for services	\$ 2,258,984	\$ 2,379,663	\$ 120,679
Other	59,125	60,688	1,563
<i>Total revenues</i>	<u>2,318,109</u>	<u>2,440,351</u>	<u>122,242</u>
Expenses:			
Personal services	1,323,986	1,171,139	152,847
Materials and supplies	1,019,712	960,673	59,039
Contractual services	286,118	273,608	12,510
Capital outlay.	200	-	200
Other.	9,920	8,698	1,222
Total expenses	<u>2,639,936</u>	<u>2,414,118</u>	<u>225,818</u>
Net change in fund balance.	(321,827)	26,233	348,060
Fund balance at beginning of year	226,557	226,557	-
Prior year encumbrances appropriated	194,219	194,219	-
Fund balance at end of year	<u>\$ 98,949</u>	<u>\$ 447,009</u>	<u>\$ 348,060</u>

**CITY OF CANTON
STARK COUNTY, OHIO**

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, other governmental units, and/or funds. The following are the City's fiduciary fund types:

Private-Purpose Trust Fund

Hartford Houtz Fund

To account for monies donated to be used to improve the health and education of children

Agency Funds

Agency funds are custodial in nature, and thus, do not recognize revenues or expenditures, only changes in assets and liabilities. These funds are used to record the collection and payment of refundable deposits, taxes collected for other governments, and municipal court.

Building Escrow Fund:

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

Payroll Clearing Fund:

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

Auditor's Transfer Fund:

To account for and hold receipts from various entities until proper disbursement.

Municipal Court Fund:

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

Building Department State Assessment Fund:

To account for assessments that are collected by the City on building projects on behalf of the state.

Downtown Special Improvement District Fund:

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

Vacant/Foreclosure Depository Fund:

This fund accounts for deposits held for vacant and foreclosed upon homes.

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>
<i>Building Escrow:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 129,855	\$ 155,542	\$ 170,138	\$ 115,259
Total assets	<u>\$ 129,855</u>	<u>\$ 155,542</u>	<u>\$ 170,138</u>	<u>\$ 115,259</u>
Liabilities:				
Deposits held and due to others.	\$ 129,855	\$ 155,542	\$ 170,138	\$ 115,259
Total liabilities	<u>\$ 129,855</u>	<u>\$ 155,542</u>	<u>\$ 170,138</u>	<u>\$ 115,259</u>
<i>Payroll Clearing:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 305,850	\$ 33,287,589	\$ 33,303,129	\$ 290,310
Total assets	<u>\$ 305,850</u>	<u>\$ 33,287,589</u>	<u>\$ 33,303,129</u>	<u>\$ 290,310</u>
Liabilities:				
Due to other governments	\$ 305,850	\$ 33,287,589	\$ 33,303,129	\$ 290,310
Total liabilities	<u>\$ 305,850</u>	<u>\$ 33,287,589</u>	<u>\$ 33,303,129</u>	<u>\$ 290,310</u>
<i>Auditor's Transfer:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 270,919	\$ 151,493	\$ 307,008	\$ 115,404
Total assets	<u>\$ 270,919</u>	<u>\$ 151,493</u>	<u>\$ 307,008</u>	<u>\$ 115,404</u>
Liabilities:				
Deposits held and due to others	\$ 270,919	\$ 151,493	\$ 307,008	\$ 115,404
Total liabilities.	<u>\$ 270,919</u>	<u>\$ 151,493</u>	<u>\$ 307,008</u>	<u>\$ 115,404</u>
<i>Municipal Court:</i>				
Assets:				
Cash and cash equivalents in segregated accounts . .	\$ 65,109	\$ 185,096	\$ 65,109	\$ 185,096
Total assets	<u>\$ 65,109</u>	<u>\$ 185,096</u>	<u>\$ 65,109</u>	<u>\$ 185,096</u>
Liabilities:				
Undistributed assets.	\$ 65,109	\$ 185,096	\$ 65,109	\$ 185,096
Total liabilities	<u>\$ 65,109</u>	<u>\$ 185,096</u>	<u>\$ 65,109</u>	<u>\$ 185,096</u>

(Continued)

CITY OF CANTON
STARK COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/30/16</u>
<i>Building Department State Assessment:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 666	\$ 13,928	\$ 14,040	\$ 554
Total assets	<u>\$ 666</u>	<u>\$ 13,928</u>	<u>\$ 14,040</u>	<u>\$ 554</u>
Liabilities:				
Deposits held and due to others	\$ 666	\$ 13,928	\$ 14,040	\$ 554
Total liabilities.	<u>\$ 666</u>	<u>\$ 13,928</u>	<u>\$ 14,040</u>	<u>\$ 554</u>
<i>Downtown Special Improvement District:</i>				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 175,488	\$ 175,488	\$ -
Receivables:				
Accounts.	6,570	8,386	6,570	8,386
Total assets	<u>\$ 6,570</u>	<u>\$ 183,874</u>	<u>\$ 182,058</u>	<u>\$ 8,386</u>
Liabilities:				
Deposits held and due to others	\$ 6,570	\$ 183,874	\$ 182,058	\$ 8,386
Total liabilities.	<u>\$ 6,570</u>	<u>\$ 183,874</u>	<u>\$ 182,058</u>	<u>\$ 8,386</u>
<i>Vacant/Foreclosure Depository Fund:</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,941,815	\$ 1,230,000	\$ 1,027,103	\$ 2,144,712
Total assets	<u>\$ 1,941,815</u>	<u>\$ 1,230,000</u>	<u>\$ 1,027,103</u>	<u>\$ 2,144,712</u>
Liabilities:				
Deposits held and due to others.	\$ 1,941,815	\$ 1,230,000	\$ 1,027,103	\$ 2,144,712
Total liabilities	<u>\$ 1,941,815</u>	<u>\$ 1,230,000</u>	<u>\$ 1,027,103</u>	<u>\$ 2,144,712</u>
<i>Total Agency Funds</i>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,649,105	\$ 35,014,040	\$ 34,996,906	\$ 2,666,239
Cash and cash equivalents in segregated accounts . .	65,109	185,096	65,109	185,096
Receivables:				
Accounts.	6,570	8,386	6,570	8,386
Total assets	<u>\$ 2,720,784</u>	<u>\$ 35,207,522</u>	<u>\$ 35,068,585</u>	<u>\$ 2,859,721</u>
Liabilities:				
Due to other governments	\$ 305,850	\$ 33,287,589	\$ 33,303,129	\$ 290,310
Undistributed assets.	65,109	185,096	65,109	185,096
Deposits held and due to others.	2,349,825	1,734,837	1,700,347	2,384,315
Total liabilities	<u>\$ 2,720,784</u>	<u>\$ 35,207,522</u>	<u>\$ 35,068,585</u>	<u>\$ 2,859,721</u>



CITY OF CANTON, OHIO

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

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S1 - S10
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, municipal income taxes.	S11 - S12
Debt Capacity 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.	S13 - S23
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S24 - S25
Operating Information 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.	S26 - S32

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CITY OF CANTON
STARK COUNTY, OHIO
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Governmental Activities				
Net investment in capital assets	\$ 120,105,838	\$ 114,318,575	\$ 106,702,688	\$ 99,188,330
Restricted	17,870,574	21,643,804	19,038,897	20,669,995
Unrestricted	(63,674,938)	(62,270,207)	10,069,695	8,055,536
Total Governmental Activities Net Position	\$ 74,301,474	\$ 73,692,172	\$ 135,811,280	\$ 127,913,861
Business-Type Activities				
Net investment in capital assets	\$ 81,244,719	\$ 75,533,187	\$ 70,635,102	\$ 70,583,131
Unrestricted	37,500,121	33,635,250	42,265,775	40,577,502
Total Business-Type Activities Net Position	\$ 118,744,840	\$ 109,168,437	\$ 112,900,877	\$ 111,160,633
Primary Government				
Net investment in capital assets	\$ 201,350,557	\$ 189,851,762	\$ 177,337,790	\$ 169,771,461
Restricted	17,870,574	21,643,804	19,038,897	20,669,995
Unrestricted	(26,174,817)	(28,634,957)	52,335,470	48,633,038
Total Primary Government Net Position	\$ 193,046,314	\$ 182,860,609	\$ 248,712,157	\$ 239,074,494

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

2012	2011	2010	2009	2008	2007
\$ 96,544,493	\$ 97,348,306	\$ 96,658,405	\$ 93,997,414	\$ 94,910,241	\$ 93,469,817
25,988,085	30,727,668	34,583,408	38,133,687	32,898,704	34,630,751
5,978,878	807,948	(4,901,157)	(3,439,285)	1,897,801	2,288,255
<u>\$ 128,511,456</u>	<u>\$ 128,883,922</u>	<u>\$ 126,340,656</u>	<u>\$ 128,691,816</u>	<u>\$ 129,706,746</u>	<u>\$ 130,388,823</u>
\$ 68,382,938	\$ 64,432,996	\$ 65,466,731	\$ 65,271,828	\$ 63,926,597	\$ 61,597,239
37,550,898	35,129,231	31,989,581	24,386,522	22,651,308	21,120,626
<u>\$ 105,933,836</u>	<u>\$ 99,562,227</u>	<u>\$ 97,456,312</u>	<u>\$ 89,658,350</u>	<u>\$ 86,577,905</u>	<u>\$ 82,717,865</u>
\$ 164,927,431	\$ 161,781,302	\$ 162,125,136	\$ 159,269,242	\$ 158,836,838	\$ 155,067,056
25,988,085	30,727,668	34,583,408	38,133,687	32,898,704	34,630,751
43,529,776	35,937,179	27,088,424	20,947,237	24,549,109	23,408,881
<u>\$ 234,445,292</u>	<u>\$ 228,446,149</u>	<u>\$ 223,796,968</u>	<u>\$ 218,350,166</u>	<u>\$ 216,284,651</u>	<u>\$ 213,106,688</u>

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Expenses				
<i>Governmental activities:</i>				
General government	\$ 21,401,267	\$ 20,813,879	\$ 19,609,570	\$ 16,648,538
Security of persons and property	45,317,984	42,879,044	38,759,803	37,209,092
Public health	6,627,161	6,186,052	6,196,761	5,948,698
Transportation	14,177,868	14,538,968	12,065,377	13,253,789
Community environment	6,829,268	12,051,165	8,106,584	6,012,767
Leisure time activities	3,703,459	3,417,987	3,549,040	3,329,290
Economic development	-	263,186	-	-
Interest and fiscal charges	361,969	386,900	442,388	542,745
<i>Total governmental activities expenses</i>	<u>98,418,976</u>	<u>100,537,181</u>	<u>88,729,523</u>	<u>82,944,919</u>
<i>Business-type activities:</i>				
Water	14,639,812	14,174,629	15,387,377	13,029,402
Sewer	12,423,601	14,155,798	12,796,231	12,516,730
Refuse	6,892,183	6,354,269	6,257,256	5,924,125
Building	1,768,265	-	-	-
<i>Total business-type activities expenses</i>	<u>35,723,861</u>	<u>34,684,696</u>	<u>34,440,864</u>	<u>31,470,257</u>
Total Primary Government Expenses	<u>\$ 134,142,837</u>	<u>\$ 135,221,877</u>	<u>\$ 123,170,387</u>	<u>\$ 114,415,176</u>
Program Revenues				
<i>Governmental activities:</i>				
Charges for services:				
EMS charges	\$ 1,721,128	\$ 954,809	\$ 2,963,877	\$ 1,790,137
Leisure time activities	46,712	45,781	30,379	29,550
Licenses, permits, and fees	1,083,886	1,499,109	1,512,407	1,510,822
Municipal court revenue	3,397,151	2,765,518	2,867,661	3,401,332
Other activities	4,821,212	8,727,538	7,497,735	6,496,325
Operating grants and contributions	16,591,905	9,787,441	12,203,279	9,361,804
Capital grants and contributions	11,438,948	13,910,356	5,755,827	3,956,443
<i>Total governmental activities program revenues</i>	<u>39,100,942</u>	<u>37,690,552</u>	<u>32,831,165</u>	<u>26,546,413</u>
<i>Business-type activities:</i>				
Charges for services:				
Water	17,025,059	17,576,612	15,545,481	14,919,158
Sewer	14,340,312	14,925,552	13,407,709	13,914,466
Refuse	5,849,351	5,762,077	5,962,885	5,801,598
Building	2,011,319	-	-	-
Operating grants and contributions	47,971	121,130	69,919	67,026
Capital grants and contributions	4,854,422	9,770	600,402	1,943,958
<i>Total business-type activities program revenues</i>	<u>44,128,434</u>	<u>38,395,141</u>	<u>35,586,396</u>	<u>36,646,206</u>
Total Primary Government Program Revenues	<u>\$ 83,229,376</u>	<u>\$ 76,085,693</u>	<u>\$ 68,417,561</u>	<u>\$ 63,192,619</u>

	2012	2011	2010	2009	2008	2007
\$	18,204,815	\$ 18,507,298	\$ 17,916,837	\$ 21,447,525	\$ 20,109,980	\$ 20,429,740
	37,355,205	39,761,690	38,021,732	39,741,822	39,952,807	37,157,956
	5,867,708	6,371,348	6,789,047	6,503,089	6,232,337	6,117,315
	12,752,256	12,218,799	12,594,651	14,551,954	11,010,239	11,773,016
	5,080,295	8,563,514	9,206,391	5,393,621	6,011,649	6,612,257
	2,101,343	2,361,904	2,919,500	2,943,691	2,986,053	3,041,931
	-	-	-	-	-	-
	573,423	791,471	815,188	925,828	1,154,014	1,259,708
	81,935,045	88,576,024	88,263,346	91,507,530	87,457,079	86,391,923
	12,706,700	12,478,010	10,975,361	11,789,359	10,644,920	10,434,121
	12,705,127	13,239,984	11,135,229	11,586,485	10,344,713	11,688,039
	5,342,650	5,532,632	4,948,513	5,359,103	5,057,233	4,516,698
	-	-	-	-	-	-
	30,754,477	31,250,626	27,059,103	28,734,947	26,046,866	26,638,858
\$	112,689,522	\$ 119,826,650	\$ 115,322,449	\$ 120,242,477	\$ 113,503,945	\$ 113,030,781
\$	1,989,838	\$ 1,538,870	\$ 990,133	\$ 370,403	\$ 2,474,214	\$ 1,985,989
	10,890	230,691	593,174	323,320	646,817	798,451
	2,014,416	1,496,552	1,540,878	1,544,394	1,548,478	905,168
	3,458,555	3,561,424	4,091,161	3,458,692	3,350,496	3,098,405
	8,477,516	7,020,751	6,949,537	7,094,576	6,922,471	8,568,936
	6,951,732	11,296,786	11,304,031	15,211,394	7,017,103	7,976,893
	759,525	5,146,994	6,681,818	4,334,246	3,743,113	5,061,069
	23,662,472	30,292,068	32,150,732	32,337,025	25,702,692	28,394,911
	14,564,110	13,688,619	14,679,276	11,602,884	12,452,723	12,210,478
	14,487,135	13,232,669	13,061,066	10,696,780	10,570,525	9,877,966
	6,002,093	6,030,792	6,511,534	5,360,417	4,778,453	4,316,457
	-	-	-	-	-	-
	140,855	189,868	87,506	119,426	108,822	56,133
	1,869,089	12,655	207,969	2,942,090	1,939,593	1,308,396
	37,063,282	33,154,603	34,547,351	30,721,597	29,850,116	27,769,430
\$	60,725,754	\$ 63,446,671	\$ 66,698,083	\$ 63,058,622	\$ 55,552,808	\$ 56,164,341

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Net (Expenses)/Revenues				
Governmental Activities	\$ (59,318,034)	\$ (62,846,629)	\$ (55,898,358)	\$ (56,398,506)
Business-Type Activities	8,404,573	3,710,445	1,145,532	5,175,949
Total Primary Government				
Net Expense	<u>\$ (50,913,461)</u>	<u>\$ (59,136,184)</u>	<u>\$ (54,752,826)</u>	<u>\$ (51,222,557)</u>
General Revenues and				
Other Changes in Net Position				
<i>Governmental activities:</i>				
Taxes:				
Municipal income taxes	\$ 44,357,696	\$ 45,014,757	\$ 50,699,714	\$ 45,912,805
Property and other taxes	4,746,457	4,463,752	4,916,636	2,473,315
Grants and entitlements not restricted to specific programs	6,728,791	6,815,424	5,040,384	5,356,271
Payment in lieu of taxes	120,375	43,687	25,948	35,312
Grants and contributions	-	-	-	-
Interest and investment earnings	425,963	433,892	206,592	58,749
Other	4,057,189	-	2,906,503	1,964,459
Proceeds on sale of capital assets	-	4,060,560	-	-
Transfers	(509,135)	-	-	-
<i>Total governmental activities</i>	<u>59,927,336</u>	<u>60,832,072</u>	<u>63,795,777</u>	<u>55,800,911</u>
<i>Business-type activities:</i>				
Intergovernmental	-	-	-	-
Grants and contributions	-	-	-	-
Interest and investment earnings	-	-	-	1
Other	652,386	877,805	558,770	50,847
Gain on sale of capital assets	10,309	(10,410)	35,942	-
Transfers	509,135	-	-	-
<i>Total business-type activities</i>	<u>1,171,830</u>	<u>867,395</u>	<u>594,712</u>	<u>50,848</u>
Total Primary Government	<u>\$ 61,099,166</u>	<u>\$ 61,699,467</u>	<u>\$ 64,390,489</u>	<u>\$ 55,851,759</u>
Change in Net Position				
Governmental activities	\$ 609,302	\$ (2,014,557)	\$ 7,897,419	\$ (597,595)
Business-type activities	9,576,403	4,577,840	1,740,244	5,226,797
<i>Total Primary Government</i>	<u>\$ 10,185,705</u>	<u>\$ 2,563,283</u>	<u>\$ 9,637,663</u>	<u>\$ 4,629,202</u>

	2012		2011		2010		2009		2008		2007
\$	(58,272,573)	\$	(58,283,956)	\$	(56,112,614)	\$	(59,170,505)	\$	(61,754,387)	\$	(57,997,012)
	6,308,805		1,903,977		7,488,248		1,986,650		3,803,250		1,130,572
\$	(51,963,768)	\$	(56,379,979)	\$	(48,624,366)	\$	(57,183,855)	\$	(57,951,137)	\$	(56,866,440)

\$	44,311,327	\$	42,597,239	\$	38,633,612	\$	40,915,298	\$	43,086,906	\$	47,092,829
	3,769,181		2,691,214		3,711,729		3,619,130		4,475,101		4,097,125
	8,245,851		9,021,156		8,796,360		8,936,287		8,938,333		10,576,712
	-		-		-		-		-		-
	-		-		-		-		-		145,890
	56,735		88,038		235,190		662,192		1,592,671		3,187,667
	1,503,350		6,412,177		2,384,563		3,911,451		2,979,299		3,940,062
	13,663		17,398		-		111,217		-		-
	-		-		-		-		-		-
	57,900,107		60,827,222		53,761,454		58,155,575		61,072,310		69,040,285

	-		-		-		-		-		-
	-		-		-		-		-		-
	3		15		55		196		40,203		144,713
	22,840		169,404		306,861		989,811		220,621		373,715
	39,961		32,519		2,798		8,731		6,786		18,838
	-		-		-		-		-		-
	62,804		201,938		309,714		998,738		267,610		537,266
\$	57,962,911	\$	61,029,160	\$	54,071,168	\$	59,154,313	\$	61,339,920	\$	69,577,551

\$	(372,466)	\$	2,543,266	\$	(2,351,160)	\$	(1,014,930)	\$	(682,077)	\$	11,043,273
	6,371,609		2,105,915		7,797,962		2,985,388		4,070,860		1,667,838
\$	5,999,143	\$	4,649,181	\$	5,446,802	\$	1,970,458	\$	3,388,783	\$	12,711,111

CITY OF CANTON
STARK COUNTY, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
General Fund				
Nonspendable	\$ 471,541	\$ 409,573	\$ 400,706	\$ 382,303
Restricted	-	-	-	-
Committed	1,091,198	836,374	772,068	950,255
Assigned	-	-	3,471,995	550,226
Unassigned	(3,376,238)	(4,470,003)	1,435,402	6,502,030
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ (1,813,499)</u>	<u>\$ (3,224,056)</u>	<u>\$ 6,080,171</u>	<u>\$ 8,384,814</u>
All Other				
Governmental Funds				
Nonspendable	\$ 36,881	\$ 102,984	\$ 130,508	\$ 41,347
Restricted	13,633,249	12,525,422	10,153,844	12,031,197
Committed	6,374,838	4,479,326	4,044,125	3,395,680
Assigned	-	-	-	-
Unassigned (deficit)	(1,917,973)	(938,552)	(97,954)	(193,112)
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue				
Funds	-	-	-	-
Capital Projects				
Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Total All Other				
Governmental Funds	<u>\$ 18,126,995</u>	<u>\$ 16,169,180</u>	<u>\$ 14,230,523</u>	<u>\$ 15,275,112</u>

Note: Fund balance classifications beginning in 2009 reflect the City's implementation of GASB Statement No. 54.

2012	2011	2010	2009	2008	2007
\$ 289,197	\$ 281,811	\$ 262,064	\$ 176,964	\$ -	\$ -
89,191	62,514	50,320	281,200	-	-
1,081,844	711,295	620,913	808,009	-	-
-	-	-	-	-	-
7,602,998	5,235,907	3,797,436	3,406,438	-	-
-	-	-	-	748,509	838,116
-	-	-	-	6,947,380	8,358,711
<u>\$ 9,063,230</u>	<u>\$ 6,291,527</u>	<u>\$ 4,730,733</u>	<u>\$ 4,672,611</u>	<u>\$ 7,695,889</u>	<u>\$ 9,196,827</u>

\$ 1,649,712	\$ 1,726,284	\$ 1,864,369	\$ 1,783,687	\$ -	\$ -
9,947,224	11,534,643	16,648,605	19,478,655	-	-
3,670,094	3,693,165	2,744,056	3,433,796	-	-
-	-	-	-	-	-
(5,810)	(215,388)	-	(3,648)	-	-
-	-	-	-	10,955,266	13,060,640
-	-	-	-	3,806,492	4,742,049
-	-	-	-	10,284,524	8,878,112
-	-	-	-	6,239	6,239
<u>\$ 15,261,220</u>	<u>\$ 16,738,704</u>	<u>\$ 21,257,030</u>	<u>\$ 24,692,490</u>	<u>\$ 25,052,521</u>	<u>\$ 26,687,040</u>

CITY OF CANTON
STARK COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Revenues:				
Property and other taxes	\$ 4,481,612	\$ 4,316,978	\$ 4,192,204	\$ 2,574,747
Municipal income taxes	45,247,080	46,693,386	48,536,712	45,921,847
Charges for services	11,607,591	11,038,335	11,414,960	10,974,528
Licenses, permits, and fees	945,545	1,499,109	1,530,879	1,510,822
Fines and forfeitures	569,407	463,574	427,981	1,110,272
Intergovernmental	10,338,129	10,575,834	8,827,418	8,321,048
Interest	413,629	426,685	206,936	58,749
Rental income	73,504	69,812	54,916	51,364
Contributions and donations	267,628	29,356	2,984	50,525
Operating grants	12,285,017	8,855,961	9,381,059	8,849,719
Capital grants	10,405,265	13,546,094	5,514,695	2,937,038
Payment in lieu of taxes	120,375	43,687	25,948	35,312
Other	2,064,772	1,971,568	1,860,401	902,642
Total revenues	98,819,554	99,530,379	91,977,093	83,298,613
Expenditures:				
General government	19,467,660	19,845,271	18,764,120	15,873,077
Security of persons and property	37,688,666	40,092,514	37,200,157	35,303,024
Public health	6,124,178	5,976,475	6,002,662	5,756,640
Transportation	5,553,419	6,540,963	4,487,506	3,726,545
Community environment	6,689,550	12,031,983	8,087,672	5,998,243
Leisure time activities	2,857,130	2,685,847	2,759,895	2,629,571
Capital outlay	14,745,973	20,336,052	15,709,827	11,532,622
Economic development	-	263,186		
Debt service				
Principal	5,893,021	3,000,277	3,095,171	2,681,335
Interest and fiscal charges	370,289	375,133	453,690	500,053
Total expenditures	99,389,886	111,147,701	96,560,700	84,001,110
Excess (deficiency) of revenues over (under) expenditures	(570,332)	(11,617,322)	(4,583,607)	(702,497)
Other financing sources (uses):				
Sale of assets	31,257	78,017	97,758	37,973
Issuance of refunding bonds	-	-	-	-
Refunded bonds redeemed	-	-	-	-
Bond issuance costs	-	-	-	-
Bond premiums	-	-	-	-
Issuance of notes/loans/capital leases	3,907,447	4,173,735	1,136,617	-
Transfers in	40,000	80,000	-	40,000
Transfers out	(40,000)	(80,000)	-	(40,000)
Total other financing sources (uses)	3,938,704	4,251,752	1,234,375	37,973
Net change in fund balances	\$ 3,368,372	\$ (7,365,570)	\$ (3,349,232)	\$ (664,524)
<i>Debt service as a percentage of noncapital expenditures</i>	7.18%	3.63%	4.28%	4.21%

	2012	2011	2010	2009	2008	2007
\$	3,392,212	\$ 2,679,060	\$ 3,692,536	\$ 3,710,390	\$ 4,385,206	\$ 4,010,683
	44,401,532	42,268,045	39,995,514	41,105,833	44,532,380	44,556,112
	12,025,673	11,672,616	12,277,821	11,428,095	10,613,296	10,878,541
	1,558,750	1,496,552	1,540,878	1,544,393	1,548,479	1,161,430
	484,718	387,942	548,171	443,673	1,001,384	1,582,608
	8,442,716	9,022,823	9,246,604	9,521,398	10,378,440	11,375,148
	56,735	88,038	235,190	662,192	1,592,671	3,187,667
	78,507	230,131	414,189	450,788	413,470	452,450
	-	-	-	-	-	-
	8,636,489	11,768,162	11,635,287	9,664,268	6,054,006	8,091,451
	796,834	4,731,620	6,639,897	4,447,416	3,635,597	5,065,148
	-	-	-	-	-	-
	3,101,659	4,704,783	2,200,776	1,874,355	1,293,285	2,692,726
	<u>82,975,825</u>	<u>89,049,772</u>	<u>88,426,863</u>	<u>84,852,801</u>	<u>85,448,214</u>	<u>93,053,964</u>
	17,778,987	17,472,868	16,961,740	18,597,391	18,576,448	20,015,769
	35,807,944	37,583,710	35,892,847	35,973,764	37,208,163	36,419,061
	5,850,491	6,201,749	6,631,976	6,136,493	6,005,406	6,052,678
	3,309,625	3,762,830	3,730,733	3,826,361	4,170,057	4,447,301
	5,160,101	8,534,770	9,176,385	5,289,321	4,862,896	6,613,047
	1,436,169	1,688,857	2,243,340	2,204,394	2,290,022	2,531,251
	9,010,943	12,357,459	13,286,944	13,859,942	11,554,194	13,986,290
	2,775,078	3,659,941	3,159,790	3,039,749	3,166,213	3,672,211
	592,355	791,471	815,188	925,828	1,154,014	1,259,708
	<u>81,721,693</u>	<u>92,053,655</u>	<u>91,898,943</u>	<u>89,853,243</u>	<u>88,987,413</u>	<u>94,997,316</u>
	1,254,132	(3,003,883)	(3,472,080)	(5,000,442)	(3,539,199)	(1,943,352)
	40,087	46,351	40,101	223,066	54,166	54,020
	-	-	-	8,575,000	-	-
	-	-	-	(8,560,000)	-	-
	-	-	-	(433,203)	-	-
	-	-	-	418,203	-	-
	-	-	54,641	1,415,910	360,534	643,788
	65,000	44,000	40,000	40,000	40,000	62,776
	(65,000)	(44,000)	(40,000)	(40,000)	(40,000)	(62,776)
	<u>40,087</u>	<u>46,351</u>	<u>94,742</u>	<u>1,638,976</u>	<u>414,700</u>	<u>697,808</u>
\$	<u>1,294,219</u>	<u>\$ (2,957,532)</u>	<u>\$ (3,377,338)</u>	<u>\$ (3,361,466)</u>	<u>\$ (3,124,499)</u>	<u>\$ (1,245,544)</u>
	4.38%	5.36%	4.82%	4.89%	5.43%	5.87%

CITY OF CANTON
STARK COUNTY, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS
(CASH BASIS OF ACCOUNTING)

Tax Year	Tax Rate (1)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Corporations	Percentage of Taxes from Corporations	Taxes from Individuals	Percentage of Taxes from Individuals	Taxes From Delinquent Accounts	Percentage of Taxes from Delinquent Accounts
2016	2.00%	\$ 51,223,298	\$ 38,385,018	74.94%	\$ 4,606,635	8.99%	\$ 3,352,182	6.54%	\$ 4,879,463	9.53%
2015	2.00%	46,385,997	36,254,046	78.16%	5,122,365	11.04%	3,131,067	6.75%	1,878,519	4.05%
2014	2.00%	49,024,719	38,010,089	77.53%	6,653,764	13.57%	2,641,532	5.39%	1,719,334	3.51%
2013	2.00%	47,631,995	38,100,594	79.99%	4,732,915	9.94%	2,402,215	5.04%	2,396,271	5.03%
2012	2.00%	45,526,540	38,425,049	84.40%	2,937,793	6.45%	2,270,644	4.99%	1,893,054	4.16%
2011	2.00%	43,473,316	36,650,553	84.31%	2,742,054	6.31%	2,248,487	5.17%	1,832,222	4.21%
2010	2.00%	40,464,283	34,373,674	84.95%	2,434,182	6.02%	2,315,207	5.72%	1,341,220	3.31%
2009	2.00%	42,313,527	35,240,263	83.28%	3,341,617	7.90%	2,530,425	5.98%	1,201,222	2.84%
2008	2.00%	45,535,181	37,560,808	82.49%	4,027,322	8.84%	2,534,879	5.57%	1,412,172	3.10%
2007	2.00%	45,750,000	36,943,041	80.75%	4,946,090	10.81%	2,503,996	5.47%	1,356,873	2.97%

(1) Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

CITY OF CANTON
STARK COUNTY, OHIO
INCOME TAX FILERS BY INCOME LEVEL
TAX YEARS 2016 AND 2007

Tax Year 2016

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	511	4.88%	\$ 77,005,640	22.73%
\$75,001-\$100,000	535	5.11%	45,855,890	13.53%
\$50,001-\$75,000	1,127	10.76%	69,089,142	20.39%
\$25,001-\$50,000	2,525	24.10%	90,676,656	26.76%
Under \$25,000	5,778	55.15%	56,196,570	16.59%
Total	<u>10,476</u>	<u>100.00%</u>	<u>\$ 338,823,898</u>	<u>100.00%</u>

Tax Year 2007

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

Source: City of Canton Income Tax Department

CITY OF CANTON
STARK COUNTY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Loans	Long-term Notes Payable	Capital Lease	General Obligation Bonds	Loans	Capital Lease
2016	\$ 2,065,000	\$ 2,245,869	\$ 3,500,000	\$ 259,633	\$ -	\$ 86,886,192	\$ -
2015	4,142,229	2,016,596	3,500,000	397,251	772,770	75,025,996	-
2014	6,696,770	1,655,482	-	530,366	1,908,230	38,906,893	-
2013	9,164,587	1,497,214	-	179,371	3,000,414	30,499,920	-
2012	11,540,165	1,784,735	-	197,607	4,049,322	32,620,563	-
2011	13,835,411	2,056,306	-	424,800	5,059,076	32,617,686	-
2010	16,714,810	2,323,489	-	938,159	6,029,677	23,630,645	13,124
2009	19,483,363	2,527,704	-	1,070,540	6,961,124	21,736,915	24,227
2008	21,656,948	2,568,042	-	465,455	7,857,538	17,569,394	36,339
2007	23,865,120	3,115,974	-	515,030	10,294,366	16,982,328	48,450

(1) Source: US Census Bureau.

	Total Primary Government	Total Personal Income	Percent of Personal Income	Population (1)	Per Capita
\$	94,956,694	\$ 2,086,860,000	4.55%	71,323	\$ 1,331
	85,854,842	1,969,255,650	4.36%	73,007	1,176
	49,697,741	2,032,581,050	2.45%	72,297	687
	44,341,506	2,025,140,466	2.19%	72,683	610
	50,192,392	2,034,784,650	2.47%	73,007	688
	53,993,279	1,834,444,050	2.94%	73,007	740
	49,649,904	1,834,444,050	2.71%	73,007	680
	51,803,873	2,004,784,350	2.58%	78,362	661
	50,153,716	2,004,784,350	2.50%	78,319	640
	54,821,268	1,972,351,850	2.78%	78,924	695

CITY OF CANTON
STARK COUNTY, OHIO
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING (2)
LAST TEN YEARS

	General Bonded Debt Outstanding			Net Position Restricted for Debt Service	Net General Bonded Debt Outstanding
	Governmental Obligation	Business-Type Obligation	Total		
2016	\$ 2,065,000	\$ -	\$ 2,065,000	\$ 28,314	\$ 2,036,686
2015	4,142,229	772,770	4,914,999	54,923	4,860,076
2014	6,696,770	1,908,230	8,605,000	26,856	8,578,144
2013	9,164,587	3,000,414	12,165,001	19,617	12,145,384
2012	11,540,165	4,049,322	15,589,487	14,349	15,575,138
2011	13,835,411	5,059,076	18,894,487	11,760	18,882,727
2010	16,714,810	6,029,677	22,744,487	22,586	22,721,901
2009	19,483,363	6,961,124	26,444,487	21,245	26,423,242
2008	21,656,948	7,857,538	29,514,486	23,093	29,491,393
2007	23,865,120	10,294,366	34,159,486	165,516	33,993,970

(1) Stark County Auditor's Office.

(2) This schedule has been revised in 2016 to include amounts externally restricted for the repayment of the principal of general bonded debt.

Estimated True Value of Taxable Property (1)	Ratio of Net Bonded Debt to Estimated True Value of Taxable Property	Net Bonded Debt per Capita
\$ 2,100,573,771	0.10%	\$ 28.56
2,148,602,349	0.23%	66.57
2,069,026,657	0.41%	118.65
2,122,120,589	0.57%	167.10
2,538,698,983	0.61%	213.34
2,526,352,211	0.75%	258.64
2,570,000,309	0.88%	311.23
2,754,356,786	0.96%	337.19
3,519,099,073	0.84%	376.55
3,584,977,264	0.95%	430.72

CITY OF CANTON
STARK COUNTY, OHIO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016

	<u>General Obligation Debt Outstanding (1)</u>	<u>Percentage Applicable to City (2)</u>	<u>Amount Applicable to City of Canton</u>
Direct			
City of Canton	\$ 8,070,502	100.00%	\$ 8,070,502
Overlapping Debt			
Stark County	3,819,234	10.26%	391,853
Canton City Schools	23,535,000	90.47%	21,292,115
Plain Local Schools	40,905,000	21.55%	8,815,028
Canton Local Schools	35,178,716	6.98%	2,455,474
Osnaburg Local Schools	<u>7,264,752</u>	5.26%	<u>382,126</u>
Total Overlapping Debt	<u>110,702,702</u>		<u>33,336,596</u>
Total	<u>\$ 118,773,204</u>		<u>\$ 41,407,098</u>

Source: Stark County, Ohio; County Auditor

- (1) Includes general obligation debt except for those payable from enterprise funds
- (2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the assessed valuation of the political subdivision.

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CITY OF CANTON
STARK COUNTY, OHIO
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Overall Debt Limitation (10.5% of Assessed Valuation)	\$ 76,590,382	\$ 76,590,382	\$ 76,036,730	\$ 75,406,074
Net Debt Within 10.5% Limitations	<u>2,042,627</u>	<u>4,093,073</u>	<u>10,078,532</u>	<u>10,653,423</u>
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$ 74,547,755</u>	<u>\$ 72,497,309</u>	<u>\$ 65,958,198</u>	<u>\$ 64,752,651</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.67%	5.34%	13.25%	14.13%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$ 40,118,772	\$ 40,118,772	\$ 39,828,763	\$ 39,498,420
Net Debt Within 5.5% Limitations	<u>2,042,627</u>	<u>4,093,073</u>	<u>10,078,532</u>	<u>10,653,423</u>
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$ 38,076,145</u>	<u>\$ 36,025,699</u>	<u>\$ 29,750,231</u>	<u>\$ 28,844,997</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.09%	10.20%	25.30%	26.97%

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

2012	2011	2010	2009	2008	2007
\$ 77,280,680	\$ 90,978,118	\$ 91,928,124	\$ 98,857,297	\$ 104,291,997	\$ 110,800,481
<u>12,329,784</u>	<u>15,583,224</u>	<u>18,567,954</u>	<u>19,483,363</u>	<u>17,573,728</u>	<u>19,461,900</u>
<u>\$ 64,950,896</u>	<u>\$ 75,394,894</u>	<u>\$ 73,360,170</u>	<u>\$ 79,373,934</u>	<u>\$ 86,718,269</u>	<u>\$ 91,338,581</u>
15.95%	17.13%	20.20%	19.71%	16.85%	17.56%
\$ 40,480,356	\$ 47,655,205	\$ 48,152,827	\$ 51,782,394	\$ 54,629,141	\$ 58,038,347
<u>12,329,784</u>	<u>15,583,224</u>	<u>18,567,954</u>	<u>19,483,363</u>	<u>17,573,728</u>	<u>19,461,900</u>
<u>\$ 28,150,572</u>	<u>\$ 32,071,981</u>	<u>\$ 29,584,873</u>	<u>\$ 32,299,031</u>	<u>\$ 37,055,413</u>	<u>\$ 38,576,447</u>
30.46%	32.70%	38.56%	37.63%	32.17%	33.53%

CITY OF CANTON
STARK COUNTY, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
AS OF DECEMBER 31, 2016

Total Assessed Property Value	\$ <u>729,432,210</u>
Overall Debt Limitation (10 1/2 % of Assessed Valuation)	\$ <u>76,590,382</u>
Gross Indebtedness	94,956,694
Less: Enterprise Funds' G.O. Bonds	-
OWDA Loans	(84,677,296)
OPWC Loan	(3,713,610)
SIB Loans	(741,155)
Long-Term Notes Payable	(3,500,000)
Capital Lease	(259,633)
Debt Service Fund Balance	<u>(22,373)</u>
Net Debt Within 10 1/2 % Limitations	<u>2,042,627</u>
Legal Debt Margin Within 10 1/2 % Limitations	<u>\$ 74,547,755</u>
Unvoted Debt Limitation (5 1/2 % of Assessed Valuation)	\$ 40,118,772
Gross Indebtedness	94,956,694
Less: Enterprise Funds' G.O. Bonds	-
OWDA Loans	(84,677,296)
OPWC Loan	(3,713,610)
SIB Loans	(741,155)
Long-Term Notes Payable	(3,500,000)
Capital Lease	(259,633)
Debt Service Fund Balance	<u>(22,373)</u>
Net Debt Within 5 1/2 % Limitations	<u>2,042,627</u>
Legal Debt Margin Within 5 1/2 % Limitations	<u>\$ 38,076,145</u>

Source: Stark County, Ohio: County Auditor

CITY OF CANTON
STARK COUNTY, OHIO
PLEDGED REVENUE COVERAGE - WATER
LAST TEN YEARS

Year	Water Operating Revenues	Water Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2016	\$ 17,077,822	\$ 11,864,387	\$ 5,213,435	\$ 1,690,414	\$ 858,350	2.05
2015	17,635,080	10,489,977	7,145,103	1,230,068	655,415	3.79
2014	15,558,604	12,561,631	2,996,973	1,207,800	693,767	1.58
2013	14,966,698	10,773,779	4,192,919	1,226,158	292,830	2.76
2012	14,585,591	10,128,499	4,457,092	1,352,707	872,374	2.00
2011	13,842,633	10,139,601	3,703,032	872,673	518,539	2.66
2010	14,722,587	8,710,422	6,012,165	877,648	554,061	4.20
2009	12,012,071	9,739,900	2,272,171	639,403	423,296	2.14
2008	12,803,465	8,718,793	4,084,672	536,889	303,144	4.86
2007	12,636,294	8,523,683	4,112,611	454,831	260,446	5.75

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

(2) Debt service only includes OWDA and OPWC loans payable solely from net revenues in the water enterprise fund.

CITY OF CANTON
STARK COUNTY, OHIO
PLEDGED REVENUE COVERAGE - SEWER
LAST TEN YEARS

Year	Sewer Operating Revenues	Sewer Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2016	\$ 14,905,867	\$ 10,696,474	\$ 4,209,393	\$ 896,391	\$ 92,616	4.26
2015	15,744,326	11,804,564	3,939,762	869,478	119,325	3.98
2014	13,952,785	10,399,217	3,553,568	846,280	142,524	3.59
2013	13,914,466	9,639,001	4,275,465	1,370,935	234,030	2.66
2012	14,490,594	9,797,750	4,692,844	1,324,728	273,002	2.94
2011	13,371,229	10,313,864	3,057,365	780,387	208,417	3.09
2010	13,314,535	8,234,557	5,079,978	759,602	229,202	5.14
2009	11,713,312	8,767,929	2,945,383	762,748	249,423	2.91
2008	11,087,091	7,551,028	3,536,063	766,440	269,098	3.41
2007	10,603,629	8,768,381	1,835,248	1,162,952	298,256	1.26

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

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

CITY OF CANTON
STARK COUNTY, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

	<u>Population (1)</u>	<u>Total Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate (2)</u>
2016	71,323	\$ 2,086,860,000	\$ 29,259	5.9%
2015	73,007	1,969,255,650	26,974	5.8%
2014	72,297	2,032,581,050	28,114	4.7%
2013	72,683	2,025,140,450	27,863	6.9%
2012	73,007	2,034,784,650	27,871	6.9%
2011	73,007	1,834,444,050	25,127	9.3%
2010	73,007	1,834,444,050	25,127	11.2%
2009	78,362	1,888,534,400	24,100	11.4%
2008	78,319	2,004,784,350	25,598	6.9%
2007	78,924	1,972,351,850	24,991	5.9%

(1) Source: US Census Bureau.

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

CITY OF CANTON
STARK COUNTY, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2016

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	5,000	15.95%
Stark County	Government	2,577	8.22%
Mercy Medical	Health Service	2,550	8.13%
Timken Steel	Steel	2,500	7.97%
Canton City School	Education	1,077	3.44%
City of Canton	Municipal Government	906	2.89%
Fresh Mark Inc	Meat processing	866	2.76%
MK Morse Co	Saw Blades and Accessories	439	1.40%
Republic Engineer	Hot-rolled and cold finisher steel bars and specialty steels	440	1.40%
Nationwide	Insurance Provider	320	1.02%
Total		<u>16,675</u>	<u>53.18%</u>
Estimated Total Employment within the City		<u>31,349</u>	

2007

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

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

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CITY OF CANTON
STARK COUNTY, OHIO
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2016	2015	2014	2013	2012	2011
Governmental Employees						
General government	182	183	188	183	175	181
Security of persons and property	372	380	379	361	367	375
Public health	51	52	53	52	49	47
Transportation	47	47	50	46	44	46
Community development	16	16	16	15	14	19
Leisure time activities	17	21	21	14	14	16
Total Governmental Employees	685	699	707	671	663	684
Business-Type Employees						
Water	86	90	85	85	84	88
Sewer	74	75	73	76	75	71
Refuse	61	67	63	61	56	57
Building Code	-	-	-	-	-	-
Total Business-Type Employees	221	232	221	222	215	216
Total Employees	906	931	928	893	878	900

Method: Part-time and seasonal employees are not included

Source: City of Canton Auditor's Office

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
183	181	193	194
396	409	434	428
51	50	53	52
45	50	49	50
23	23	22	17
21	21	27	27
<u>719</u>	<u>734</u>	<u>778</u>	<u>768</u>
87	91	96	101
73	80	79	79
54	58	58	58
-	-	-	-
<u>214</u>	<u>229</u>	<u>233</u>	<u>238</u>
<u>933</u>	<u>963</u>	<u>1,011</u>	<u>1,006</u>

CITY OF CANTON
STARK COUNTY, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2016	2015	2014	2013	2012	2011
General Government						
Departmental vehicles	38	43	38	38	22	22
Security of Persons and Property						
Police stations	5	5	5	5	5	5
Police department vehicles	132	129	124	122	123	123
Fire stations	7	7	7	8	8	8
Fire department vehicles	48	48	46	44	39	39
Intersections with traffic lights	200	200	203	236	213	213
Traffic department vehicles	17	16	15	16	17	17
Public Health						
Departmental vehicles	24	24	21	19	12	12
Transportation						
Area (in square miles)	25.70	25.70	25.70	25.70	25.70	25.70
Miles of streets	413.73	413.44	413.44	414.11	414.11	414.11
Bridges	24	24	24	24	23	23
Miles of storm sewers	219.15	218.96	218.96	217.48	217.48	217.48
Departmental vehicles	103	108	99	102	110	110
Leisure Time Activities						
Number of parks	61	61	61	61	61	61
Park acreage	825	812	812	812	812	812
Number of shelters	25	25	25	24	23	23
Number of baseball fields	43	43	43	43	43	43
Walking tracks	4	4	4	4	4	4
Walking bridges	17	17	17	17	16	16
Play equipment sets	43	41	41	39	39	39
Restrooms	21	20	20	19	19	19
Number of tennis courts	8	8	8	8	8	8
Swimming pools	1	1	-	-	-	-
Community centers	1	1	1	1	1	1
Departmental vehicles	50	49	46	45	45	45
Water						
Miles of water mains	664.23	663.99	661.24	668.32	660.03	660.03
Water treatment plants	1	3	3	3	3	3
Maximum daily capacity in gallons (in millions)	40,500	40,500	40,500	40,500	40,500	40,500
Number of fire hydrants	3,321	3,309	3,274	3,258	3,258	3,258
Departmental vehicles	89	87	81	81	71	71
Sewer						
Miles of sanitary sewers	363.00	363.00	363.00	360.00	360.00	360.00
Sewer treatment plants	1	1	1	1	1	1
Maximum daily capacity in gallons (in millions)						
Wet weather	67,000	67,000	67,000	67,000	67,000	67,000
Dry weather	39,000	39,000	39,000	39,000	39,000	39,000
Departmental vehicles	69	71	67	68	63	63
Refuse						
Departmental vehicles	9	26	29	28	20	20

Source: Various City of Canton Departments

2010	2009	2008	2007
22	22	23	24
5	5	5	5
124	129	110	124
8	8	8	8
40	40	37	39
224	226	227	228
17	19	20	29
12	14	14	23
25.70	25.50	25.40	25.40
414.30	414.40	413.83	413.87
23	23	23	23
217.40	214.56	214.33	214.09
112	114	110	124
61	61	61	61
812	812	800	710
23	22	22	22
43	43	43	43
4	4	4	4
16	14	14	14
37	37	36	36
19	19	19	19
8	8	8	8
-	-	-	-
1	1	1	1
46	47	44	46
658.80	658.69	658.68	655.89
3	3	3	3
40,500	40,500	39,000	39,000
3,252	3,252	3,243	3,212
68	62	59	60
363.00	362.83	360.10	359.70
1	1	1	1
67,000	67,000	67,000	67,000
39,000	39,000	39,000	39,000
63	52	59	59
23	25	28	37

CITY OF CANTON
STARK COUNTY, OHIO
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2016	2015	2014	2013
General Government				
Auditor				
Purchase orders issued	6,677	7,754	7,143	6,924
Checks issued	15,420	16,682	16,953	15,946
Payroll checks issued	-	27,952	28,402	27,335
Civil service				
Tests administered	21	27	34	30
Courts				
Cases heard	27,066	27,051	26,761	25,745
Trials held	162	169	198	180
Probation cases	381	425	465	442
Community service				
Cases	2,166	2,250	2,171	1,971
House arrest cases	-	-	109	107
Income tax				
Refunds issued	2,652	2,526	2,564	2,718
Tax notifications mailed	36,681	33,978	30,604	31,650
Law department				
Claims	115	422	487	180
Trials conducted	68	284	299	119
Pretrials conducted	7,660	7,961	6,489	7,218
Prosecutor hearings	132	212	67	76
Criminal intakes	1,772	1,190	1,872	1,919
Security of Persons and Property				
Code enforcement				
Building permits issued	3,131	641	638	685
Building permits estimated value (in millions)	\$164,796	\$107,339	\$47,834	\$75,616
Police				
Physical arrests	2,191	-	2,390	2,013
Traffic violations	3,065	-	3,086	2,074
Parking violations	-	9,800	9,145	10,100
Fire				
Calls answered	15,529	15,350	13,835	14,276
Public Health				
Birth certificates issued	9,650	9,411	9,553	9,619
Death certificates issued	6,667	6,653	6,678	6,798
Nursing				
Home visits	-	329	322	307
Air pollution complaints				
Investigated	199	266	276	249
Food service inspections	553	2,019	2,278	2,539
Transportation				
Road salt expense	\$528,478	\$590,690	\$270,154	\$500,693
Leisure Time Activities				
Shelter/building permits issued	858	879	708	450
Water				
Number of service connections				
	44,480	44,431	44,367	44,360
Daily average consumption in gallons (in millions)				
	21.988	21.147	20.089	17.897
Sewer				
Number of active sewer accounts				
	26,433	26,510	26,514	27,763
Daily average treatment in gallons (in millions)				
	28.46	30.04	30.14	27.18

Source: Various City of Canton Departments

2012	2011	2010	2009	2008	2007
6,608	6,666	7,228	6,988	6,811	7,141
16,156	16,542	16,431	16,817	17,513	18,195
26,963	28,285	29,027	30,031	31,847	30,540
28	15	12	12	21	13
27,027	30,649	39,557	32,403	32,201	36,014
180	215	290	217	208	218
427	418	395	423	513	388
2,021	2,080	2,681	2,578	2,416	2,494
216	164	120	183	694	155
2,934	2,935	2,870	3,182	3,332	3,145
40,471	34,908	32,693	35,484	34,258	36,347
139	245	176	127	216	180
83	84	22	44	116	121
6,572	6,829	7,735	7,428	7,719	8,102
103	55	121	109	151	307
1,952	1,966	2,107	2,241	2,188	1,987
706	1,071	819	4,097	2,449	1,364
\$42,528	\$68,127	\$42,510	\$73,781	\$59,247	\$90,644
2,613	3,471	4,201	4,466	5,228	5,218
3,726	8,850	15,328	6,162	6,189	6,429
10,104	8,556	10,422	10,789	9,966	10,188
13,789	13,429	20,687	12,602	12,952	15,904
3,950	10,263	12,413	14,859	16,136	20,653
1,822	8,144	7,875	9,715	10,040	9,321
350	395	408	425	350	267
220	282	63	167	222	486
878	946	971	1,240	926	1,429
\$465,348	\$817,201	\$516,835	\$681,366	\$630,012	\$353,321
529	473	453	520	371	481
44,292	44,184	44,171	44,179	44,200	44,152
19,150	19,106	19,970	19,983	23,660	22,475
26,815	26,804	27,000	27,178	27,274	28,354
27.82	34,030	30,326	27,800	29,230	28,330

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CANTON, OHIO

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**CITY OF CANTON
STARK COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

RICHARD A. MALLONN II - CITY AUDITOR

**CITY OF CANTON
STARK COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGES</u>
Schedule of Expenditures of Federal Awards	1 - 2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3 - 4
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance and the Schedule of Expenditures of Federal Awards Required by the <i>Uniform Guidance</i>	5 - 7
Schedule of Findings 2 <i>CFR</i> § 200.515.....	8 - 11
Corrective Action Plan 2 <i>CFR</i> § 200.511(c)	12
Status of Prior Audit Findings 2 <i>CFR</i> § 200.515	13

CITY OF CANTON
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(B) PASSED THROUGH TO SUBRECIPIENTS	(A),(E) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through Ohio Department of Health:</i>				
(B) Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	76-2-0011-WA0916	\$ 628,176	\$ 1,296,499
Total U.S. Department of Agriculture			628,176	1,296,499
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through N/A:</i>				
Community Development Block Grants/Entitlement Grants:				
(B),(C),(D) Community Development Block Grants/Entitlement Grants	14.218	N/A	761,943	2,454,037
(D) Community Development Block Grants/Entitlement Grants	14.218	N/A		22,112
(D) Community Development Block Grants/Entitlement Grants	14.218	N/A		6,071
Total Community Development Block Grants/Entitlement Grants			761,943	2,482,220
(B),(D) Emergency Solutions Grants Program	14.231	N/A	199,822	206,183
(D) Home Investment Partnerships Program	14.239	N/A		371,199
Fair Housing Assistance Program State and Local:				
(D) Fair Housing Assistance Program State and Local	14.401	N/A		84,206
(D) Fair Housing Assistance Program State and Local	14.401	N/A		84,746
Total Fair Housing Assistance Program State and Local				168,952
Total U.S. Department of Housing and Urban Development			961,765	3,228,554
U.S. DEPARTMENT OF JUSTICE				
<i>Passed Through N/A:</i>				
(D) Violence Against Women Formula Grants	16.588	N/A		50,599
Public Safety Partnership and Community Policing Grants				
2012 Public Safety Partnership and Community Policing Grants	16.710	2012-UMWX0148		250,649
2013 Public Safety Partnership and Community Policing Grants	16.710	2013-UMWX0159		147,929
2014 Public Safety Partnership and Community Policing Grants	16.710	2014-UMWX0192		269,798
Total Public Safety Partnership and Community Policing Grants				668,376
Edward Byrne Memorial Justice Assistance Grant Program:				
(B) Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0032	34,855	34,855
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-1195		12,765
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0097		40
Total Edward Byrne Memorial Justice Assistance Grant Program			34,855	47,660
Total U.S. Department of Justice			34,855	766,635
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction:				
Highway Planning and Construction	20.205	PID-85299		3,012,725
Highway Planning and Construction	20.205	PID-90268 / PID-90361		3,753,509
Highway Planning and Construction	20.205	PID-91594 / PID-90365		226,752
Highway Planning and Construction	20.205	PID-90465		19,557
Highway Planning and Construction	20.205	PID-92562		48,899
Highway Planning and Construction	20.205	PID-99470		187,511
Total Highway Planning and Construction				7,248,953
State and Community Highway Safety	20.600	2009-SC-N/I		35,733
Total U.S. Department of Transportation				7,284,686
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Passed Through the Ohio Environmental Protection Agency:</i>				
Air Pollution Control Program Support	66.001	AP-19-91-76-020007		286,638
Total U.S. Environmental Protection Agency				286,638
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Health:</i>				
(B) Public Health Emergency Preparedness	93.074	76-2-001-2-PH0110	110,398	227,564
Public Responsibility Education	93.092	76-2-001-2-PR0112		138,767
(B) Immunization Cooperative Grants	93.268	76-2-001-2-IM0916	29,531	106,957
(D) Medical Assistance Program	93.778	N/A		57,587
(D) Head Start	93.600	N/A		28,629
(B) HIV Prevention Activities - Health Department Based	93.940	76-2-0012-HP0916	118,554	282,479
(B) Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	76-2-0012-ST0816	7,482	29,665
Maternal and Child Health Services Block Grant to the States	93.994	76-2-001-1-DS0916		65,411
Maternal and Child Health Services Block Grant to the States	93.994	76-2-001-1-DS0916		114,773
Total Maternal and Child Health Services Block Grant to the States				180,184
Total U.S. Department of Health and Human Services			265,965	1,051,832
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through N/A:</i>				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	2815-1001		201,716
Total U.S. Department of Homeland Security				201,716
Total Federal Financial Assistance			\$ 1,890,761	\$ 14,116,560

-continued

**CITY OF CANTON
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

(A) This schedule includes the federal award activity of the City of Canton under programs of the federal government for the fiscal year ended December 31, 2016 and is prepared in accordance with the cash basis of accounting. The information on this schedule integrates Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Canton, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Canton.

(B) The City passes certain federal awards received from various agencies to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

(C) The City has a revolving loan program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. This schedule reports loans made and administrative costs as disbursements. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans, however are not included as disbursements on this schedule.

These loans are collateralized by mortgages on the property or asset acquired.

Activity in the Community Development Block Grant revolving loan fund during 2016 is as follows:

Beginning loans receivable balance as of January 1, 2016	\$ 956,744
Loans Disbursed	-
Loans Repaid	<u>247,974</u>
Ending loans receivable balance as of December 31, 2016	<u>\$ 708,770</u>
Cash balance on hand in the revolving loan fund as of December 31, 2016	\$ 38,989

- (D) Pass-through grant numbers were unable to be obtained for these grants.
- (E) Certain federal programs require the City contribute non-federal funds (matching funds) to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds are not included on this schedule.
- (F) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimus rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimus indirect cost rate.



Julian & Grube, Inc.
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**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Canton's basic financial statements and have issued our report thereon dated June 26, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Canton's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Canton's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Canton's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2016-001 to be a significant deficiency.

Members of Council and Mayor
City of Canton

Compliance and Other Matters

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

City of Canton's Response to the Finding

The City of Canton's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not audit the City of Canton's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City of Canton's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Canton's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
June 26, 2017



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**Independent Auditor's Report on Compliance With Requirements Applicable
to Each Major Federal Program and on Internal Control Over Compliance and the Schedule of
Expenditures of Federal Awards Required by the *Uniform Guidance***

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

To the Members of Council and Mayor:

Report on Compliance for Each Major Federal Program

We have audited the City of Canton's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the City of Canton's major federal programs for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Canton's major federal programs.

Management's Responsibility

The City of Canton's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City of Canton's compliance for each of the City of Canton's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Canton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the City of Canton's major programs. However, our audit does not provide a legal determination of the City of Canton's compliance.

Members of Council and Mayor
City of Canton

Opinion on Each Major Federal Program

In our opinion, the City of Canton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as items 2016-002 and 2016-003. Our opinion on each major federal program is not modified with respect to these matters.

The City of Canton's responses to our noncompliance findings are described in the accompanying corrective action plan. We did not audit the City of Canton's responses and, accordingly, we express no opinion on them.

Report on Internal Control over Compliance

The City of Canton's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Canton's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Canton's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and a deficiency we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2016-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2016-003 to be a significant deficiency.

The City of Canton's responses to our internal control over compliance findings are described in the accompanying corrective action plan. We did not audit the City of Canton's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Members of Council and Mayor
City of Canton

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Canton as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Canton's basic financial statements. We issued our unmodified report thereon dated June 26, 2017. We conducted our audit to opine on the City of Canton's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
June 26, 2017

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**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	Yes
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	Yes
<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	Community Development Block Grants, CFDA #14.218; and Highway Planning and Construction, CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2016-001

Significant Deficiency – EMS Billings

An entity that outsources its internal functions requires the same amount of internal controls as if it is being operated by the City.

The City has delegated emergency management service (EMS) billings processing, which is an accounting function to a third party administrator. The City has not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reduce the risk that EMS billings have been completely and accurately processed in accordance with the emergency service contract rates. The City's EMS billings revenue/receivable are reported on the financial statements as a part of the General Fund. During 2016, EMS billing revenue account for approximately \$1.9 million of the General Funds \$58.6 million in total receipts.

Not having effective internal controls in place regarding the outsourced activity could cause mispayments of EMS services provided to the public.

We recommend the City help assure the completeness and accuracy (including eligibility and allowability) of EMS Billings processed by its third-party administrator. Statement on Standards for Attestation Engagements (SSAE) No. 16, prescribes standards for reporting on service organizations. An unmodified Type Two Service Organization Control Report (SOC 1) in accordance with SSAE 16 should provide the City with reasonable assurance that EMS billing transactions conform to the contract rate.

We recommend the City require a SOC 1 Type Two report in its contract with the third party administrator. The City should review the SOC 1 report timely. The report should follow American Institute of Certified Public Accountants standards and be performed by a firm registered and considered in good standing with the Accountancy Board of the respective state. If a third-party administrator refuses to furnish the City with a Type Two SOC 1 report, we recommend the City contract with a third-party administrator that will provide such a report.

**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2016-002
CFDA Title and Number	Community Development Block Grants/Entitlement Grants, CFDA # 14.218
Federal Award Number/Year	2016
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A

Noncompliance – Subrecipient Monitoring/Material Weakness

2 CFR section 200.331 requires that all pass-through entities monitor the activities of subrecipients of federal awards as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

We noted that subawards for the CDBG grant program were not monitored during fiscal year 2016 for compliance with laws, regulations, and provisions of contracts and grant agreements. The CFDA number was not included on the subrecipient funding agreements, and CDBG subrecipients were not monitored pertaining to the requesting of audits.

Without proper monitoring of subrecipients, improper federal expenditures could occur.

We recommend the City work to implement proper monitoring procedures for all federal subawards.

**CITY OF CANTON
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

3. FINDINGS FOR FEDERAL AWARDS - (Continued)

Finding Number	2016-003
CFDA Title and Number	Community Development Block Grants/Entitlement Grants, CFDA # 14.218
Federal Award Number/Year	2016
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A

Noncompliance - Reporting/Significant Deficiency

Office of Management and Budget No. 0348-0061 indicates recipients should submit interim SF-425 Federal Financial Reports (FFRs) on a quarterly, semi-annual, or annual basis, as directed by the federal awarding agency. A final FFR shall be submitted at the completion of the award agreement. The following reporting period end dates shall be used for interim reports: 3/31, 6/30, 9/30, and 12/31. For the Final FFR, the reporting period end date shall be the end date of the project or grant period. Quarterly and semi-annual interim reports shall be submitted no later than 30 days after the end of each reporting period. Annual reports shall be submitted no later than 90 days after the end of each reporting period. Final reports shall be submitted no later than 90 days after the project or grant period end date.

The City of Canton did complete the SF-425 Federal Financial Reports for the CDBG grant program during fiscal year 2016, however various issues were noted.

- All quarterly reports contained discrepancies regarding cash on hand vs. actual cash on hand.
- Reports were not filled out entirely.
- The 4th quarter report was not filed in a timely manner.

The City of Canton should ensure SF-425 Federal Financial Reports for the CDBG grant program are accurate, complete, and timely.

**CITY OF CANTON
STARK COUNTY, OHIO**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2016**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	The City has contracted their provider who is going to determine if they wish to have a SOC 1 completed, however the City is also researching new third party EMS billings providers in which they can acquire the required SOC 1 Type Two, and satisfy the SSAE No. 16 requirement for the period ending December 31, 2017.	December, 31, 2017	Raymond Friedmann, Fire Department Capt.
2016-002	Going forward, the City will work to ensure all subrecipients of federal awards are monitored in accordance with federal regulations.	December, 31, 2017	Lisa Miller, Grant Director
2016-003	Before submitting their interim SF-425 Federal Financial Report, the City will review the report for accuracy, completeness, and ensure it is filed timely.	December, 31, 2017	Lisa Miller, Grant Director

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**CITY OF CANTON
STARK COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

Finding Number	Year Initially Occurred	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2015-001	2015	<u>Significant Deficiency – EMS Billings</u> - The City has delegated emergency management service (EMS) billings processing, which is an accounting function to a third party administrator that does not have a SOC 1 Type Two report completed.	No	Not Corrected: Repeated as finding 2016-001; the City did not obtain a SOC 1 Type Two report from the third party EMS billing provider to ensure that controls are in place and operating effectively during 2016.
2015-002	2015	<u>Noncompliance - Subrecipient Monitoring/Material Weakness</u> - 2 CFR Section 200.331 requires that all pass-through entities monitor the activities of subrecipients of federal awards as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations and the terms and conditions of the subaward; and that subaward performance goals are achieved.	No	Not Corrected: Repeated as finding 2016-002; the City did not monitor all activities of subrecipients of federal awards as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations and the terms and conditions of the subaward during 2016.
2015-003	2014	<u>Noncompliance - Reporting/Significant Deficiency</u> - Office of Management and Budget No. 0348-0061 indicates recipients should submit interim SF-425 Federal Financial Reports (FFRs) on a quarterly, semi-annual or annual basis as directed by the federal awarding agency. The City did not complete the SF-425 Federal Financial Reports for the CDBG grant program during 2016.	No	Partially Corrected: Finding 2016-003; the City did complete the SF-425 Federal Financial Reports on a quarterly, semi-annual or annual basis for the CDBG grant program during 2016, however various issues were noted.

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Dave Yost • Auditor of State

CITY OF CANTON

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 24, 2017**