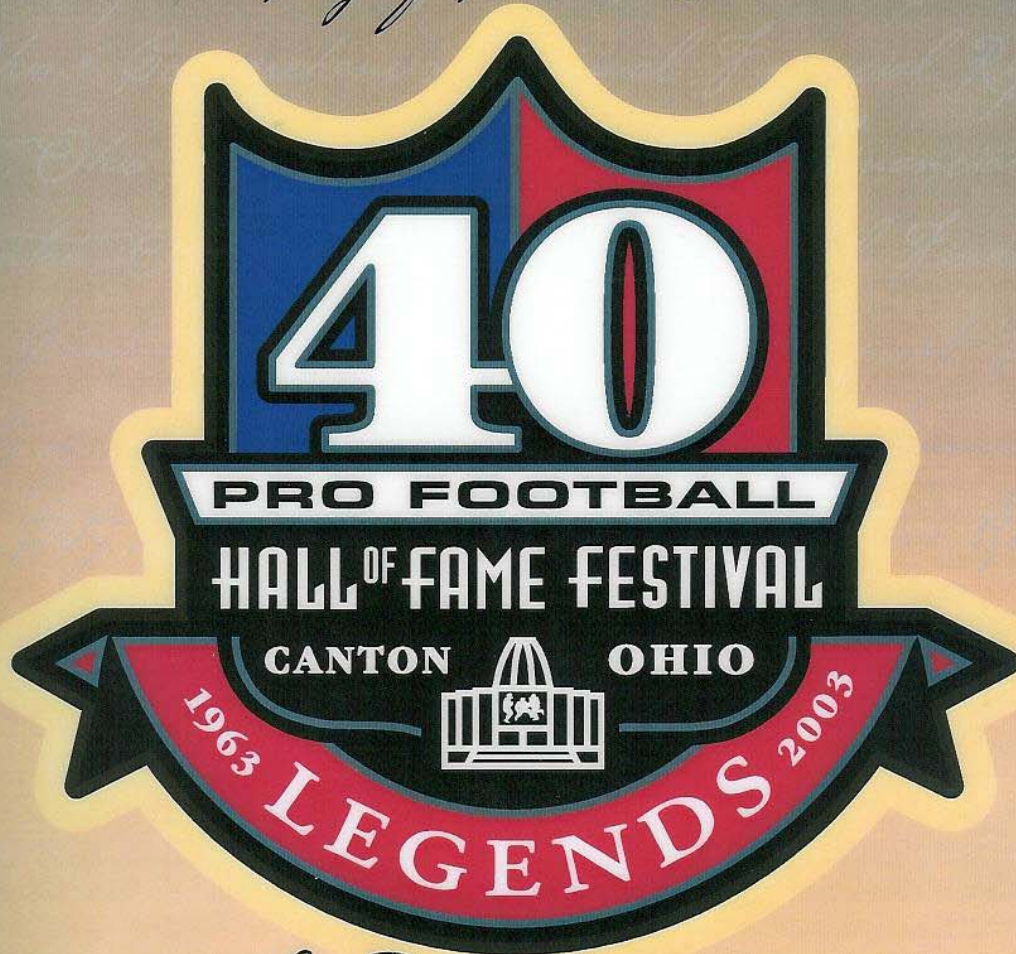


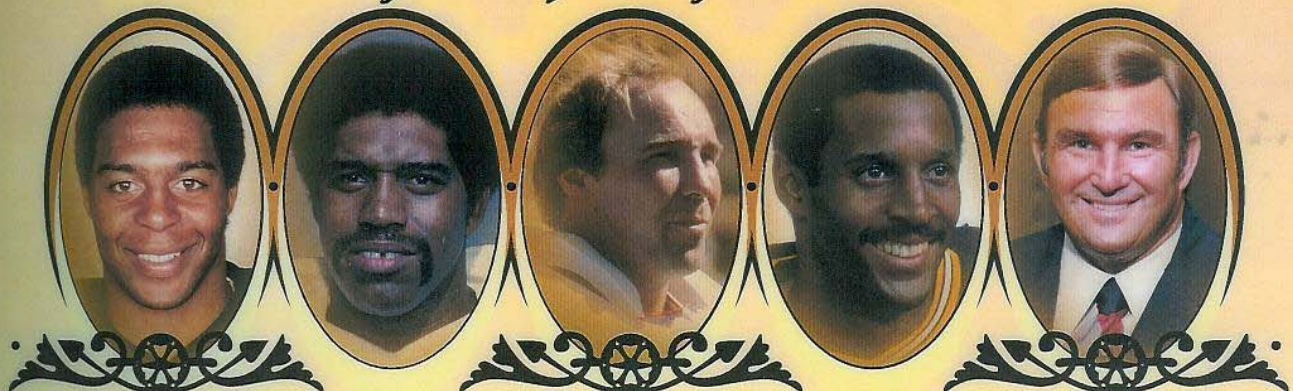
Comprehensive Annual Financial Report

For The Year Ended December 31, 2002

City of Canton, Ohio



Legends of the game ...



MARCUS ALLEN • ELVIN BETHEA • JOE DELAMIELLEURE • JAMES LOFTON • HANK STRAM

City of Canton, Ohio

Comprehensive Annual

Financial Report

For the Year Ended December 31, 2002

Kim R. Perez
City Auditor

Prepared by the City Auditor's Office

City of Canton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002
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KIM R. PEREZ
CANTON CITY AUDITOR

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

June 13, 2003

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, 2002 is hereby submitted. This letter and the following report represent the City's continuing commitment to excellence in financial reporting. The purpose of this letter is to acquaint the reader with the CAFR. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a list of City officials, the City's organizational chart and the Certificate of Achievement. The financial section includes under the New Governmental Accounting Standard Board Statement No. 34, Independent Accountants' Report, the Management Discussion and Analysis, the Basic Financial Statements including corresponding Notes, the Combining Statements for Non-major Funds and other relevant supplemental financial statements and schedules for 2002. The statistical section includes selected financial and demographic information, generally presented on a multi year basis.

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

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

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

The City's legislative authority is vested in a twelve-member Council of whom three are elected at-large and nine are elected from their respective ward, for a term of two years. The presiding officer is the President of Council, who is elected at-large by the voters for a two-year term. The President of Council is called upon to vote on legislation in order to break a tie vote. The Council affixes compensation of

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

The Mayor appoints the directors of City departments other than the Income Tax Department. The major officials appointed by the Mayor are the Directors of Public Service, Public Safety, Management and Budget, 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 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 a Water, Sewer and Refuse Departments. The revenue generated from these business type activities is sufficient to meet all expenses associated with these departments.

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity." In defining the City for financial reporting purposes, management has identified all agencies, departments and organizations making up the City of Canton the primary government and its potential component units. The City will present the Canton Community Improvement Corporation (CCIC) as a discretely presented component unit for the year 2002.

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

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

Economic Condition and Outlook

Six 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. Warner Cable provides seventy-one channel cable TV services.

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

The City experienced a significant decline in revenue as a result of significant businesses closing within the City and the surrounding community. The economic downturn that has affected the entire nation's economy continues to be a concern for the citizens of Canton and its elected leaders. The economic future appears volatile in the immediate future. The City must commit substantial resources to both attract and retain businesses in order to sustain the stable and growing financial stability the City has experienced in the past.

The Canton City School District has embarked on a \$176 million Design for the Future program. Under this five to seven-year program, the School District will replace nine elementary schools and one middle school, provide major additions and renovations to McKinley High School and renovate every other school in the School District. Approximately three-quarters of the entire program costs will be funded by more than \$129 million of direct State aid, with the remainder funded by approximately \$46.7 million of voter-approved debt and additional funds. In conjunction with the program, School District officials have announced the development of a \$35 million Timken Regional Campus. The Campus will encompass a ten-block area and be completed in three to five years. The Timken Foundation has provided a \$10 million grant for the project. The Campus will offer Stark State College of Technology courses, an Automotive and Manufacturing Academy and the Timken Academic and Fine Performing Arts Academy. The City expects these major public works to dramatically improve the condition of the School District's facilities while providing major employment opportunities in the area for the next five to seven years.

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

The City is served by two acute care hospitals located in the City: Aultman Hospital (682 beds) and Mercy Medical Center (523 beds), and three additional acute care hospitals located in the County: Doctors Hospital of Stark County (183 beds), Alliance Community Hospital (166 beds) and Massillon Community Hospital (268 beds). Massillon Psychiatric Center, a 157-bed public adult psychiatric hospital operated by the State, is also located in the County. In 2002 Aultman Hospital unveiled a \$98 million dollar expansion plan. This expansion is slated to begin in June of 2003 and take 3 years to complete. Aultman Hospital has expanded its operations consistently over the past ten years. Aultman Hospital continues to play a pivotal role in the financial stability of the City of Canton.

The Canton Park System maintains 59 parks and covers approximately 700 acres. The City's cultural assets include the Canton Art Institute, the Symphony Orchestra Association, the Canton Civic Opera Association and the Players Guild, all of which are housed in the Cultural Center (Center) for the Arts and host a variety of exhibits, musical and dramatic performances and other cultural events each year. The Center, a gift of the Timken Foundation, is a building complex located on 8-1/2 acres in the center of the City, which cost \$13,000,000 to build in 1971. Adjacent to the center is the City-owned auditorium, an air-conditioned arena-type facility with a seating capacity of 6,000. The Cultural Center and the auditorium accommodate conventions. The City's greater metropolitan area has approximately 37 hotels and motels with over 1,950 rooms.

The City is also the home of the National Professional Football Hall of Fame, which attracts more than 200,000 visitors annually. A \$9.2 million renovation and expansion of the facility was completed in September 1995, increasing the size of the facility from 51,000 square feet to 83,000 square feet and adding state-of-the-art video and theatre facilities. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial 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. Greyhound and other independent bus lines provide passenger transportation.

The Stark Area Regional Transit Authority (SARTA), a separate political subdivision, provides daily public transportation in and around the City. County electors approved an increase in the County sales tax of .25 percent for a period of 5 years at the May 1997 primary election for the benefit of the SARTA. The Citizen's renewed this commitment in April 2002. The approval of the sales tax increase is expected to enable SARTA to expand service throughout the County and to increase the frequency of service. Historically, SARTA's service was limited to daily public transportation in the City and to the Belden Village Mall in Jackson Township and provision of service on a contractual basis to the Canton City School District and certain surrounding cities and villages. In addition to the sales tax, SARTA operations are supported in part from payments for contract services and State and Federal operating grants.

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, a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,700 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport is served by seven commercial airlines and provides passenger and cargo transport facilities. Airport usage has fluctuated from year to year, sometimes significantly, with changes in the airline industry. The number of passengers using the Airport in 1999 was approximately 745,885, an increase of 42 percent from 1996, after having been as high as 779,479 in 1987. In February 1996, AirTran Airways began offering low-cost, nonstop flights from the Airport to Orlando, Florida. Airport officials believe the addition of the AirTran flights provides sustainable growth in passenger service. The Airport's master plan, which establishes a schedule of financial and construction priorities based on projected demand, provides for \$56.5 million of capital improvements from 1995 to 2015. The Airport has completed more than \$12 million of terminal, runway and taxiway improvements under the master plan. The Airport recently completed a \$1 million renovation and expansion of the terminal area to enlarge waiting areas and provide improved support facilities for business travelers. The Airport achieved its 1999 goal of providing one new airline and one new destination; the Airport now offers the

services of Atlantic Coast Airlines and provides additional service to Washington D.C. The Airport completed plans for an \$11 million Runway Expansion Project in June 2001. The Airport anticipated a 5 to 10 percent growth each year over the next 5 years. The effects of September 11, 2001 have slowed the rate of anticipated growth; however, the Airport continues to experience steady and consistent growth. The Airport experienced steady growth in 2002 and exceeded expectations by increased usage of by 11%.

MAJOR INITIATIVES

In recent years, the City has annexed 403.7 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.

A Community Reinvestment Area (CRA2) was established in September 1999 for the District which provides 100 percent abatement on the increased value of all qualifying, restoration and construction for the first 5 years and a 20 percent reduction per year over the remaining 5 year period. The construction must be over \$50,000 for commercial projects and \$5,000 for residential projects to qualify.

The City established a Façade Grant Program of \$700,000 through the Canton Preservation Society (CPS) to award façade improvement grants, not to exceed \$50,000 per grant, to businesses in the District. The grant monies must be used to improve the building's exterior. There are nineteen applications in various stages of the process.

The Canton Preservation Society, Canton Tomorrow and the Canton Chamber of Commerce selected Royal Estate Management to design, own, build and operate a new office building known as The Millennium Building, located in the 200 block of Market Avenue North. The 3 story, 72,000 square foot office building is estimated to cost \$8.8 million. Construction on the exterior was completed as well as the majority of the interior by December 2000. The Canton Chamber of Commerce moved into The Millennium Building on December 15, 2000.

The City began construction in August 1998 on the Market Avenue Streetscape and Ice Rink Project from Second Street South to Sixth Street North. The project was completed in early 2000. The project includes all new infrastructure and streetscape. The streetscape combined brick paving, decorative lighting, planting, fountains, statues and flags. This project included the Central Plaza and sidewalk areas. The project cost was approximately \$8.3 million. A new ice rink was constructed at a cost of \$750,000 to replace the facility located on Market Avenue. Funding for the project included an Ohio State Infrastructure Bank Loan in the amount of \$1.2 million, an Ohio Public Works Commission grant of \$951,480, \$550,000 City CDBG funds and \$4.6 million of general obligation debt issued by the City of Canton.

The City acquired an additional surface parking lot adjacent to City Hall in an attempt to continue its ongoing effort to provide adequate affordable parking in the downtown area. This acquisition is in addition to the 4 separate downtown parcels of land presently utilized as surface parking lots. Three of the parcels will continue as surface parking lots pending future development. The 4th parcel was utilized to construct the Millennium Parking Deck structure providing 404 parking spaces. The \$5.2 million parking deck began operations in July 2000. The project was funded by a \$750,000 State of Ohio Grant, a \$2 million construction loan from the State of Ohio, a \$400,000 Urban Redevelopment Loan and grant,

\$970,800 of City CDBG funds, and \$1,171,923 of other City funds provided by the issuance of general obligation debt.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2002, the City received \$417,300 grants from the Ohio Public Works Commission for the 4th St. N.E. Improvement, and \$2,160,914 for the 12th/13th St. N.W. Connector, a joint project with Stark County. Engineering is being finalized for the Harvard Ave. N.W. Street Improvement, which has received \$609,530 in OPWC funds. ODOT has granted Transportation Enhancement Funds in the amount of \$250,000 for the Mahoning Rd. N.E. Trail Enhancement Project, which was completed in the spring of 2002. The City was awarded \$239,184 of County Municipal Road Funds for various street improvement projects. Engineering projects in the planning and development phase include: Tuscarawas St. Improvement, Guilford Ave. NW Bridge Replacement, Fulton Road/Monument Park Intersection and the 4th St. NW/Shorb Ave. NW Improvement in conjunction with the Canton City Schools Timken Campus expansion program.

The Engineering Department, in conjunction with Plain Township, administered an Ohio Public Works Commission grant in the amount of \$479,120 for the 26th St., Rohn Ave. and Midway Ave. N.E. Storm Sewer Project. Engineering is being finalized for the Harmont Ave. N.E. Lift Station, which has received a construction loan from the OPWC in the amount of \$107,900. ODOT's Whipple Ave. S.W. Trunk Storm Sewer project is being completed from U.S. 30 to 7th St. S.W. at a cost of \$2,055,000. The City's portion of the costs for this improvement is \$462,700. In addition, the City is in the final phase of the J&L Steel Sewer Line Project. The \$1,654,523 project was funded with \$995,000 from the EDA, \$400,000 from ODOD, and the balance from OWDA loans.

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 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 department level. Any budgetary modifications at this level may only be made by resolution of the City Council. Budgetary control at the department level provides each department the flexibility necessary to move appropriations among their respective expense account line items in order to meet expenses.

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

The City Auditor monitors all expenditures for accuracy, appropriateness and compliance. The City Auditor monitors expenses to encumbrances to assure that each obligation incurred was entered into after the appropriate Purchase Order was issued. The City Auditor will exercise his discretion to issue "then and now certificates" for obligations incurred prior to obtaining a purchase order. This certificate is authorized by the Ohio Revised Code for obligations not greater than one-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 was 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 he deems appropriate throughout the year. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor’s Certificate.

Internal Accounting and Reporting Control

As part of its continuing commitment to excellence in financial reporting, the City utilizes a computerized financial accounting and reporting system. Enhancements to the present internal accounting controls and procedures are continually evaluated by the City Auditor. The City Auditor oversees the appropriateness of internal control, develops procedures to enhance internal control and consults with outside auditors to insure that 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 that the cost of a control should not exceed the benefits likely to be derived from its implementation, and that the evaluation of costs and benefits should require estimates and judgments by management. We believe that the City’s internal accounting controls adequately safeguard the City’s assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Debt Administration

The gross indebtedness of the City at the end of 2001 was \$67,172,179. At the end of 2002, the gross indebtedness of the City was \$66,240,127. In 2002, the City did not issue notes or bonds. The City received OWDA proceeds of \$222,162, \$527,219, \$1,647,059, \$1,418,956 and \$774,229 to fund the Water Pollution Odor Corrosion Project and the Norwood Hills, Plain Township, Perry Township and Lake Local School water line extension project, respectively.

As of December 31, 2002, the City had \$303,777 and \$19,636,403 in outstanding OPWC and OWDA loans, respectively. The City also had \$18,570,000 outstanding in the enterprise funds and \$22,580,000 for bonds payable in the governmental funds. The City had a legal claim and judgment outstanding of \$287,500. The City had \$5,149,947 in long-term HUD, SIB and Urban Redevelopment Loans outstanding as of December 31, 2002.

The City has maintained its “A+” rating although they call it A-2, it is the same as the former “A” from Moody’s Investors Service, Inc. on general obligation bond issue. The general obligation indebtedness of the City is subject to two statutory debt limitations referred to as the “direct debt limitation: (Section 133.05 ORC). 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 \$79,618,690 and an unvoted debt margin of \$30,961,468 as of December 31, 2002.

Risk Management

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

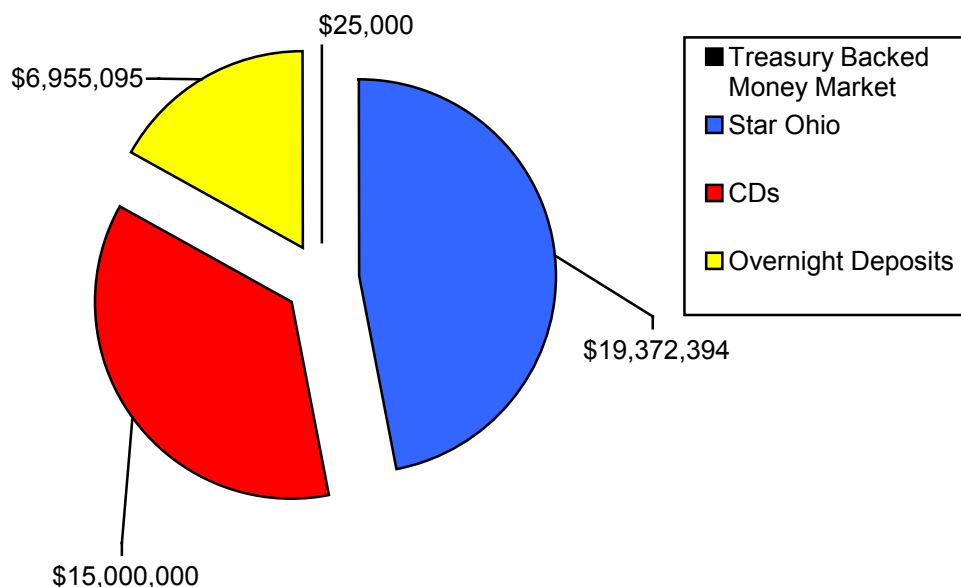
The City contracts with Wichert Insurance Services Agency, Inc. for commercial property coverage, which has a \$328,912,421 limit and a \$100,000 deductible. The City also contracts with Leonard Insurance Services Agency, Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible. The City contracts with Ohio Municipal League for automobile combined coverage, which has a \$5,000,000 limit and a \$100,000 deductible. The City also contracts with the Ohio Municipal League for general liability, including police professional and public official liability combined coverage provision. This coverage has a \$5,000,000 limit and a \$100,000 deductible for bodily injury and property damage, fire damage, employee benefit liability, and personal and advertising.

The City has elected to provide employees' major medical, hospitalization, prescription, and dental/vision coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The City purchases, stop-loss coverage of \$150,000 in aggregate per employee. The third party administrators, Aultcare and Klais & Company, review all claims, which are then paid by the City. The advantage of the self-insurance arrangement include, the City holding the reserves and earning interest on them as well as saving on administrative costs. Control of the plans rests with the City.

Cash Management

At December 31, 2002, the City had \$41.7 million in cash and investments. The allocation of these investment resources is included in the graph on the following page.

Allocation of City of Canton Investment Resources



Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2001. The Certificate of Achievement is the highest form of recognition for excellence in state and local government.

In order 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 the generally accepted accounting principles and applicable legal requirements.

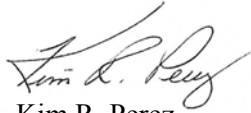
Independent Audit

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2002, have been audited by the Auditor of State Betty Montgomery's Office. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

Acknowledgements

Special recognition for the preparation of this report is made to our Civil Engineer, Mick Coutts, and his staff, other 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: James Carman, Anita Henderson, Thurm Rohrer and Gary Young for their continued dedication and commitment to sound financial reporting in the preparation of this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kim R. Perez".

Kim R. Perez
City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Canton,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



President

Executive Director

CITY OF CANTON

CITY OFFICIALS

Mayor

Richard D. Watkins

Council Members

Raymond Denczak, President
Kathleen Altieri Bucher
Mary M. Babcock
Joseph Carbenia
Donald Casar
Rosemary Diamond
David Dougherty

Richard D. Hart
Gregory Hawk
Richard Mallonn II
Craig Massey
Aaron Mayo
John Mroczkowski
William Smuckler

City Auditor

Kim R. Perez

City Treasurer

Robert C. Schirack

Law Director

Joseph Martuccio

Director of Income Tax

Cynthia Allensworth

Director of Public Safety

Joseph Concatto

Director of Public Service

Michael Miller

Director of Management and Budget

Richard Gatien

Fire Chief

James Scott

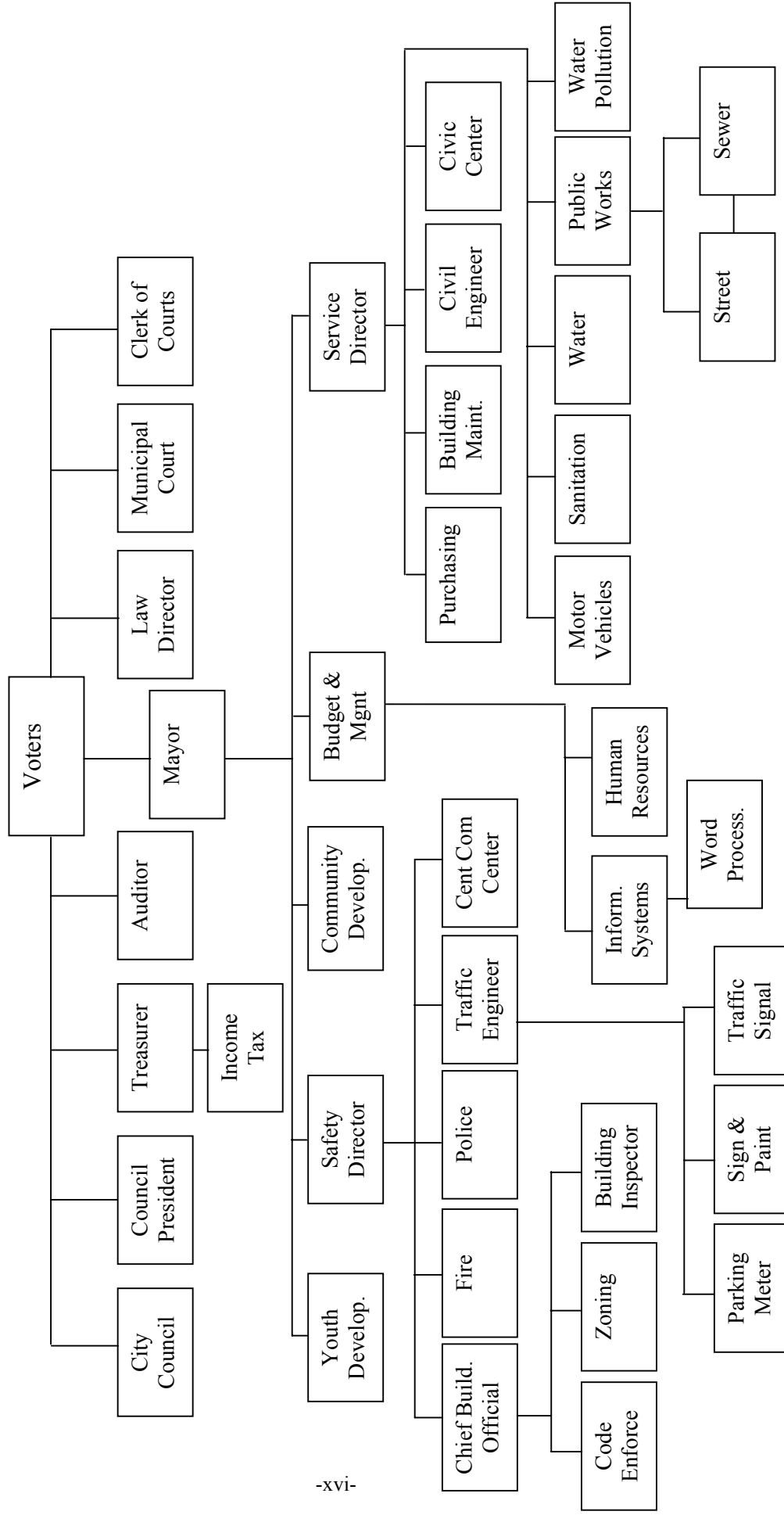
Police Chief

Thomas Wyatt

City Engineer

G. Michael Coutts

City of Canton Organizational Chart





**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, (the City) as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Canton Community Improvement Corporation. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for the Canton Community Improvement Corporation on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General and Community and Economic Development Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Betty Montgomery
Auditor of State

June 13, 2003

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2002

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Canton's financial performance provides an overview of the City's financial activities as of December 31, 2002.

Please read it in conjunction with the City's basic financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- The City's net assets decreased \$7.4 million as a result of this year's operations. Net assets of our business-type activities increased by \$2.4 million, or 3.4 percent, and net assets of governmental activities decreased by \$9.8 million, or 7.2 percent.
- The City did not issue General Obligation Bonds in 2002 and continues to reduce its overall outstanding debt obligations which peaked in 2000.
- The City maintained Bond Ratings of Aaa per Moody's and its AAA status from Standards and Poor's, and Fitch in 2002.

USING THIS ANNUAL FINANCIAL REPORT

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

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

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

City of Canton
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These two statements report the City's *net assets* and changes in them. You can think of the City's net assets, the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors; however, such as changes in the City's property tax base, income tax base, and the condition of the City's capital assets (land, roads, building, water and sewer lines etc...) to assess the *overall health* of the City.

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

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

THE CITY AS A WHOLE

The City's *combined* net assets changed from a year ago, *decreasing* from \$205.1 million to \$197.7 million. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Assets						
Current and Other Assets	\$ 53.8	\$ 64.6	\$ 23.2	\$ 21.0	\$ 77.0	\$ 85.6
Capital Assets, Net	121.6	123.1	89.3	87.2	210.9	210.3
Total Assets	<u>\$ 175.4</u>	<u>\$ 187.7</u>	<u>\$ 112.5</u>	<u>\$ 108.2</u>	<u>\$ 287.9</u>	<u>\$ 295.9</u>
Liabilities						
Current and Other Liabilities	\$ 9.8	\$ 9.7	\$ 1.6	\$ 1.4	\$ 11.4	\$ 11.1
Long-Term Liabilities:						
Due Within One Year	4.3	3.9	3.8	3.0	8.1	6.9
Due Within More Than One Year	34.6	37.6	36.1	35.2	70.7	72.8
Total Liabilities	<u>48.7</u>	<u>51.2</u>	<u>41.5</u>	<u>39.6</u>	<u>90.2</u>	<u>90.8</u>
Net Assets						
Invested in Capital Assets Net of Debt	99.0	103.5	50.2	50.0	149.2	153.5
Restricted:						
Special Revenue	17.7	19.7	-	-	17.7	19.7
Debt Services	-	-	-	-	-	-
Capital Projects	10.4	8.5	-	-	10.4	8.5
Other	0.2	-	-	-	0.2	-
Unrestricted	(0.6)	4.8	20.8	18.6	20.2	23.4
Total Net Assets	<u>\$ 126.7</u>	<u>\$ 136.5</u>	<u>\$ 71.0</u>	<u>\$ 68.6</u>	<u>\$ 197.7</u>	<u>\$ 205.1</u>

City of Canton
Stark County, Ohio
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Net assets in the City's governmental activities decreased by 7.2 percent (\$136.5 million compared to \$126.7 million). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—decreased from \$4.8 million at December 31, 2001 to (\$0.6 million) at the end of 2002. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance increased by \$0.1 million. The investments in capital assets, net of debt category decreased by \$4.5 million.

Net assets in the City's business-type activities increased by 3.4 percent (\$68.6 million compared to \$71.0 million) in 2002. The City generally can only use these net assets to finance the continuing operations of the water, sewer, and refuse operations.

Table 2 shows the changes in net assets for the year ended December 31, 2002. The City's Governmental Activities revenue declined by \$9.3 million or 11.5% in 2002 and expenditures declined by \$5.8 million or 6.7% resulting in a decrease in governmental net assets of \$9.8 million. The City's Business-Type Activities revenue increased by \$0.8 million and expenditures increased by \$1.4 million resulting in a net asset increase of \$2.4 million.

Table 2
Change in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Revenues						
Program Revenues:						
Charges for Services	\$ 10.9	\$ 10.2	\$ 25.5	\$ 25.1	\$ 36.4	\$ 35.3
Operating Grants and Contributions	6.3	10.0	-	-	6.3	10.0
Capital Grants and Contributions	1.2	-	1.6	0.4	2.8	0.4
Total Program Revenues	<u>18.4</u>	<u>20.2</u>	<u>27.1</u>	<u>25.5</u>	<u>45.5</u>	<u>45.7</u>
General Revenues:						
City Income Taxes	37.7	40.1	-	-	37.7	40.1
Property Taxes	2.4	4.1	-	-	2.4	4.1
Intergovernmental	9.8	10.3	-	-	9.8	10.3
Grants and Contributions	0.4	0.5	-	-	0.4	0.5
Interest and Investment Earnings	0.9	2.5	-	0.3	0.9	2.8
Charges for Services not					-	
Restricted to Program Revenue	0.2	0.7	-	-	0.2	0.7
Other	2.1	2.0	0.1	0.8	2.2	2.8
Gain or Loss on Sale of Assets	-	0.6	-	-	-	0.6
Transfers	(0.4)	(0.2)	0.4	0.2	-	-
Total General Revenues	<u>53.1</u>	<u>60.6</u>	<u>0.5</u>	<u>1.3</u>	<u>53.6</u>	<u>61.9</u>
Total Revenues	<u>\$ 71.5</u>	<u>\$ 80.8</u>	<u>\$ 27.6</u>	<u>\$ 26.8</u>	<u>\$ 99.1</u>	<u>\$ 107.6</u>

City of Canton
Stark County, Ohio
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For The Year Ended December 31, 2002

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

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Expenses						
Program Expenses:						
General Government	17.1	\$ 18.6	\$ -	\$ -	\$ 17.1	\$ 18.6
Security of Persons and Property	32.7	34.6	-	-	32.7	34.6
Public Health	4.5	4.6	-	-	4.5	4.6
Transportation	16.4	17.6	-	-	16.4	17.6
Community Development	6.5	7.5	-	-	6.5	7.5
Leisure Time Activities	2.7	2.9	-	-	2.7	2.9
Interest on Long-Term Debt	1.4	1.3	-	-	1.4	1.3
Water	-	-	10.8	10.4	10.8	10.4
Sewer	-	-	10.1	9.1	10.1	9.1
Refuse	-	-	4.3	4.3	4.3	4.3
Total Program Expenses	<u>81.3</u>	<u>87.1</u>	<u>25.2</u>	<u>23.8</u>	<u>106.5</u>	<u>110.9</u>
Increase (Decrease) in Net Assets	<u>\$ (9.8)</u>	<u>\$ (6.3)</u>	<u>\$ 2.4</u>	<u>\$ 3.0</u>	<u>\$ (7.4)</u>	<u>\$ (3.3)</u>

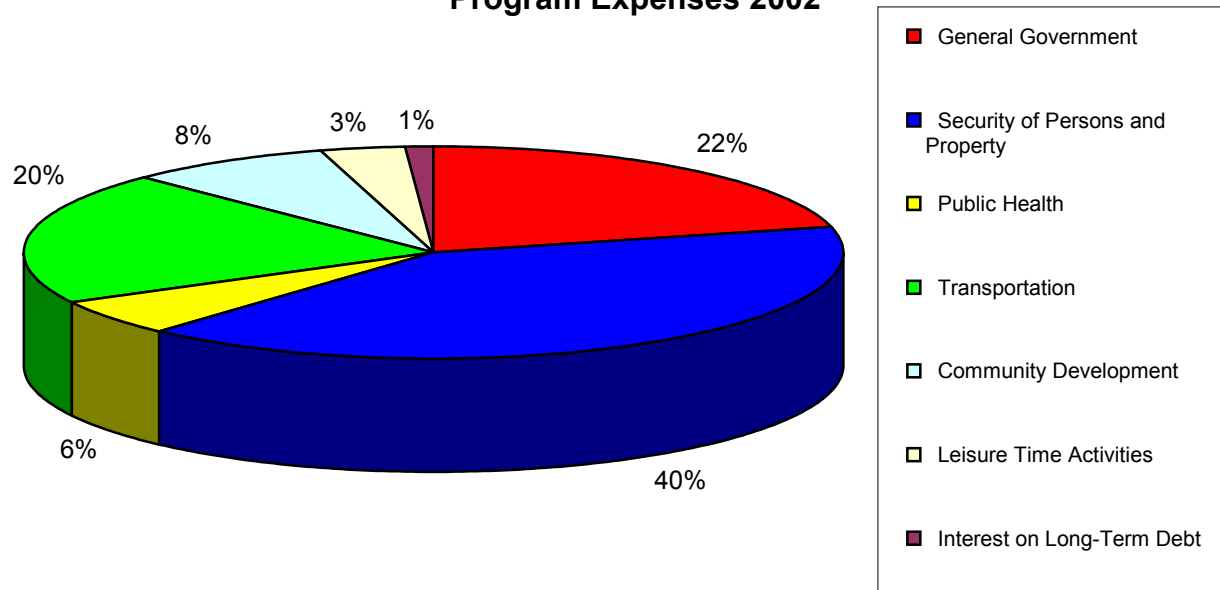
Governmental Activities

The 2.0 percent income tax is the largest revenue source for the City. Designated by ordinance, the Capital Acquisition and Improvement Fund receives 20 percent of net income tax received. In addition, the Motor Vehicle Fund receives 5 percent of net income tax received. The remaining 75 percent is allocated to the General Fund and is used for such things as Police and Fire Protection, Street Maintenance, etc.

Graph 3 represents the cost of each of the City's Governmental programs: Security of Persons and Property, General Government, Transportation Services, Public Health, Leisure Time Activities and Community Development as well as each program's *net* cost (total cost less revenues generated by the activities). 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.

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**Graph 3
Program Expenses 2002**



As indicated by Governmental Program Expenses, citizen's safety, health, and well being is emphasized.

When looking at sources of income to support governmental activities, it should be noted that charges for service are only 15.2 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another 10.5 percent. The remaining revenues are primarily generated locally through property (3.4 percent) and income taxes (52.7 percent).

Business-Type Funds

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

The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Graph 5, which demonstrates return on ending assets and return on ending net assets. Graph 5 is at the end of this section.

The City's Funds

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$72.8 million and expenditures of \$84.3 million. The General Fund balance

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decreased \$3,532,770. Within the General Fund, expenditures exceeded revenue by \$4.6 million. The City's General Fund has experienced consecutive years of expenditures exceeding revenues. This disturbing trend is the result of increased operating expenses due to the increase in salaries, fringes, and medical expenses negotiated with its 5 employee unions and ordinances governing nonunion employees and elected officials.

The Community Development Fund balance decreased by \$996,624. The Capital Improvement Fund balance decreased by \$640,972. Transfers to other funds, such as Various Capital Improvement Projects and General Obligation Debt Service Fund equaled \$3.4 million down from \$4.3 million in 2001. The Motor Vehicle Fund balance decreased by \$584,778.

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 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 departmental level. Any budgetary modifications at this 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 Auditor's General Fund variance from original estimated revenues decreased by \$1,709,148 decreasing the overall General Fund estimated revenues to \$49,022,392 as indicated on page 20. This change represents 3.3% of total revenue. The General Fund variance from original appropriations to final appropriations was (\$1,468,622), decreasing overall General Fund appropriations to \$55,554,568. This change represents 2.80% of total appropriations. The

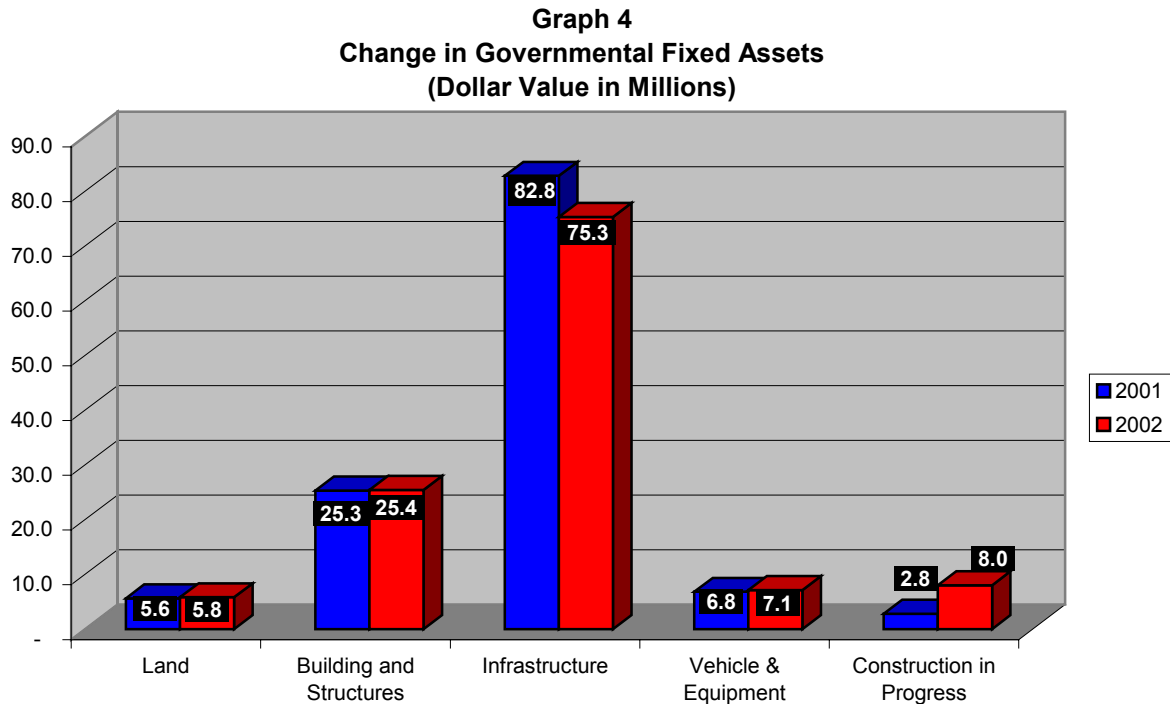
City of Canton
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immediate impact of this analysis demonstrates the City continues to estimate its revenues and expenditures effectively, however, the economic downturn in the economy increased the volatility of these estimates. This analysis clearly identifies that the City anticipates having expenditures in excess of revenue. The result of this deficit spending will require the City to continue to utilize cash reserves, increase revenue streams, and/or reduce future expenditures in order to provide effective fiscal management. The Community and Economic Development Fund experienced no change to the original revenue estimate, overall revenues were \$13,200,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

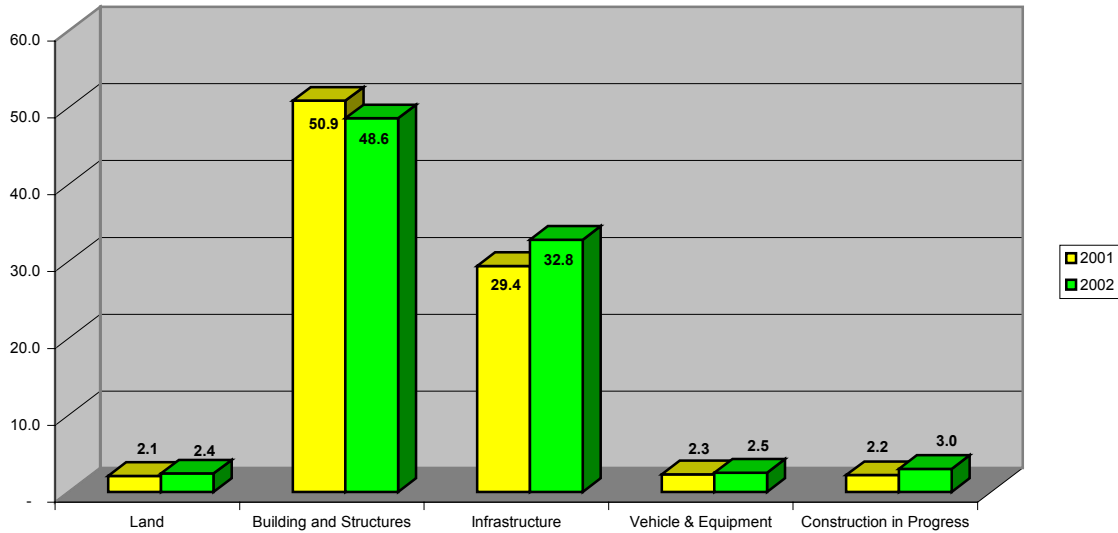
Capital Assets

At the end of 2002, the City had \$210.9 million invested in a broad range of capital assets, including police, fire and radio equipment, land, buildings, park facilities, roads bridges, and water and sewer lines (see below). This amount represents a net increase over last year.



City of Canton
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Graph 5
Change in Business-Type Fixed Assets
(Dollar Value in Millions)



This year's major additions in the Governmental Activities included EMS squad, street sweeper, police cruisers, and a parking lot. Additions to Business-Type Activities included packers for the Refuse Fund and the completion of a water line extension previously reported as construction in progress.

The City's 2003 capital budget anticipates a spending level of \$7.5 million for capital projects. The City's has no plans to borrow outside the organization for these capital projects. More detailed information about the City's capital assets is presented in Note 8 to the basic financial statements.

Debt

At December 31, 2002, the City had \$22.6 million in General Obligation Bonds.

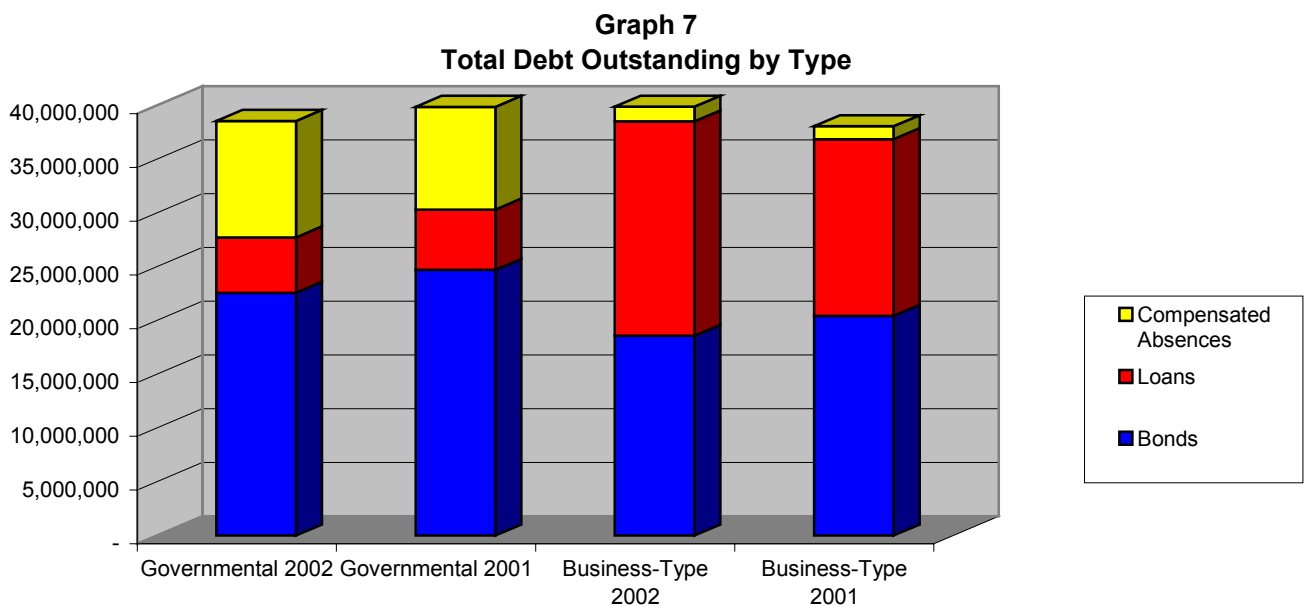
Table 6
General Obligation Bond Debt Outstanding at Year End

	Governmental Activities	
	2002	2001
Unvoted General Obligation Bonds:		
1993 Various Refunding Bonds	\$ 5,250,000	\$ 6,375,000
1998 Pension Refunding Bonds	5,825,000	6,080,000
1999 Various Purpose Refunding	6,360,000	6,635,000
2001 Radio Communication	5,145,000	5,610,000
Total Unvoted General Obligation Bonds:	<u>\$ 22,580,000</u>	<u>\$ 24,700,000</u>

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The City's overall legal debt margin was \$79,618,690 as of December 31, 2002. The City's unvoted legal debt margin was \$30,961,468 as of December 31, 2002

At December 31, 2002, the City had outstanding long-term debt obligations in the amount of \$38.8 million down from \$41.5 million in 2001 for the governmental activities this represents a 6.4 percent decrease. The City's business-type activities debt obligation as of December 31, 2002 was \$39.9 up from \$38.2 million in 2001 this represents an increase of 4.5 percent. The breakout on debt is presented in the graph below.



The City's general obligation bond rating is Aaa from Moody's and AAA from Standard and Poor's. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in the notes to the basic financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

City of Canton, Ohio

Statement of Net Assets

December 31, 2002

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 23,848,946	\$ 15,708,416	\$ 39,557,362	\$ 39,296
Cash and Cash Equivalents with Fiscal Agent	3,019	-	3,019	-
Accounts Receivable	2,053,168	6,479,491	8,532,659	11,658
Taxes Receivable	9,830,521	-	9,830,521	-
Loans Receivable	4,188,345	-	4,188,345	-
Due From Other Governments	13,287,835	-	13,287,835	-
Inventories	590,352	891,489	1,481,841	-
Prepaid Expenses	-	127,971	127,971	-
<i>Total Current Assets</i>	<u>53,802,186</u>	<u>23,207,367</u>	<u>77,009,553</u>	<u>50,954</u>
<i>Noncurrent Assets</i>				
Capital Assets:				
Land, Improvements, and Construction in Progress	13,793,286	5,393,455	19,186,741	156,321
Other Capital Assets, Net of Depreciation	107,769,143	83,951,288	191,720,431	144,742
<i>Total Noncurrent Assets</i>	<u>121,562,429</u>	<u>89,344,743</u>	<u>210,907,172</u>	<u>301,063</u>
Total Assets	<u>\$ 175,364,615</u>	<u>\$ 112,552,110</u>	<u>\$ 287,916,725</u>	<u>\$ 352,017</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	\$ 1,609,247	\$ 1,076,081	\$ 2,685,328	\$ 17,295
Accrued Wages and Benefits	1,990,511	517,849	2,508,360	3,187
Due to Other Governments	295,507	37,060	332,567	-
Retainage Payable	38,658	16,661	55,319	-
Claims Payable	3,177,593	-	3,177,593	-
Deferred Revenue	2,719,237	-	2,719,237	-
Long Term Liabilities				
Due Within One Year	4,239,666	3,834,070	8,073,736	-
Legal Claims Payable				
Due Within One Year	27,600	-	27,600	-
<i>Total Current Liabilities</i>	<u>14,098,019</u>	<u>5,481,721</u>	<u>19,579,740</u>	<u>20,482</u>
<i>Noncurrent Liabilities</i>				
Long Term Liabilities				
Due Within More Than One Year	34,309,608	36,060,386	70,369,994	-
Legal Claims Payable				
Due Within More Than One Year	259,900	-	259,900	-
<i>Total Noncurrent Liabilities</i>	<u>34,569,508</u>	<u>36,060,386</u>	<u>70,629,894</u>	<u>-</u>
Total Liabilities	<u>48,667,527</u>	<u>41,542,107</u>	<u>90,209,634</u>	<u>20,482</u>
Net Assets				
Invested in Capital Assets , Net of Related Debt	98,983,621	50,200,502	149,184,123	301,063
Restricted for:				
Special Revenue	17,665,791	-	17,665,791	-
Debt Service	52,337	-	52,337	-
Capital Projects	10,436,171	-	10,436,171	-
Other	156,064	-	156,064	-
Unrestricted	(596,896)	20,809,501	20,212,605	30,472
Total Net Assets	<u>126,697,088</u>	<u>71,010,003</u>	<u>197,707,091</u>	<u>331,535</u>
Total Liabilities and Net Assets	<u>\$ 175,364,615</u>	<u>\$ 112,552,110</u>	<u>\$ 287,916,725</u>	<u>\$ 352,017</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Activities
For the year ended December 31, 2002

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
<i>Governmental Activities</i>				
General Government	\$ 16,975,011	\$ 5,568,161	\$ 168,823	\$ -
Security of Persons and Property	32,660,736	3,914,068	291,916	254,456
Public Health	4,481,286	610,134	3,003,505	-
Transportation	16,821,177	571,811	-	957,392
Community Development	6,530,815	-	2,796,859	-
Leisure Time Activities	2,721,562	249,074	-	-
Interest on Long-Term Debt	1,416,115	-	-	-
<i>Total Governmental Activities</i>	<u>81,606,702</u>	<u>10,913,248</u>	<u>6,261,103</u>	<u>1,211,848</u>
<i>Business-Type Activities</i>				
Water	10,815,081	10,774,701	-	883,705
Sewer	10,098,802	10,458,396	-	690,226
Refuse	4,274,006	4,219,995	-	-
<i>Total Business-Type Activities</i>	<u>25,187,889</u>	<u>25,453,092</u>	<u>-</u>	<u>1,573,931</u>
Total Primary Government	<u>\$ 106,794,591</u>	<u>\$ 36,366,340</u>	<u>\$ 6,261,103</u>	<u>\$ 2,785,779</u>
Component Unit:				
CCIC	\$ 945,587	\$ 817	\$ 583,440	\$ 379,209

General revenues:

Taxes:

City Income Taxes
Property Taxes
Intergovernmental
Grants and Contributions
Interest and Investment Earnings
Charges for Service not Restricted
to Program Revenue
Licenses and Permits
Fines and Forfeitures
Rentals
Other
Proceeds on Sale of Assets

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets -- Beginning - (Restated, see Note 4)

Net Assets -- Ending

See accompanying notes to the basic financial statements

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

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	CCIC
\$ (11,238,027)	\$ -	\$ (11,238,027)	\$ -
(28,200,296)	-	(28,200,296)	-
(867,647)	-	(867,647)	-
(15,291,974)	-	(15,291,974)	-
(3,733,956)	-	(3,733,956)	-
(2,472,488)	-	(2,472,488)	-
(1,416,115)	-	(1,416,115)	-
<u>(63,220,503)</u>	<u>-</u>	<u>(63,220,503)</u>	<u>-</u>
-	843,325	843,325	-
-	1,049,820	1,049,820	-
-	(54,011)	(54,011)	-
-	1,839,134	1,839,134	-
<u>(63,220,503)</u>	<u>1,839,134</u>	<u>(61,381,369)</u>	<u>-</u>
17,879	-	-	17,879
37,737,290	-	37,737,290	-
2,380,555	-	2,380,555	-
9,845,016	-	9,845,016	-
376,555	-	376,555	-
914,642	10,828	925,470	158
171,139	-	171,139	-
1,767	200	1,967	-
15,525	-	15,525	-
173	-	173	-
2,272,446	102,296	2,374,742	3,686
83,122	59,764	142,886	-
(420,982)	420,982	-	-
<u>53,377,248</u>	<u>594,070</u>	<u>53,971,318</u>	<u>3,844</u>
(9,843,255)	2,433,204	(7,410,051)	21,723
136,540,343	68,576,799	205,117,142	309,812
<u>\$ 126,697,088</u>	<u>\$ 71,010,003</u>	<u>\$ 197,707,091</u>	<u>\$ 331,535</u>

City of Canton, Ohio

Balance Sheet Governmental Funds December 31, 2002

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 5,254,624	\$ 544,709	\$ 3,488,716	\$ 1,007,591
Cash and Cash Equivalents with Fiscal Agents	-	-	-	-
Taxes Receivable	7,619,783	-	1,221,944	305,486
Accounts Receivable	1,701,549	208,086	-	1,378
Loans Receivable (net of uncollectibles)	-	4,188,345	-	-
Due From Other Funds	24,236	-	114,400	-
Due From Other Governments	4,164,900	6,534,041	-	-
Inventories	258,655	-	-	-
Total Assets	\$ 19,023,747	\$ 11,475,181	\$ 4,825,060	\$ 1,314,455
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 466,035	\$ 91,611	\$ 425,075	\$ 145,969
Accrued Wages and Benefits	1,452,744	61,635	362,256	-
Compensated Absences	64,496	21,440	742,099	-
Due to Other Funds	-	-	-	-
Due to Other Governments	65,453	87,451	3,746	-
Retainage Payable	-	-	38,658	-
Deferred Revenue	6,878,333	6,324,983	179,301	45,991
<i>Total Current</i>	<i>8,927,061</i>	<i>6,587,120</i>	<i>1,751,135</i>	<i>191,960</i>
Total Liabilities	8,927,061	6,587,120	1,751,135	191,960
Fund Balances				
Reserved for:				
Inventories	258,655	-	-	-
Encumbrances	507,121	2,208,192	994,636	831,711
Loans Receivable	-	4,188,345	-	-
Other Purpose	24,236	-	114,400	-
Unreserved:				
Undesignated, Reported in :				
General Fund	9,306,674	-	-	-
Special Revenue Funds (Deficit)	-	(1,508,476)	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	1,964,889	290,784
<i>Total Fund Balances</i>	<i>10,096,686</i>	<i>4,888,061</i>	<i>3,073,925</i>	<i>1,122,495</i>
Total Liabilities and Fund Balances	\$ 19,023,747	\$ 11,475,181	\$ 4,825,060	\$ 1,314,455

See accompanying notes to the basic financial statements

City of Canton, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities December 31, 2002

Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$ 26,392,840
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>			
\$ 6,746,344	\$ 17,041,984	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
3,019	3,019	Land and Improvements	\$ 5,760,725
683,308	9,830,521	Buildings and Structures (net of depreciation)	25,420,542
128,560	2,039,573	Vehicles & Equipment (net of depreciation)	7,079,284
-	4,188,345	Infrastructure (net of depreciation)	75,269,317
-	138,636	Construction in Progress	8,032,561
2,588,894	13,287,835	Total	121,562,429
331,697	590,352		
<u>\$ 10,481,822</u>	<u>\$ 47,120,265</u>		
The internal service fund is used by management to charge the costs of insurance to individual funds. A portion of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.			
\$ 479,968	\$ 1,608,658		
110,136	1,986,771		3,621,308
-	828,035		
138,636	138,636	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	
138,501	295,151	Grants	7,333,442
-	38,658	Property Taxes	581,674
2,402,908	15,831,516	Intergovernmental	2,809,552
3,270,149	20,727,425	Charge for Service	937,693
3,270,149	20,727,425	Income Tax	896,505
		Special Assessments	548,116
331,697	590,352	Other	5,297
1,115,845	5,657,505	Total	13,112,279
-	4,188,345		
-	138,636	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
-	9,306,674	General Obligation Bonds	(22,580,000)
3,968,583	2,460,107	Loans	(5,149,947)
21,540	21,540	Long-term Legal Claims	(287,500)
1,774,008	4,029,681	Compensated Absences (net of internal service values)	(10,802,356)
7,211,673	26,392,840	Compensated Absences Reported as a Fund Liability	828,035
<u>\$ 10,481,822</u>	<u>\$ 47,120,265</u>	Total	(37,991,768)
<i>Net Assets of Governmental Activities</i>			<u>\$ 126,697,088</u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2002

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Revenues				
Property and Other Taxes	\$ 1,277,175	\$ -	\$ -	\$ -
Municipal Income Tax	28,821,474	-	7,338,643	1,834,660
Charges for Services	7,342,330	146	-	-
Licenses, Permits, and Fees	883,001	-	-	-
Fines and forfeitures	431,263	-	-	-
Intergovernmental	8,385,962	-	-	-
Interest	826,646	1,685	-	-
Operating Grants and Contributions	183,567	4,902,700	-	-
Capital Grants and Contributions	-	-	100,421	-
Rentals	113,474	-	19,750	9,675
Other	592,335	1,155,710	79,104	14,495
Total Revenues	<u>48,857,227</u>	<u>6,060,241</u>	<u>7,537,918</u>	<u>1,858,830</u>
Expenditures				
Current				
General Government	15,734,770	-	-	-
Security of Persons and Property	30,986,827	-	-	-
Public Health	1,989,615	-	-	-
Transportation	2,416,210	-	-	-
Community Environment	-	6,536,410	-	-
Leisure Time Activities	2,305,415	-	-	-
Capital Outlay	-	-	6,139,432	1,802,246
Debt Service				
Principal	-	335,000	-	-
Interest and Fiscal Charges	-	224,335	-	-
Total Expenditures	<u>53,432,837</u>	<u>7,095,745</u>	<u>6,139,432</u>	<u>1,802,246</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(4,575,610)</u>	<u>(1,035,504)</u>	<u>1,398,486</u>	<u>56,584</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Fixed Assets	12	-	488,809	24,200
Transfers In	1,329,771	38,880	876,811	-
Transfers Out	(286,943)	-	(3,405,078)	(665,562)
Total Other Financing Sources and Uses	<u>1,042,840</u>	<u>38,880</u>	<u>(2,039,458)</u>	<u>(641,362)</u>
Net Change in Fund Balance	(3,532,770)	(996,624)	(640,972)	(584,778)
<i>Fund Balance at Beginning of Year</i>	13,626,368	5,884,685	3,714,897	1,707,273
<i>Increase (Decrease) in Reserve for Inventory</i>	3,088	-	-	-
Fund Balance at End of Year	<u>\$ 10,096,686</u>	<u>\$ 4,888,061</u>	<u>\$ 3,073,925</u>	<u>\$ 1,122,495</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio

Reconciliation of The Statement of Revenues, Expenditures And Changes in Fund Balances of Governmental Funds to the Statement of Activities For the year ended December 31, 2002

Other Governmental Funds	Total Governmental Funds	Net change in fund balances-Total Government Funds		\$ (9,628,565)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
\$ 521,706	\$ 1,798,881			
-	37,994,777	Governmental funds report capital outlays as expenditures.		
713,895	8,056,371	However, in the statement of activities, the cost of those		
192,766	1,075,767	assets is allocated over their estimated useful lives as		
209,081	640,344	depreciation expense. This is the amount by which depreciation		
2,572,150	10,958,112	exceed capital outlay in the current period.		
83,926	912,257	Capital Outlay	\$ 13,275,334	
2,986,987	8,073,254	Depreciation Expense	(14,631,330)	
1,144,328	1,244,749			(1,355,996)
29,981	172,880			
49,989	1,891,633	The net effect of various miscellaneous transactions involving		
8,504,809	72,819,025	capital assets (i.e., sales and donations) is to decrease net assets.		
		Proceeds from capital asset contribution	77,940	
		Sale proceeds for capital asset deletes	(429,899)	
				(351,959)
1,051,855	16,786,625			
1,857,520	32,844,347	Repayment of long-term debt is reported as an expenditure in		
2,416,559	4,406,174	the governmental funds, but the repayment reduces long-term		
1,256,074	3,672,284	liabilities in the statement of net assets.		
61,326	6,597,736	Bond Principal Payments	2,120,000	
590	2,306,005	Loan Principal Payments	516,815	
5,704,638	13,646,316	Legal Claims Payments	102,600	
				2,739,415
2,301,815	2,636,815			
1,191,780	1,416,115	Consumable inventory is reported using the purchase		
15,842,157	84,312,417	method on a modified accrual basis, but is reported using the		
(7,337,348)	(11,493,392)	consumption method for full accrual. This amount represents		
		the increase in inventory that took place during the fiscal year		(11,941)
-	513,021	Some revenues that will not be collected for several months		
4,867,743	7,113,205	after the City's year end are not considered "available" revenues		
(1,403,816)	(5,761,399)	and are deferred in the governmental funds.		(1,204,074)
3,463,927	1,864,827			
(3,873,421)	(9,628,565)	Some items reported in the statement of activities do not		
		require the use of current financial resources and therefore		
11,076,241	36,009,464	are not reported as expenditures in the governmental		
8,853	11,941	funds. Changes in intergovernmental payables		
\$ 7,211,673	\$ 26,392,840	and compensated absences.		
		Compensated Absences	781,022	
		Intergovernmental Payable	18,336	
				799,358
		Internal service funds are used by management to charge the		
		costs of certain activities, such as insurance, to individual		
		funds. The net revenue (expense) of the internal service funds		
		is reported with governmental activities		(829,493)
		<i>Change in Net Assets of Governmental Activities</i>		<u><u>\$ (9,843,255)</u></u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Funds
For the year ended December 31, 2002

General Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 3,400,000	\$ 2,817,520	\$ 2,817,520	\$ -
Municipal Income Tax	29,967,649	29,176,351	29,062,117	(114,234)
Intergovernmental	7,812,794	7,113,680	7,105,324	(8,356)
Charges for Services	6,576,821	7,039,630	7,094,884	55,254
Licenses, Permits and Fees	864,059	895,837	891,683	(4,154)
Fines and Forfeitures	461,121	432,481	432,688	207
Interest	1,422,551	868,972	866,908	(2,064)
Rentals	126,987	112,885	112,695	(190)
Other	99,558	565,036	590,200	25,164
Total Revenues	50,731,540	49,022,392	48,974,019	(48,373)
Expenditures				
<i>Current</i>				
General				
Service Director Support Administration	259,888	273,388	242,565	30,823
Service Director	1,168,007	1,161,007	805,383	355,624
Annexation	20,570	18,770	13,850	4,920
Purchasing Administration	573,745	533,235	508,465	24,770
Building Maintenance	1,318,638	1,208,538	1,146,938	61,600
Income Tax	1,267,992	1,352,714	1,258,181	94,533
Mayor Administration	549,245	546,697	542,537	4,160
Human Resources	278,325	258,510	235,877	22,633
Word Processing	208,831	195,831	192,921	2,910
Youth Development	257,867	228,802	223,654	5,148
Council	551,030	599,055	595,639	3,416
Judges	1,617,940	1,520,290	1,487,128	33,162
Clerk of Courts	1,274,081	1,240,508	1,188,308	52,200
Law Department	1,494,811	1,422,036	1,365,318	56,718
Auditor's Office	2,128,882	1,633,995	1,551,025	82,970
Treasurer's Office	233,268	244,309	242,864	1,445
Civil Service	279,103	268,253	240,047	28,206
Zoning Board	9,035	9,035	8,564	471
Department of Motor Vehicles	2,290,174	2,301,774	2,156,186	145,588
Insurance	333,160	334,946	288,314	46,632
Management Information Systems	1,689,463	1,608,871	1,477,121	131,750
Total General	17,804,055	16,960,564	15,770,885	1,189,679
Security of Persons and Property				
Safety Director	265,458	283,979	280,126	3,853
Code Enforcement	1,088,481	1,033,798	1,012,013	21,785
Police	15,805,860	13,438,918	13,391,579	47,339
Fire	13,582,359	15,792,169	15,410,061	382,108
Central Communication	828,270	810,420	799,812	10,608
Traffic Engineer/Parking Meters	169,137	153,391	146,838	6,553
Total SSP	\$ 31,739,565	\$ 31,512,675	\$ 31,040,429	\$ 472,246

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Funds (continued)
For the year ended December 31, 2002

	General Fund		
	Budgeted Amounts		Variance with Final Budget Over/(Under)
	Original	Final	Actual Amounts
Health	<u>\$ 2,122,815</u>	<u>\$ 2,107,631</u>	<u>\$ 2,006,157</u>
Transportation			
Engineering - Daily Operations	255,991	204,915	193,951
Street Department	2,518,773	2,301,566	2,243,282
Total Transportation	<u>2,774,764</u>	<u>2,506,481</u>	<u>2,437,233</u>
Leisure Time Activities			
Civic Center - Administration	1,182,879	1,116,020	1,053,099
Park	1,285,384	1,243,169	1,192,382
Baseball Stadium	113,728	108,028	103,292
Total Leisure Time Activities	<u>2,581,991</u>	<u>2,467,217</u>	<u>2,348,773</u>
Total Expenditures	<u>57,023,190</u>	<u>55,554,568</u>	<u>53,603,477</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(6,291,650)</u>	<u>(6,532,176)</u>	<u>(4,629,458)</u>
Other Financing Sources (Uses)			
Sale of Assets	-	-	12
Advances In	30,000	440,000	437,301
Advances Out	(30,000)	(42,140)	(35,407)
Transfers In	983,714	1,232,052	1,329,771
Transfers Out	(123,600)	(290,543)	(286,943)
Total Other Financing Sources and Uses	<u>860,114</u>	<u>1,339,369</u>	<u>1,444,734</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	<u>(5,431,536)</u>	<u>(5,192,807)</u>	<u>(3,184,724)</u>
<i>Fund Balance at Beginning of Year</i>	7,235,328	7,235,328	7,235,328
Unexpended Prior Year Encumbrances	312,260	312,260	312,260
Fund Balance at End of Year	<u>\$ 2,116,052</u>	<u>\$ 2,354,781</u>	<u>\$ 4,362,864</u>
			<u>\$ 2,008,083</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Funds *(continued)*
For the year ended December 31, 2002

	Community and Economic Development			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Intergovernmental	\$ 11,900,000	\$ 11,900,000	\$ 5,029,607	\$ (6,870,393)
Interest	-	-	1,979	1,979
Other	1,300,000	1,300,000	1,165,311	(134,689)
Total Revenues	<u>13,200,000</u>	<u>13,200,000</u>	<u>6,196,897</u>	<u>(7,003,103)</u>
Expenditures				
Current				
Community Environment	11,532,472	11,197,472	6,406,044	4,791,428
Debt Service				
Principal	335,000	335,000	335,000	-
Interest and Fiscal Charges	337,000	337,000	322,700	14,300
Total Expenditures	<u>12,204,472</u>	<u>11,869,472</u>	<u>7,063,744</u>	<u>4,805,728</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>995,528</u>	<u>1,330,528</u>	<u>(866,847)</u>	<u>(2,197,375)</u>
Other Financing Sources				
Transfers In	165,000	1,979	38,880	36,901
Excess of Revenues and Other Financing Sources Over Expenditures	1,160,528	1,332,507	(827,967)	(2,160,474)
<i>Fund Balance at Beginning of Year</i>	(1,657,957)	1,657,957	1,657,957	-
Unexpended Prior Year Encumbrances	739,795	739,795	739,795	-
Fund Balance at End of Year	<u>\$ 242,366</u>	<u>\$ 3,730,259</u>	<u>\$ 1,569,785</u>	<u>\$ (2,160,474)</u>

See the accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2002

	Business-Type Activities			Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Internal Service Fund
				Total
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,384,394	\$ 9,325,223	\$ 998,799	\$ 15,708,416
Accounts Receivable	3,121,422	1,942,053	1,416,016	6,479,491
Inventories	665,274	226,215	-	891,489
Prepaid Expenses	63,986	63,985	-	127,971
<i>Total Current Assets</i>	<u>9,235,076</u>	<u>11,557,476</u>	<u>2,414,815</u>	<u>23,207,367</u>
<i>Noncurrent Assets</i>				
Capital Assets:				
Land, Improvements, and Construction in Progress	2,642,437	2,751,018	-	5,393,455
Other Capital Assets, Net of Depreciation	33,648,797	49,241,573	1,060,918	83,951,288
<i>Total Noncurrent Assets</i>	<u>36,291,234</u>	<u>51,992,591</u>	<u>1,060,918</u>	<u>89,344,743</u>
Total Assets	<u>\$ 45,526,310</u>	<u>\$ 63,550,067</u>	<u>\$ 3,475,733</u>	<u>\$ 112,552,110</u>
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 712,750	\$ 305,137	\$ 58,194	\$ 1,076,081
Accrued Wages and Benefits	236,945	183,862	97,042	517,849
Due to Other Governments	16,405	12,391	8,264	37,060
Retainage Payable	16,661	-	-	16,661
<i>Total Current</i>	<u>982,761</u>	<u>501,390</u>	<u>163,500</u>	<u>1,647,651</u>
<i>Noncurrent</i>				
Due Within One Year	1,450,888	2,323,524	59,658	3,834,070
Due Within More Than One Year	17,061,812	18,804,637	193,937	36,060,386
Claims Payable	-	-	-	-
<i>Total Noncurrent</i>	<u>18,512,700</u>	<u>21,128,161</u>	<u>253,595</u>	<u>39,894,456</u>
Total Liabilities	<u>19,495,461</u>	<u>21,629,551</u>	<u>417,095</u>	<u>41,542,107</u>
<i>Net Assets</i>				
Invested in Capital Assets, Net of Related Debt	18,511,897	30,515,976	1,172,629	50,200,502
Unrestricted	7,518,952	11,404,540	1,886,009	20,809,501
<i>Total Net Assets</i>	<u>26,030,849</u>	<u>41,920,516</u>	<u>3,058,638</u>	<u>71,010,003</u>
Total Net Assets and Liabilities	<u>\$ 45,526,310</u>	<u>\$ 63,550,067</u>	<u>\$ 3,475,733</u>	<u>\$ 112,552,110</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds
For the year ended December 31, 2002

	Business-Type Activities			Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Internal Service Fund
			Total	
Operating Revenues				
Charges for Services	\$ 11,293,080	\$ 10,096,052	\$ 4,200,926	\$ 25,590,058
Licenses, Permits, and Fees	-	200	-	200
Capital Grants and Contributions	-	3,433	-	3,433
Rentals	53,502	34,590	19,069	107,161
Other	317,194	1,111,463	10	1,428,667
Total Operating Revenues	11,663,776	11,245,738	4,220,005	27,129,519
Operating Expenses				
Personal Services	5,379,024	4,056,186	2,734,231	12,169,441
Contractual Services	2,012,118	2,675,510	1,326,779	6,014,407
Materials and Supplies	1,099,657	408,707	49,322	1,557,686
Insurance Claims and Expenses	27,114	8,266	2,755	38,135
Depreciation	1,292,812	2,122,528	189,655	3,604,995
Other	279,284	175,402	39,620	494,306
Total Operating Expenses	10,090,009	9,446,599	4,342,362	23,878,970
<i>Operating Income (Loss)</i>	<i>1,573,767</i>	<i>1,799,139</i>	<i>(122,357)</i>	<i>3,250,549</i>
Nonoperating Revenues (Expenses)				
Gain on Disposal of Fixed Assets	33,738	15,327	10,699	59,764
Interest	8,957	1,871	-	10,828
Interest Expense	(856,814)	(748,284)	-	(1,605,098)
Total Nonoperating Revenue (Expenses)	(814,119)	(731,086)	10,699	(1,534,506)
<i>Income (Loss) Before Transfers</i>	<i>759,648</i>	<i>1,068,053</i>	<i>(111,658)</i>	<i>1,716,043</i>
Transfers In	174,502	143,156	103,324	420,982
Transfers Out	-	-	-	-
Change in Net Assets	934,150	1,211,209	(8,334)	2,137,025
<i>Total Net Assets at Beginning of Year</i>	<i>25,096,699</i>	<i>40,709,307</i>	<i>3,066,972</i>	<i>4,450,801</i>
<i>Total Net Assets at End of Year</i>	<i>\$ 26,030,849</i>	<i>\$ 41,920,516</i>	<i>\$ 3,058,638</i>	<i>\$ 3,621,308</i>

Some amounts reported for business-type activities in the statement of activities are different because the net expense of the internal service fund from the previous year is being removed from business-type activities

296,179
Change in net assets of business-type activities \$ 2,433,204

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2002

	Business-Type Activities				Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	Internal Service
Cash Flows From Operating Activities					
Receipts from Customers	\$ 11,753,960	\$ 10,255,101	\$ 4,223,747	\$ 26,232,808	\$ 8,555,073
Other Cash Receipts	370,696	1,149,486	27,119	1,547,301	395,496
Payments to Suppliers	(2,953,784)	(3,021,365)	(1,383,975)	(7,359,124)	(369,587)
Payments to Employees	(5,350,027)	(3,929,174)	(2,682,223)	(11,961,424)	(113,967)
Claims Paid	(27,114)	(8,266)	(2,755)	(38,135)	(7,637,528)
Other Cash Payments	(227,161)	(336,203)	(38,414)	(601,778)	-
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>3,566,570</u>	<u>4,109,579</u>	<u>143,499</u>	<u>7,819,648</u>	<u>829,487</u>
Cash Flows from Non Capital Financing Activities					
Operating Transfers In	174,502	143,156	103,324	420,982	2,211
Operating Transfers Out	-	-	-	-	(1,775,000)
<i>Net Cash Provided (Used) by Noncapital Financing Activities</i>	<u>174,502</u>	<u>143,156</u>	<u>103,324</u>	<u>420,982</u>	<u>(1,772,789)</u>
Cash Flows From Capital and Related Financing Activities					
Proceeds from Capital Debt	4,012,906	222,162	-	4,235,068	-
Proceeds from Sale of Capital Assets	224,922	102,181	71,329	398,432	-
Purchases of Capital Assets	(4,298,610)	(1,407,409)	(138,574)	(5,844,593)	-
Principal Paid on Capital Debt	(1,110,822)	(1,834,386)	-	(2,945,208)	-
Interest Paid on Capital Debt	(856,814)	(748,284)	-	(1,605,098)	-
<i>Net Cash Provided (Used) by Capital and Related Financing Activities</i>	<u>(2,028,418)</u>	<u>(3,665,736)</u>	<u>(67,245)</u>	<u>(5,761,399)</u>	<u>-</u>
Cash Flows From Investing Activities					
Interest and Dividends	7,152	-	-	7,152	2,385
<i>Net Cash Provided (Used) by Investing Activities</i>	<u>7,152</u>	<u>-</u>	<u>-</u>	<u>7,152</u>	<u>2,385</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,719,806	586,999	179,578	2,486,383	(940,917)
Balance - Beginning of the Year	3,664,588	8,738,224	819,221	13,222,033	7,747,879
Balance - End of the Year	<u>5,384,394</u>	<u>9,325,223</u>	<u>998,799</u>	<u>15,708,416</u>	<u>6,806,962</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	1,573,767	1,799,139	(122,357)	3,250,549	940,911
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation Expense	1,292,812	2,122,528	189,655	3,604,995	-
Change in Assets and Liabilities:					
Accounts Receivables, net	106,126	158,586	22,821	287,533	(13,595)
Intergovernmental Receivables, net	-	-	8,040	8,040	-
Inventories	(16,921)	(14,721)	-	(31,642)	-
Accounts Payables	565,040	(82,598)	(6,668)	475,774	588
Accrued Wages Payable	84,589	72,747	17,991	175,327	505
Intergovernmental Payable	1,843	1,835	754	4,432	49
Retainage Payable	16,661	-	-	16,661	-
Compensated Absences Payable	(57,347)	52,063	33,263	27,979	(3,933)
Claims Payable	-	-	-	-	(95,038)
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>\$ 3,566,570</u>	<u>\$ 4,109,579</u>	<u>\$ 143,499</u>	<u>\$ 7,819,648</u>	<u>\$ 829,487</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2002

	Private Purpose Trust		Agency Funds
	Hartford House		
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ -	\$	1,875,639
Cash and Cash Equivalents in Segregated Accounts	86,530		80,440
Investments in Segregated Accounts	54,031		-
Total Assets	<u>\$ 140,561</u>	<u>\$</u>	<u>1,956,079</u>
Liabilities			
Due to Other Governments	\$ -	\$	1,756,907
Undistributed Assets	-		79,510
Deposits Held and Due to Others	-		119,662
<i>Total Liabilities</i>	<u>-</u>		<u>1,956,079</u>
Net Assets			
Restricted for Endowments	102,384		
Unrestricted	38,177		
Total Liabilities and Net Assets	<u><u>\$ 140,561</u></u>		

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2002

	Private Purpose Trust
	Hartford House
Additions	
Investment Earnings:	
Interest	\$ 4,387
Total Investment Earnings	4,387
Deductions	
Benefits	6,000
Administrative Expenses	165
Loss on Investments	1,500
Total Deductions	7,665
Change in Net Assets	(3,278)
<i>Net Assets-Beginning of the Year</i>	143,839
<i>Net Assets-End of the Year</i>	\$ 140,561

See accompanying notes to the basic financial statements

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

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

The City is associated with the Stark Area Regional Transit Authority, the Stark Council of Governments and the Stark County Regional Planning Commissions as jointly governed organizations; Canton Tomorrow Inc., and the Downtown Canton Special Improvement District as joint ventures; and the Joint Recreation District as a related organization. See Notes 13, 14 and 15.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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:

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Proprietary Funds

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

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

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, tuition, grants, fees and rentals.

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue on modified accrual only.

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

Expenses/Expenditures

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

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

Appropriations

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of council. During the year, several supplemental appropriation measures were passed. None of these supplemental appropriations had any significant effect on the original appropriations. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations

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

Cash and Cash Equivalents

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

The City utilizes financial institutions to service bonded debt as principal and interest come due. The balances in these accounts are presented as "cash and cash equivalents with fiscal agents."

The City has segregated bank accounts for monies held separate from the City's central bank account. These monies are presented in the Statement of Net Assets as "cash and cash equivalents with fiscal agent" and "investments in segregated accounts" since they are not required to be deposited into the City treasury.

During 2002, investments were limited to certificates of deposit, a money market investment, repurchase agreements, New Jersey Bell Telephone Bonds and STAROhio.

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

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price investments could be sold for on December 31, 2002.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2002 amounted to \$826,646, which includes \$35,938, assigned from other city funds.

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Capital Assets

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

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Interfund Balances

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

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB 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.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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, compensated absences, and contractually required pension contributions that will

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, and loans receivable are recorded as a reservation of fund balance.

Net Assets

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

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water services, waste water treatment, and refuse collection. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Contributions of Capital

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

Interfund Activity

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

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

as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2002.

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.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund and Major Special Revenue Funds 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 are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash (cash on hand) represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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

Net Change in Fund Balance

	General Fund	Community and Economic Development Fund
GAAP Basis	\$ (3,532,770)	\$ (996,624)
Net Adjustment for Revenue Accruals	518,686	136,656
Net Adjustment for Expenditure		
Accruals	54,111	735,453
Encumbrances	(224,751)	(703,452)
Budget Basis	<u>\$ (3,184,724)</u>	<u>\$ (827,967)</u>

NOTE 4 - RESTATEMENT OF PRIOR YEAR NET ASSETS

Restatement of Fund Balance

Prior to adjustments, capital assets reflected within governmental activities were overstated as a result of certain errors, by \$125,689. This restatement had the following effect on net assets as it was previously reported:

	Governmental Activities
Total Net Assets December 31, 2001	\$ 136,666,032
Land, Improvements, and Construction	
In Progress	(7,700)
Other Capital Assets, Net of Depreciation	(117,989)
Adjusted Net Assets,	
December 31, 2001	<u>\$ 136,540,343</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 4 - RESTATEMENT OF PRIOR YEAR NET ASSETS (Continued)

Prior to adjustments, capital assets reflected in the following enterprise funds were misstated due to certain errors. This restatement had the following effect on net assets as previously reported:

	Water	Sewer	Refuse	Total Enterprise
Net Assets December 31, 2001	\$ 25,476,391	\$ 40,263,734	\$ 2,908,517	\$ 68,648,642
Capital Assets	(379,692)	445,573	158,455	224,336
Adjusted Net Assets, December 31,2001	<u>\$ 25,096,699</u>	<u>\$ 40,709,307</u>	<u>\$ 3,066,972</u>	<u>\$ 68,872,978</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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;

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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

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

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Cash on Hand

At year-end, the City had \$184,432 in undeposited cash on hand which is included on the Combined Balance Sheet of the City as part of "Cash and Cash Equivalents."

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

At year end, the carrying amount of the City's deposits was \$20,448,635 and the bank balance was \$21,697,787. Of the bank balance:

1. \$740,061 was covered by federal depository insurance.
2. \$20,957,726 was uncollateralized and uninsured. Although the pledging bank has an investment and securities pool used to collateralize all public deposits, which are held in the financial institution's name, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio and Money Market Investment are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 1	Category 3	Carrying Amount	Fair Value
New Jersey Bell Telephone Bond	\$ 2,000	\$ -	\$ 2,000	\$ 2,000
Money Market Investments	-	-	25,000	25,000
Repurchase Agreements	-	1,677,541	1,677,541	1,677,541
STAR Ohio	-	-	19,372,394	19,372,394
Total Investments	<u>\$ 2,000</u>	<u>\$ 1,677,541</u>	<u>\$ 21,076,935</u>	<u>\$ 21,076,935</u>

The classification of cash and cash equivalents, and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. Reconciliation between the classification of cash and investments on the basic financial statements and the classification per GASB Statement No. 3 is as follows:

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

	Cash and Cash	
	<u>Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 41,657,021	\$ 54,031
Investments of the cash management pool:		
New Jersey Bell Telephone	(2,000)	2,000
Money Market	(25,000)	25,000
Repurchase Agreements	(1,677,541)	1,677,541
STAROhio	(19,372,394)	19,372,394
Petty Cash	(1,000)	-
Cash on Hand/Unrecorded Cash	(184,432)	-
Investments with maturity of greater than 3 months	54,031	(54,031)
GASB Statement No. 3	<u>\$ 20,448,685</u>	<u>\$ 21,076,935</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2002, consisted of taxes, accounts (billings for user charged services), loans and intergovernmental receivables. All of these receivables, except loans receivable, are considered fully collectible.

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

Special assessments expected to be collected in more than one-year amount to \$49,934 in the Debt Service Fund, and \$498,182 for the other governmental funds. Special assessments are included in accounts receivable.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2002 for real and public utility property taxes represents collections of the 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) is for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 6 - RECEIVABLES (Continued)

The assessed value upon which the 2002 taxes were collected was \$973,144,447. Real estate represented 72.70 percent (\$707,432,310) of this total, public utility tangible personal property represented 4.54 percent (\$44,134,790) and general tangible personal property represented 22.76 percent (\$221,577,347). The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2002, for all City operations applied to taxable property in the following taxing districts within the City limits was \$3.40 for District 2 – Canton Local School District, \$2.00 for District 3 – Plain Local School District, and \$2.60 for District 4 – Canton City School District.

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county including the City of Canton. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2002. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2002 operations. The receivable is offset by deferred revenue.

Income Taxes

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 6 - RECEIVABLES (Continued)

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government and Local Government	
Revenue Assistance	\$ 3,804,660
Immobilization and Other BMV Fees	900
Charges for Service	388,726
Courts	186,828
Gasoline and Excise Tax	734,458
Motor Vehicle Tax	67,127
Grants	8,100,999
Liquor Licenses	<u>4,137</u>
Total:	<u><u>\$ 13,287,835</u></u>

Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$4,188,345. The loans receivable represent the principal owed to the City for Community Development Block Grants. The loans bear interest at annual rates between 0 and 11 percent. The loans are to be repaid over periods ranging from 2 months to 20 years.

NOTE 7 - RISK MANAGEMENT

Workers' Compensation

Since 1989, the City has participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan. Under the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in 2002 are \$250,000 per claim. Current claims liabilities for incurred and reported claims, as well as an estimate for incurred but not reported (IBNR) claims totaled \$2,465,990, and is reported as claims payable in the workers' compensation retrospective internal service fund.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 7 - RISK MANAGEMENT (Continued)

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 2002, the City selected Tier 1 which calls for no claim limit and a 200 percent maximum premium limit.

The claims liability of \$2,465,990 reported in the internal service fund at December 31, 2002, is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2001	\$ 2,552,872	\$ 459,340	\$ 633,105	\$ 2,379,107
2002	2,379,107	445,996	359,113	2,465,990

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 Wichert Insurance Services, Inc. for commercial property coverage, which has a \$328,912,421 limit and a \$100,000 deductible. The City also contracts with Leonard Insurance Services Agency, Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible.

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

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

Medical

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 7 - RISK MANAGEMENT (Continued)

The claims liability of \$711,603 reported in the self-insurance fund at December 31, 2002, is estimated by the third-party administrators and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	Balance Beginning of Year	Current Year Claims	Claim Payment	Balance End of Year
2001	\$ 494,830	\$ 6,541,299	\$ 6,142,605	\$ 893,524
2002	893,524	7,096,494	7,278,415	711,603

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2002, was as follows:

	Balance 12/31/01	Additions	Deductions	Balance 12/31/02
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 5,601,053	\$ 358,407	\$ (198,735)	\$ 5,760,725
Construction in Progress	2,815,652	5,800,878	(583,969)	8,032,561
Total Capital Assets, not being Depreciated	8,416,705	6,159,285	(782,704)	13,793,286
Capital Assets, being Depreciated				
Buildings and Structures	36,508,978	1,271,350	(149,337)	37,630,991
Vehicles & Equipment	17,827,000	1,588,060	(736,309)	18,678,751
Infrastructure	316,500,192	4,918,548	(128,322)	321,290,418
Total Capital Assets, being Depreciated	370,836,170	7,777,958	(1,013,968)	377,600,160

(Continued)

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 8 - CAPITAL ASSETS (Continued)

	Balance 12/31/01	Additions	Deductions	Balance 12/31/02
Less Accumulated Depreciation				
Buildings and Structures	\$ (11,262,721)	\$ (955,195)	\$ 7,467	\$ (12,210,449)
Vehicles & Equipment	(11,007,284)	(1,264,321)	672,138	(11,599,467)
Infrastructure	(233,712,486)	(12,411,814)	103,199	(246,021,101)
Total Accumulated Depreciation	(255,982,491)	(14,631,330) *	782,804	(269,831,017)
Total Capital Assets, being Depreciated, net	114,853,679	(6,853,372)	(231,164)	107,769,143
Governmental Activities Capital Assets, net	\$ 123,270,384	\$ (694,087)	\$ (1,013,868)	\$ 121,562,429

Business-Type Activities

Capital Assets, not being depreciated				
Land	\$ 2,104,179	\$ 300,000	\$ -	\$ 2,404,179
Construction in Progress	2,182,065	807,211	-	2,989,276
Total Capital Assets, not being Depreciated	4,286,244	1,107,211	-	5,393,455
Capital Assets, being Depreciated				
Buildings and Structures	87,862,314	40,210	(398,432)	87,504,092
Vehicles & Equipment	9,369,404	487,072	(113,936)	9,742,540
Infrastructure	135,854,587	4,565,147	-	140,419,734
Total Capital Assets, being Depreciated	233,086,305	5,092,429	(512,368)	237,666,366
Less Accumulated Depreciation				
Buildings and Structures	(37,008,027)	(1,952,047)	59,764	(38,900,310)
Vehicles & Equipment	(6,868,730)	(447,008)	113,936	(7,201,802)
Infrastructure	(106,407,025)	(1,205,941)	-	(107,612,966)
Total Accumulated Depreciation	(150,283,782)	(3,604,996)	173,700	(153,715,078)
Total Capital Assets, being Depreciated, net	82,802,523	1,487,433	(338,668)	83,951,288
Business-Type Activities Capital Assets, net	\$ 87,088,767	\$ 2,594,644	\$ (338,668)	\$ 89,344,743

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 8 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

General Government	\$ 560,516
Security of Persons and Property	894,933
Public Health	77,913
Transportation	12,603,696
Community Environment	14,667
Leisure Time Activities	479,605
Total Depreciation Expense	<u>\$ 14,631,330</u>

NOTE 9 - COMPENSATED ABSENCES

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

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

Employees earn sick leave at the rate of 1.25 days per month of service. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid 100 percent to a maximum of 150 days of accumulated, unused sick leave. Firefighters and police can be paid 100 percent to a maximum of 187.5 days and 1,500 hours, respectively. In March 2003, the City created a weighted scale for management and non-bargaining classifications. This scale will now require 3400 hours of unused sick time at retirement in order to receive the same 1,500 hours severance as noted above.

Note 10 – LONG-TERM OBLIGATIONS

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. During the year, the City issued 10-year general obligation bonds for the purpose of replacing its aging radio communication system.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 20-year serial bonds, with the exception noted above. General obligation bonds currently outstanding are as follows:

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

Note 10 – LONG-TERM OBLIGATIONS (Continued)

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental Activities, 1993 Various Purpose Refunding	2.5 - 5.375%	\$ 6,375,000
Governmental Activities, 1998 Pension Refunding	3.15 - 1.75%	6,080,000
Governmental Activities, 1999 Various Purpose Bonds	3.5%	6,635,000
Governmental Activities, 2001 Radio Communication	4.0 - 2.25%	5,610,000
Business-Type Activities, 1995 Water Works System	4.6 - 5.85%	10,070,000
Business-Type Activities, 1998 Utility System	4.1 - 5.0%	7,995,000
Business-Type Activities, 1993 Various Purpose Refunding	2.5 - 5.375%	2,365,000
		<u>\$ 45,130,000</u>

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

General Obligation Bonds

<u>Year Ending</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	2,160,000	1,006,451	2,015,000	980,261
2004	2,300,000	917,623	2,075,000	882,891
2005	2,410,000	816,486	2,145,000	780,216
2006	2,195,000	707,572	2,145,000	673,281
2007	1,815,000	609,689	2,210,000	565,836
2008-2012	6,095,000	2,121,533	5,115,000	1,593,008
2013-2017	4,560,000	944,000	2,865,000	341,640
2018-2022	1,045,000	51,013		
Total	<u>\$ 22,580,000</u>	<u>\$ 7,174,367</u>	<u>\$ 18,570,000</u>	<u>\$ 5,817,133</u>

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

Housing and Urban Development Loan			State Infrastructure Bank Loan		
Year Ending	Governmental Activities		Year Ending	Governmental Activities	
December 31	Principal	Interest	December 31	Principal	Interest
2003	335,000	196,731	2003	50,565	49,577
2004	335,000	169,026	2004	52,737	47,405
2005	335,000	141,422	2005	55,002	45,140
2006	335,000	113,316	2006	57,364	42,778
2007	335,000	84,941	2007	59,828	40,314
2008-2012	645,000	83,419	2008-2012	339,965	160,744
Total	<u>\$ 2,320,000</u>	<u>\$ 788,855</u>	2013-2017	419,522	81,187
			2018-2022	144,048	6,165
			Total	<u>\$ 1,179,031</u>	<u>\$ 473,310</u>

Urban Redevelopment Loan

Year Ending	Governmental Activities	
December 31	Principal	Interest
2003	133,333	-
2004	133,333	-
2005	133,333	-
2006	133,334	56,666
2007	133,333	51,000
2008-2012	666,667	170,000
2013-2017	317,583	28,333
Total	<u>\$ 1,650,916</u>	<u>\$305,999</u>

The City entered into a loan agreement with the Ohio Public Works Commission for the purpose of improving the water pollution control operations. This is an interest free loan retired solely from business-type revenue. Annual debt service requirements to maturity for Ohio Public Works Commission Loan are as follows:

Ohio Public Works Commission Loan		
Year Ending	Business-Type Activities	
December 31	Principal	Interest
2003	46,735	-
2004	46,735	-
2005	46,735	-
2006	46,735	-
2007	46,735	-
2008-2012	70,102	-
Total	<u>\$ 303,777</u>	<u>\$ -</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Steiner Heights Water Line Extension	6.39%	591,671
Plain Township Water Line Extension (55th St)	4.74%	1,653,459
Water Main Extension (Norwood Hills)	4.55%	541,706
Perry Township Water Extension	4.65%	1,545,872
Lake Local School Waterline	4.64%	774,229
Incinerator Rehabilitation	4.56%	1,322,503
Water Pollution System	2.64%	13,470,938
Discharge Line (J.L.)	4.56%	760,592
Odor Corrosion	3.20%	222,162
		<u>\$ 20,883,132</u>

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

Ohio Water Development Authority Loan		
Year Ending	<u>Business-Type Activities</u>	
<u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2003	1,458,496	637,823
2004	1,284,419	559,229
2005	1,333,522	510,126
2006	1,015,124	463,077
2007	1,051,422	419,579
2008-2012	5,706,843	2,215,298
2013-2017	5,408,939	738,602
2018-2022	2,377,638	124,613
Total	<u>\$ 19,636,403</u>	<u>\$ 5,668,347</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2002, were as follows:

	Outstanding 12/31/01	Additions	Reductions	Outstanding 12/31/02	Due Within One Year
<i>Business Type Activities</i>					
OPWC Loan:					
Sewer Fund:					
Water Pollution Control					
Center 0%	\$ 350,512	\$ -	\$ (46,735)	\$ 303,777	\$ 46,735
OWDA Loans:					
Water Fund:					
2001 Water Main Extension					
(Norwood Hills) 4.55%	-	527,219	(42,373)	484,846	46,492
2000 Steiner Heights Water					
Line Extension 6.39%	524,819	-	(48,202)	476,617	51,331
2001 Plain Township Water					
Line Ext. (55th St) 4.74%	6,400	1,647,059	(25,247)	1,628,212	52,303
2002 Perry Twshp Water					
Extension 4.65%	-	1,418,956	-	1,418,956	114,373
2002 Lake Schl Water 4.64%	-	774,229	-	774,229	30,510
Sewer Fund:					
2002 Odor Corrosion 3.20%	-	222,162	-	222,162	222,162
1997 Incinerator					
Rehabilitation 4.56%	1,322,503	-	(308,619)	1,013,884	322,852
1997 Water Pollution					
System 2.64%	13,470,938	-	(576,198)	12,894,740	606,996
1999 Discharge Line					
(J.L.) 4.56%	760,592	-	(37,835)	722,757	41,987
Total OWDA Loans	16,085,252	4,589,625	(1,038,474)	19,636,403	1,489,006
Bonds:					
Water Fund:					
1995 Water Works					
System 4.6%-5.85%	10,070,000	-	(495,000)	9,575,000	520,000
1998 Utility System 4.1%-5%	3,997,500	-	(500,000)	3,497,500	520,000
Sewer Fund:					
1998 Utility System 4.1%-5%	3,997,500	-	(500,000)	3,497,500	520,000
1993 Various Purpose					
Refunding 2.5%-5.375%	2,365,000	-	(365,000)	2,000,000	455,000
Total Bonds	20,430,000	-	(1,860,000)	18,570,000	2,015,000
Compensated Absences	1,336,982	166,370	(138,361)	1,364,991	283,329
Total Business Type Activities	\$ 38,202,746	\$ 4,755,995	\$ (3,083,570)	\$ 39,875,171	\$ 3,834,070

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

	Outstanding 12/31/01	Additions	Reductions	Outstanding 12/31/02	Due Within One Year
<i>Governmental Activities</i>					
1993 Various Purpose Refunding					
Bonds 2.5%-5.375%	\$ 6,375,000	\$ -	\$ (1,125,000)	\$ 5,250,000	\$ 1,110,000
1998 Pension Refunding					
Bonds 3.15%-1.75%	6,080,000	-	(255,000)	5,825,000	265,000
1999 Various Purpose					
Bonds 3.50%	6,635,000	-	(275,000)	6,360,000	285,000
2001 Radio Communication					
Bonds 4.0%-2.25%	5,610,000	-	(465,000)	5,145,000	500,000
Total Bonds	24,700,000	-	(2,120,000)	22,580,000	2,160,000
1995 HUD Loan 7.71%-8.77%	2,655,000	-	(335,000)	2,320,000	335,000
1999 SIB Loan	1,227,513	-	(48,482)	1,179,031	50,565
2000 Legal Claims	390,100	-	(102,600)	287,500	27,600
2000 Millenium Parking					
Deck Loan 4%	1,784,249	-	(133,333)	1,650,916	133,333
Compensated Absences	10,755,342	1,264,686	(1,200,701)	10,819,327	1,560,768
<i>Total Governmental Activities</i>	<u>41,512,204</u>	<u>1,264,686</u>	<u>(3,940,116)</u>	<u>38,836,774</u>	<u>4,267,266</u>
Totals	<u>\$ 79,714,950</u>	<u>\$ 6,020,681</u>	<u>\$ 7,023,686</u>	<u>\$ 78,711,945</u>	<u>\$ 8,101,336</u>

During 1998, the City issued utility system general obligation bonds. The proceeds reported in the water enterprise fund and the sewer enterprise fund of \$5,375,000 and \$5,375,000, respectively, are being used for the water meters project. The utility system general obligation bonds are reported net of the unamortized premium of \$9,643 in the water enterprise fund and \$9,643 in the sewer enterprise fund.

The City's overall legal debt margin was \$79,618,690 and an unvoted debt margin of \$30,961,468 at December 31, 2002.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employee Retirement System

All City full-time employees, other than Police and Firemen, participate in the Ohio Public Employees Retirement System (OPERS), a cost sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 13.55 percent for the year 2002. The Retirement Board instituted a temporary 20% employer contribution rate rollback for calendar year 2000 for state and local governments. Contributions are authorized by State statute. The contribution rates are determined

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

actuarially. The City's required contributions to OPERS for the years ended December 31, 2002, 2001, and 2000 were \$3,549,389, \$3,505,449, and \$1,620,502, respectively. The full amount has been contributed for 2001 and 2000. 72.69 percent has been contributed for 2002 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

Ohio Police and Firemen's Disability and Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and for 2002 the City was required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the PFDPF for police and firefighters were \$1,872,704 and \$2,077,467 for the year ending December 31, 2002, \$1,909,601 and \$2,122,129 for the year ended December 31, 2001, \$1,172,406 and \$1,412,541 for the year ended December 31, 2000. The full amount has been contributed for 2001 and 2000 73.68 and 73.17 percent, respectively, have been contributed for 2002 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

NOTE 12 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service employees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll for employees; 4.3 percent was the portion that was used to fund health care for 2002.

Benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and Medicare, along with investments income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. As of December 31, 2001, the net assets available for future OPEB payments were \$11.6 billion. The City's actual contributions for 2002, which were used to fund OPEB, were \$1,126,374.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

During 1997, OPERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health coverage.

Ohio Police and Firemen's Disability and Pension Fund

The Ohio Police and Firemen's Disability and Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2001. The Board defined allocation was 7.50% and 7.75% of covered payroll in 2001 and 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$720,270 for police and \$649,208 for fire. OP&F's total health care expenses for the year ended December 31, 2001 (the latest information available) were \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

NOTE 13 - JOINT VENTURES

Canton Tomorrow, Inc.

The City participates in Canton Tomorrow, Inc., formed under Chapter 1702 of the Ohio Revised Code. Of the 21 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, causing additional financial benefit or burden to the City. In 2002, the City contributed \$45,000 to Canton Tomorrow, Inc., which represents 1 percent of total contributions. Complete financial statements can be obtained from Canton Tomorrow, Inc.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 13 - JOINT VENTURES (Continued)

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 9 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 2002, the City contributed \$85,380 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

NOTE 14 – RELATED ORGANIZATION

Joint Recreation District

The City appoints three of the five members of the Joint Recreation District (District) Board. The District hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the District nor is the District financially dependent on the City. The District serves as its own budgeting, taxing and debt issuance authority. The City did not make any contributions during 2002. Complete financial statements can be obtained from the Canton Recreation Department.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Stark Area Regional Transit Authority

The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon and Alliance. A nine-member board of trustees oversees the operation of the Authority. 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 SARTA during 2002. The City did allow SARTA to utilize City property as a transfer area in order to allow a safe area for passengers to board and exit buses in the downtown area. 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 \$452,426 from the General Fund during 2002 for the operation of SCOG, which represents fifty percent of total contributions. Complete financial statements may be obtained from the Stark County Council of Governments.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 15 - JOINTLY GOVERNED ORGANIZATION (Continued)

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 48-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 2002, the City contributed \$77,286 to the Commission, which represents percent of total contributions. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

NOTE 16 – DISCRETELY PRESENTED COMPONENT UNIT

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

Canton Community Improvement Corporation

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

NOTE 17 - CONTRACTUAL COMMITMENTS

As of December 31, 2002, the City had significant contractual commitments as follows:

Company	Project	Remaining On Contract
Motorola Inc.	Radio Communication System	\$ 660,000
OWDA Project	Lake Township Water Line Ext.	1,283,424
OWDA Project	Odor/Corrosion WPCC Project	1,633,338

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 18 – OPERATING LEASES

The City has entered into multiple year non-cancelable operating leases for equipment and vehicles. In addition, some of the operating leases have options to purchase the equipment or vehicle at the end of the lease. The minimum rental commitments under all such non-cancelable leases at December 31, 2002 and 2003 are \$131,225, and \$130,039 for 2004.

NOTE 19 - CONTINGENT LIABILITIES

Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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.

Litigation and Subsequent Event

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

<u>Year Ending</u>	<u>Amount</u>
2003	\$ 27,600
2004	27,600
2005	27,600
2006	27,600
2007	27,600
2008-2012	138,000
2013	11,500
Total	<u><u>\$ 287,500</u></u>

The City is a party to various other legal proceedings. The City management is of the opinion that ultimate disposition of those subsequent pending claims and legal proceedings will not have a material adverse effect, if any, on the financial condition of the City.

NOTE 20 - NOTES PAYABLE

GASB Statement No. 38 requires that short-term debt activity during the year be disclosed, even if no short-term debt is outstanding at year-end. Details are to include a schedule of changes in short-term debt, disclosing beginning and end of year balances, increases and decreases and the purpose for which the short-term debt was issued. The City had no short debt obligations for 2002.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2002

NOTE 21 - INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the year ended December 31, 2002, consisted of the following:

Transfer to	Transfer From					Total
	General Fund	Capital Projects	Nonmajor Capital Projects	Nonmajor Special Revenue	Nonmajor Internal Service	
General Fund				\$ 32,992	\$ 1,296,779	\$ 1,329,771
Community Development					38,880	38,880
Nonmajor Special Revenue	172,352	13,662			101,738	287,752
Nonmajor Debt Service		2,305,020	665,562	523,013	-	3,493,595
Capital Projects	3,001		847,810		26,001	876,812
Nonmajor Capital Projects		1,086,396			-	1,086,396
Water	38,632				135,870	174,502
Sewer	37,113				106,043	143,156
Refuse	35,845				67,479	103,324
Nonmajor Internal Service					2,210	2,210
<i>Total</i>	<u>\$ 286,943</u>	<u>\$ 3,405,078</u>	<u>\$ 1,513,372</u>	<u>\$ 556,005</u>	<u>\$ 1,775,000</u>	<u>\$ 7,536,398</u>

Transfers are used to move resources from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2002

NOTE 21 - INTERFUND BALANCES AND TRANSFERS (Continued)

At December 31, 2002, the Nonmajor Special Revenue Funds had an interfund due to of \$138,636 and the General Fund and Capital Improvement Fund had an interfund due from for \$24,236 and \$114,400 respectively. This interfund obligation represents the advance funding necessary to provide adequate cash reserves to meet Street & Highway Maintenance payroll and the Southeast Community Center roof replacement. These obligations will be satisfied using the appropriate gasoline and license tax revenue as well as, a reimbursement grant provided by the Sisters of Charity for the roof replacement.

	Due from	
	Nonmajor Special Revenue	Total
Due to		
General Fund	\$ 24,236	\$ 24,236
Capital Projects	114,400	114,400
<i>Total</i>	<u>\$ 138,636</u>	<u>\$ 138,636</u>

**Combining, Statements and
Individual Fund Schedules**

Nonmajor Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

Police and Fire Pension Fund To account for property taxes and transfers from the general fund for the payment of the employer's share of police and fire pension benefits.

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

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

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

Cornerstone Parking Deck Fund To account for parking fees used for the upkeep of the Cornerstone Parking Deck.

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

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

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

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

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

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

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

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

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

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

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

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

City Hall Plaza Fund
Guardrail/Attenuator Replacement Fund
Southeast Community Center Fund
Park Fund
D.A.R.E. Program Fund
Drug Law Enforcement Fund
Misdemeanor Community Sanction Grant Fund
COPS School Based Partnership Fund
Thermal Imaging System Fund
Clerk of Courts Administration Fund
Court Security Funding Fund
Federal Forfeiture Fund
EMS Training & Equipment Fund
Armored Vehicle Fund
Firefighters Assistance Grant Fund

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

Parking Deck Construction Fund To account for construction and maintenance of City's parking deck.

Harmount Sidewalk Improvement Fund To account for improvements of Harmount Street sidewalks.

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

Market Avenue Streetscape Fund To account for all costs associated with the revamping of the Market Avenue square area, including an ice rink and road repairs.

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

OPWC Fund To account for costs associated with State of Ohio Issue II monies used for infrastructure replacements and street improvements.

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

Georgeview Estates Project Fund To account for street improvements in the Georgeview Estates development.

Other Smaller capital projects funds operated by the City for various construction and improvement projects around the City. These funds are as follows:

Salt Dome Fund
Building Acquisition Fund

Nonmajor Internal Service Funds

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

Workers' Compensation Retrospective Fund To account for the charges to operating funds on a percentage of payroll basis and the payment of premiums and claims under the retrospective rating plan as provided by the Ohio Bureau of Workers' Compensation.

Health Insurance Fund To account for charges to the operating funds on a per employee basis for the health and hospitalization self-insurance, eye and dental insurance and for payments to AFSCME for the unions' administered employees' eye and dental premiums. This fund also pays the salaries and fringe benefits of the employees responsible for administering and processing claims.

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 3,929,948	\$ 18,521	\$ 2,797,875	\$ 6,746,344
Cash and Cash Equivalents with Fiscal Agents	-	3,019	-	3,019
Taxes Receivable	633,374	49,934	-	683,308
Accounts Receivable	128,560	-	-	128,560
Due From Other Governments	2,588,894	-	-	2,588,894
Inventories	331,697	-	-	331,697
Total Assets	<u>\$ 7,612,473</u>	<u>\$ 71,474</u>	<u>\$ 2,797,875</u>	<u>\$ 10,481,822</u>
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ 138,379	\$ -	\$ 341,589	\$ 479,968
Accrued Wages and Benefits	110,136	-	-	110,136
Due to Other Funds	138,636	-	-	138,636
Due to Other Governments	138,501	-	-	138,501
Deferred Revenue	2,352,974	49,934	-	2,402,908
<i>Total Current</i>	<u>2,878,626</u>	<u>49,934</u>	<u>341,589</u>	<u>3,270,149</u>
Total Liabilities	<u>2,878,626</u>	<u>49,934</u>	<u>341,589</u>	<u>3,270,149</u>
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Inventories	331,697	-	-	331,697
Encumbrances	433,567	-	682,278	1,115,845
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds	3,968,583	-	-	3,968,583
Debt Service Funds	-	21,540	-	21,540
Capital Projects Funds	-	-	1,774,008	1,774,008
<i>Total Fund Balances</i>	<u>4,733,847</u>	<u>21,540</u>	<u>2,456,286</u>	<u>7,211,673</u>
Total Liabilities and Fund Balances	<u>\$ 7,612,473</u>	<u>\$ 71,474</u>	<u>\$ 2,797,875</u>	<u>\$ 10,481,822</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002

	Police and Fire Pension	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 92,079	\$ 169,213	\$ 8,692	\$ 372,725	\$ 651,820
Taxes Receivable	633,374	-	-	-	-
Accounts Receivable	-	-	-	-	837
Due From Other Governments	-	741,467	64,992	207,599	-
Inventories	-	331,697	-	-	-
Total Assets	<u>\$ 725,453</u>	<u>\$ 1,242,377</u>	<u>\$ 73,684</u>	<u>\$ 580,324</u>	<u>\$ 652,657</u>
Liabilities and Fund Balances					
<i>Current</i>					
Accounts Payable	\$ -	\$ 39,368	\$ 7,197	\$ -	\$ 40,034
Accrued Wages and Benefits	-	38,791	3,026	-	-
Due to Other Funds	-	-	10,000	-	-
Due to Other Governments	-	3,685	287	-	-
Deferred Revenue	633,374	468,926	38,021	-	-
<i>Total Current</i>	<u>633,374</u>	<u>550,770</u>	<u>58,531</u>	<u>-</u>	<u>40,034</u>
Total Liabilities	<u>633,374</u>	<u>550,770</u>	<u>58,531</u>	<u>-</u>	<u>40,034</u>
<i>Net Assets and Other Credits</i>					
<i>Fund Balances</i>					
Reserved for:					
Inventories	-	331,697	-	-	-
Encumbrances	-	74,115	160	139,028	31,726
Unreserved:					
Undesignated, Reported in :					
Special Revenue Funds (Deficit)	92,079	285,795	14,993	441,296	580,897
<i>Total Fund Balances</i>	<u>92,079</u>	<u>691,607</u>	<u>15,153</u>	<u>580,324</u>	<u>612,623</u>
Total Liabilities and Fund Balances	<u>\$ 725,453</u>	<u>\$ 1,242,377</u>	<u>\$ 73,684</u>	<u>\$ 580,324</u>	<u>\$ 652,657</u>

Health Service	Court	Court Computer	Recycle Ohio	Youth Development	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services
\$ 1,483,070	\$ 50,506	\$ 97,160	\$ 34,364	\$ 20,954	\$ 5,364	\$ 137,596	\$ 74,680	\$ 42,456
-	-	-	-	-	-	-	-	-
13,208	-	-	-	115	-	-	-	-
1,438,564	11,240	10,997	-	-	308	17,265	151	9,919
-	-	-	-	-	-	-	-	-
<u>\$ 2,934,842</u>	<u>\$ 61,746</u>	<u>\$ 108,157</u>	<u>\$ 34,364</u>	<u>\$ 21,069</u>	<u>\$ 5,672</u>	<u>\$ 154,861</u>	<u>\$ 74,831</u>	<u>\$ 52,375</u>
\$ 7,597	\$ 1,250	\$ 2,241	\$ 11,449	\$ 234	\$ -	\$ 7,411	\$ 1,079	\$ -
60,915	-	3,916	-	-	-	-	-	2,101
14,186	-	-	-	-	-	-	-	-
115,489	-	372	-	-	-	-	-	200
1,156,653	-	-	-	-	-	-	-	-
<u>1,354,840</u>	<u>1,250</u>	<u>6,529</u>	<u>11,449</u>	<u>234</u>	<u>-</u>	<u>7,411</u>	<u>1,079</u>	<u>2,301</u>
<u>1,354,840</u>	<u>1,250</u>	<u>6,529</u>	<u>11,449</u>	<u>234</u>	<u>-</u>	<u>7,411</u>	<u>1,079</u>	<u>2,301</u>
-	-	-	-	-	-	-	-	-
122,080	-	36,515	12,806	3,498	-	-	1,457	-
1,457,922	60,496	65,113	10,109	17,337	5,672	147,450	72,295	50,074
<u>1,580,002</u>	<u>60,496</u>	<u>101,628</u>	<u>22,915</u>	<u>20,835</u>	<u>5,672</u>	<u>147,450</u>	<u>73,752</u>	<u>50,074</u>
<u>\$ 2,934,842</u>	<u>\$ 61,746</u>	<u>\$ 108,157</u>	<u>\$ 34,364</u>	<u>\$ 21,069</u>	<u>\$ 5,672</u>	<u>\$ 154,861</u>	<u>\$ 74,831</u>	<u>\$ 52,375</u>

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002

	Prisoner Housing	Local Law Enforcement Block Grant	Other	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 20,237	\$ 373,689	\$ 295,343	\$ 3,929,948
Taxes Receivable	-	-	-	633,374
Accounts Receivable	-	-	114,400	128,560
Due From Other Governments	981	-	85,411	2,588,894
Inventories	-	-	-	331,697
Total Assets	<u>\$ 21,218</u>	<u>\$ 373,689</u>	<u>\$ 495,154</u>	<u>\$ 7,612,473</u>
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ -	\$ 4,767	\$ 15,752	\$ 138,379
Accrued Wages and Benefits	-	-	1,387	110,136
Due to Other Funds	-	-	114,450	138,636
Due to Other Governments	-	-	18,468	138,501
Deferred Revenue	-	-	56,000	2,352,974
<i>Total Current</i>	<u>-</u>	<u>4,767</u>	<u>206,057</u>	<u>2,878,626</u>
Total Liabilities	<u>-</u>	<u>4,767</u>	<u>206,057</u>	<u>2,878,626</u>
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Inventories	-	-	-	331,697
Encumbrances	-	2,929	9,253	433,567
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds (Deficit)	21,218	365,993	279,844	3,968,583
<i>Total Fund Balances</i>	<u>21,218</u>	<u>368,922</u>	<u>289,097</u>	<u>4,733,847</u>
Total Liabilities and Fund Balances	<u>\$ 21,218</u>	<u>\$ 373,689</u>	<u>\$ 495,154</u>	<u>\$ 7,612,473</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2002

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 18,521	\$ -	\$ 18,521
Cash and Cash Equivalents with Fiscal Agents	3,019	-	3,019
Taxes Receivable	-	49,934	49,934
Total Assets	<u>\$ 21,540</u>	<u>\$ 49,934</u>	<u>\$ 71,474</u>
Liabilities and Fund Balances			
<i>Current</i>			
Deferred Revenue	-	49,934	\$ 49,934
<i>Total Current</i>	-	49,934	49,934
Total Liabilities	-	49,934	49,934
<i>Net Assets and Other Credits</i>			
<i>Fund Balances</i>			
Unreserved:			
Undesignated, Reported in :			
Debt Service Funds	21,540	-	21,540
<i>Total Fund Balances</i>	21,540	-	21,540
Total Liabilities and Fund Balances	<u>\$ 21,540</u>	<u>\$ 49,934</u>	<u>\$ 71,474</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2002

	Radio Communication Systems	Parking Deck Construction	Harmount Sidewalk Improvement	Traffic Signalization
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 749,939	\$ -	\$ 29,889	\$ 17,622
Total Assets	<u>\$ 749,939</u>	<u>\$ -</u>	<u>\$ 29,889</u>	<u>\$ 17,622</u>
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ 275,000	\$ -	\$ -	\$ -
<i>Total Current</i>	<u>275,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>275,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Encumbrances	448,380	-	11,971	17,018
Unreserved:				
Undesignated, Reported in :				
Capital Projects Funds	26,559	-	17,918	604
<i>Total Fund Balances</i>	<u>474,939</u>	<u>-</u>	<u>29,889</u>	<u>17,622</u>
Total Liabilities and Fund Balances	<u>\$ 749,939</u>	<u>\$ -</u>	<u>\$ 29,889</u>	<u>\$ 17,622</u>

Market Avenue Streetscape	Street & Storm Sewer Improvement	OPWC	Civic Center Improvement	Georgeview Estates	Other	Total Nonmajor Capital Projects Funds
\$ -	\$ 887,819	\$ 130,726	\$ 972,939	\$ 83	\$ 8,858	\$ 2,797,875
<u>\$ -</u>	<u>\$ 887,819</u>	<u>\$ 130,726</u>	<u>\$ 972,939</u>	<u>\$ 83</u>	<u>\$ 8,858</u>	<u>\$ 2,797,875</u>
\$ -	\$ 5,467	\$ 61,122	\$ -	\$ -	\$ -	\$ 341,589
-	5,467	61,122	-	-	-	341,589
<u>-</u>	<u>5,467</u>	<u>61,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,589</u>
-	134,436	69,582	891	-	-	682,278
-	747,916	22	972,048	83	8,858	1,774,008
-	882,352	69,604	972,939	83	8,858	2,456,286
<u>\$ -</u>	<u>\$ 887,819</u>	<u>\$ 130,726</u>	<u>\$ 972,939</u>	<u>\$ 83</u>	<u>\$ 8,858</u>	<u>\$ 2,797,875</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Taxes	\$ 521,706	\$ -	\$ -	\$ 521,706
Charges for Services	713,895	-	-	713,895
Licenses, Permits, and Fees	192,766	-	-	192,766
Fines and forfeitures	209,081	-	-	209,081
Intergovernmental	2,572,150	-	-	2,572,150
Interest	9,724	-	74,202	83,926
Operating Grants and Contributions	2,986,987	-	-	2,986,987
Capital Grants and Contributions	287,358	-	856,970	1,144,328
Rentals	29,981	-	-	29,981
Other	49,989	-	-	49,989
Total Revenues	<u>7,573,637</u>	<u>-</u>	<u>931,172</u>	<u>8,504,809</u>
Expenditures				
Current				
General Government	1,051,855	-	-	1,051,855
Security of Persons and Property	1,857,520	-	-	1,857,520
Public Health	2,416,559	-	-	2,416,559
Transportation	1,256,074	-	-	1,256,074
Community Environment	61,326	-	-	61,326
Leisure Time Activities	590	-	-	590
Capital Outlay	-	-	5,704,638	5,704,638
Debt Service				
Principal	-	2,301,815	-	2,301,815
Interest and Fiscal Charges	-	1,191,780	-	1,191,780
Total Expenditures	<u>6,643,924</u>	<u>3,493,595</u>	<u>5,704,638</u>	<u>15,842,157</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>929,713</u>	<u>(3,493,595)</u>	<u>(4,773,466)</u>	<u>(7,337,348)</u>
Other Financing Sources (Uses)				
Operating Transfers In	287,752	3,493,595	1,086,396	4,867,743
Operating Transfers Out	(556,005)	-	(847,811)	(1,403,816)
Total Other Financing Sources and Uses	<u>(268,253)</u>	<u>3,493,595</u>	<u>238,585</u>	<u>3,463,927</u>
Net Change in Fund Balance	661,460	-	(4,534,881)	(3,873,421)
<i>Fund Balance at Beginning of Year</i>	4,063,534	21,540	6,991,167	11,076,241
<i>Increase (Decrease) in Reserve for Inventory</i>	8,853	-	-	8,853
<i>Fund Balance at End of Year</i>	<u>4,733,847</u>	<u>21,540</u>	<u>2,456,286</u>	<u>7,211,673</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2002

	Police and Fire Pension	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck
Revenues					
Property and Other Taxes	\$ 521,706	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	433,674
Licenses, Permits, and Fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	60,156	2,114,928	189,467	207,599	-
Interest	-	2,244	287	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	-	-
Other	-	14,357	-	-	-
Total Revenues	<u>581,862</u>	<u>2,131,529</u>	<u>189,754</u>	<u>207,599</u>	<u>433,674</u>
Expenditures					
Current					
General Government	-	-	-	-	189,959
Security of Persons and Property	-	1,379,710	46,046	-	-
Public Health	-	-	-	-	-
Transportation	-	840,815	167,626	207,599	40,034
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,220,525</u>	<u>213,672</u>	<u>207,599</u>	<u>229,993</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>581,862</u>	<u>(88,996)</u>	<u>(23,918)</u>	<u>-</u>	<u>203,681</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	65,579	5,815	-	-
Operating Transfers Out	(523,013)	-	-	-	-
Total Other Financing Sources and Uses	<u>(523,013)</u>	<u>65,579</u>	<u>5,815</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	58,849	(23,417)	(18,103)	-	203,681
<i>Fund Balance at Beginning of Year</i>	33,230	706,171	33,256	580,324	408,942
<i>Increase (Decrease) in Reserve for Inventory</i>	-	8,853	-	-	-
Fund Balance at End of Year	<u>\$ 92,079</u>	<u>\$ 691,607</u>	<u>\$ 15,153</u>	<u>\$ 580,324</u>	<u>\$ 612,623</u>

(continued)

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2002

	Health Service	Court	Court Computer	Recycle Ohio	Youth Development
Revenues					
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	61,746	152,117	-	-
Licenses, Permits, and Fees	192,766	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Operating Grants and Contributions	2,545,191	-	-	60,173	44,918
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	-	-
Other	-	-	-	-	16,533
Total Revenues	<u>2,737,957</u>	<u>61,746</u>	<u>152,117</u>	<u>60,173</u>	<u>61,451</u>
Expenditures					
Current					
General Government	-	1,250	316,924	-	71,388
Security of Persons and Property	-	-	-	-	-
Public Health	2,416,559	-	-	-	-
Transportation	-	-	-	-	-
Community Environment	-	-	-	61,326	-
Leisure Time Activities	-	-	-	-	-
Total Expenditures	<u>2,416,559</u>	<u>1,250</u>	<u>316,924</u>	<u>61,326</u>	<u>71,388</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>321,398</u>	<u>60,496</u>	<u>(164,807)</u>	<u>(1,153)</u>	<u>(9,937)</u>
Other Financing Sources (Uses)					
Operating Transfers In	84,342	-	1,290	-	34,307
Operating Transfers Out	-	-	-	-	(32,992)
Total Other Financing Sources and Uses	<u>84,342</u>	<u>-</u>	<u>1,290</u>	<u>-</u>	<u>1,315</u>
Net Change in Fund Balance	405,740	60,496	(163,517)	(1,153)	(8,622)
<i>Fund Balance at Beginning of Year</i>	1,174,262	-	265,145	24,068	29,457
<i>Increase (Decrease) in Reserve for Inventory</i>	-	-	-	-	-
Fund Balance at End of Year	<u>\$ 1,580,002</u>	<u>\$ 60,496</u>	<u>\$ 101,628</u>	<u>\$ 22,915</u>	<u>\$ 20,835</u>

Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services	Prisoner Housing	Local Law Enforcement Block Grant	Other	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,706
-	-	-	65,363	-	-	995	713,895
-	-	-	-	-	-	-	192,766
6,016	77,769	103,592	-	12,654	-	9,050	209,081
-	-	-	-	-	-	-	2,572,150
-	-	-	-	-	5,846	1,347	9,724
-	-	-	-	-	-	336,705	2,986,987
-	-	-	-	-	122,958	164,400	287,358
-	-	-	-	-	-	29,981	29,981
14,427	-	-	-	-	-	4,672	49,989
<u>20,443</u>	<u>77,769</u>	<u>103,592</u>	<u>65,363</u>	<u>12,654</u>	<u>128,804</u>	<u>547,150</u>	<u>7,573,637</u>
-	44,314	-	64,311	13,000	4,767	345,942	1,051,855
44,537	-	43,667	-	-	141,214	202,346	1,857,520
-	-	-	-	-	-	-	2,416,559
-	-	-	-	-	-	-	1,256,074
-	-	-	-	-	-	-	61,326
-	-	-	-	-	-	590	590
<u>44,537</u>	<u>44,314</u>	<u>43,667</u>	<u>64,311</u>	<u>13,000</u>	<u>145,981</u>	<u>548,878</u>	<u>6,643,924</u>
<u>(24,094)</u>	<u>33,455</u>	<u>59,925</u>	<u>1,052</u>	<u>(346)</u>	<u>(17,177)</u>	<u>(1,728)</u>	<u>929,713</u>
-	-	-	605	-	13,662	82,152	287,752
-	-	-	-	-	-	-	(556,005)
-	-	-	<u>605</u>	-	<u>13,662</u>	<u>82,152</u>	<u>(268,253)</u>
(24,094)	33,455	59,925	1,657	(346)	(3,515)	80,424	661,460
29,766	113,995	13,827	48,417	21,564	372,437	208,673	4,063,534
-	-	-	-	-	-	-	8,853
<u>\$ 5,672</u>	<u>\$ 147,450</u>	<u>\$ 73,752</u>	<u>\$ 50,074</u>	<u>\$ 21,218</u>	<u>\$ 368,922</u>	<u>\$ 289,097</u>	<u>\$ 4,733,847</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
December 31, 2002

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues	\$ -	\$ -	\$ -
Expenditures			
Debt Service			
Principal	2,301,815	-	2,301,815
Interest and Fiscal Charges	1,191,780	-	1,191,780
Total Expenditures	<u>3,493,595</u>	<u>-</u>	<u>3,493,595</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(3,493,595)</u>	<u>-</u>	<u>(3,493,595)</u>
Other Financing Sources (Uses)			
Operating Transfers In	3,493,595	-	3,493,595
Total Other Financing Sources and Uses	<u>3,493,595</u>	<u>-</u>	<u>3,493,595</u>
Net Change in Fund Balance	-	-	-
<i>Fund Balance at Beginning of Year</i>	21,540	-	21,540
<i>Fund Balance at End of Year</i>	<u>\$ 21,540</u>	<u>\$ -</u>	<u>\$ 21,540</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
December 31, 2002

	Radio Communication Systems	Parking Deck Construction	Harmount Sidewalk Improvement	Traffic Signalization	Market Avenue Streetscape
Revenues					
Interest	49,756	-	939	438	3,981
Capital Grants and Contributions	-	-	247,440	-	-
Total Revenues	<u>49,756</u>	<u>-</u>	<u>248,379</u>	<u>438</u>	<u>3,981</u>
Expenditures					
Current					
Capital Outlay	3,960,000	-	14,733	38,847	-
Total Expenditures	<u>3,960,000</u>	<u>-</u>	<u>14,733</u>	<u>38,847</u>	<u>-</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(3,910,244)</u>	<u>-</u>	<u>233,646</u>	<u>(38,409)</u>	<u>3,981</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	9,468	-
Operating Transfers Out	-	(452)	(272,539)	-	(291,408)
Total Other Financing Sources and Uses	<u>-</u>	<u>(452)</u>	<u>(272,539)</u>	<u>9,468</u>	<u>(291,408)</u>
Net Change in Fund Balance	(3,910,244)	(452)	(38,893)	(28,941)	(287,427)
<i>Fund Balance at Beginning of Year</i>	4,385,183	452	68,782	46,563	287,427
<i>Fund Balance at End of Year</i>	<u>\$ 474,939</u>	<u>\$ -</u>	<u>\$ 29,889</u>	<u>\$ 17,622</u>	<u>\$ -</u>

(continued)

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
December 31, 2002

	Street & Storm Sewer Improvement	OPWC	Civic Center Improvement	Georgeview Estates	Other	Total Nonmajor Capital Projects Funds
Revenues						
Interest	\$ 2,050	\$ -	\$ 17,038	\$ -	\$ -	\$ 74,202
Capital Grants and Contributions	-	609,530	-	-	-	856,970
Total Revenues	<u>2,050</u>	<u>609,530</u>	<u>17,038</u>	<u>-</u>	<u>-</u>	<u>931,172</u>
Expenditures						
Current						
Capital Outlay	265,207	1,125,782	12,901	-	287,168	5,704,638
Total Expenditures	<u>265,207</u>	<u>1,125,782</u>	<u>12,901</u>	<u>-</u>	<u>287,168</u>	<u>5,704,638</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(263,157)</u>	<u>(516,252)</u>	<u>4,137</u>	<u>-</u>	<u>(287,168)</u>	<u>(4,773,466)</u>
Other Financing Sources (Uses)						
Operating Transfers In	957,928	119,000	-	-	-	1,086,396
Operating Transfers Out	(147,815)	(131,530)	-	(414)	(3,653)	(847,811)
Total Other Financing Sources and Uses	<u>810,113</u>	<u>(12,530)</u>	<u>-</u>	<u>(414)</u>	<u>(3,653)</u>	<u>238,585</u>
Net Change in Fund Balance	546,956	(528,782)	4,137	(414)	(290,821)	(4,534,881)
<i>Fund Balance at Beginning of Year</i>	<u>335,396</u>	<u>598,386</u>	<u>968,802</u>	<u>497</u>	<u>299,679</u>	<u>6,991,167</u>
<i>Fund Balance at End of Year</i>	<u>\$ 882,352</u>	<u>\$ 69,604</u>	<u>\$ 972,939</u>	<u>\$ 83</u>	<u>\$ 8,858</u>	<u>\$ 2,456,286</u>

Combining Statements-Fiduciary Funds

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

Nonexpendable Trust Fund-Private Purpose Trust

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

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

Agency Funds

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

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

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

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.

Other Agency Funds To account for various receipts and disbursements which includes monies received from patrons for Civic Center events, which are not disbursed in full until the completion of the event.

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the Year Ended December 31, 2002

	Balance 01/01/02	Additions	Reductions	Balance 12/31/02
<i>Building Escrow</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 100,612	\$ 122,524	\$ 104,660	\$ 118,476
Liabilities				
Deposits Held and Due to Others	\$ 100,612	\$ 122,524	\$ 104,660	\$ 118,476
<i>Payroll Clearing</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,776,872	\$ 11,622,134	\$ 11,642,099	\$ 1,756,907
Liabilities				
Due to Other Governments	\$ 1,776,872	\$ 11,622,134	\$ 11,642,099	\$ 1,756,907
<i>Auditors Transfer</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 167,572	\$ 167,558	\$ 14
Cash and Cash Equivalents in Segregated Accounts	840	2,340	2,250	930
Total Assets	\$ 840	\$ 169,912	\$ 169,808	\$ 944
Liabilities				
Deposits Held and Due to Others	\$ 840	\$ 169,912	\$ 169,808	\$ 944
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$ 82,610	\$ 6,083,325	\$ 6,086,425	\$ 79,510
Liabilities				
Deposits Held and Due to Others	\$ 82,610	\$ 6,083,325	\$ 6,086,425	\$ 79,510
<i>Other Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 39	\$ 135,362	\$ 135,159	\$ 242
Liabilities				
Undistributed Assets	\$ 39	\$ 135,362	\$ 135,159	\$ 242

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (continued)
For the Year Ended December 31, 2002

	Balance 01/01/02	Additions	Reductions	Balance 12/31/02
All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,877,523	\$ 12,047,592	\$ 12,049,476	\$ 1,875,639
Cash and Cash Equivalents in Segregated Accounts	83,450	6,085,665	6,088,675	80,440
Total Assets	<u>\$ 1,960,973</u>	<u>\$ 18,133,257</u>	<u>\$ 18,138,151</u>	<u>\$ 1,956,079</u>
Liabilities				
Undistributed Assets	\$ 1,960,133	\$ 17,963,345	\$ 17,968,343	\$ 1,955,135
Deposits Held and Due to Others	840	169,912	169,808	944
Total Liabilities	<u>\$ 1,960,973</u>	<u>\$ 18,133,257</u>	<u>\$ 18,138,151</u>	<u>\$ 1,956,079</u>

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

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 2,817,520	\$ 2,817,520	\$ -
Municipal Income Tax	29,176,351	29,062,117	(114,234)
Charges for Services	7,039,630	7,094,884	55,254
Licenses, Permits and Fees	895,837	891,683	(4,154)
Fines and Forfeitures	432,481	432,688	207
Intergovernmental	6,931,706	6,923,437	(8,269)
Operating Grants	181,974	181,887	(87)
Interest	868,972	866,908	(2,064)
Rentals	112,885	112,695	(190)
Other	565,036	590,200	25,164
Total Revenue	49,022,392	48,974,019	(48,373)
Expenditures			
Current:			
General Governmental:			
<i>Service Director-Support Administration :</i>			
Personal Services	19,950	18,974	976
Materials and Supplies	12,676	11,940	736
Contractual Services	168,369	140,014	28,355
Other	72,393	71,637	756
Total Service Director-Support Administration	273,388	242,565	30,823
<i>Service Director-Service Director Administration:</i>			
Personal Services	1,123,509	783,120	340,389
Materials and Supplies	4,400	-	4,400
Contractual Services	30,098	22,263	7,835
Other	3,000	-	3,000
Total Service Director-Service Director Admin	1,161,007	805,383	355,624
<i>Service Director-Purchase Administration:</i>			
Personal Services	309,002	298,743	10,259
Materials and Supplies	213,964	199,987	13,977
Contractual Services	9,419	8,885	534
Other	850	850	-
Total Service Director-Purchase Administration	533,235	508,465	24,770
<i>Service Director-Annexation:</i>			
Personal Services	9,520	9,488	32
Materials and Supplies	2,600	1,062	1,538
Contractual Services	6,650	3,300	3,350
Total Service Director-Annexation	18,770	13,850	4,920
<i>Building and Maintenance-Other Building:</i>			
Personal Services	841,101	827,468	13,633
Materials and Supplies	55,539	48,564	6,975
Contractual Services	306,853	268,406	38,447
Capital Outlay	1,000	-	1,000
Other	4,045	2,500	1,545
Total Building and Maintenance-Other Building	1,208,538	1,146,938	61,600
<i>Total Income Tax-Income Tax Administration</i>			
Personal Services	1,028,128	957,044	71,084
Materials and Supplies	88,335	84,203	4,132
Contractual Services	133,181	118,583	14,598
Capital Outlay	3,644	-	3,644
Other	99,426	98,351	1,075
Total Income Tax - Income Tax Administration	\$ 1,352,714	\$ 1,258,181	\$ 94,533

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Mayor - Administration</i>			
Personal Services	\$ 529,145	\$ 526,999	\$ 2,146
Materials and Supplies	1,600	1,418	182
Contractual Services	13,780	11,948	1,832
Other	2,172	2,172	-
<i>Total Mayor-Mayor Administration</i>	<u>546,697</u>	<u>542,537</u>	<u>4,160</u>
<i>Mayor-Human Resources Administration:</i>			
Personal Services	221,447	214,730	6,717
Materials and Supplies	3,255	2,872	383
Contractual Services	33,633	18,100	15,533
Other	175	175	-
<i>Total Mayor-Human Resources Administration</i>	<u>258,510</u>	<u>235,877</u>	<u>22,633</u>
<i>Mayor-Word Processing Administration:</i>			
Personal Services	195,831	192,921	2,910
<i>Total Mayor-Word Processing Administration</i>	<u>195,831</u>	<u>192,921</u>	<u>2,910</u>
<i>Mayor-Youth Development Administration:</i>			
Personal Services	202,472	201,043	1,429
Materials and Supplies	1,190	930	260
Contractual Services	24,655	21,271	3,384
Other	485	410	75
<i>Total Mayor-Youth Development Administration</i>	<u>228,802</u>	<u>223,654</u>	<u>5,148</u>
<i>Council-Council Administration:</i>			
Personal Services	570,315	569,633	682
Materials and Supplies	1,784	1,077	707
Contractual Services	26,956	24,929	2,027
<i>Total Council-Council Administration</i>	<u>599,055</u>	<u>595,639</u>	<u>3,416</u>
<i>Courts/Judge-Judge Administration:</i>			
Personal Services	1,429,768	1,402,511	27,257
Materials and Supplies	33,187	32,381	806
Contractual Services	33,780	31,124	2,656
Capital Outlay	1,788	1,788	-
Other	5,401	4,256	1,145
<i>Total Courts/Judge-Judge Administration</i>	<u>1,503,924</u>	<u>1,472,060</u>	<u>31,864</u>
<i>Judge Administration-Financial Responsibility:</i>			
Personal Services	16,366	15,068	1,298
<i>Total Judge Administration-Financial Responsibility</i>	<u>16,366</u>	<u>15,068</u>	<u>1,298</u>
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personal Services	1,112,633	1,096,236	16,397
Materials and Supplies	73,549	50,777	22,772
Contractual Services	48,365	36,684	11,681
Other	5,961	4,611	1,350
<i>Total Courts/Clerk-Clerk of Courts Admin</i>	<u>1,240,508</u>	<u>1,188,308</u>	<u>52,200</u>
<i>Law Director-Law Administration:</i>			
Personal Services	1,160,520	1,140,532	19,988
Materials and Supplies	17,794	11,259	6,535
Contractual Services	109,167	90,087	19,080
Other	31,955	20,840	11,115
<i>Total Law Director-Law Administration</i>	<u>\$ 1,319,436</u>	<u>\$ 1,262,718</u>	<u>\$ 56,718</u>

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Law Director-Police Settlement</i>			
Legal Claims	\$ 102,600	\$ 102,600	\$ -
<i>Total Law Director-Police Settlement</i>	<u>102,600</u>	<u>102,600</u>	<u>-</u>
<i>Auditor-Auditor Administration:</i>			
Personal Services	979,249	979,248	1
Materials and Supplies	42,853	41,438	1,415
Contractual Services	526,137	523,965	2,172
Other	85,756	6,374	79,382
<i>Total Auditor-Auditor Administration</i>	<u>1,633,995</u>	<u>1,551,025</u>	<u>82,970</u>
<i>Treasurer- Administration & Operations:</i>			
Personal Services	235,155	234,512	643
Materials and Supplies	297	295	2
Contractual Services	8,707	7,907	800
Other	150	150	-
<i>Total Treasurer-Operations</i>	<u>244,309</u>	<u>242,864</u>	<u>1,445</u>
<i>Board of Commission-Civil Service:</i>			
Personal Services	227,025	221,527	5,498
Materials and Supplies	2,600	886	1,714
Contractual Services	36,228	16,558	19,670
Capital Outlay	1,600	1,076	524
Other	800	-	800
<i>Total Board of Commission-Civil Service</i>	<u>268,253</u>	<u>240,047</u>	<u>28,206</u>
<i>Board of Commission-Zoning Board:</i>			
Personal Services	9,035	8,564	471
<i>Total Board of Commission-Zoning Board</i>	<u>9,035</u>	<u>8,564</u>	<u>471</u>
<i>Motor Vehicle-Administration:</i>			
Personal Services	142,658	141,114	1,544
Materials and Supplies	1,130	-	1,130
Contractual Services	125,922	117,054	8,868
Capital Outlay	1,000	-	1,000
Other	200	6	194
<i>Total Motor Vehicle-Administration</i>	<u>270,910</u>	<u>258,174</u>	<u>12,736</u>
<i>Motor Vehicle-Service and Repair:</i>			
Personal Services	995,744	970,690	25,054
Materials and Supplies	913,638	823,180	90,458
Contractual Services	109,417	92,708	16,709
Capital Outlay	2,372	2,372	-
Other	9,693	9,062	631
<i>Total Motor Vehicle-Service and Repair</i>	<u>2,030,864</u>	<u>1,898,012</u>	<u>132,852</u>
<i>Insurance:</i>			
Personal Services	106,355	104,892	1,463
Materials and Supplies	120	118	2
Contractual Services	76,000	41,878	34,122
Other	152,471	141,426	11,045
<i>Total Insurance</i>	<u>\$ 334,946</u>	<u>\$ 288,314</u>	<u>\$ 46,632</u>
			(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Management Information Systems:</i>			
Personal Services	\$ 1,159,701	\$ 1,129,265	\$ 30,436
Materials and Supplies	64,982	33,018	31,964
Contractual Services	364,394	307,766	56,628
Capital Outlay	14,500	2,083	12,417
Other	5,294	4,989	305
<i>Total Management Information Systems</i>	<u>1,608,871</u>	<u>1,477,121</u>	<u>131,750</u>
Total General Government	<u>16,960,564</u>	<u>15,770,885</u>	<u>1,189,679</u>
Security of Persons and Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personal Services	267,126	266,603	523
Materials and Supplies	257	157	100
Contractual Services	15,775	13,019	2,756
Capital Outlay	300	-	300
Other	521	347	174
<i>Total Safety Director-Safety Director Admin</i>	<u>283,979</u>	<u>280,126</u>	<u>3,853</u>
<i>Safety Director-Code Enforcement Admin:</i>			
Personal Services	919,515	911,439	8,076
Materials and Supplies	23,887	20,902	2,985
Contractual Services	84,700	74,914	9,786
Other	5,696	4,758	938
<i>Total Safety Director-Code Enforcement Admin</i>	<u>1,033,798</u>	<u>1,012,013</u>	<u>21,785</u>
<i>Safety Director-School Police Administration:</i>			
Personal Services	380,031	377,071	2,960
Materials and Supplies	1,501	1,500	1
<i>Total Safety Director-School Police Admin</i>	<u>381,532</u>	<u>378,571</u>	<u>2,961</u>
<i>Safety Director-Central Communication Admin:</i>			
Salaries and Wages	794,830	789,865	4,965
Materials and Supplies	2,288	425	1,863
Contractual Services	12,010	9,522	2,488
Capital Outlay	1,292	-	1,292
<i>Total Safety Director-Central Communication Admin</i>	<u>810,420</u>	<u>799,812</u>	<u>10,608</u>
<i>Police Administration:</i>			
Personal Services	14,963,697	14,625,118	338,579
Materials and Supplies	50,720	45,852	4,868
Contractual Services	355,870	326,291	29,579
Other	40,350	34,229	6,121
<i>Total Police Administration</i>	<u>15,410,637</u>	<u>15,031,490</u>	<u>379,147</u>
<i>Fire Administration:</i>			
Personal Services	13,005,255	12,989,480	15,775
Materials and Supplies	129,086	115,903	13,183
Contractual Services	272,873	258,381	14,492
Other	31,704	27,815	3,889
<i>Total Fire Administration</i>	<u>13,438,918</u>	<u>13,391,579</u>	<u>47,339</u>
<i>Traffic Divisions-Fire Alarm Maintenance:</i>			
Materials and Supplies	5,647	1,810	3,837
<i>Total Traffic Divisions-Fire Alarm Maintenance</i>	<u>\$ 5,647</u>	<u>\$ 1,810</u>	<u>\$ 3,837</u>

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Traffic Divisions-Traffic Engineer/Parking Meter:</i>			
Personal Services	\$ 131,763	\$ 130,001	\$ 1,762
Materials and Supplies	12,232	11,319	913
Contractual Services	2,879	2,854	25
Other	870	854	16
<i>Total Traffic Divisions-Traffic Engineer/Parking Meter</i>	<u>147,744</u>	<u>145,028</u>	<u>2,716</u>
Total Security of Persons and Property	<u>31,512,675</u>	<u>31,040,429</u>	<u>472,246</u>
Public Health:			
<i>Health Administration:</i>			
Personal Services	283,490	282,989	501
Materials and Supplies	24,588	19,808	4,780
Contractual Services	133,102	122,347	10,755
Capital Outlay	2,000	-	2,000
Other	113,484	107,580	5,904
<i>Total Health Administration</i>	<u>556,664</u>	<u>532,724</u>	<u>23,940</u>
<i>Health-Nurses:</i>			
Personal Services	665,667	646,921	18,746
Materials and Supplies	24,785	22,190	2,595
Contractual Services	2,884	2,132	752
Other	3,892	1,362	2,530
<i>Total Health-Nurses</i>	<u>697,228</u>	<u>672,605</u>	<u>24,623</u>
<i>Health-Lab:</i>			
Personal Services	148,449	128,413	20,036
Materials and Supplies	29,703	27,798	1,905
Contractual Services	9,057	6,847	2,210
Capital Outlay	700	-	700
Other	1,000	249	751
<i>Total Health-Lab</i>	<u>188,909</u>	<u>163,307</u>	<u>25,602</u>
<i>Health-Environmental Health Administration:</i>			
Personal Services	653,445	632,636	20,809
Materials and Supplies	3,230	2,099	1,131
Contractual Services	6,143	1,581	4,562
Other	2,012	1,205	807
<i>Total Health-Environmental Health Administration</i>	<u>664,830</u>	<u>637,521</u>	<u>27,309</u>
Total Public Health	<u>2,107,631</u>	<u>2,006,157</u>	<u>101,474</u>
Transportation:			
<i>Engineering-Daily Operations:</i>			
Personal Services	201,601	191,078	10,523
Materials and Supplies	348	144	204
Contractual and Services	2,902	2,665	237
Other	64	64	-
<i>Total Engineering-Daily Operations</i>	<u>204,915</u>	<u>193,951</u>	<u>10,964</u>
<i>Street-Maintenance:</i>			
Personal Services	1,293,986	1,276,052	17,934
Materials and Supplies	224,595	187,190	37,405
Contractual Services	774,259	771,314	2,945
Other	8,726	8,726	-
<i>Total Street-Maintenance</i>	<u>2,301,566</u>	<u>2,243,282</u>	<u>58,284</u>
Total Transportation	<u>\$ 2,506,481</u>	<u>\$ 2,437,233</u>	<u>\$ 69,248</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Leisure Time Activities:			
<i>Park Division-Park Administration:</i>			
Personal Services	\$ 1,076,738	\$ 1,044,193	\$ 32,545
Materials and Supplies	35,706	31,988	3,718
Contractual Services	47,892	38,614	9,278
Capital Outlay	1,000	-	1,000
Other	9,463	8,078	1,385
<i>Total Park Division-Park Administration</i>	<u>1,170,799</u>	<u>1,122,873</u>	<u>47,926</u>
<i>Park Division-Police:</i>			
Personal Services	70,469	68,776	1,693
Materials and Supplies	381	-	381
Contractual Services	1,120	733	387
Other	400	-	400
<i>Total Park Division-Police</i>	<u>72,370</u>	<u>69,509</u>	<u>2,861</u>
<i>Mayor-Baseball:</i>			
Personal Services	41,553	40,783	770
Materials and Supplies	14,905	13,538	1,367
Contractual Services	51,423	48,971	2,452
Other	147	-	147
<i>Total Mayor-Baseball</i>	<u>108,028</u>	<u>103,292</u>	<u>4,736</u>
<i>Civic Center-Civic Center Administration:</i>			
Personal Services	757,240	723,942	33,298
Materials and Supplies	80,513	76,514	3,999
Contractual Services	271,175	247,757	23,418
Capital Outlay	1,760	-	1,760
Other	5,332	4,886	446
<i>Total Civic Center-Civic Center Administration</i>	<u>1,116,020</u>	<u>1,053,099</u>	<u>62,921</u>
Total Leisure Time Activities	<u>2,467,217</u>	<u>2,348,773</u>	<u>118,444</u>
Total Expenditures	<u>55,554,568</u>	<u>53,603,477</u>	<u>1,951,091</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,532,176)</u>	<u>(4,629,458)</u>	<u>1,902,718</u>
<i>Other Financing Sources (Uses)</i>			
Sale of Fixed Assets	-	12	12
Advances In	440,000	437,301	(2,699)
Advances Out	(42,140)	(35,407)	6,733
Operating Transfers In	1,232,052	1,329,771	97,719
Operating Transfers Out	(290,543)	(286,943)	3,600
<i>Total Other Financing Sources</i>	<u>1,339,369</u>	<u>1,444,734</u>	<u>105,365</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(5,192,807)</u>	<u>(3,184,724)</u>	<u>2,008,083</u>
<i>Fund Balances Beginning of Year</i>	<u>7,235,328</u>	<u>7,235,328</u>	<u>-</u>
<i>Unexpended Prior Year Encumbrances</i>	<u>312,260</u>	<u>312,260</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,354,781</u>	<u>\$ 4,362,864</u>	<u>\$ 2,008,083</u>

City of Canton, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Community and Economic Development Fund
For the Year Ended December 31, 2002*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 11,900,000	\$ 5,029,607	\$ (6,870,393)
Interest	-	1,979	1,979
Other	1,300,000	1,165,311	(134,689)
<i>Total Revenues</i>	<u>13,200,000</u>	<u>6,196,897</u>	<u>(7,003,103)</u>
Expenditures			
Current:			
Community Environment:			
Community Development Administration:			
Personnel Costs	1,523,661	1,347,473	176,188
Materials and Supplies	39,968	12,664	27,304
Contractual Services	3,573,015	2,158,774	1,414,241
Capital Outlay	1,093,650	800,507	293,143
Other	4,942,493	2,076,349	2,866,144
<i>Total Community Development Administration</i>	<u>11,172,787</u>	<u>6,395,767</u>	<u>4,777,020</u>
Community Development Planning:			
Contractual Services	24,685	10,277	14,408
<i>Total Community Environment</i>	<u>11,197,472</u>	<u>6,406,044</u>	<u>4,791,428</u>
Debt Service:			
Principal Retirement	335,000	335,000	-
Interest and Fiscal Charges	337,000	322,700	14,300
<i>Total Debt Service</i>	<u>672,000</u>	<u>657,700</u>	<u>14,300</u>
<i>Total Expenditures</i>	<u>11,869,472</u>	<u>7,063,744</u>	<u>4,805,728</u>
Excess of Revenues Over (Under) Expenditures	1,330,528	(866,847)	(2,197,375)
Other Financing Sources			
Transfers In	1,979	38,880	36,901
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	1,332,507	(827,967)	(2,160,474)
<i>Fund Balance (Deficit) Beginning of Year</i>	(1,657,957)	(1,657,957)	-
Unexpended Prior Year Encumbrances	739,795	739,795	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 414,345</u>	<u>\$ (1,746,129)</u>	<u>\$ (2,160,474)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Capital Projects Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 7,402,475	\$ 7,401,899	\$ (576)
Intergovernmental	-	134,721	134,721
Rentals	18,850	19,750	900
Other	-	79,104	79,104
Proceeds of Loans	476,950	-	(476,950)
Total Revenues	7,898,275	7,635,474	(262,801)
Expenditures			
Capital Outlay:			
Safety Director:			
Safety Director Administration	1,000	1,000	-
Communication System Bond	968,432	940,504	27,928
Code Enforcement Administration	18,990	18,496	494
Police Department-Police Administration	153,938	110,836	43,102
Fire Department-Fire Administration	85,535	67,050	18,485
Traffic Divisions:			
Traffic Divisions-Engineer Administration	24,832	15,764	9,068
Traffic Sign and Paint	9,000	8,499	501
Traffic Engineer/Parking Meter	15,000	14,877	123
Service Director:			
General Government-Support Administration	114,408	96,839	17,569
Service Director Administration	602,073	548,325	53,748
Engineering Administration	1,747,214	870,141	877,073
Engineering - 12th St./13th St. NW Connector	133,722	63,252	70,470
Engineering - 1051 35th St. Reconstruction	549,150	357,514	191,636
Engineering - 1054 Baldwin Ave. N.E. Improvement	280,000	271,019	8,981
Engineering - 1068 Pro Football HOF Drive	10,336	2,459	7,877
Engineering - 1063 11th-13th St. Sewer Project	228,200	207,977	20,223
Engineering - 1069 Royal & 23rd St. N.E. Project	10,203	5,203	5,000
Street Administration	111,190	73,585	37,605
Street Paving	1,361,803	1,272,906	88,897
Street Guardrail/Attenuator Replacement	25,000	6,932	18,068
Civic Center Administration	14,500	8,743	5,757
Southeast Community Center Maintenance	19,000	5,039	13,961
Other Building	190,800	100,920	89,880
Health:			
Health Administration	10,000	7,500	2,500
Park Division:			
Park Administration	181,788	166,393	15,395

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Capital Projects Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Mayor:			
Mayor Administration	\$ 2,000	\$ 1,495	\$ 505
Human Resources Administration	3,500	3,424	76
Youth Development Administration	39,280	24,326	14,954
Baseball Stadium	81,213	4,813	76,400
Management Information Systems:			
Systems	169,967	135,893	34,074
Council:			
Council Administration	14,482	13,920	562
Judges:			
Judge Administration	29,350	24,307	5,043
Court-Clerks:			
Clerk of Courts Administration	47,522	33,203	14,319
Law Director:			
Law Administration	13,750	13,606	144
Auditor:			
Auditor Administration	234,331	233,927	404
Income Tax:			
Income Tax Administration	75,398	-	75,398
Board and Commissions			
Civil Services	29,000	8,380	20,620
Total Expenditures	7,605,907	5,739,067	1,866,840
Excess of Revenues Over Expenditures	292,368	1,896,407	1,604,039
Other Financing Sources (Uses)			
Sale of Fixed Assets	498,000	488,809	(9,191)
Advances Out	(540,530)	(540,530)	-
Transfer In	525,000	876,811	351,811
Transfers Out	(3,516,077)	(3,405,078)	110,999
Total Other Financing (Uses)	(3,033,607)	(2,579,988)	453,619
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(2,741,239)	(683,581)	2,057,658
Fund Balance Beginning of Year	2,591,731	2,591,731	-
Unexpended Prior Year Encumbrances	155,270	155,270	-
Fund Balance End of Year	\$ 5,762	\$ 2,063,420	\$ 2,057,658

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Motor Vehicle Purchase Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 1,884,000	\$ 1,850,474	\$ (33,526)
Rentals	8,000	9,675	1,675
Other	13,000	14,283	1,283
<i>Total Revenues</i>	<u>1,905,000</u>	<u>1,874,432</u>	<u>(30,568)</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Code Enforcement Administration	68,462	65,292	3,170
Central Communication Administration	169,715	169,715	-
Police Department-Police Administration	284,563	280,485	4,078
Fire Department-Fire Administration	781,690	781,590	100
Traffic Divisions-Engineer Administration	7,157	7,157	-
Service Director:			
Engineering Administration	26,657	26,657	-
Civic Center Administration	195,041	181,091	13,950
Building Maintenance Administration	6,500	6,500	-
Motor Vehicle Administration	6,500	6,500	-
Health:			
Health Administration	23,060	23,060	-
Nurses	7,157	7,157	-
Environmental Health Administration	7,157	7,157	-
Park Division:			
Park Administration	168,060	168,060	-
Mayor:			
Youth Development Administration	3,034	3,034	-
Management Information Systems:			
MIS Administration	7,589	7,589	-
Council:			
Council Administration	7,157	7,157	-
Judges:			
Judge Administration	9,581	9,580	1
<i>Total Expenditures</i>	<u>\$ 1,779,080</u>	<u>\$ 1,757,781</u>	<u>\$ 21,299</u> (continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Motor Vehicle Purchase Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Excess of Revenues Over Expenditures	\$ 125,920	\$ 116,651	\$ (9,269)
Other Financing Sources (Uses)			
Sale of Fixed Assets	-	24,200	24,200
Transfer Out	(666,743)	(665,562)	1,181
<i>Total Other Financing Sources (Uses)</i>	<u>(666,743)</u>	<u>(641,362)</u>	<u>25,381</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(540,823)	(524,711)	16,112
<i>Fund Balance Beginning of Year</i>	549,698	549,698	-
Unexpended Prior Year Encumbrances	3,527	3,527	-
<i>Fund Balance End of Year</i>	<u>\$ 12,402</u>	<u>\$ 28,514</u>	<u>\$ 16,112</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 11,499,352	\$ 11,780,593	\$ 281,241
Interest	4,000	7,152	3,152
Proceeds of Loans	5,934,036	4,012,906	(1,921,130)
Rentals	-	53,502	53,502
Other	356,968	317,194	(39,774)
<i>Total Revenues</i>	<u>17,794,356</u>	<u>16,171,347</u>	<u>(1,623,009)</u>
Expenses			
Personnel Costs	5,576,504	5,350,027	226,477
Material and Supplies	1,360,973	1,144,718	216,255
Contractual Services	2,227,111	2,062,343	164,768
Capital Outlay	4,715,948	3,975,568	740,380
Claims	42,600	27,114	15,486
Other	161,034	107,791	53,243
Debt Service:			
Principal Retirement	1,112,640	1,110,822	1,818
Interest and Fiscal Charges	856,814	856,814	-
<i>Total Expenses</i>	<u>16,053,624</u>	<u>14,635,197</u>	<u>1,418,427</u>
Excess of Revenues Over Expenses	1,740,732	1,536,150	(204,582)
Other Financing Sources (Uses)			
Sale of Fixed Assets	-	224,922	224,922
Transfers In	-	174,502	174,502
Transfers Out	(1,818)	-	1,818
<i>Total Other Financing Sources (Uses)</i>	<u>(1,818)</u>	<u>399,424</u>	<u>401,242</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	1,738,914	1,935,574	196,660
<i>Fund Equity Beginning of Year</i>	913,732	913,732	-
Unexpended Prior Year Encumbrances	337,151	337,151	-
<i>Fund Equity End of Year</i>	<u>\$ 2,989,797</u>	<u>\$ 3,186,457</u>	<u>\$ 196,660</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 10,335,000	\$ 10,271,313	\$ (63,687)
Intergovernmental	107,900	3,433	(104,467)
Proceeds of Loans	1,957,199	222,162	(1,735,037)
Rentals	14,175	34,590	20,415
Other	111,655	1,111,463	999,808
<i>Total Revenues</i>	<u>12,525,929</u>	<u>11,642,961</u>	<u>(882,968)</u>
Expenses			
Personnel Costs	4,073,859	3,928,515	145,344
Material and Supplies	794,368	513,173	281,195
Contractual Services	3,064,773	2,608,430	456,343
Capital Outlay	4,629,534	3,498,176	1,131,358
Claims	19,561	8,266	11,295
Other	57,959	31,937	26,022
Debt Service:			
Principal Retirement	1,849,304	1,834,386	14,918
Interest and Fiscal Charges	756,433	748,284	8,149
<i>Total Expenses</i>	<u>15,245,791</u>	<u>13,171,167</u>	<u>2,074,624</u>
Excess of Revenues (Under) Expenses	(2,719,862)	(1,528,206)	1,191,656
Other Financing Sources (Uses)			
Sale of Fixed Assets	-	102,181	102,181
Transfers In	102,214	143,156	40,942
Transfers Out	(935,382)	-	935,382
<i>Total Other Financing Sources (Uses)</i>	<u>(833,168)</u>	<u>245,337</u>	<u>1,078,505</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(3,553,030)	(1,282,869)	2,270,161
<i>Fund Equity Beginning of Year</i>	7,601,723	7,601,723	-
Unexpended Prior Year Encumbrances	374,293	374,293	-
<i>Fund Equity End of Year</i>	<u>\$ 4,422,986</u>	<u>\$ 6,693,147</u>	<u>\$ 2,270,161</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Refuse Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 4,200,000	\$ 4,235,818	\$ 35,818
Intergovernmental	-	8,040	8,040
Rentals	16,676	19,069	2,393
Other	-	10	10
<i>Total Revenues</i>	<u>4,216,676</u>	<u>4,262,937</u>	<u>46,261</u>
Expenses			
Personnel Costs	2,792,198	2,682,223	109,975
Material and Supplies	62,591	52,027	10,564
Contractual Services	1,444,094	1,343,338	100,756
Capital Outlay	199,337	162,757	36,580
Claims	5,400	2,755	2,645
Other	16,670	15,561	1,109
<i>Total Expenses</i>	<u>4,520,290</u>	<u>4,258,661</u>	<u>261,629</u>
Excess of Revenues Over (Under) Expenses	(303,614)	4,276	307,890
Other Financing Sources (Uses)			
Sale of Fixed Assets	-	71,329	71,329
Transfers In	103,324	103,324	-
<i>Total Other Financing Sources (Uses)</i>	<u>103,324</u>	<u>174,653</u>	<u>71,329</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(200,290)	178,929	379,219
<i>Fund Equity Beginning of Year</i>	651,690	651,690	-
Unexpended Prior Year Encumbrances	76,001	76,001	-
<i>Fund Equity End of Year</i>	<u>\$ 527,401</u>	<u>\$ 906,620</u>	<u>\$ 379,219</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 550,000	\$ 521,706	\$ (28,294)
Intergovernmental	58,000	60,156	2,156
<i>Total Revenues</i>	<u>608,000</u>	<u>581,862</u>	<u>(26,138)</u>
Expenditures	-	-	-
Excess of Revenues Over Expenditures	608,000	581,862	(26,138)
Other Financing (Uses)			
Transfers Out	<u>(523,013)</u>	<u>(523,013)</u>	<u>-</u>
Excess of Revenues Over Expenditures and Other Financing (Uses)	84,987	58,849	(26,138)
<i>Fund Balance Beginning of Year</i>	33,230	33,230	-
<i>Fund Balance End of Year</i>	<u><u>\$ 118,217</u></u>	<u><u>\$ 92,079</u></u>	<u><u>\$ (26,138)</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 2,244,000	\$ 2,156,251	\$ (87,749)
Interest	16,000	2,900	(13,100)
Other	159	14,391	14,232
<i>Total Revenues</i>	<u>2,260,159</u>	<u>2,173,542</u>	<u>(86,617)</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Engineer Administration:</i>			
Personnel Costs	310,015	307,217	2,798
Materials and Supplies	13,553	13,422	131
Contractual Services	76,253	66,184	10,069
Capital Outlay	13,802	13,802	-
Other	27	27	-
<i>Total Traffic Divisions-Traffic Engineer Administration</i>	<u>413,650</u>	<u>400,652</u>	<u>12,998</u>
<i>Traffic Divisions-Traffic Sign and Paint:</i>			
Personnel Costs	314,742	286,592	28,150
Materials and Supplies	67,968	65,733	2,235
Contractual Services	38,343	35,109	3,234
Capital Outlay	3,500	2,294	1,206
Other	4,117	2,763	1,354
<i>Total Traffic Divisions-Traffic Sign and Paint</i>	<u>428,670</u>	<u>392,491</u>	<u>36,179</u>
<i>Traffic Divisions-Traffic Signal:</i>			
Personnel Costs	383,672	369,209	14,463
Materials and Supplies	39,728	31,875	7,853
Contractual Services	281,038	213,930	67,108
Capital Outlay	5,000	2,485	2,515
Other	937	737	200
<i>Total Traffic Divisions-Traffic Signal</i>	<u>710,375</u>	<u>618,236</u>	<u>92,139</u>
<i>Total Security Persons and Property</i>	<u>\$ 1,552,695</u>	<u>\$ 1,411,379</u>	<u>\$ 141,316</u>

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance, and Repair Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	\$ 519,941	\$ 491,960	\$ 27,981
Materials and Supplies	157,274	149,620	7,654
Contractual Services	210,312	201,436	8,876
Capital Outlay	1,800	-	1,800
Other	7,893	6,151	1,742
<i>Total Transportation</i>	<u>897,220</u>	<u>849,167</u>	<u>48,053</u>
<i>Total Expenditures</i>	<u>2,449,915</u>	<u>2,260,546</u>	<u>189,369</u>
Excess of Revenues (Under) Expenditures	(189,756)	(87,004)	102,752
Other Financing Sources (Uses)			
Transfers In	148,523	65,579	(82,944)
Transfers Out	(40,000)	-	40,000
<i>Total Other Financing Sources</i>	<u>108,523</u>	<u>65,579</u>	<u>(42,944)</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(81,233)	(21,425)	59,808
<i>Fund Balance Beginning of Year</i>	33,622	33,622	-
Unexpended Prior Year Encumbrances	49,710	49,710	-
<i>Fund Balance End of Year</i>	<u>\$ 2,099</u>	<u>\$ 61,907</u>	<u>\$ 59,808</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 164,000	\$ 184,119	\$ 20,119
Interest	4,500	483	(4,017)
<i>Total Revenues</i>	<u>168,500</u>	<u>184,602</u>	<u>16,102</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Signal:</i>			
Contractual Services	<u>42,881</u>	<u>35,000</u>	<u>7,881</u>
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	138,460	122,941	15,519
Materials and Supplies	30,800	30,800	-
Contractual Services	27,644	25,744	1,900
Other	500	-	500
<i>Total Transportation</i>	<u>197,404</u>	<u>179,485</u>	<u>17,919</u>
<i>Total Expenditures</i>	<u>240,285</u>	<u>214,485</u>	<u>25,800</u>
Excess of Revenues (Under) Expenditures	(71,785)	(29,883)	41,902
Other Financing Sources (Uses)			
Advances In	-	10,000	10,000
Transfers In	66,381	5,815	(60,566)
Transfers Out	(10,000)	-	10,000
<i>Total Other Financing Sources</i>	<u>56,381</u>	<u>15,815</u>	<u>(40,566)</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(15,404)	(14,068)	1,336
<i>Fund Balance Beginning of Year</i>	12,522	12,522	-
Unexpended Prior Year Encumbrances	2,882	2,882	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 1,336</u>	<u>\$ 1,336</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Municipal Road Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 282,051	\$ 282,051	\$ -
Expenditures			
Current:			
Transportation:			
<i>Engineering-Engineering Administration:</i>			
Materials and Supplies	579,457	346,628	232,829
Excess of Revenues (Under) Expenditures	(297,406)	(64,577)	232,829
<i>Fund Balance Beginning of Year</i>	63,324	63,324	-
Unexpended Prior Year Encumbrances	234,947	234,947	-
<i>Fund Balance End of Year</i>	<u>\$ 865</u>	<u>\$ 233,694</u>	<u>\$ 232,829</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Cornerstone Parking Deck Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 377,000	\$ 431,231	\$ 54,231
Expenditures			
Current:			
General Government:			
<i>Service Director-Service Director Administration:</i>			
Contractual Services	326,338	240,108	86,230
Excess of Revenues Over Expenditures	50,662	191,123	140,461
<i>Fund Balance Beginning of Year</i>	406,474	406,474	-
Unexpended Prior Year Encumbrances	2,037	2,037	-
<i>Fund Balance End of Year</i>	<u>\$ 459,173</u>	<u>\$ 599,634</u>	<u>\$ 140,461</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Health Services Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Licenses, Permits and Fees	\$ 161,756	\$ 179,558	\$ 17,802
Intergovernmental	2,500,026	2,458,533	(41,493)
<i>Total Revenues</i>	<u>2,661,782</u>	<u>2,638,091</u>	<u>(23,691)</u>
Expenditures			
Current:			
Public Health:			
<i>Health Administration:</i>			
Personnel Costs	1,803,991	1,579,359	224,632
Materials and Supplies	310,241	90,364	219,877
Contractual Services	111,550	90,740	20,810
Capital Outlay	94,117	80,865	13,252
Other	671,929	634,809	37,120
<i>Total Expenditures</i>	<u>2,991,828</u>	<u>2,476,137</u>	<u>515,691</u>
Excess of Revenues Over (Under) Expenditures	(330,046)	161,954	492,000
Other Financing Sources (Uses)			
Advances In	7,000	25,357	18,357
Advances Out	(11,171)	(11,171)	-
Operating Transfers In	20,438	84,342	63,904
<i>Total Other Financing Sources (Uses)</i>	<u>16,267</u>	<u>98,528</u>	<u>82,261</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(313,779)	260,482	574,261
<i>Fund Balance Beginning of Year</i>	971,121	971,121	-
Unexpended Prior Year Encumbrances	92,695	92,695	-
<i>Fund Balance End of Year</i>	<u>\$ 750,037</u>	<u>\$ 1,324,298</u>	<u>\$ 574,261</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court's Computer Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 155,000	\$ 152,598	\$ (2,402)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	121,500	118,137	3,363
Materials and Supplies	86,814	71,953	14,861
Contractual Services	79,820	60,322	19,498
Capital Outlay	17,242	6,840	10,402
Other	10,367	724	9,643
<i>Total Expenditures</i>	<u>315,743</u>	<u>257,976</u>	<u>57,767</u>
Excess of Revenues (Under) Expenditures	(160,743)	(105,378)	55,365
Other Financing Sources			
Operating Transfers In	<u>-</u>	<u>1,290</u>	<u>1,290</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures	(160,743)	(104,088)	56,655
<i>Fund Balance Beginning of Year</i>	150,047	150,047	-
Unexpended Prior Year Encumbrances	12,443	12,443	-
<i>Fund Balance End of Year</i>	<u><u>\$ 1,747</u></u>	<u><u>\$ 58,402</u></u>	<u><u>\$ 56,655</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Recycle Ohio Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 68,487	\$ 71,493	\$ 3,006
Expenditures			
Current:			
Community Environment:			
Community Development Planning:			
Materials and Supplies	3,600	3,591	9
Contractual Services	58,474	51,381	7,093
<i>Total Expenditures</i>	62,074	54,972	7,102
Excess of Revenues Over Expenditures	6,413	16,521	10,108
<i>Fund Balance Beginning of Year</i>	(8,487)	(8,487)	-
Unexpended Prior Year Encumbrances	2,074	2,074	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 10,108</u>	<u>\$ 10,108</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Youth Development Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 75,190	\$ 40,965	\$ (34,225)
Contributions and Donations	3,178	3,953	775
Other	16,297	16,638	341
<i>Total Revenues</i>	<u>94,665</u>	<u>61,556</u>	<u>(33,109)</u>
Expenditures			
Current:			
General Government:			
<i>Youth Development Administration:</i>			
Personnel Costs	26,955	26,955	-
Materials and Supplies	20,482	18,712	1,770
Contractual Services	42,191	28,997	13,194
Other			-
<i>Total Expenditures</i>	<u>89,628</u>	<u>74,664</u>	<u>14,964</u>
Excess of Revenues Over (Under) Expenditures	5,037	(13,108)	(18,145)
Other Financing Sources (Uses)			
Transfers In	-	34,307	34,307
Operating Transfers Out	(32,992)	(32,992)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(32,992)</u>	<u>1,315</u>	<u>34,307</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(27,955)	(11,793)	16,162
<i>Fund Balance Beginning of Year</i>	26,831	26,831	-
Unexpended Prior Year Encumbrances	2,184	2,184	-
<i>Fund Balance End of Year</i>	<u>\$ 1,060</u>	<u>\$ 17,222</u>	<u>\$ 16,162</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 6,000	\$ 6,215	\$ 215
Other	14,642	14,427	(215)
<i>Total Revenues</i>	<u>20,642</u>	<u>20,642</u>	<u>-</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Enforcement and Education:</i>			
Materials and Supplies	19,325	19,039	286
Capital Outlay	<u>40,415</u>	<u>39,925</u>	<u>490</u>
<i>Total Expenditures</i>	<u>59,740</u>	<u>58,964</u>	<u>776</u>
Excess of Revenues (Under) Expenditures	(39,098)	(38,322)	776
<i>Fund Balance Beginning of Year</i>	43,686	43,686	-
<i>Fund Balance End of Year</i>	<u>\$ 4,588</u>	<u>\$ 5,364</u>	<u>\$ 776</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 103,167	\$ 104,800	\$ 1,633
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	19,059	10,030	9,029
Contractual Services	6,796	3,482	3,314
Capital Outlay	-	-	-
Other	31,553	30,805	748
<i>Total Expenditures</i>	<u>57,408</u>	<u>44,317</u>	<u>13,091</u>
Excess of Revenues Over Expenditures	45,759	60,483	14,724
<i>Fund Balance Beginning of Year</i>	11,233	11,233	-
Unexpended Prior Year Encumbrances	1,175	1,175	-
<i>Fund Balance End of Year</i>	<u><u>\$ 58,167</u></u>	<u><u>\$ 72,891</u></u>	<u><u>\$ 14,724</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Indigent Driver Alcohol Treatment Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 62,537	\$ 62,537	\$ -
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Contractual Services	100,000	43,490	56,510
Excess of Revenues Over (Under) Expenditures	(37,463)	19,047	56,510
<i>Fund Balance Beginning of Year</i>	114,612	114,612	-
<i>Fund Balance End of Year</i>	<u>\$ 77,149</u>	<u>\$ 133,659</u>	<u>\$ 56,510</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 57,916	\$ 57,311	\$ (605)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	71,541	64,077	7,464
Contractual Services	20,861	-	20,861
<i>Total Expenditures</i>	92,402	64,077	28,325
Excess of Revenues (Under) Expenditures	(34,486)	(6,766)	27,720
Other Financing Sources			
Operating Transfers In	-	605	605
Excess of Revenues and Other Financing Sources (Under) Expenditures	(34,486)	(6,161)	28,325
<i>Fund Balance Beginning of Year</i>	48,617	48,617	-
<i>Fund Balance End of Year</i>	<u>\$ 14,131</u>	<u>\$ 42,456</u>	<u>\$ 28,325</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Local Law Enforcement Block Grant Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 122,958	\$ 122,958	\$ -
Interest	14,555	6,095	(8,460)
<i>Total Revenues</i>	<u>137,513</u>	<u>129,053</u>	<u>(8,460)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	18,961	17,200	1,761
Contractual Services	40,878	34,941	5,937
Capital Outlay	297,071	62,939	234,132
<i>Total Expenditures</i>	<u>356,910</u>	<u>115,080</u>	<u>241,830</u>
Excess of Revenues Over (Under) Expenditures	(219,397)	13,973	233,370
Other Financing Sources			
Transfers In	-	13,662	13,662
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(219,397)	27,635	247,032
<i>Fund Balance Beginning of Year</i>	342,093	342,093	-
Unexpended Prior Year Encumbrances	600	600	-
<i>Fund Balance End of Year</i>	<u>\$ 123,296</u>	<u>\$ 370,328</u>	<u>\$ 247,032</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
City Hall Plaza Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	452	82	370
Excess of Revenues (Under) Expenditures	(452)	(82)	370
<i>Fund Balance Beginning of Year</i>	452	452	-
<i>Fund Balance End of Year</i>	\$ -	\$ 370	\$ 370

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Guardrail/Attenuator Replacement Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 4,822	\$ 4,822	\$ -
Expenditures	-	-	
Excess of Revenues Over Expenditures	4,822	4,822	-
<i>Fund Balance Beginning of Year</i>	823	823	-
<i>Fund Balance End of Year</i>	<u>\$ 5,645</u>	<u>\$ 5,645</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Southeast Community Center Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 1,420	\$ 995	\$ (425)
Intergovernmental	114,400	-	(114,400)
Rentals	26,000	20,681	(5,319)
<i>Total Revenues</i>	<u>141,820</u>	<u>21,676</u>	<u>(120,144)</u>
Expenditures			
Current:			
<i>Southeast Community Center Maintenance:</i>			
Personnel Costs	116,928	114,677	2,251
Materials and Supplies	6,925	3,912	3,013
Contractual Services	55,354	40,376	14,978
Capital Outlay	116,481	115,277	1,204
Other	1,400	450	950
<i>Total Expenditures</i>	<u>297,088</u>	<u>274,692</u>	<u>22,396</u>
Excess of Revenues (Under) Expenditures	(155,268)	(253,016)	(97,748)
Other Financing Sources (Uses)			
Advances In	-	114,400	114,400
Transfers In	77,000	81,173	4,173
Transfers Out	(1,100)	-	1,100
<i>Total Other Financing Sources (Uses)</i>	<u>75,900</u>	<u>195,573</u>	<u>119,673</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(79,368)	(57,443)	21,925
<i>Fund Balance Beginning of Year</i>	78,064	78,064	-
Unexpended Prior Year Encumbrances	1,310	1,310	-
<i>Fund Balance End of Year</i>	<u>\$ 6</u>	<u>\$ 21,931</u>	<u>\$ 21,925</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Park Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenue			
Contributions and Donations	\$ 17,476	\$ 20,476	\$ 3,000
Rentals	8,000	9,075	1,075
	<u>25,476</u>	<u>29,551</u>	<u>4,075</u>
Expenditures			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and Supplies	3,258	632	2,626
Contractual Services	<u>20,721</u>	<u>700</u>	<u>20,021</u>
<i>Total Expenditures</i>	<u>23,979</u>	<u>1,332</u>	<u>22,647</u>
Excess of Revenues Over Expenditures	1,497	28,219	26,722
<i>Fund Balance Beginning of Year</i>	18,593	18,593	-
Unexpended Prior Year Encumbrances	418	418	-
<i>Fund Balance End of Year</i>	<u>\$ 20,508</u>	<u>\$ 47,230</u>	<u>\$ 26,722</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
D.A.R.E. Program Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	15,000	-	15,000
Excess of Revenues Over (Under) Expenditures	(15,000)	-	15,000
<i>Fund Balance Beginning of Year</i>	21,379	21,379	-
<i>Fund Balance End of Year</i>	<u>\$ 6,379</u>	<u>\$ 21,379</u>	<u>\$ 15,000</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 5,500	\$ 4,712	\$ (788)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	5,000	-	5,000
Excess of Revenues Over Expenditures	500	4,712	4,212
<i>Fund Balance Beginning of Year</i>	381	381	-
<i>Fund Balance End of Year</i>	<u>\$ 881</u>	<u>\$ 5,093</u>	<u>\$ 4,212</u>

City of Canton, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Misdemeanor Community Sanction Grant Fund
For the Year Ended December 31, 2002*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 74,323	\$ 73,344	\$ (979)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration 5th year grant:</i>			
Personnel Costs	44,232	42,892	1,340
Other	36,672	36,672	-
<i>Total Courts/Judge-Judge Administration 5th year grant</i>	80,904	79,564	1,340
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	1,200	-	1,200
<i>Total Expenditures</i>	82,104	79,564	2,540
Excess of Revenues (Under) Expenditures	(7,781)	(6,220)	1,561
Other Financing Sources			
Transfer In	-	979	979
Excess of Revenues and Other Financing Sources (Under) Expenditures	(7,781)	(5,241)	2,540
<i>Fund Balance Beginning of Year</i>	9,723	9,723	-
<i>Fund Balance End of Year</i>	<u>\$ 1,942</u>	<u>\$ 4,482</u>	<u>\$ 2,540</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Prisoner Housing Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 10,000	\$ 12,587	\$ 2,587
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	30,000	13,000	17,000
Excess of Revenues (Under) Expenditures	(20,000)	(413)	19,587
<i>Fund Balance Beginning of Year</i>	20,650	20,650	-
<i>Fund Balance End of Year</i>	<u>\$ 650</u>	<u>\$ 20,237</u>	<u>\$ 19,587</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Clerk of Courts Administration Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	1,229	1,229	-
<i>Fund Balance End of Year</i>	<u>\$ 1,229</u>	<u>\$ 1,229</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court Security Funding Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	748	748	-
<i>Fund Balance End of Year</i>	<u>\$ 748</u>	<u>\$ 748</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
EMS Training and Equipment Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 17,240	\$ 6,853	\$ (10,387)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Capital Outlay	12,632	12,084	548
Other	7,480	4,125	3,355
<i>Total Expenditures</i>	20,112	16,209	3,903
Excess of Revenues (Under) Expenditures	(2,872)	(9,356)	(6,484)
<i>Fund Balance Beginning of Year</i>	2,872	2,872	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ (6,484)</u>	<u>\$ (6,484)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Federal Forfeiture Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 5,631	\$ 4,468	\$ (1,163)
Interest	800	1,285	485
<i>Total Revenues</i>	<u>6,431</u>	<u>5,753</u>	<u>(678)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Capital Outlay	<u>98,500</u>	<u>-</u>	<u>98,500</u>
Excess of Revenues Over (Under) Expenditures	(92,069)	5,753	97,822
<i>Fund Balance Beginning of Year</i>	92,782	92,782	-
<i>Fund Balance End of Year</i>	<u>\$ 713</u>	<u>\$ 98,535</u>	<u>\$ 97,822</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
COPS School Based Partnership Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 112,287	\$ 112,287	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Contractual Services	112,287	112,287	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ -

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Thermal Imaging System Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 50,000	\$ 50,000	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	150	150	-
Contractual Services	825	825	-
Capital Outlay	49,025	29,850	19,175
<i>Total Expenditures</i>	50,000	30,825	19,175
Excess of Revenues Over (Under) Expenditures	-	19,175	19,175
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ 19,175	\$ 19,175

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court Capital Improvement Special Project Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 49,000	\$ 50,506	\$ 1,506
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	49,000	1,250	47,750
<i>Total Expenditures</i>	49,000	1,250	47,750
Excess of Revenues Over (Under) Expenditures	-	49,256	49,256
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ 49,256	\$ 49,256

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Armored Vehicle Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 50,000	\$ 50,000	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Capital Outlay	50,000	-	50,000
Excess of Revenues Over (Under) Expenditures	-	50,000	50,000
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Firefighters Assistance Grant
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 116,425	\$ 43,834	\$ (72,591)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Capital Outlay	116,425	43,865	72,560
Excess of Revenues Over (Under) Expenditures	-	(31)	(31)
Other Financing Sources			
Advances In	-	50	50
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	-	19	19
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 19</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Debt Service:			
<i>Principal Retirement:</i>			
Various Purpose Loans	181,815	181,815	-
General Obligation Various Improvement Bonds	2,120,000	2,120,000	-
<i>Total Principal Retirement</i>	<u>2,301,815</u>	<u>2,301,815</u>	<u>-</u>
<i>Interest and Fiscal Charges:</i>			
Various Purpose Loans	67,800	67,800	-
General Obligation Various Improvement Bonds	1,123,980	1,123,980	-
<i>Total Interest and Fiscal Charges</i>	<u>1,191,780</u>	<u>1,191,780</u>	<u>-</u>
<i>Total Expenditures</i>	<u>3,493,595</u>	<u>3,493,595</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	<u>(3,493,595)</u>	<u>(3,493,595)</u>	<u>-</u>
Other Financing Sources			
Operating Transfers In	3,488,598	3,493,595	4,997
<i>Total Other Financing Sources</i>	<u>3,488,598</u>	<u>3,493,595</u>	<u>4,997</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(4,997)	-	4,997
<i>Fund Balance Beginning of Year</i>	18,523	18,523	-
<i>Fund Balance End of Year</i>	<u>\$ 13,526</u>	<u>\$ 18,523</u>	<u>\$ 4,997</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Radio Communication Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 61,729	\$ 57,113	\$ (4,616)
Other	-	9,588	9,588
<i>Total Revenues</i>	<u>61,729</u>	<u>66,701</u>	<u>4,972</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Radio Communication System Bond	<u>744,106</u>	<u>723,380</u>	<u>20,726</u>
Excess of Revenues (Under) Expenditures	(682,377)	(656,679)	25,698
<i>Fund Balance Beginning of Year</i>	22,377	22,377	-
Unexpended Prior Year Encumbrance	660,000	660,000	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 25,698</u>	<u>\$ 25,698</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Parking Deck Construction Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 124	\$ 124	\$ -
Expenditures	-	-	-
Excess of Revenues Over Expenditures	124	124	-
Other Financing Sources (Uses)			
Transfer Out	(451)	(451)	-
Excess of Revenues (Under) Expenditures and Other Financing (Uses)	(327)	(327)	-
<i>Fund Balance Beginning of Year</i>	327	327	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Harmont Sidewalk Improvement Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 248,459	\$ 247,440	\$ (1,019)
Interest	-	1,020	1,020
<i>Total Revenues</i>	<u>248,459</u>	<u>248,460</u>	<u>1</u>
Expenditures			
Capital Outlay:			
Engineering Administration	<u>41,971</u>	<u>12,032</u>	<u>29,939</u>
Excess of Revenues Over Expenditures	206,488	236,428	29,940
Other Financing Sources (Uses)			
Transfer Out	<u>(272,539)</u>	<u>(272,539)</u>	<u>-</u>
Excess of Revenues (Under) Expenditures and Other Financing (Uses)	(66,051)	(36,111)	29,940
<i>Fund Balance Beginning of Year</i>	42,010	42,010	-
Unexpended Prior Year Encumbrances	11,971	11,971	-
<i>Fund Balance End of Year</i>	<u><u>\$ (12,070)</u></u>	<u><u>\$ 17,870</u></u>	<u><u>\$ 29,940</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Traffic Signalization Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ -	\$ 465	\$ 465
Expenditures			
Capital Outlay:			
Safety Director:			
Traffic Divisions:			
Traffic Divisions-			
Engineering Administration	48,269	48,151	118
Excess of Revenues (Under) Expenditures	(48,269)	(47,686)	583
Other Financing Sources			
Transfer In	9,468	9,468	-
Excess of Revenues and Other Financing Sources (Under) Expenditures	(38,801)	(38,218)	583
<i>Fund Balance Beginning of Year</i>	21,783	21,783	-
Unexpended Prior Year Encumbrances	17,018	17,018	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 583</u>	<u>\$ 583</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Market Avenue Streetscape Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 4,264	\$ 4,264	\$ -
Expenditures	-	-	-
Excess of Revenues Over Expenditures	4,264	4,264	-
Other Financing Sources (Uses)			
Transfer Out	(291,408)	(291,408)	-
Excess of Revenues (Under) Expenditures and Other Financing (Uses)	(287,144)	(287,144)	-
<i>Fund Balance Beginning of Year</i>	287,144	287,144	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
OPWC Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 728,530	\$ 609,530	\$ (119,000)
Expenditures			
Capital Outlay:			
Service Director:			
OPWC:			
Engineering Administration	143,235	130,704	12,531
Excess of Revenues Over Expenditures	585,295	478,826	(106,469)
Other Financing Sources (Uses)			
Transfer In	12,530	119,000	106,470
Transfer Out	(131,530)	(131,530)	-
<i>Total Other Financing Sources (Uses)</i>	(119,000)	(12,530)	106,470
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	466,295	466,296	1
<i>Fund Balance Beginning of Year</i>	(596,981)	(596,981)	-
Unexpended Prior Year Encumbrances	130,705	130,705	-
<i>Fund Balance End of Year</i>	<u>\$ 19</u>	<u>\$ 20</u>	<u>\$ 1</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Street & Storm Sewer Project Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	730,000	-	(730,000)
Interest	2,314	2,314	-
<i>Total Revenues</i>	<u>732,314</u>	<u>2,314</u>	<u>(730,000)</u>
Expenditures			
Capital Outlay:			
Engineering Administration	<u>1,235,222</u>	<u>348,965</u>	<u>886,257</u>
Excess of Revenues (Under) Expenditures	(502,908)	(346,651)	156,257
Other Financing Sources (Uses)			
Transfer In	366,268	957,928	591,660
Transfer Out	<u>(147,815)</u>	<u>(147,815)</u>	-
<i>Total Other Financing Sources (Uses)</i>	<u>218,453</u>	<u>810,113</u>	<u>(591,660)</u>
Excess of Revenues and Other Financing Sources (Under) Over Expenditures and and Other Financing (Uses)	(284,455)	463,462	747,917
<i>Fund Balance Beginning of Year</i>	174,348	174,348	-
Unexpended Prior Year Encumbrance	110,107	110,107	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 747,917</u>	<u>\$ 747,917</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Civic Center Improvement Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 17,671	\$ 17,671	\$ -
Expenditures			
Capital Outlay:			
Service Director:			
Civic Center Administration	900,232	13,468	886,764
Excess of Revenues Over (Under) Expenditures	(882,561)	4,203	886,764
<i>Fund Balance Beginning of Year</i>	966,452	966,452	-
Unexpended Prior Year Encumbrance	232	232	-
<i>Fund Balance End of Year</i>	<u>\$ 84,123</u>	<u>\$ 970,887</u>	<u>\$ 886,764</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Georgeview Estates Project Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	83	-	83
Engineering Administration			
Auditor	-	-	-
Total Expenditures	<u>83</u>	<u>-</u>	<u>83</u>
Excess of Revenues Over (Under) Expenditures	(83)	-	83
Other Financing (Uses)			
Transfer Out	<u>(414)</u>	<u>(414)</u>	<u>-</u>
Excess of Revenues (Under) Expenditures and Other Financing (Uses)	(497)	(414)	83
<i>Fund Balance Beginning of Year</i>	497	497	-
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ 83</u></u>	<u><u>\$ 83</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Salt Dome Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
Other Financing (Uses)			
Transfer Out	(3,653)	(3,653)	-
<i>Fund Balance Beginning of Year</i>	3,653	3,653	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ -

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Building Acquisition Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Safety Director:			
Traffic Engineering Administration	290,000	287,168	2,832
Excess of Revenues (Under) Expenditures	(290,000)	(287,168)	2,832
<i>Fund Balance Beginning of Year</i>	296,026	296,026	-
<i>Fund Balance End of Year</i>	<u>\$ 6,026</u>	<u>\$ 8,858</u>	<u>\$ 2,832</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Workers' Compensation Retrospective Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 438,000	\$ 489,365	\$ 51,365
Other	400,000	359,689	(40,311)
<i>Total Revenues</i>	<u>838,000</u>	<u>849,054</u>	<u>11,054</u>
Expenses			
Personnel Costs	37,587	35,770	1,817
Contractual Services	28,740	24,485	4,255
Claims	1,200,000	359,113	840,887
<i>Total Expenses</i>	<u>1,266,327</u>	<u>419,368</u>	<u>846,959</u>
Excess of Revenues Over (Under) Expenses	(428,327)	429,686	858,013
Other Financing Sources (Uses)			
Transfers In	-	245	245
Transfers Out	(1,775,000)	(1,775,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(1,775,000)</u>	<u>(1,774,755)</u>	<u>245</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(2,203,327)	(1,345,069)	858,258
<i>Fund Equity Beginning of Year</i>	7,198,208	7,198,208	-
Unexpended Prior Year Encumbrances	3,740	3,740	-
<i>Fund Equity End of Year</i>	<u>\$ 4,998,621</u>	<u>\$ 5,856,879</u>	<u>\$ 858,258</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Health Insurance Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 7,242,204	\$ 8,065,708	\$ 823,504
Interest	29,000	3,269	(25,731)
Other	-	35,807	35,807
<i>Total Revenues</i>	<u>7,271,204</u>	<u>8,104,784</u>	<u>833,580</u>
Expenses			
Personnel Costs	80,269	78,197	2,072
Materials and Supplies	750	486	264
Contractual Services	357,051	351,220	5,831
Claims	7,349,765	7,282,081	67,684
<i>Total Expenses</i>	<u>7,787,835</u>	<u>7,711,984</u>	<u>75,851</u>
Excess of Revenues Over (Under) Expenses	(516,631)	392,800	909,431
Other Financing Sources			
Transfers In	-	1,966	1,966
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(516,631)	394,766	911,397
<i>Fund Equity Beginning of Year</i>	538,778	538,778	-
Unexpended Prior Year Encumbrances	3,666	3,666	-
<i>Fund Equity End of Year</i>	<u>\$ 25,813</u>	<u>\$ 937,210</u>	<u>\$ 911,397</u>

STATISTICAL SECTION

**THE FOLLOWING UNAUDITED STATISTICAL TABLES
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND
FISCAL CAPACITY OF THE CITY**

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City of Canton, Ohio
General Governmental Expenditures by Function (1)
Last Ten Years

	2002	(2)	2001	2000	1999	1998	1997	1996	1995	1994	1993
General Government	\$ 16,786,625	\$	18,123,377	\$15,094,284	\$15,400,997	\$15,046,758	\$12,810,369	\$12,105,889	\$10,989,650	\$10,820,055	\$10,845,954
Security of Persons and Property	32,844,347		32,859,014	31,022,880	30,466,841	28,345,165	28,242,747	26,161,421	25,316,571	24,964,102	23,190,358
Public Health	4,406,174		4,110,072	3,865,933	3,771,963	2,853,878	3,590,596	3,337,908	3,062,493	2,941,486	2,629,294
Transportation	3,672,284		3,851,048	3,903,035	3,846,145	4,156,173	7,115,278	7,802,927	8,053,692	7,500,394	7,011,565
Community Environment	6,597,736		7,652,400	5,723,281	5,852,892	4,847,217	4,781,204	3,437,072	4,207,187	4,255,032	2,844,075
Leisure Time Activities	2,306,005		2,355,592	2,155,148	2,527,589	2,496,990	2,370,522	2,192,988	2,144,686	1,996,410	1,815,508
Capital Outlay	13,646,316		8,252,011	8,608,103	19,415,297	6,377,863	5,581,370	6,830,120	5,147,006	5,956,591	3,942,378
Debt Service	4,052,930		4,359,832	8,156,624	7,576,904	2,726,289	2,553,271	2,336,541	2,556,775	1,963,791	2,260,041
Total	\$ 84,312,417	\$	81,563,346	\$ 78,529,288	\$ 88,858,628	\$ 66,850,333	\$ 67,045,357	\$ 64,204,866	\$ 61,478,060	\$ 60,397,861	\$ 54,539,173

Source: City financial records

(1) Includes All Governmental Funds

(2) Presented on Modified Accrual - Consistant With 2001 and Prior

City of Canton, Ohio
General Governmental Revenues by Source (1)
Last Ten Years

	2002 (4)	2001 (4)	2000	1999	1998	1997	1996	1995	1994	1993
Taxes (2,3)	\$ 39,793,658	\$ 44,253,914	\$ 39,038,014	\$ 38,978,833	\$ 37,322,730	\$ 36,964,729	\$ 35,706,346	\$ 35,233,631	\$ 32,889,868	\$ 31,424,283
Charges for Services	8,056,371	7,136,779	7,424,259	7,209,402	9,639,932	7,115,907	3,544,150	3,284,890	2,723,974	2,675,497
Licenses, Permits and Fees	1,075,767	1,094,256	1,119,591	869,806	1,032,032	1,621,127	1,555,503	1,389,185	1,596,701	1,461,844
Fines and Forfeitures	640,344	563,440	583,792	674,756	689,129	653,787	-	-	-	-
Intergovernmental	20,276,115	21,404,677	21,083,678	21,224,994	18,889,000	19,683,391	15,673,361	17,363,372	16,495,595	13,733,761
Interest	912,257	2,453,323	2,209,972	3,210,336	2,653,904	1,925,902	1,774,212	1,915,287	1,090,840	1,486,399
Contributions and Donations (3)	-	34,300	168,162	57,133	6,450	15,412	-	-	-	-
Rental (3)	172,880	310,190	157,555	147,685	253,281	144,067	-	-	-	-
Others (3)	1,891,633	2,046,065	768,959	246,703	141,770	116,069	5,783,889	5,290,839	4,846,644	4,854,852
Totals	\$ 72,819,025	\$ 79,296,944	\$ 72,553,982	\$ 72,619,648	\$ 70,628,228	\$ 68,240,391	\$ 64,037,461	\$ 64,477,204	\$ 59,643,622	\$ 55,636,636

Source: City financial records

(1) Includes All Governmental Funds

(2) Includes property, municipal income.

(3) Prior to 1997, charges for services, fines and forfeitures, contributions and donations, and rentals were included in other revenue.

(4) Presented on Modified Accrual - Including GASB 33 Revenue Provisions

City of Canton, Ohio
Real Property Tax Levies and Collections
Last Ten Years

Year	Total Tax Levy (1)	Current Collections	Percent of Levy Collected	Delinquent Collections	Total Collections	Percent of Total Collections To Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes to Tax Levy
2002	\$1,863,997	\$1,767,653	94.83 %	\$132,723	\$1,900,376	101.95 %	\$199,574	10.71 %
2001	1,916,541	1,778,346	92.79	180,704	1,959,050	102.22	252,444	13.17
2000	1,654,177	1,536,174	92.87	80,081	1,616,255	97.71	218,892	13.23
1999	1,663,658	1,584,484	95.24	71,513	1,655,997	99.54	256,114	15.39
1998	1,649,857	1,577,732	95.63	59,108	1,636,840	99.21	229,362	13.90
1997	1,407,827	1,359,684	96.58	42,748	1,402,432	99.62	253,427	18.00
1996	1,337,859	1,302,239	97.34	44,702	1,346,941	100.68	187,824	14.04
1995	1,353,646	1,308,952	96.70	36,370	1,345,322	99.39	187,735	13.87
1994	1,355,699	1,323,082	97.59	34,396	1,357,478	100.13	168,910	12.46
1993		1,316,364	97.64	31,816	1,348,180	100.00	168,632	12.51

Source: Stark County, Ohio; County Auditor

- (1) Includes homestead/rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.
(2) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

City of Canton, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Year (1)	Real Property		Public Utility Property		Tangible Personal Property		Total	Ratio
	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	
2002 (2)	\$707,432,310	\$2,021,235,171	\$44,134,790	\$50,153,170	\$221,577,347	\$886,309,388	\$973,144,447	32.90 %
2001	714,619,710	2,041,770,600	53,812,050	61,150,057	230,809,736	923,238,944	999,241,496	33.00
2000	605,861,890	1,731,033,971	54,053,030	61,423,898	205,350,805	821,403,220	865,265,725	33.10
1999	601,832,800	1,719,522,286	60,215,620	68,426,841	201,937,796	807,751,184	863,986,216	33.29
1998	595,945,810	1,702,702,314	59,870,420	68,034,568	192,411,515	769,646,060	848,227,745	33.39
1997	502,570,920	1,435,916,914	61,295,220	69,653,659	182,525,868	730,103,472	746,392,008	33.39
1996	475,395,010	1,358,271,457	62,667,400	71,212,955	177,769,158	711,076,632	715,831,568	33.44
1995	478,015,740	1,365,759,257	65,208,130	74,100,148	167,157,371	668,629,484	710,381,241	33.69
1994		1,354,765,600	65,026,670	73,893,943	160,990,500	643,962,000	226,017,170	33.78
1993	472,482,120	1,349,948,914	63,213,250	71,833,239	164,759,437	659,037,748	700,454,807	33.66

Source: Stark County, Ohio ; County Auditor

(1) The year represents collection year.

(2) This amount is calculated based on the following percentages for 2002:

Real property is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

Tangible personal is assessed at 25 percent of actual value.

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

Year	City of Canton District 2	City of Canton District 3	City of Canton District 4	Stark County	Canton City School District	Plain Local School District	Canton Local School District	Stark County Joint Recreational district	Stark County District Library	RTA	County Parks
2002	\$3.40	\$2.00	\$2.60	\$9.60	\$58.20	\$52.60	\$46.20	\$1.00	\$0.00	\$0.00	\$0.50
2001	3.40	2.00	2.60	9.60	59.20	52.60	46.80	1.00	0.70	0.00	0.50
2000	3.40	2.00	2.60	9.60	59.20	52.60	47.40	1.00	0.75	0.00	0.50
1999	3.40	2.00	2.60	9.60	59.20	52.60	47.40	1.00	0.75	0.00	0.50
1998	3.40	2.00	2.60	9.60	54.70	52.60	49.10	1.00	0.75	0.00	0.50
1997	3.40	2.00	2.60	9.60	54.70	52.60	49.10	1.00	0.00	3.90	0.20
1996	3.40	2.00	2.60	10.10	54.70	45.70	39.30	0.75	0.00	3.90	0.20
1995	3.40	2.00	2.60	8.20	52.20	45.70	39.30	0.75	0.00	3.90	0.20
1994	3.40	2.00	2.60	9.20	45.30	45.70	39.20	0.75	0.00	3.90	0.20
1993		2.00	2.60	9.20	45.30	45.70	39.70	0.75	0.00	3.90	0.20

Source: Stark County, Ohio; County Auditor

City of Canton, Ohio
Tangible Personal Property Tax Collections
Last Ten Years

<u>Year</u>	<u>Amount</u>
2002	\$538,574
2001	563,581
2000	539,274
1999	528,807
1998	524,638
1997	487,448
1996	468,647
1995	477,461
1994	425,359
1993	439,268

Source: Stark County, Ohio; County Auditor

City of Canton, Ohio
Special Assessment Collections

During 1998, 1999, 2000, 2001, and 2002, the City did not have any outstanding special assessment debt; therefore, the City did not have special assessment collections. Information prior to 1998 is not available.

Source: City financial records

City of Canton, Ohio
*Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years*

Year	Population(1)	Net General Obligation Bonded Debt (2)	Assessed Value	Ratio of Net Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
2002	80,806	\$22,561,477	\$973,144,447	2.32%	\$279.21
2001	80,806	24,681,477	999,241,496	2.40	305.44
2000	80,806	20,763,460	865,265,725	2.40	256.95
1999	89,159	22,140,286	863,986,216	2.56	248.32
1998	83,159	16,104,329	848,227,745	1.90	193.66
1997	82,935	10,321,977	746,392,008	1.38	124.46
1996	81,079	10,942,195	715,831,568	1.53	134.96
1995	81,557	12,086,454	710,381,241	1.70	148.20
1994	82,319	13,202,025	700,185,130	1.89	160.38
1993	83,175	14,410,562	700,454,807	2.06	173.26

Source: Stark County, Ohio: County Auditor

(1) Population figures 1990 through 1996 and 2000 through 2002 from census bureau.

City of Canton estimates for 1997, 1998, 1999

(2) Excludes general obligation debt payable from enterprise funds.

City of Canton, Ohio
General Obligation Revenue Bond Coverage
*Last Five Years **

Fund	Year	Operating Revenue **	Operating Expenses ***	Net Revenue Available for Debt Service	Debt Service Requirement ****		
					Principal	Interest	Total Coverage
Water	2002	\$11,663,776	\$10,090,009	\$1,573,767	\$995,000	\$856,814	\$1,851,814 0.85
	2001	11,994,325	9,469,478	2,524,847	947,500	896,354	1,843,854 1.37
	2000	11,108,218	6,294,935	4,813,283	905,000	848,914	1,753,914 2.74
	1999	8,504,751	7,110,331	1,394,420	865,000	767,689	1,632,689 0.85
	1998	8,627,332	6,654,822	1,972,510	405,000	818,772	1,223,772 1.61
Sewer	2002	11,245,738	9,446,599	1,799,139	865,000	748,284	1,613,284 1.12
	2001	10,086,502	8,452,600	1,633,902	712,500	541,461	1,253,961 1.30
	2000	9,267,633	5,324,968	3,942,665	695,000	364,995	1,059,995 3.72
	1999	7,927,167	4,329,244	3,597,923	675,000	278,788	953,788 3.77
	1998	8,347,781	7,633,167	714,614	235,000	319,842	554,842 1.29

Source: City financial records

* Information Prior to 1998 is not available

** Includes operating revenue

*** Total operating expenses exclusive of depreciation

**** Includes principal and interest of bonds.

The refuse enterprise fund does not have any outstanding general obligation bonds.

City of Canton, Ohio
Computation of Legal Debt Margin
December 31, 2002

Total Assessed Property Value	<u>\$973,144,447</u>
Overall Debt Limitation (10 1/2 % of Assessed Valuation)	<u>\$102,180,167</u>
Gross Indebtedness	66,240,127
Less: Enterprise Funds' Bonds	(18,570,000)
OWDA Loans	(19,636,403)
OPWC Loan	(303,777)
HUD Loan	(2,320,000)
SIB Loan	(1,179,031)
Millennium Parking Deck	(1,650,916)
Debt. Service Fund Balance	<u>(18,523)</u>
Net Debt Within 10 1/2 % Limitations	<u>22,561,477</u>
Legal Debt Margin Within 10 1/2 % Limitations	<u>\$79,618,690</u>
Unvoted Debt Limitation (5 1/2 % of Assessed Valuation)	\$53,522,945
Gross Indebtedness	66,240,127
Less: Enterprise Funds' Bonds	(18,570,000)
OWDA Loans	(19,636,403)
OPWC Loan	(303,777)
HUD Loan	(2,320,000)
SIB Loan	(1,179,031)
Millennium Parking Deck	(1,650,916)
Debt. Service Fund Balance	<u>(18,523)</u>
Net Debt Within 5 1/2 % Limitations	<u>22,561,477</u>
Legal Debt Margin Within 5 1/2 % Limitations	<u>\$30,961,468</u>

Source: Stark County, Ohio: County Auditor

City of Canton, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2002

	General Obligation Debt Outstanding (1)	Percentage Applicable to City (2)	Amount Applicable to City of Canton
	<u> </u>	<u> </u>	<u> </u>
City of Canton	\$22,580,000	100.00%	\$22,580,000
Stark County	20,656,902	15.23	<u>3,146,046</u>
Canton City Schools	45,460,413	93.32	<u>42,519,124</u>
			<u><u>\$68,245,170</u></u>

Source: Stark County, Ohio ; County Auditor

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

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

City of Canton, Ohio
*Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Governmental Expenditures
Last Ten Years*

Year		Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service To Total General Governmental Expenditures
2002	(1) \$	2,636,815	\$ 1,416,115	\$ 4,052,930	\$84,312,417	4.81%
2001		3,051,820	1,308,012	4,359,832	81,563,346	5.35
2000		1,610,000	1,056,541	2,666,541	78,529,288	3.40
1999		1,290,000	787,022	2,077,022	88,858,628	2.34
1998		1,005,000	489,771	1,494,771	66,850,333	2.24
1997		1,599,000	954,271	2,553,271	67,045,357	3.81
1996		1,479,000	857,541	2,336,541	64,204,866	3.64
1995		1,448,000	1,108,775	2,556,775	61,478,060	4.16
1994		1,163,000	800,791	1,963,791	60,397,861	3.25
1993		1,323,000	937,041	2,260,041	54,539,173	4.14

Source: City financial records

(1) Includes Bonds, Loans, Notes

City of Canton, Ohio
Demographic Statistics
Last Five Censuses

<u>Year</u>	<u>Population</u>	<u>Occupied Households</u>	<u>Total Dwelling Units</u>	<u>Persons Per Household</u>	<u>Median Income</u>
2000	80,806	32,489	35,502	2.28	N/A
1990	84,161	33,452	36,527	2.44	\$ 25,177
1980	93,077	36,394	39,254	2.54	\$ 17,359
1970	110,053	N/A	N/A	N/A	N/A
1960	113,631	N/A	N/A	N/A	N/A

N/A - Information not available

Source: U.S. Bureau of the Census

City of Canton, Ohio
Property Value, Construction and Bank Deposits
Last Ten Years

Year (2)	Property Value (3)	Residential		Commercial and Industrial		Domestic Bank Deposits in the County (in thousands)
		Number of Permits	Value	Number of Permits	Value	
2002	\$973,144,447	1,420	\$43,443,476	30	\$45,512,136	\$2,153,245
2001	999,241,496	3,629	38,603,830	764	22,180,911	1,029,891
2000	865,265,725	1,390	17,959,967	428	50,398,559	1,021,596
1999	863,986,216	1,573	15,849,691	178	37,112,999	3,883,475
1998	848,227,745	1,661	13,980,742	193	38,410,161	3,883,475
1997	746,392,008	1,689	16,367,775	190	79,748,023	3,823,605
1996	715,831,568	1,546	9,250,235	205	31,848,676	3,851,016
1995	710,381,241	1,332	11,265,440	201	69,661,212	3,819,510
1994	700,185,130	1,402	8,125,595	181	29,470,127	3,714,924
1993	700,454,807	1,271	7,415,002	145	29,791,039	803,704

Source: City building permits reports

Federal Reserve Bank of Cleveland

(1) Number of permits include new construction an additions.

(2) The year represents collection year for assessed value.

(3) Represents total assessed value.

City of Canton, Ohio
Principal Taxpayers
December 31, 2002

Taxpayer	Type of Business	Real Estate	Public Utility Personal	Tangible Personal	Total Assessed Valuation	Percent of Assessed Value
Timken Company	Manufacturing	\$ 9,252,170	\$ -	\$ 45,247,920	\$ 54,500,090	5.60%
Republic Technologies International LLC	Manufacturing	2,554,290	-	27,538,670	30,092,960	3.09
Ohio Power Company	Public Utility	1,855,360	25,088,420	-	26,943,780	2.77
Ohio Bell Telephone	Public Utility	1,175,030	13,563,800	-	14,738,830	1.51
M K Morse Company	Business	1,221,760	-	7,454,180	8,675,940	0.89
Detroit Diesel Corporation	Business	-	-	7,687,240	7,687,240	0.79
Fresh Mark Inc.	Business	-	-	7,630,710	7,630,710	0.78
Phoenix Packaging Corporation	Business	842,350	-	5,003,030	5,845,380	0.60
Ironrock Capital Inc.	Business	2,344,490	-	3,450,160	5,794,650	0.60
NASC 1994-MDI Canton Ctr LLC.	Business	5,424,760	-	-	5,424,760	0.56
Totals		<u>\$24,670,210</u>	<u>\$38,652,220</u>	<u>\$104,011,910</u>	<u>\$167,334,340</u>	<u>17.20%</u>
Total All Assessed Valuations					<u>\$973,144,447</u>	

Source: Stark County Auditor

City of Canton, Ohio
Miscellaneous Statistics
December 31, 2002

Date of Incorporation	1854
Form of Government	Mayor/Council
Area	20,986 Square Miles
Miles of Streets	405.79
Number of Traffic Lights	231
Fire Protection:	
Number of Stations	9
Number of Fire Personnel and Officers	167
Number of Calls Answered	13,666
Number of Inspections Conducted	3,191
Police Protection:	
Number of Stations	3
Number of Police Personnel and Officers	173
Number of Patrol Units	140
Number of Law Violations:	
Physical Arrests	4,368
Traffic Violations	7,230
Parking Violations	22,771
Culture and Recreation:	
Community Centers	2
Number of Parks	59
Park Acreage	700
Swimming Pools	1
Tennis Courts	7
Water System:	
Miles of Water Mains	632.34
Number of Service Connections	42,495
Number of Fire Hydrants	3,002
Daily Average Consumption in Gallons	22.226 Million
Maximum Daily Capacity of Plant in Gallons	40.8 Million
Sewerage System:	
Miles of Sanitary Sewers	355.95
Miles of Storm Sewers	208.82
Number of Treatment Plants	1
Number of Service Connections	28995
Daily Average Consumption in Gallons	26.35 Million
Maximum Daily Capacity of Plant in Gallons:	
Wet Weather	67 Million
Dry Weather	39 Million
Facilities and Services not Included in the Reporting Entity	
Education:	
Number of Elementary Schools	19
Number of Elementary School Instructors	636
Number of Secondary Schools	9
Number of Secondary School Instructors	225
Hospitals	
Number of Hospitals	2
Number of Patient Beds	1,205

Source: City Records