



**CITY OF CANTON  
STARK COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**CITY OF CANTON  
STARK COUNTY**

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Canton  
Stark County  
P.O. Box 20230  
Canton, Ohio 44701-0230

To the City Council:

We have audited the basic financial statements of the City of Canton, Stark County, Ohio, (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated July 31, 2002, which indicated the financial statements of the City's component unit were audited by other auditors, and our opinion, insofar as it relates to the amounts included for the component unit, is based on the report of other auditors. In addition, the City adopted Governmental Accounting Standards Board Statements 33, 34, 37 and Interpretation 6, and the capital asset beginning balance was restated due to certain errors and omissions. 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. The financial statements of the Canton Community Improvement Corporation (CCIC), the City's discretely presented component unit, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not extend to that component unit.

**Compliance**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated July 31, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

City of Canton  
Stark County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated July 31, 2002.

This report is intended for the information and use of management, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

July 31, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

City of Canton  
Stark County  
P.O. Box 20230  
Canton, Ohio 44701-0230

To the City Council:

**Compliance**

We have audited the compliance of the City of Canton, Stark County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2001-21276-001.

### **Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 2001-21276-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated July 31, 2002.

### **Schedule of Receipts and Expenditures of Federal Awards**

We have audited the basic financial statements of the City as of and for the year ended December 31, 2001, and have issued our report thereon dated July 31, 2002, which indicated the financial statements of the City's component unit were audited by other auditors, and our opinion, insofar as it relates to the amounts included for the component unit, is based on the report of other auditors. In addition, the City adopted Governmental Accounting Standards Board Statements 33, 34, 37 and Interpretation 6, and the capital asset beginning balance was restated due to certain errors and omissions. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



This report is intended for the information and use of management, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

July 31, 2002

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CITY OF CANTON  
STARK COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2001

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Grant Year	Federal CFDA Number	Receipts	Expenditures
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>					
<i>(Direct)</i>					
Community Development Block Grants/ Entitlement Grants		99 00 01	14.218	\$2,079,322 3,670,000 666,512 <u>6,415,834</u>	\$2,079,322 3,670,000 170,486 <u>5,919,808</u>
Emergency Shelter Grants Program		98 99	14.231	61,987 13,383 <u>75,370</u>	61,987 13,383 <u>75,370</u>
HOME Investment Partnerships Program		96 97 98 99	14.239	258,119 339,687 825,000 15,349 <u>1,438,155</u>	258,119 339,687 780,007 0 <u>1,377,813</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<b>7,929,359</b>	<b>7,372,991</b>
<b><u>U.S. DEPARTMENT OF COMMERCE</u></b>					
<i>(Direct)</i>					
Economic Development Grants for Public Works Assistance			11.300	27,546	27,546
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>					
<i>(Direct)</i>					
Local Law Enforcement Block Grant Program		99 00 01	16.592	0 0 208,022 <u>208,022</u>	197,308 50,539 0 <u>247,847</u>
<b>Total Local Law Enforcement Block Grant Program</b>				<b>208,022</b>	<b>247,847</b>
<i>(Passed through the Ohio Bureau of Justice Assistance)</i>					
Bulletproof Vest Partnership Program	0003153		16.607	29,082	29,082
<b>Total U.S. Department of Justice</b>				<b>237,104</b>	<b>276,929</b>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>					
<i>(Passed through the State of Ohio Environmental Protection Agency)</i>					
Air Pollution Control Program Support	AP19-91-76-020004		66.001	156,966	181,150
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>					
<i>(Passed through State of Ohio Department of Health)</i>					
Preventive Health Services - Sexually Transmitted Diseases	76201-PBX		93.977	14,092	15,840
Childhood Lead Poisoning Prevention Projects	7620011BD		93.197	33,000	17,563
Immunization Grants	7620012AZ		93.268	140,490	60,704
Maternal and Child Health Services Block Grant	7620011AJ		93.994	35,247	38,922
<b>Total U.S. Department of Health and Human Services</b>				<b>222,829</b>	<b>133,029</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>(Passed through State of Ohio Department of Health)</i>					
Special Supplemental Nutrition Program for Women and Children	7620011CL		10.557	768,878	764,443
<i>(Passed through State of Ohio Department of Education)</i>					
Summer Food Service Program for Children	BY92-11		10.559	34,328	34,328
<b>Total U.S. Department of Agriculture</b>				<b>803,206</b>	<b>798,771</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>					
<i>(Passed through State of Ohio Department of Public Safety)</i>					
State and Community Highway Safety	76002-CTO		20.600	30,208	30,208
State and Community Highway Safety	76002-CTO		20.600	30,323	30,323
<b>Total U.S. Department of Transportation</b>				<b>60,531</b>	<b>60,531</b>
<b>Total</b>				<b>\$9,437,541</b>	<b>\$8,850,947</b>

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

**CITY OF CANTON  
STARK COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - HUD 108 GUARANTEED LOAN**

During 1995, the City entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) for a section 108 guaranteed loan for the construction of the Cornerstone Parking Deck. HUD attached three conditions to be met for funding approval. The first condition provided that the City submit a note of other obligation for inspection and guarantee by HUD before August 31, 1995. The second condition provided that the City submit a repayment schedule for the guaranteed loan and the third condition provided the City furnish additional security for the loan. All three conditions were met by the City in 1995. The amount outstanding for the HUD 108 Guaranteed Loan as of December 31, 2001 was \$2,655,000.

**CITY OF CANTON  
STARK COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2001**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	Yes
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	-Community Development Block Grant (Entitlement Program), CFDA #14.218
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**FINDING NUMBER 2001-21276-001**

**Federal Questioned Costs**

<b>Finding Number</b>	<b>2001-21276-001</b>
<b>CFDA Title</b>	<b>Community Development Block Grant/Entitlement Grant</b>
<b>CFDA Number</b>	<b>14.218</b>
<b>Pass Through Entity Number/Year</b>	<b>Direct</b>
<b>Federal Oversight Agency</b>	<b>U.S. Department of Housing and Urban Development</b>

**24 CFR Section 570.200 through 570.207** require that all activities undertaken must meet one of three national objectives of the CDBG program, i.e., benefit low and moderate-income persons, eliminate slums or blight, or meet community development needs having a particular urgency. In addition, CDBG funds are to be used for the following activities: (1) the acquisition of real property; (2) the acquisition, construction, reconstruction, or installation of public works, facilities and site, or other improvements, including removal of architectural barriers that restrict accessibility of elderly or severely disabled persons; (3) clearance, demolition, and removal of buildings and improvements; (4) payments to housing owners for losses of rental income incurred in temporarily holding housing for the relocated; (5) disposition of real property acquired under this program; (6) provision of public services (subject to limitations contained in the CDBG regulations); (7) payment of the non-Federal share for another grant program that is part of the assisted activities; (8) interim assistance where immediate action is needed prior to permanent improvements or to alleviate emergency conditions threatening public health and safety; (9) payment to complete a Title I Federal Urban Renewal project; (10) relocation assistance; (11) planning activities; (12) administrative costs; (13) acquisition, construction, reconstruction, rehabilitation, or installation of commercial or industrial buildings; (14) assistance to community-based development organizations; (15) activities related to privately-owned utilities; (16) assistance to private, for-profit businesses, when appropriate to carry out an economic development project; (17) construction of housing assisted under Section 17 of the United States Housing Act of 1937; (18) reconstruction of properties; (19) direct home ownership assistance to facilitate and expand home ownership; (20) technical assistance to public or private entities for capacity building (exempt for the planning/administration cap); (21) housing services related to HOME funded activities; (22) assistance to institutions of higher education to carry out eligible activities; (23) assistance to public and private entities (including for-profits) to assist micro-enterprises; and (24) payment for repairs and operating expenses for acquired "in Rem" properties (i.e., certain properties in New York City); and (25) residential rehabilitation including code enforcement, lead-based paint hazard evaluation, and removal.

Since the following expenditures were not accompanied by supporting documentation that supported the expenditure benefited low and moderate income persons, eliminated slums or blight or met community development needs having a particular agency, the following expenditures are questioned:

**FINDING NUMBER 2001-21276-001  
 (Continued)**

<b>Check Date</b>	<b>Check Number</b>	<b>Vendor</b>	<b>Description</b>	<b>Check Amount</b>
2/5/01	240392	Buckeye Surveying Services	Survey and Plat for Martin Airfield Annexation	\$5,049
5/21/01	246217	Bob & Pete's Floors, Inc.	New Tile Floor in the Cornerstone Parking Deck	3,791
9/21/01	253052	Bluecoats Drum & Bugle Corp., Inc.	Radio Advertisements for Free Bluecoats Concert	1,500
9/21/01	253076	SARTA	Shuttle Service for Concert in the Park	1,500
10/31/01	254930	Canton Urban League, Inc.	Firefighter/Paramedic Advertising Campaign	5,440
8/27/01	251732	Miller & Company	Porta-Jons for Hall of Fame Activities	14,500
11/6/01	255192	The Canton Repository	Publish Public Notice of Annexation	<u>3,008</u>
<b>Total</b>				<u>\$34,788</u>

These expenditures resulted in questioned costs of \$34,788 out of \$1,955,065 expenditures tested. As a result, certain CDBG Program funds may not benefit qualified low to moderate income residents, eliminate slums or blight or community development needs having a particular urgency.

To help ensure CDBG Program monies are utilized for only allowable activities in the qualified area of low/moderate income residents, elimination of slum or blight or community development needs having a particular urgency, the Director of Community Development should ensure project files are prepared for each project and include in those files documentation which demonstrates one or more of the 3 national objectives were met prior to expenditures being incurred for each respective project. Also, the Director of Community Development should consult with representatives of the Department of Housing and Urban Development prior to incurring the obligation for potentially higher risk types of expenditures. This will help ensure the CDBG Program allowable activity guidelines are met.

Note: The audit period ended December 31, 2000 disclosed the porta-jons for Hall of Fame activities as a questioned cost. For the audit period ended December 31, 2001, a similar expenditure was noted as documented above. While this expenditure was again questioned, a letter from the United States Department of Housing and Urban Development dated March 14, 2002 stated the benefit of this expenditure extended beyond the Citizens of the City of Canton and no exception would be taken for similar expenditures in 2001. Therefore, the Community and Economic Development Department should not fund Hall of Fame activities beginning in 2002.

**CITY OF CANTON  
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2000-21276-001	Reportable Condition- the City does not maintain a comprehensive, detailed fixed asset listing	Yes	Finding no longer valid; the City created a new fixed asset tracking system.
2000-21276-002	Federal Questioned Costs – 24 CFR Section 570.200 through 570.207 – CDBG expenditures may not benefit the designated low/moderate income area	No	Not Corrected – Questioned cost for CDBG federal program expenditures were found during the current audit.
2000-21276-003	Federal Noncompliance/Reportable Condition – Title 13 CFR Chapter III, Parts 302, 305 and 314 – The City did not prepare nor file quarterly reports for the J & L Steel sewer line construction project.	Yes	Finding no longer valid; During 2001, this grant did not qualify as a major federal program.



# **City of Canton, Ohio**

## **Comprehensive Annual**

## **Financial Report**

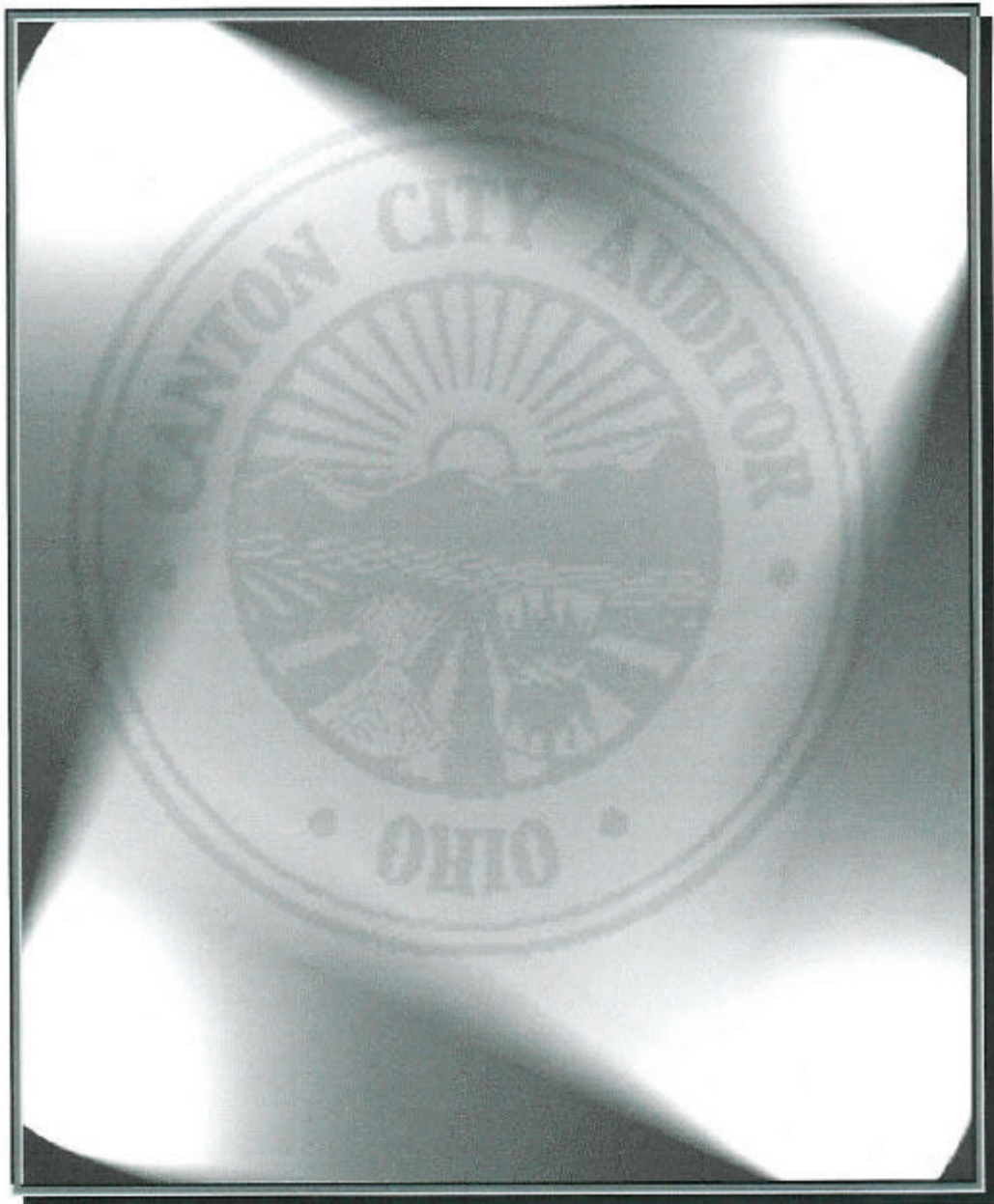
For the Year Ended December 31, 2001

Kim R. Perez

*City Auditor*

Prepared by the City Auditor's Office





*"Achieving Excellence in Financial Reporting"*

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## **Introductory Section**

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**City of Canton, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2001*  
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**KIM R. PEREZ**  
**CANTON CITY AUDITOR**

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

July 31, 2002

To the Council and the Citizens of the City of Canton:

The Comprehensive Annual Financial Report (CAFR) of the City of Canton for the year ended December 31, 2001, 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, the Report of Independent Accountants, the Management Discussion and Analysis, the Basic Financial Statements and Notes and the Combining Statements for Nonmajor Funds and other relevant supplemental financial statements and schedules for 2001. 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 ninth largest in the State.

The City operates under and is governed by the mayor-council form of government. Legislative authority is vested in a thirteen-member Council, of whom three are elected at-large and ten are elected from wards, for two year-terms. 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 presiding officer is the President, who is elected at-large by the voters for a two-year term.

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* The City provides police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water, sewer and sanitation.

## **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 2001.

Canton City School District has not been included in the accompanying financial statements. 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 and one weekly newspaper serve 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 economic future appears to be stable and growing, creating a climate for financial stability.

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.

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, home of the Canton Coyotes, a Frontier League professional baseball team

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.

## **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 seventeen 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 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 2000, the City received \$417,300 grants from the Ohio Public Works Commission for the 4<sup>th</sup> St. N.E. Improvement, and \$2,160,914 for the 12<sup>th</sup>/13<sup>th</sup> 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 will be completed in the spring of 2002. The City was awarded \$505,326 of County Municipal Road Funds for various street improvement projects.

The Engineering Department, in conjunction with Plain Township, administered an Ohio Public Works Commission grant in the amount of \$479,120 for the 26<sup>th</sup> 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 7<sup>th</sup> 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.

The City operates various enterprise funds that provide water, sewer, and refuse service for the citizens of Canton.

## **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.

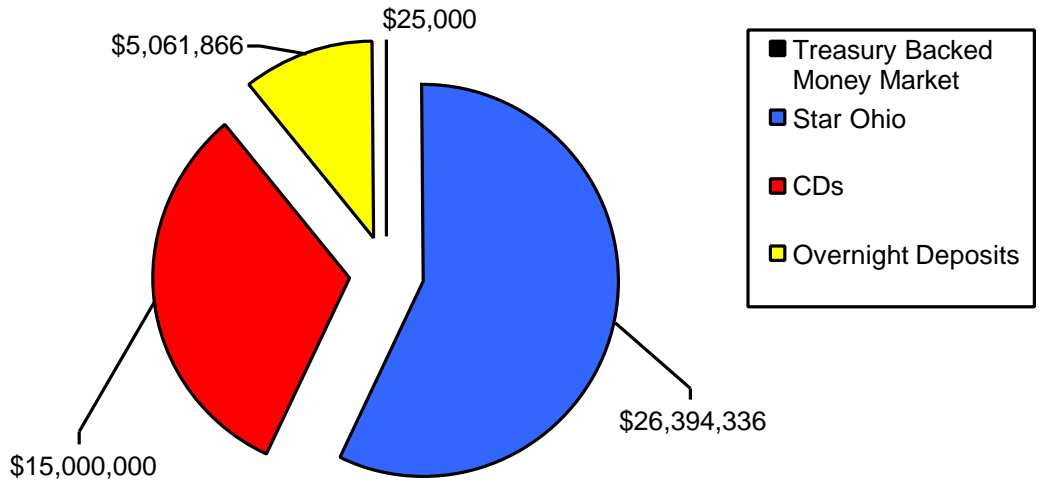
The City contracts with Wichert Insurance Services Agency, Inc. for commercial property coverage, which has a \$315,597,964 limit and a \$10,000 deductible. The City also contracts with Leonard Insurance Services Agency, Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 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, and 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. 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, 2001, the City had \$46 million in cash and investments. In reality, the City had no cash because through a series of contractual agreements, all cash is invested at all times. The allocation of these investment resources is included in the graph on the following page.

### Allocation of City of Canton Investment Resources



**General Fund Balance** The General Fund’s unreserved and undesignated fund balance of \$7,235,326 at December 31, 2001 represents approximately 13.20 percent of the 2001 General Fund expenditures. For purposes of financial reporting, the City includes the following funds with the General Fund balance: Income Tax, Police Settlement, Unredeemed Check Fund, Department of Motor Vehicles, Management Information Services, Vehicle Self Insurance, and the Benefits and Insurance Fund.

**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 for the fiscal year ended December 31, 2000. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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.

A Certificate is valid for the period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for consideration.



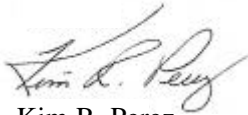
## **INDEPENDENT AUDIT**

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ended December 31, 2001, have been audited by the Auditor of State Jim Petro'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 this report.

## **ACKNOWLEDGMENTS**

Special recognition for the preparation of this report is made to Mick Coutts and Curtis Bungard from the Civil Engineers Office, other contributing Department Heads, Treasurer's Office, 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: Thurm Rohrer, Anita Henderson, James Carman 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, 2000

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.



*Imelda Chaves*  
President

*Jeffrey L. Esser*  
Executive Director

**CITY OF CANTON**

***CITY OFFICIALS***

*Mayor*

Richard D. Watkins

*Council Members*

Raymond Denczak, President  
Mary M. Babcock  
Joseph Carbenia  
Donald Casar  
Rosemary Diamond  
David Dougherty  
Charles Ede

Richard D. Hart  
Joseph L. Hunter  
Richard Mallonn II  
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*

Paul Bair

*Director of Public Service*

Michael Miller

*Director of Management and Budget*

Richard Gatien

*Fire Chief*

Joseph Concatto

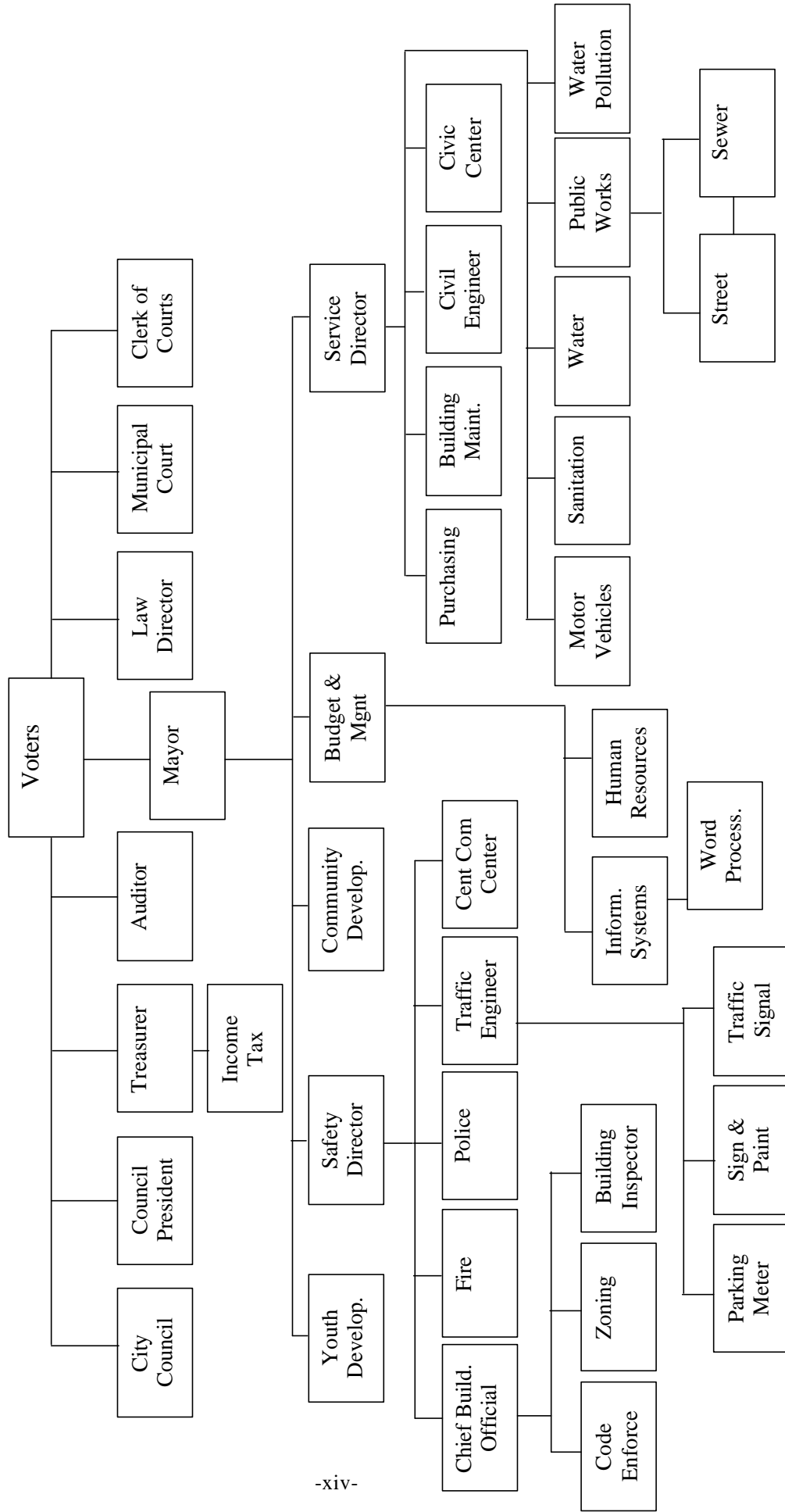
*Police Chief*

Thomas Wyatt

*City Engineer*

G. Michael Coutts

# City of Canton Organizational Chart



## **Financial Section**

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We performed our audit to form an opinion on the basic financial statements of the City, taken as a whole. The combining and individual fund statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, it is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

July 31, 2002

City of Canton  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2001

## 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 for the fiscal year ended December 31, 2001.

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 \$3.3 million as a result of this year's operations. Net assets of our business-type activities increased by \$3.0 million, or 4.3 percent, and net assets of governmental activities decreased by \$6.3 million, or 1.6 percent.
- The City issued General Obligation Bonds in 2001 for the purpose of replacing its radio communication system.
- The City's Bond Rating improved from BAA to Aaa per Moody's while maintaining its AAA status from Standards and Poor's, and Fitch in 2001.

### 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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Management's Discussion and Analysis  
For The Year Ended December 31, 2001

These 2 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 2 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  
Stark County, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2001

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 \$208.3 million to \$205.0 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	
	2001	2000	2001	2000	2001	2000
<b>Assets</b>						
Current and Other Assets	\$ 64.5	\$ 60.6	\$ 21.0	\$ 20.8	\$ 85.5	\$ 81.4
Capital Assets, Net	123.4	129.7	86.9	88.4	210.3	218.1
<b>Total Assets</b>	<b>\$ 187.9</b>	<b>\$ 190.3</b>	<b>\$ 107.9</b>	<b>\$ 109.2</b>	<b>\$ 295.8</b>	<b>\$ 299.5</b>
<b>Liabilities</b>						
Current and Other Liabilities	\$ 9.7	\$ 10.4	\$ 1.4	\$ 2.3	\$ 11.1	\$ 12.7
Long-Term Liabilities:						
Due Within One Year	3.9	3.6	3.0	4.0	6.9	7.6
Due Within More Than One Year	37.6	33.5	35.2	37.4	72.8	70.9
<b>Total Liabilities</b>	<b>51.2</b>	<b>47.5</b>	<b>39.6</b>	<b>43.7</b>	<b>90.8</b>	<b>91.2</b>
<b>Net Assets</b>						
Invested in Capital Assets Net of Debt	103.5	109.2	50.0	47.0	153.5	156.2
Restricted:						
Special Revenue	19.7	16.7	-	-	19.7	16.7
Debt Services	-	-	-	-	-	-
Capital Projects	8.4	6.8	-	-	8.4	6.8
Unrestricted	5.1	10.1	18.3	18.5	23.4	28.6
<b>Total Net Assets</b>	<b>\$ 136.7</b>	<b>\$ 142.8</b>	<b>\$ 68.3</b>	<b>\$ 65.5</b>	<b>\$ 205.0</b>	<b>\$ 208.3</b>

City of Canton  
 Stark County, Ohio  
 Management's Discussion and Analysis  
 For The Year Ended December 31, 2001

Net assets of the City's governmental activities decreased by 4.6 percent (\$136.7 million compared to \$142.8 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 \$10.1 million at December 31, 2000 to \$5.1 million at the end of 2001. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance increased by \$4.6 million. The investment in capital assets, net of debt category decreased by \$5.7 million.

The net assets of our business-type activities increased by 2.9 percent (\$65.5 million compared to \$68.3 million) in 2001. 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, 2001. Since this is the first year the City has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to 2000 are not available. The City will provide a comparative analysis of government-wide data in future years.

Table 2  
 Change in Net Assets  
 (In Millions)

	Governmental Activities 2001	Business-Type Activities 2001	Total 2001
Revenues			
Program Revenues:			
Charges for Services	\$ 10.2	\$ 25.1	\$ 35.3
Operating Grants and Contributions	10.0	-	10.0
Capital Grants and Contributions	-	0.4	0.4
Total Program Revenues	<u>20.2</u>	<u>25.5</u>	<u>45.7</u>
General Revenues:			
City Income Taxes	40.1	-	40.1
Property Taxes	4.1	-	4.1
Intergovernmental	10.3	-	10.3
Grants and Contributions	0.5	-	0.5
Interest and Investment Earnings	2.5	0.3	2.8
Charges for Services not Restricted to Program Revenue	0.7	-	0.7
Other	2.0	0.8	2.8
Gain or Loss on Sale of Assets	0.6	-	0.6
Transfers	(0.2)	0.2	-
Total General Revenues	<u>60.6</u>	<u>1.3</u>	<u>61.9</u>
Total Revenues	<u>\$ 80.8</u>	<u>\$ 26.8</u>	<u>\$ 107.6</u>

City of Canton  
 Stark County, Ohio  
 Management's Discussion and Analysis  
 For The Year Ended December 31, 2001

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

	Governmental Activities 2001	Business-Type Activities 2001	Total 2001
Expenses			
Program Expenses:			
General Government	\$ 18.6	\$ -	\$ 18.6
Security of Persons and Property	34.6	-	34.6
Public Health	4.6	-	4.6
Transportation	17.6	-	17.6
Community Development	7.5	-	7.5
Leisure Time Activities	2.9	-	2.9
Interest on Long-Term Debt	1.3	-	1.3
Water	-	10.4	10.4
Sewer	-	9.1	9.1
Refuse	-	4.3	4.3
Total Program Expenses	<u>87.1</u>	<u>23.8</u>	<u>110.9</u>
Increase (Decrease) in Net Assets	<u>\$ (6.3)</u>	<u>\$ 3.0</u>	<u>\$ (3.3)</u>

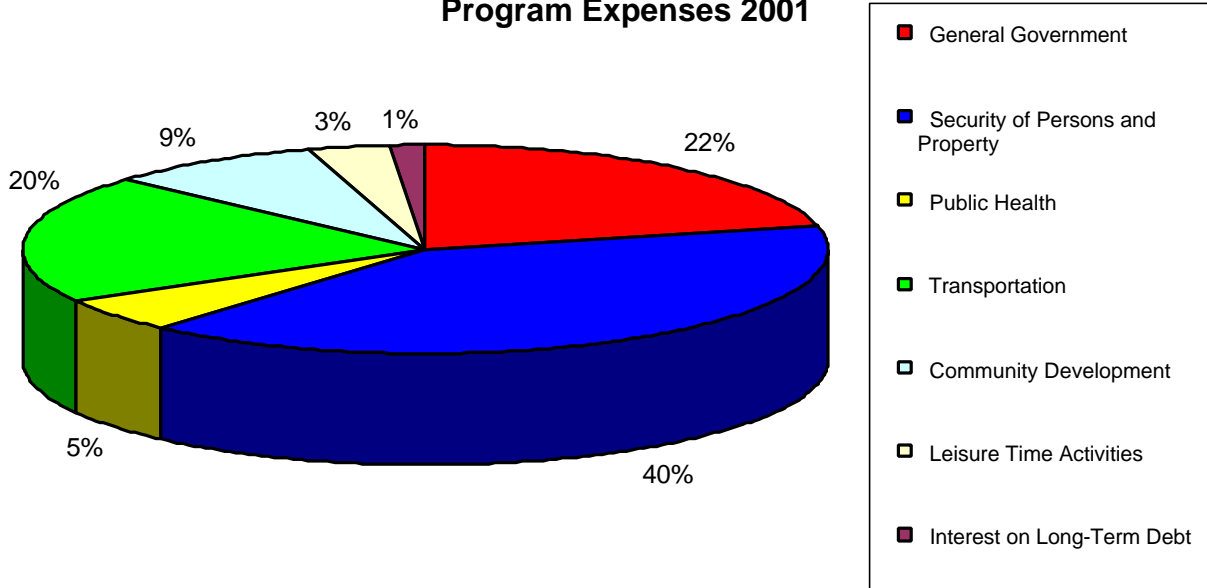
***Governmental Activities***

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 4 largest Governmental programs: Safety Services, General Government, Transportation Services, 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.

City of Canton  
 Stark County, Ohio  
 Management's Discussion and Analysis  
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**Graph 3  
 Program Expenses 2001**



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 11.6 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another 13.8 percent. The remaining revenues are primarily generated locally through property (4.6 percent) and income taxes (45.5 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 4, which demonstrates return on ending assets and return on ending net assets. Graph 4 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 \$79.3 million and expenditures of \$81.6 million. The General Fund balance

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Management's Discussion and Analysis  
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decreased \$808,988. Within the General Fund, expenditures exceeded revenue by \$1.5 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 \$512,267. The Capital Improvement Fund balance increased by \$597,450. Transfers to other funds, such as Various Capital Improvement Projects and General Obligation Debt Service Fund equaled \$4.3 million. The Motor Vehicle Fund balance increased by \$89,938.

### **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 account class, (salary, fringe, travel and other) within each department. 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 increased by \$630,618 increasing the overall General Fund estimated revenues to \$52,266,790 as indicated on page 20. This change represents 1.20% of total revenue. The General Fund variance from original appropriations to final appropriations was \$510,110, increasing overall General Fund

City of Canton  
 Stark County, Ohio  
 Management's Discussion and Analysis  
 For The Year Ended December 31, 2001

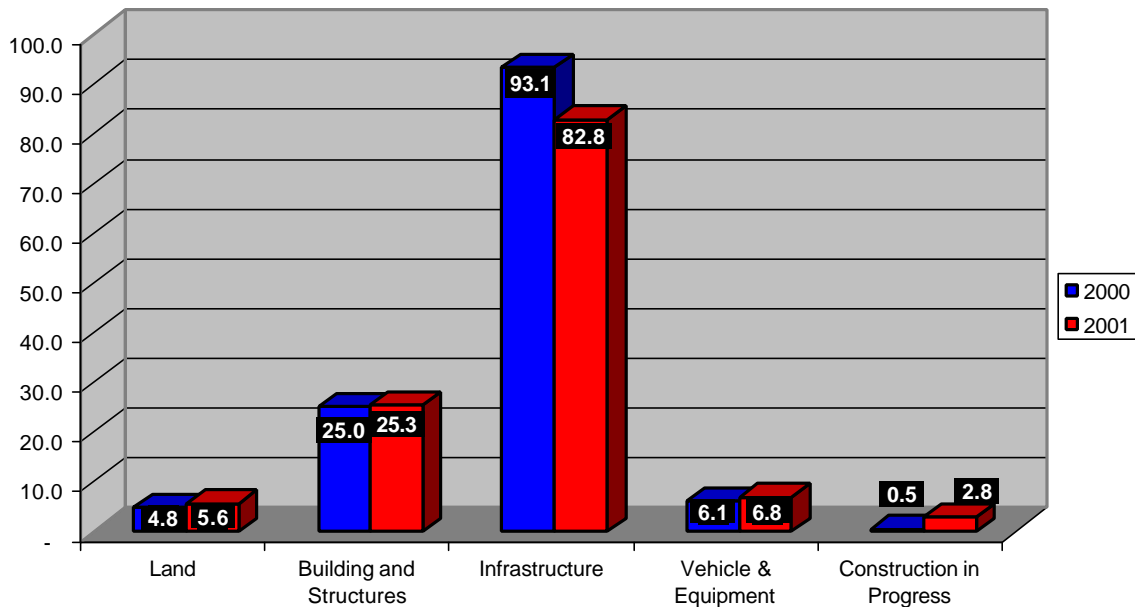
appropriations to \$57,067,550. This change represents 0.89% of total appropriations. The immediate impact of this analysis demonstrates the City continues to estimate its revenues and expenditures effectively, however, this comparative clearly identifies that the City anticipates having expenditures 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 had a \$3,149 increase in revenue, increasing overall revenues to \$14,003,149.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets*

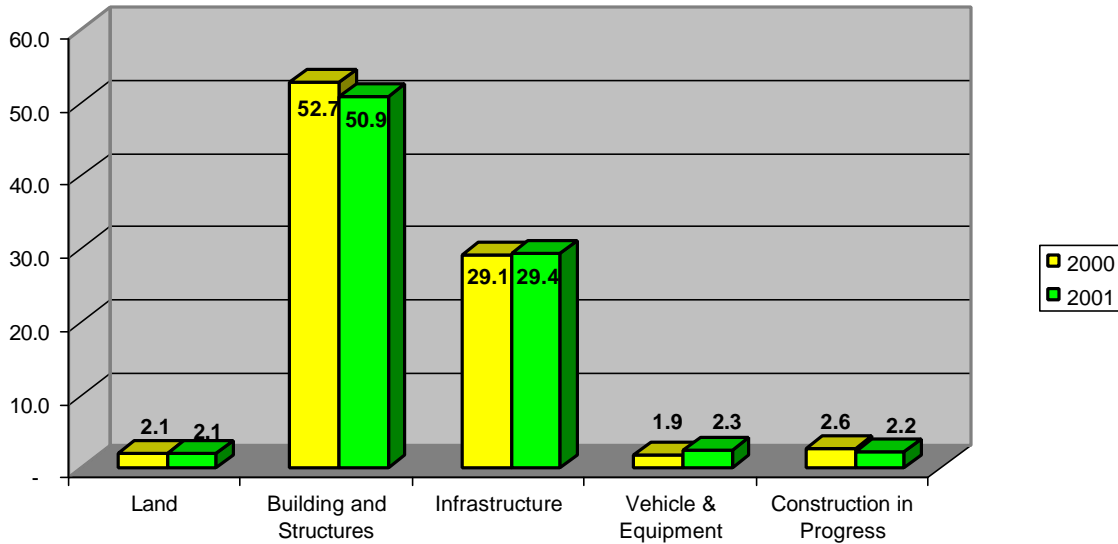
At the end of 2001, the City had \$210.3 million invested in a broad range of capital assets, including police, fire and radio equipment, land, buildings, park facilities, roads bridges, and water and sewer lines (see below). This amount represents a net decrease over last year.

**Graph 4  
 Change in Governmental Fixed Assets  
 (Dollar Value in Millions)**



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 Stark County, Ohio  
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 For The Year Ended December 31, 2001

**Graph 5**  
**Change in Business-Type Fixed Assets**  
**(Dollar Value in Millions)**



This year's major additions in the Governmental Activities included an 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 2002 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, 2001, the City had \$24.7 million in General Obligation Bonds.

Table 6  
 General Obligation Bond Debt Outstanding at Year End

	Governmental Activities	
	2001	2000
Unvoted General Obligation Bonds:		
1993 Various Refunding Bonds	\$ 6,375,000	\$ 7,560,000
1998 Pension Refunding Bonds	6,080,000	6,325,000
1999 Various Purpose Refunding	6,635,000	6,900,000
2001 Radio Communication	5,610,000	-
<b>Total Unvoted General Obligation Bonds:</b>	<b>\$ 24,700,000</b>	<b>\$ 20,785,000</b>

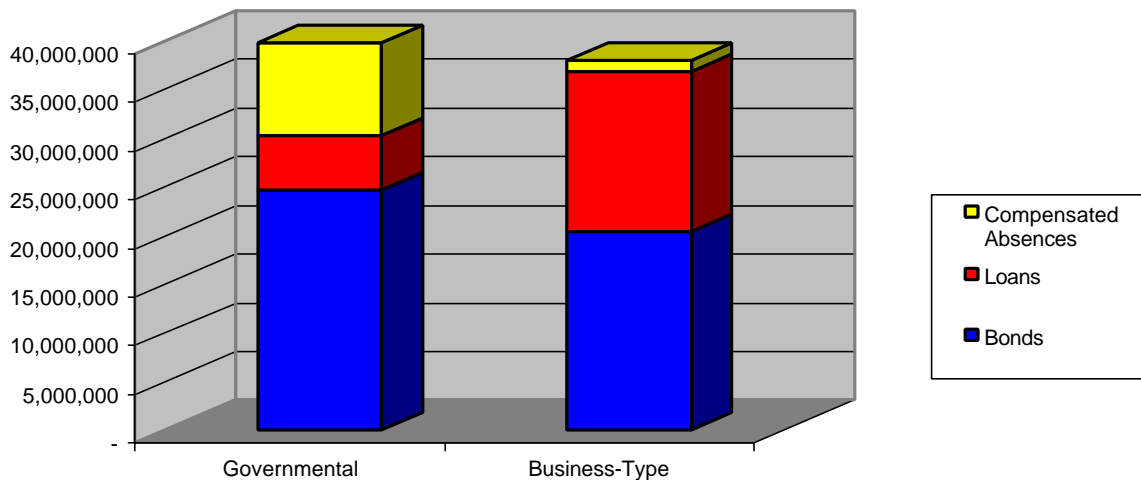


City of Canton  
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Management's Discussion and Analysis  
For The Year Ended December 31, 2001

The City's overall legal debt margin was \$80,238,880 at December 31, 2001. The City's unvoted legal debt margin was \$30,276,805 at December 31, 2001

At December 31, 2001, the City had outstanding long-term debt obligations in the amount of \$41.5 million for the governmental activities and \$38.2 million for business-type activities. The breakout on debt is presented in the graph below.

**Graph 7  
Total Debt Outstanding by Type**



The City's general obligation bond rating is 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.cantoncityauditor.com](http://www.cantoncityauditor.com). (Phone 330-489-3226 or Fax 330-580-2067)

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**City of Canton, Ohio**  
Statement of Net Assets  
December 31, 2001

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
<b>Assets</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 31,837,679	\$ 13,222,033	\$ 45,059,712	\$ 168,648
Cash and Cash Equivalents with Fiscal Agent	3,019	-	3,019	-
Accounts Receivable	1,279,493	6,767,024	8,046,517	77,292
Taxes Receivable	10,253,874	-	10,253,874	-
Loans Receivable	5,068,373	-	5,068,373	-
Grants Receivable	-	-	-	11,491
Internal Balances	296,179	-	296,179	-
Due From Other Governments	15,206,831	8,040	15,214,871	-
Inventories	578,411	859,847	1,438,258	-
Prepaid Expenses	-	127,971	127,971	10
<i>Total Current Assets</i>	<u>64,523,859</u>	<u>20,984,915</u>	<u>85,508,774</u>	<u>257,441</u>
<i>Noncurrent Assets</i>				
Capital Assets:				
Land, Improvements, and Construction in Progress	8,424,407	4,286,243	12,710,650	142,471
Other Capital Assets, Net of Depreciation	114,971,669	82,578,187	197,549,856	162,907
<i>Total Noncurrent Assets</i>	<u>123,396,076</u>	<u>86,864,430</u>	<u>210,260,506</u>	<u>305,378</u>
<b>Total Assets</b>	<u>\$ 187,919,935</u>	<u>\$ 107,849,345</u>	<u>\$ 295,769,280</u>	<u>\$ 562,819</u>
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	\$ 1,495,168	\$ 600,307	\$ 2,095,475	\$ 182,416
Accrued Wages and Benefits	1,579,853	342,522	1,922,375	591
Internal Balance	-	296,179	296,179	-
Due to Other Governments	94,904	32,628	127,532	-
Other Accrued Liabilities	-	-	-	70,000
Claims Payable	3,277,392	-	3,277,392	-
Deferred Revenue	3,294,381	-	3,294,381	-
<i>Total Current Liabilities</i>	<u>9,741,698</u>	<u>1,271,636</u>	<u>11,013,334</u>	<u>253,007</u>
<i>Noncurrent Liabilities</i>				
Long Term Liabilities				
Due Within One Year	3,837,515	3,040,314	6,877,829	-
Due Within More Than One Year	37,284,590	35,184,932	72,469,522	-
Legal Claims Payable				
Due Within One Year	102,600	-	102,600	-
Due Within More Than One Year	287,500	-	287,500	-
<i>Total Noncurrent Liabilities</i>	<u>41,512,205</u>	<u>38,225,246</u>	<u>79,737,451</u>	<u>-</u>
<b>Total Liabilities</b>	<u>51,253,903</u>	<u>39,496,882</u>	<u>90,750,785</u>	<u>253,007</u>
<b>Net Assets</b>				
Invested in Capital Assets , Net of Related Debt Restricted for:	103,476,691	49,976,166	153,452,857	-
Special Revenue	19,664,268	-	19,664,268	-
Debt Service	52,337	-	52,337	-
Capital Projects	8,335,624	-	8,335,624	-
Unrestricted	5,137,112	18,376,297	23,513,409	309,812
<b>Total Net Assets</b>	<u>136,666,032</u>	<u>68,352,463</u>	<u>205,018,495</u>	<u>309,812</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 187,919,935</u>	<u>\$ 107,849,345</u>	<u>\$ 295,769,280</u>	<u>\$ 562,819</u>

See accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Activities  
For the year ended December 31, 2001

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
<i>Governmental Activities</i>				
General Government	\$ 18,599,976	\$ 4,727,007	\$ 390,613	\$ -
Security of Persons and Property	34,573,006	3,981,763	309,137	-
Public Health	4,600,280	516,236	2,109,777	-
Transportation	17,642,325	686,485	-	43,518
Community Development	7,450,015	-	7,161,948	-
Leisure Time Activities	2,904,796	264,043	-	-
Interest on Long-Term Debt	1,308,012	-	-	-
<i>Total Governmental Activities</i>	<u>87,078,410</u>	<u>10,175,534</u>	<u>9,971,475</u>	<u>43,518</u>
<i>Business-Type Activities</i>				
Water	10,379,206	11,372,102	-	259,136
Sewer	9,099,094	9,469,606	-	147,634
Refuse	4,308,981	4,222,788	-	-
<i>Total Business-Type Activities</i>	<u>23,787,281</u>	<u>25,064,496</u>	<u>-</u>	<u>406,770</u>
Total Primary Government	<u>\$ 110,865,691</u>	<u>\$ 35,240,030</u>	<u>\$ 9,971,475</u>	<u>\$ 450,288</u>
Component Unit:				
CCIC	\$ 1,102,993	\$ 6,537	\$ 560,036	\$ -

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  
Rentals  
Other  
Proceeds on Sale of Assets  
Transfers  
    Total General Revenues and Transfers  
Change in Net Assets  
Net Assets -- Beginning - (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
\$ (13,482,356)	\$ -	\$ (13,482,356)	\$ -
(30,282,106)	-	(30,282,106)	-
(1,974,267)	-	(1,974,267)	-
(16,912,322)	-	(16,912,322)	-
(288,067)	-	(288,067)	-
(2,640,753)	-	(2,640,753)	-
(1,308,012)	-	(1,308,012)	-
<u>(66,887,883)</u>	<u>-</u>	<u>(66,887,883)</u>	<u>-</u>
-	1,252,032	1,252,032	-
-	518,146	518,146	-
-	(86,193)	(86,193)	-
-	<u>1,683,985</u>	<u>1,683,985</u>	<u>-</u>
<u>(66,887,883)</u>	<u>1,683,985</u>	<u>(65,203,898)</u>	<u>-</u>
-	-	-	(536,420)
40,095,014	-	40,095,014	-
4,069,952	-	4,069,952	-
10,340,160	8,040	10,348,200	-
500,000	-	500,000	-
2,453,323	294,325	2,747,648	263
728,355	-	728,355	-
4,493	-	4,493	-
1,821	-	1,821	-
1,975,279	775,704	2,750,983	-
594,847	32,500	627,347	351,009
(173,084)	173,084	-	-
<u>60,590,160</u>	<u>1,283,653</u>	<u>61,873,813</u>	<u>351,272</u>
(6,297,723)	2,967,638	(3,330,085)	(185,148)
142,963,755	65,384,825	208,348,580	494,960
<u>\$ 136,666,032</u>	<u>\$ 68,352,463</u>	<u>\$ 205,018,495</u>	<u>\$ 309,812</u>

**City of Canton, Ohio**

Balance Sheet

Governmental Funds

December 31, 2001

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 8,322,319	\$ 679,090	\$ 3,333,423	\$ 1,494,891
Cash and Cash Equivalents with Fiscal Agents	-	-	-	-
Taxes Receivable	7,921,910	-	1,330,725	332,682
Accounts Receivable	1,111,922	156,447	-	1,166
Loans Receivable (net of uncollectibles)	-	5,068,373	-	-
Due From Other Funds	426,130	-	-	-
Due From Other Governments	4,208,060	8,826,960	34,300	-
Inventories	255,567	-	-	-
<b>Total Assets</b>	<b><u>\$ 22,245,908</u></b>	<b><u>\$ 14,730,870</u></b>	<b><u>\$ 4,698,448</u></b>	<b><u>\$ 1,828,739</u></b>
<b>Liabilities</b>				
<i>Current</i>				
Accounts Payable	\$ 521,353	\$ 364,335	\$ 295,131	\$ 62,600
Accrued Wages and Benefits	1,408,240	38,700	28,759	-
Due to Other Funds	-	-	426,130	-
Due to Other Governments	60,263	3,677	2,733	-
Deferred Revenue	6,624,923	8,439,473	230,798	58,866
<i>Total Current</i>	<u>8,614,779</u>	<u>8,846,185</u>	<u>983,551</u>	<u>121,466</u>
<i>Noncurrent</i>				
Claims Payable	4,761	-	-	-
<i>Total Noncurrent</i>	<u>4,761</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>8,619,540</u></b>	<b><u>8,846,185</u></b>	<b><u>983,551</u></b>	<b><u>121,466</u></b>
<b>Fund Balances</b>				
Reserved for:				
Inventories	255,567	-	-	-
Encumbrances	584,115	2,056,950	469,823	879,705
Loans Receivable	-	5,068,373	-	-
Other Purpose	426,130	-	-	-
Unreserved:				
Undesignated, Reported in :				
General Fund	12,360,556	-	-	-
Special Revenue Funds (Deficit)	-	(1,240,638)	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	3,245,074	827,568
<i>Total Fund Balances</i>	<u>13,626,368</u>	<u>5,884,685</u>	<u>3,714,897</u>	<u>1,707,273</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 22,245,908</u></b>	<b><u>\$ 14,730,870</u></b>	<b><u>\$ 4,698,448</u></b>	<b><u>\$ 1,828,739</u></b>

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, 2001

Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$ 36,009,464
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 10,260,077	\$ 24,089,800	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	123,396,076
3,019	3,019		
668,557	10,253,874		
9,958	1,279,493	Due to Other Governments include contractually obligated costs associated with Deferred Revenue on operating grants	(18,336)
-	5,068,373		
-	426,130		
2,137,511	15,206,831		
322,844	578,411	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.	4,746,980
<u>\$ 13,401,966</u>	<u>\$ 56,905,931</u>		
\$ 251,749	\$ 1,495,168	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	14,023,148
100,919	1,576,618		
-	426,130		
9,588	76,261	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(41,491,300)
1,963,469	17,317,529		
<u>2,325,725</u>	<u>20,891,706</u>		
-	4,761	<i>Net Assets of Governmental Activities</i>	<u>\$ 136,666,032</u>
-	4,761		
<u>2,325,725</u>	<u>20,896,467</u>		
322,844	578,411		
6,793,597	10,784,190		
-	5,068,373		
-	426,130		
-	12,360,556		
3,111,182	1,870,544		
21,540	21,540		
827,078	4,899,720		
<u>11,076,241</u>	<u>36,009,464</u>		
<u>\$ 13,401,966</u>	<u>\$ 56,905,931</u>		

**City of Canton, Ohio**  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the year ended December 31, 2001

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
<b>Revenues</b>				
Property and Other Taxes	\$ 3,849,656	\$ -	\$ -	\$ -
Municipal Income Tax	30,475,548	-	7,512,138	1,878,035
Charges for Services	6,565,496	121	48	-
Licenses, Permits, and Fees	908,833	-	-	-
Fines and forfeitures	437,991	-	-	-
Intergovernmental	8,238,597	-	426,130	-
Interest	2,312,546	12,502	-	-
Operating Grants and Contributions	28,659	6,377,587	-	-
Capital Grants and Contributions	-	-	34,300	-
Rentals	144,903	-	117,006	15,000
Other	622,828	1,280,845	49,523	11,532
<b>Total Revenues</b>	<u>53,585,057</u>	<u>7,671,055</u>	<u>8,139,145</u>	<u>1,904,567</u>
<b>Expenditures</b>				
Current				
General Government	17,214,762	-	-	-
Security of Persons and Property	31,051,643	-	-	-
Public Health	1,866,254	-	-	-
Transportation	2,622,391	-	-	-
Community Environment	-	7,618,839	-	-
Leisure Time Activities	2,346,824	-	-	-
Capital Outlay	-	-	4,263,806	1,814,629
Debt Service				
Principal	-	335,000	-	-
Interest and Fiscal Charges	-	251,872	-	-
<b>Total Expenditures</b>	<u>55,101,874</u>	<u>8,205,711</u>	<u>4,263,806</u>	<u>1,814,629</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(1,516,817)</u>	<u>(534,656)</u>	<u>3,875,339</u>	<u>89,938</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Fixed Assets	7	-	594,840	-
Proceeds from Debt Issues	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Operating Transfers In	780,936	22,389	434,567	-
Operating Transfers Out	(73,114)	-	(4,307,296)	-
<b>Total Other Financing Sources and Uses</b>	<u>707,829</u>	<u>22,389</u>	<u>(3,277,889)</u>	<u>-</u>
Net Change in Fund Balance	(808,988)	(512,267)	597,450	89,938
<i>Fund Balance at Beginning of Year</i>	14,451,442	6,396,952	3,117,447	1,617,335
<i>Increase (Decrease) in Reserve for Inventory</i>	(16,086)	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ 13,626,368</u>	<u>\$ 5,884,685</u>	<u>\$ 3,714,897</u>	<u>\$ 1,707,273</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, 2001

Other Governmental Funds	Total Governmental Funds	Net change in fund balances-Total Government Funds	\$ 4,824,680
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$ 538,537	\$ 4,388,193		
-	39,865,721	Governmental funds report capital outlays as expenditures.	
571,114	7,136,779	However, in the statement of activities, the cost of those	
185,423	1,094,256	assets is allocated over their estimated useful lives as	
125,449	563,440	depreciation expense. This is the amount by which depreciation	
3,700,808	12,365,535	exceed capital outlay in the current period.	(6,314,559)
128,275	2,453,323		
2,632,896	9,039,142	Repayment of long-term debt is reported as an expenditure in	
-	34,300	the governmental funds, but the repayment reduces long-term	
33,281	310,190	liabilities in the statement of net assets.	3,051,820
81,337	2,046,065		
7,997,120	79,296,944	Consumable inventory is reported using the purchase	
		method on a modified accrual basis, but is reported using the	
		consumption method for full accrual. This amount represents	
		the increase in inventory that took place during the fiscal year	(78,915)
908,615	18,123,377		
1,807,371	32,859,014	Some revenues that will not be collected for several months	
2,243,818	4,110,072	after the City's year end are not considered "available" revenues	
1,228,657	3,851,048	and are deferred in the governmental funds.	955,055
33,561	7,652,400		
8,768	2,355,592	Change in long-term debt due to bonds, loans, notes	(5,670,347)
2,173,576	8,252,011		
		Some items reported in the statement of activities do not	
		require the use of current financial resources and therefore	
		are not reported as expenditures in the governmental	
		funds. Changes in intergovernmental payables, accrued interest	
		payable, and compensated absences.	(699,347)
2,716,820	3,051,820		
1,056,140	1,308,012		
12,177,326	81,563,346		
(4,180,206)	(2,266,402)	Internal service funds are used by management to charge the	
	(2,266,402)	costs of certain activities, such as insurance, to individual	
-	594,847	funds. The net revenue (expense) of the internal service funds	
5,670,347	5,670,347	is reported with governmental activities	(2,366,110)
-	-		
-	-		
4,955,159	6,193,051		
(986,753)	(5,367,163)		
9,638,753	7,091,082	<i>Change in Net Assets of Governmental Activities</i>	<u>\$ (6,297,723)</u>
5,458,547	4,824,680		
5,522,693	31,105,869		
95,001	78,915		
\$ 11,076,241	\$ 36,009,464		

**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, 2001

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$ 1,978,500	\$ 3,998,611	\$ 2,309,311	\$ (1,689,300)
Municipal Income Tax	30,024,482	30,589,179	30,771,455	182,276
Intergovernmental	8,733,300	7,585,057	9,387,207	1,802,150
Charges for Services	6,552,747	6,266,912	6,553,430	286,518
Licenses, Permits and Fees	954,950	864,059	897,250	33,191
Fines and Forfeitures	511,000	461,121	461,446	325
Interest	2,577,500	2,268,144	2,318,632	50,488
Rentals	155,993	126,987	144,004	17,017
Other	147,700	106,720	195,299	88,579
<b>Total Revenues</b>	<u>51,636,172</u>	<u>52,266,790</u>	<u>53,038,034</u>	<u>771,244</u>
<b>Expenditures</b>				
<i>Current</i>				
<b>General</b>				
Service Director Support Administration	425,428	343,427	313,689	29,738
Service Director	1,171,146	1,177,546	177,847	999,699
Annexation	12,000	14,725	12,609	2,116
Purchasing Administration	576,108	576,008	555,322	20,686
Building Maintenance	1,328,942	1,295,142	1,257,252	37,890
Income Tax	2,501,267	2,501,267	2,389,048	112,219
Mayor Administration	477,381	492,282	482,536	9,746
Human Resources	266,913	273,412	268,229	5,183
Word Processing	185,857	189,257	188,912	345
Youth Development	287,219	266,819	262,778	4,041
Council	564,747	543,747	530,119	13,628
Judges	1,448,499	1,442,999	1,423,250	19,749
Clerk of Courts	1,312,542	1,240,842	1,200,130	40,712
Law Department	1,317,029	1,496,829	1,474,585	22,244
Auditor's Office	2,063,702	1,996,505	1,939,069	57,436
Treasurer's Office	225,144	221,361	218,285	3,076
Civil Service	273,012	263,512	262,708	804
Zoning Board	8,954	8,954	8,932	22
Department of Motor Vehicles	2,169,109	2,318,910	2,236,154	82,756
Insurance	338,036	338,036	334,938	3,098
Management Information Systems	1,810,692	1,810,692	1,455,526	355,166
<b>Total General</b>	<u>18,763,727</u>	<u>18,812,272</u>	<u>16,991,918</u>	<u>1,820,354</u>
<b>Security of Persons and Property</b>				
Safety Director	218,817	229,017	222,850	6,167
Code Enforcement	1,033,788	1,046,288	1,024,612	21,676
Police	15,322,856	15,557,042	15,331,462	225,580
Fire	13,328,845	13,509,774	13,511,223	(1,449)
Central Communication	887,852	773,153	763,710	9,443
Traffic Engineer/Parking Meters	157,132	146,732	138,092	8,640
<b>Total SSP</b>	<u>\$ 30,949,290</u>	<u>\$ 31,262,006</u>	<u>\$ 30,991,949</u>	<u>\$ 270,057</u>

**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, 2001

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
<b>Health</b>	\$ 1,922,815	\$ 1,935,115	\$ 1,857,500	\$ 77,615
<b>Transportation</b>				
Engineering - Daily Operations	217,499	224,198	219,950	4,248
Street Department	2,244,266	2,397,366	2,358,725	38,641
<b>Total Transportation</b>	<u>2,461,765</u>	<u>2,621,564</u>	<u>2,578,675</u>	<u>42,889</u>
<b>Leisure Time Activities</b>				
Civic Center - Administration	1,034,322	1,143,422	1,090,954	52,468
Park	1,301,970	1,175,120	1,153,478	21,642
Baseball Stadium	123,551	118,051	110,996	7,055
<b>Total Leisure Time Activities</b>	<u>2,459,843</u>	<u>2,436,593</u>	<u>2,355,428</u>	<u>81,165</u>
<b>Total Expenditures</b>	<u>56,557,440</u>	<u>57,067,550</u>	<u>54,775,470</u>	<u>2,292,080</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(4,921,268)</u>	<u>(4,800,760)</u>	<u>(1,737,436)</u>	<u>3,063,324</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	-	-	7	7
Advances In	15,000	15,000	30,000	15,000
Advances Out	(30,000)	(522,000)	(456,130)	65,870
Transfers In	819,700	762,554	780,936	18,382
Transfers Out	(239,780)	(73,114)	(73,114)	-
<b>Total Other Financing Sources and Uses</b>	<u>564,920</u>	<u>182,440</u>	<u>281,699</u>	<u>99,259</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</b>	(4,356,348)	(4,618,320)	(1,455,737)	3,162,583
<i>Fund Balance at Beginning of Year</i>	8,479,714	8,479,714	8,479,714	-
Unexpended Prior Year Encumbrances	211,349	211,349	211,349	-
<b>Fund Balance at End of Year</b>	<u>\$ 4,334,715</u>	<u>\$ 4,072,743</u>	<u>\$ 7,235,326</u>	<u>\$ 3,162,583</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, 2001

	Community and Economic Development			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Tax	-	-	-	-
Intergovernmental	12,700,000	12,700,000	7,495,470	(5,204,530)
Charges for Services	-	-	75	75
Licenses, Permits and Fees	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	3,149	13,265	10,116
Contributions and Donations	-	-	-	-
Rentals	-	-	-	-
Other	1,300,000	1,300,000	1,280,770	(19,230)
<b>Total Revenues</b>	<u>14,000,000</u>	<u>14,003,149</u>	<u>8,789,580</u>	<u>(5,213,569)</u>
<b>Expenditures</b>				
Current				
General Government	-	-	-	-
Security of Persons and Property	-	-	-	-
Public Health	-	-	-	-
Transportation	-	-	-	-
Community Environment	8,797,501	8,797,501	6,349,303	2,448,198
Leisure Time Activities	-	-	-	-
Debt Service				
Principal	335,000	335,000	335,000	-
Interest and Fiscal Charges	251,872	251,872	251,872	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>9,384,373</u>	<u>9,384,373</u>	<u>6,936,175</u>	<u>2,448,198</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>4,615,627</u>	<u>4,618,776</u>	<u>1,853,405</u>	<u>(2,765,371)</u>
<b>Other Financing Sources</b>				
Proceeds of from Debt Issues	-	-	-	-
Transfers In	10,116	10,116	22,389	12,273
Transfers Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
<b>Total Other Financing Sources</b>	<u>10,116</u>	<u>10,116</u>	<u>22,389</u>	<u>12,273</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures</b>	4,625,743	4,628,892	1,875,794	(2,753,098)
<i>Fund Balance at Beginning of Year</i>	(4,813,215)	(4,813,215)	(4,813,215)	-
Unexpended Prior Year Encumbrances	1,279,464	1,279,464	1,279,464	-
<b>Fund Balance at End of Year</b>	<u>\$ 1,091,992</u>	<u>\$ 1,095,141</u>	<u>\$ (1,657,957)</u>	<u>\$ (2,753,098)</u>

See the accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2001

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
<b>Assets</b>					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 3,664,588	\$ 8,738,224	\$ 819,221	\$ 13,222,033	\$ 7,747,879
Accounts Receivable	3,227,548	2,100,639	1,438,837	6,767,024	-
Due From Other Governments	-	-	8,040	8,040	-
Inventories	648,353	211,494	-	859,847	-
Prepaid Expenses	63,986	63,985	-	127,971	-
<i>Total Current Assets</i>	<u>7,604,475</u>	<u>11,114,342</u>	<u>2,266,098</u>	<u>20,984,915</u>	<u>7,747,879</u>
<i>Noncurrent Assets</i>					
Capital Assets, Net of Depreciation	33,501,558	52,348,698	1,014,174	86,864,430	-
<b>Total Assets</b>	<u>\$ 41,106,033</u>	<u>\$ 63,463,040</u>	<u>\$ 3,280,272</u>	<u>\$ 107,849,345</u>	<u>\$ 7,747,879</u>
<b>Liabilities</b>					
<i>Current</i>					
Accounts Payable	\$ 147,710	\$ 387,735	\$ 64,862	\$ 600,307	\$ -
Accrued Wages and Benefits	152,356	111,115	79,051	342,522	3,235
Due to Other Governments	14,562	10,556	7,510	32,628	307
<i>Total Current</i>	<u>314,628</u>	<u>509,406</u>	<u>151,423</u>	<u>975,457</u>	<u>3,542</u>
<i>Noncurrent</i>					
Due Within One Year	1,108,863	1,913,746	17,705	3,040,314	1,338
Due Within More Than One Year	14,206,151	20,776,154	202,627	35,184,932	19,567
Claims Payable	-	-	-	-	3,272,631
<i>Total Noncurrent</i>	<u>15,315,014</u>	<u>22,689,900</u>	<u>220,332</u>	<u>38,225,246</u>	<u>3,293,536</u>
<b>Total Liabilities</b>	<u>15,629,642</u>	<u>23,199,306</u>	<u>371,755</u>	<u>39,200,703</u>	<u>3,297,078</u>
<i>Net Assets</i>					
Invested in Capital Assets, Net of Related Debt	18,891,589	30,070,403	1,014,174	49,976,166	-
Unrestricted	6,584,802	10,193,331	1,894,343	18,672,476	4,450,801
<i>Total Net Assets</i>	<u>25,476,391</u>	<u>40,263,734</u>	<u>2,908,517</u>	<u>68,648,642</u>	<u>4,450,801</u>
<b>Total Net Assets and Liabilities</b>	<u>\$ 41,106,033</u>	<u>\$ 63,463,040</u>	<u>\$ 3,280,272</u>	<u>\$ 107,849,345</u>	<u>\$ 7,747,879</u>

Some amounts reported for business-type activities in the statement of net assets are different because internal service fund assets and liabilities are included with business-type activities.

(296,179)
<u>\$ 68,352,463</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, 2001

	Business-Type Activities			Total	Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
<b>Operating Revenues</b>					
Charges for Services	\$ 11,397,845	\$ 9,172,143	\$ 4,138,438	\$ 24,708,426	\$ 6,420,208
Other	596,480	914,359	159	1,510,998	31,135
<b>Total Operating Revenues</b>	<u>11,994,325</u>	<u>10,086,502</u>	<u>4,138,597</u>	<u>26,219,424</u>	<u>6,451,343</u>
<b>Operating Expenses</b>					
Personal Services	4,710,449	3,651,938	2,503,357	10,865,744	70,528
Contractual Services	2,353,729	2,214,492	1,450,278	6,018,499	1,004,507
Materials and Supplies	898,417	468,628	81,870	1,448,915	105
Insurance Claims and Expenses	95,458	10,478	410	106,346	6,846,246
Depreciation	1,294,794	2,054,645	164,780	3,514,219	-
Capital Outlay	-	-	-	-	-
Other	116,631	52,419	18,520	187,570	236,423
<b>Total Operating Expenses</b>	<u>9,469,478</u>	<u>8,452,600</u>	<u>4,219,215</u>	<u>22,141,293</u>	<u>8,157,809</u>
<i>Operating Income (Loss)</i>	<u>2,524,847</u>	<u>1,633,902</u>	<u>(80,618)</u>	<u>4,078,131</u>	<u>(1,706,466)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Gain on Disposal of Fixed Assets	-	3,700	28,800	32,500	-
Intergovernmental	-	27,546	8,040	35,586	-
Interest	10,229	284,096	-	294,325	43,149
Interest Expense	(776,834)	(550,164)	(21,304)	(1,348,302)	-
Other Expenses	(1,152)	(249)	(106)	(1,507)	-
<b>Total Nonoperating Revenue (Expenses)</b>	<u>(767,757)</u>	<u>(235,071)</u>	<u>15,430</u>	<u>(987,398)</u>	<u>43,149</u>
<i>Income (Loss) Before Transfers</i>	<u>1,757,090</u>	<u>1,398,831</u>	<u>(65,188)</u>	<u>3,090,733</u>	<u>(1,663,317)</u>
Transfers In	75,410	61,384	36,290	173,084	1,028
Transfers Out	-	-	-	-	(1,000,000)
<b>Change in Net Assets</b>	<u>1,832,500</u>	<u>1,460,215</u>	<u>(28,898)</u>	<u>3,263,817</u>	<u>(2,662,289)</u>
<i>Total Net Assets at Beginning of Year</i>	<u>23,643,891</u>	<u>38,803,519</u>	<u>2,937,415</u>		<u>7,113,090</u>
<i>Total Net Assets at End of Year</i>	<u>\$ 25,476,391</u>	<u>\$ 40,263,734</u>	<u>\$ 2,908,517</u>		<u>\$ 4,450,801</u>
Some amounts reported for business-type activities in the statement of activities are different because the net expense of the internal service fund is reported with business-type activities.				<u>(296,179)</u>	
Change in net assets of business-type activities				<u>\$ 2,967,638</u>	

See accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Cash Flows  
Proprietary Funds  
For the year ended December 31, 2001

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service
<b>Cash Flows From Operating Activities</b>					
Receipts from Customers	\$ 11,244,670	\$ 9,180,961	\$ 4,193,888	\$ 24,619,519	\$ -
Internal Activity - Receipts from Other Funds	-	-	-	-	6,475,899
Other Cash Receipts	596,480	1,002,572	159	1,599,211	950,880
Payments to Suppliers	(3,851,259)	(2,583,999)	(1,509,715)	(7,944,973)	(1,081,362)
Payments to Employees	(4,633,958)	(3,665,862)	(2,480,365)	(10,780,185)	(58,307)
Claims Paid	(95,458)	(10,478)	(410)	(106,346)	(6,775,710)
Other Cash Payments	(123,611)	(52,401)	(18,736)	(194,748)	-
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>3,136,864</u>	<u>3,870,793</u>	<u>184,821</u>	<u>7,192,478</u>	<u>(488,600)</u>
<b>Cash Flows from Non Capital Financing Activities</b>					
Operating Transfers In	75,410	61,384	36,290	173,084	1,028
Operating Transfers Out	-	-	-	-	(1,000,000)
<i>Net Cash Provided (Used) by Noncapital Financing Activities</i>	<u>75,410</u>	<u>61,384</u>	<u>36,290</u>	<u>173,084</u>	<u>(998,972)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Proceeds from Capital Debt	67,948	-	-	67,948	-
Proceeds from Sale of Capital Assets	-	3,700	28,800	32,500	-
Purchases of Capital Assets	(612,652)	(643,295)	(476,190)	(1,732,137)	-
Principal Paid on Capital Debt	(1,627,101)	(1,875,918)	(535,000)	(4,038,019)	-
Interest Paid on Capital Debt	(896,354)	(822,264)	(24,008)	(1,742,626)	-
<i>Net Cash Provided (Used) by Capital and Related Financing Activities</i>	<u>(3,068,159)</u>	<u>(3,337,777)</u>	<u>(1,006,398)</u>	<u>(7,412,334)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>					
Interest and Dividends	9,109	282,488	-	291,597	-
<i>Net Cash Provided (Used) by Investing Activities</i>	<u>9,109</u>	<u>282,488</u>	<u>-</u>	<u>291,597</u>	<u>-</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	153,224	876,888	(785,287)	244,825	(1,487,572)
Balance - Beginning of the Year	3,511,364	7,861,336	1,604,508	12,977,208	9,235,451
Balance - End of the Year	<u>3,664,588</u>	<u>8,738,224</u>	<u>819,221</u>	<u>13,222,033</u>	<u>7,747,879</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	2,524,847	1,633,902	(80,618)	4,078,131	(1,706,466)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation Expense	1,294,794	2,054,645	164,780	3,514,219	-
Change in Assets and Liabilities:					
Accounts Receivables, net	(152,687)	32,765	55,450	(64,472)	5,477
Intergovernmental Receivables, net	-	-	(8,040)	(8,040)	883,219
Inventories	(118,894)	(4,456)	-	(123,350)	-
Due From Other Funds	-	-	-	-	65,601
Accounts Payables	(343,056)	386,916	16,251	60,111	-
Accrued Wages Payable	18,584	6,221	9,900	34,705	1,687
Compensated Absences Payable	89,616	32,309	29,144	151,069	(383)
Intergovernmental Payable	1,853	591	658	3,102	307
Due to Other Funds	-	-	-	-	(1,042)
Accrued Interest Payable	(119,520)	(272,100)	(2,704)	(394,324)	-
Claims Payable	-	-	-	-	263,000
Accrued Expenses	(58,673)	-	-	(58,673)	-
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>\$ 3,136,864</u>	<u>\$ 3,870,793</u>	<u>\$ 184,821</u>	<u>\$ 7,192,478</u>	<u>\$ (488,600)</u>

See accompanying notes to the basic financial statements

**City of Canton, Ohio**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2001

	Private Purpose Trust	
	Hartford House	Agency Funds
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,877,523
Cash and Cash Equivalents in Segregated Accounts	88,308	83,450
Investments in Segregated Accounts	55,531	-
<b>Total Assets</b>	<u>\$ 143,839</u>	<u>\$ 1,960,973</u>
<b>Liabilities</b>		
Due to Other Governments	\$ -	\$ 1,776,872
Undistributed Assets	-	82,610
Deposits Held and Due to Others	-	101,491
<i>Total Liabilities</i>	<u>-</u>	<u>1,960,973</u>
<b>Net Assets</b>		
Restricted for Endowments	102,384	
Unrestricted	41,455	
<b>Total Liabilities and Net Assets</b>	<u>\$ 143,839</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, 2001

	Private Purpose Trust
	Hartford House
<b>Additions</b>	
Investment Earnings:	
Interest	\$ 4,021
Total Investment Earnings	4,021
<b>Deductions</b>	
Benefits	6,000
Administrative Expenses	40
Total Deductions	6,040
Change in Net Assets	(2,019)
<i>Net Assets-Beginning of the Year</i>	145,858
<i>Net Assets-End of the Year</i>	\$ 143,839

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, 2001

**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 effective December 31, 2001. 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 and 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, 2001

**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, 2001

**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.

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 workers 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, 2001

**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, 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, 2001

**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, 2001, but which were levied to finance year 2002 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, 2001

**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 a 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 in segregated accounts" and "investments in segregated accounts" since they are not required to be deposited into the City treasury.

During 2001, 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 investments 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, 2001.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2001 amounted to \$2,312,546, which includes \$76,144, 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, 2001

**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, 2001, 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, 2001

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

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

**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  
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Notes to the Basic Financial Statements  
For The Year Ended December 31, 2001

**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 governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2001

**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 2001.

**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, 2001

**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.

	General Fund	Community and Economic Development Fund
GAAP Basis	\$ (825,074)	\$ (512,267)
Net Adjustment for Revenue Accruals	547,030	415,375
Net Adjustment for Expenditure		
Accruals	(390,432)	385,593
Encumbrances	(787,261)	1,587,093
Budget Basis	\$ (1,455,737)	\$ 1,875,794

**NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY**

**Changes in Accounting Principles**

For 2001, the City has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues", GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus", Statement No. 38, "Certain Financial Statement Note Disclosure", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB Statements No. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or modified accrual basis of accounting is required. For revenue recognition to occur on the modified accrual basis, however, the criteria established for accrual basis revenue recognition must be met and the revenue must be available.

GASB Statement No. 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2001

**NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY** (Continued)

The government-wide financial statements split the City's programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2000, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of GASB Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures. GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

**Restatement of Fund Balance**

The implementation of these statements had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Community and Economic Development	Capital Projects
Fund Balances, December 31, 2000	\$ 11,996,602	\$ 4,730,714	\$ 2,827,573
Advances Receivable	(15,000)	-	-
Implementation of GASB Interpretation No. 6	<u>750,557</u>	<u>15,813</u>	<u>6,770</u>
Adjusted Fund Balance, December 31, 2000	12,732,159	4,746,527	2,834,343
GASB 33 Adjustments:			
Cash and Cash Equivalents in			
Segregated Accounts	(951,552)	(18,612)	(15,971)
Municipal Income Tax	1,815,054	-	484,015
Accounts Receivable	1,846	7,295	-
Due From Other Governments	3,892,853	9,275,115	-
Deferred Revenue	<u>(3,038,918)</u>	<u>(7,613,373)</u>	<u>(184,940)</u>
GASB 33 Adjusted Fund Balance, December 31, 2000	<u>\$ 14,451,442</u>	<u>\$ 6,396,952</u>	<u>\$ 3,117,447</u>

(continued)

City of Canton  
 Stark County, Ohio  
 Notes to the Basic Financial Statements  
 For The Year Ended December 31, 2001

**NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY** (Continued)

	Motor Vehicle Purchase	Non- Major	Total
Fund Balances, December 31, 2000	\$ 1,542,354	\$ 5,225,039	\$ 26,322,282
Advances Receivable	-	-	(15,000)
Advances Payable	-	15,000	15,000
Implementation of GASB 6	-	27,698	800,838
Adjusted Fund Balance, December 31, 2000	1,542,354	5,267,737	27,123,120
GASB 33 Adjustments:			
Cash and Cash Equivalents in			
Segregated Accounts	-	(49,781)	(1,035,916)
Municipal Income Tax	121,004	-	2,420,073
Accounts Receivable	6,345	-	15,486
Due to Other Funds	-	10,107	10,107
Due From Other Governments	-	1,491,730	14,659,698
Deferred Revenue	(52,368)	(1,197,100)	(12,086,699)
GASB 33 Adjusted Fund Balance, December 31, 2000	<u>\$ 1,617,335</u>	<u>\$ 5,522,693</u>	31,105,869
GASB 34 Adjustments:			
Capital Assets			129,710,635
Internal Service Fund			7,113,090
Due to Other Governments			(9,355)
Long-Term Liabilities			(37,064,445)
Long-Term (Deferred) Assets			<u>12,107,961</u>
Governmental Activities Net Assets, December 31, 2000			<u>\$ 142,963,755</u>

Capital Assets were overstated in the prior year's CAFR by \$12,085,430 as a result of land being booked at market value rather than cost.

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**NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY** (Continued)

Capital assets and compensated absences were misstated in the enterprise funds as of 12/31/00. This restatement had the following effect on fund equity as it was previously reported:

	Water	Sewer	Refuse	Total Enterprise
Fund Equity December 31, 2000	\$ 42,390,229	\$ 19,118,289	\$ 2,562,054	\$ 64,070,572
Capital Assets	(18,712,688)	19,738,549	392,071	1,417,932
Compensated Absences	(33,650)	(53,319)	(16,710)	(103,679)
Adjusted Net Assets, December 31,2000	<u>\$ 23,643,891</u>	<u>\$ 38,803,519</u>	<u>\$ 2,937,415</u>	<u>\$ 65,384,825</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;

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**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 \$373,797 in undeposited cash on hand which is included on the Combined Balance Sheet of the City as part of "Cash and Cash Equivalents."



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**NOTE 5 - DEPOSITS AND INVESTMENTS** (Continued)

**Deposits**

At year end, the carrying amount of the City's deposits was \$17,767,553 and the bank balance was \$20,141,118. Of the bank balance:

1. \$934,621 was covered by federal depository insurance.
2. \$19,206,497 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	-	2,605,091	2,605,091	2,605,091
STAR Ohio	-	-	26,394,336	26,394,336
Total Investments	<u>\$ 2,000</u>	<u>\$ 2,605,091</u>	<u>\$ 29,026,427</u>	<u>\$ 29,026,427</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:

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (Continued)

	Cash and Cash	
	Equivalents/Deposits	Investments
GASB Statement No. 9	\$ 47,112,226	\$ 55,531
Investments of the cash management pool:		
Money Market	(25,000)	25,000
Repurchase Agreements	(2,605,091)	2,605,091
STAROhio	(26,394,336)	26,394,336
Petty Cash	(1,000)	-
Cash on Hand/Unrecorded Cash	(372,797)	-
Investments with maturity of greater than 3 months	53,531	(53,531)
GASB Statement No. 3	\$ 17,767,533	\$ 29,026,427

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2001, 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 \$30,797 in the Debt Service Fund, and \$448,266 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 2001 for real and public utility property taxes represents collections of the 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) is for 2001 taxes.

2001 real property taxes are levied after October 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

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. 2001 public utility property taxes became a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

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**NOTE 6 - RECEIVABLES** (Continued)

The assessed value upon which the 2001 taxes were collected was \$999,241,496. Real estate represented 71.52 percent (\$714,619,710) of this total, public utility tangible personal property represented 5.39 percent (\$53,812,050) and general tangible personal property represented 23.09 percent (\$230,809,736). The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2001, 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, 2001. 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 2001 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.

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**NOTE 6 - RECEIVABLES** (Continued)

**Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
<b>Governmental Activities</b>	
Local Government and Local Government	
Revenue Assistance	\$ 3,832,212
Immobilization and Other BMV Fees	505
Charges for Service	227,168
Courts	146,534
Gasoline and Excise Tax	780,810
Motor Vehicle Tax	40,582
Grants	10,172,846
Liquor Licenses	6,174
Total:	\$ 15,206,831

**Loans Receivable**

The special revenue funds reflect community development loans receivable in the amount of \$5,068,373. 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 2001 are \$250,000 per diem. Current claims liabilities for incurred and reported claims, as well as an estimate for incurred but not reported (IBNR) claims totaled \$2,379,107, and is reported as claims payable in the workers' compensation retrospective internal service fund.

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 For The Year Ended December 31, 2001

**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 2001, the City selected Tier 1 which calls for no claim limit and a 200 percent maximum premium limit.

The claims liability of \$2,379,107 reported in the internal service fund at December 31, 2001, 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
2000	\$ 2,303,673	\$ 867,850	\$ 618,651	\$ 2,552,872
2001	2,552,872	459,340	633,105	2,379,107

**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 \$315,597,964 limit and a \$10,000 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.

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**NOTE 7 - RISK MANAGEMENT** (Continued)

The claims liability of \$893,524 reported in the self-insurance fund at December 31, 2001, 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
2000	\$ 696,795	\$ 5,775,773	\$ 5,977,738	\$ 494,830
2001	494,830	6,541,299	6,142,605	893,524

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2001, was as follows:

	Balance 12/31/00	Additions	Deductions	Balance 12/31/01
<b>Governmental Activities</b>				
Capital Assets, not being depreciated:				
Land	\$ 4,818,312	\$ 790,441	\$ -	\$ 5,608,753
Construction in Progress	539,970	2,275,684	-	2,815,654
Total Capital Assets, not being Depreciated	5,358,282	3,066,125	-	8,424,407
Capital Assets, being Depreciated				
Buildings and Structures	35,455,987	1,139,471	-	36,595,458
Vehicles & Equipment	15,951,222	1,857,349	(27,344)	17,781,227
Infrastructure	314,572,626	2,042,951	(50,385)	316,565,192
Total Capital Assets, being Depreciated	365,979,835	5,039,771	(77,729)	370,941,877

(Continued)

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**NOTE 8 - CAPITAL ASSETS** (Continued)

	Balance 12/31/00	Additions	Deductions	Balance 12/31/01
Less Accumulated Depreciation				
Buildings and Structures	\$ (10,384,324)	\$ (881,280)	\$ -	\$ (11,265,604)
Vehicles & Equipment	(9,819,929)	(1,185,066)	27,344	(10,977,651)
Infrastructure	(221,423,229)	(12,354,109)	50,385	(233,726,953)
Total Accumulated Depreciation	<u>(241,627,482)</u>	<u>(14,420,455)</u>	<u>77,729</u>	<u>(255,970,208)</u>
Total Capital Assets, being Depreciated, net	<u>124,352,353</u>	<u>(9,380,684)</u>	<u>-</u>	<u>114,971,669</u>
Governmental Activities Capital Assets, net	<u>\$ 129,710,635</u>	<u>\$ (6,314,559)</u>	<u>\$ -</u>	<u>\$ 123,396,076</u>
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 2,104,179	\$ -	\$ -	\$ 2,104,179
Construction in Progress	2,641,827	175,556	(635,319)	2,182,064
Total Capital Assets, not being Depreciated	<u>4,746,006</u>	<u>175,556</u>	<u>(635,319)</u>	<u>4,286,243</u>
Capital Assets, being Depreciated				
Buildings and Structures	87,780,014	82,300	-	87,862,314
Vehicles & Equipment	8,355,795	923,065	(146,846)	9,132,014
Infrastructure	134,303,915	1,550,672	-	135,854,587
Total Capital Assets, being Depreciated	<u>230,439,724</u>	<u>2,556,037</u>	<u>(146,846)</u>	<u>232,848,915</u>
Less Accumulated Depreciation				
Buildings and Structures	(35,057,390)	(1,950,637)	-	(37,008,027)
Vehicles & Equipment	(6,619,295)	(383,227)	146,846	(6,855,676)
Infrastructure	(105,226,670)	(1,180,355)	-	(106,407,025)
Total Accumulated Depreciation	<u>(146,903,355)</u>	<u>(3,514,219)</u>	<u>146,846</u>	<u>(150,270,728)</u>
Total Capital Assets, being Depreciated, net	<u>83,536,369</u>	<u>(958,182)</u>	<u>-</u>	<u>82,578,187</u>
Business-Type Activities Capital Assets, net	<u>\$ 88,282,375</u>	<u>\$ (782,626)</u>	<u>\$ (635,319)</u>	<u>\$ 86,864,430</u>

City of Canton  
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**NOTE 8 - CAPITAL ASSETS** (Continued)

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

General Government	\$ 484,910
Security of Persons and Property	855,426
Public Health	77,808
Transportation	12,527,862
Community Environment	14,098
Leisure Time Activities	460,351
Total Depreciation Expense	<u>\$ 14,420,455</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 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.

**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:



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**Note 10 – LONG-TERM OBLIGATIONS** (Continued)

<u>Purpose</u>	<u>Interest Rates</u>	<u>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>December 31</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 2,120,000	\$ 1,123,980	\$ 1,860,000	\$ 1,069,241
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
2007-2011	7,125,000	2,420,905	6,475,000	1,941,517
2012-2016	4,345,000	1,154,494	3,715,000	558,969
2017-2021	2,045,000	150,838	-	-
Total	<u>\$ 24,700,000</u>	<u>\$ 8,298,349</u>	<u>\$ 20,430,000</u>	<u>\$ 6,886,376</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 \$2,655,000. 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 \$1,227,513. Finally, a State of Ohio Urban Redevelopment loan was issued in 2000, with an interest rate of 4% and a total outstanding balance of \$1,784,249 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:

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**NOTE 10 - LONG-TERM DEBT** (Continued)

<b>Housing and Urban Development Loan</b>			<b>State Infrastructure Bank Loan</b>		
			Year Ending December 31	Governmental Activities	
Year Ending December 31	Principal	Interest		Principal	Interest
2002	\$ 335,000	\$ 224,334	2002	\$ 48,482	\$ 51,660
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
2007-2011	980,000	168,360	2007-2011	325,964	174,746
Total	<u>\$ 2,655,000</u>	<u>\$ 1,013,189</u>	2012-2016	402,245	98,465
			2017-2021	235,154	15,201
			Total	<u>\$ 1,227,513</u>	<u>\$ 524,972</u>

**Urban Redevelopment Loan**

Year Ending December 31	Governmental Activities	
	Principal	Interest
2002	\$ 133,333	\$ -
2003	133,333	-
2004	133,333	-
2005	133,333	-
2006	133,334	56,666
2007-2011	666,667	198,332
2012-2016	450,916	51,000
Total	<u>\$ 1,784,249</u>	<u>\$ 305,998</u>

The City entered in to 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:

<b>Ohio Public Works Commission Loan</b>		
Year Ending December 31	Business-Type Acitivites	
	Principal	Interest
2002	\$ 23,368	\$ -
2003	46,735	-
2004	46,735	-
2005	46,735	-
2006	46,735	-
2007-2011	140,204	-
Total	<u>\$ 350,512</u>	<u>\$ -</u>

City of Canton  
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**NOTE 10 - LONG-TERM DEBT** (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>Amount</u>
Steiner Heights Water Line Extension	6.39%	524,819
Plain Township Water Line Extension	4.55%	6,400
Incinerator Rehabilitation	4.56%	1,322,503
Water Pollution System	2.64%	13,470,938
Discharge Line (J.L.)	4.56%	760,592
		<u>\$ 16,085,252</u>

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

<b>Ohio Water Development Authority Loan</b>		
Year Ending	<u>Business-Type Activities</u>	
December 31	<u>Principal</u>	<u>Interest</u>
2002	\$ 995,218	\$ 477,933
2003	1,024,356	442,395
2004	1,061,308	405,442
2005	1,099,710	367,040
2006	770,092	331,213
2007-2011	4,343,130	1,271,912
2012-2016	4,065,631	666,350
2017-2021	2,725,806	128,020
Total	<u>\$ 16,085,251</u>	<u>\$ 4,090,305</u>

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**NOTE 10 - LONG-TERM DEBT** (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2001, were as follows:

	Outstanding 12/31/00	Additions	Reductions	Outstanding 12/31/01	Due Within One Year
<i>Business Type Activities</i>					
OPWC Loan:					
Sewer Fund:					
Water Pollution Control Center 0%	\$ 397,247	\$ -	\$ (46,735)	\$ 350,512	\$ 46,736
OWDA Loans:					
Water Fund:					
1997 Water Works System 5.25%	634,337	-	(634,337)	-	-
2000 Steiner Heights Water Line Extension 6.39%	508,534	61,548	(45,263)	524,819	49,507
2001 Plain Township Water Line Ext.	-	6,400	-	6,400	6,400
Sewer Fund:					
1974 Sanitary Sewer 5.25% 1997 Incinerator Rehabilitation 4.56%	224,235	-	(224,235)	-	-
1997 Water Pollution System 2.64%	1,617,515	-	(295,012)	1,322,503	308,619
1999 Discharge Line (J.L.) 4.56%	14,031,953	-	(561,015)	13,470,938	591,116
	760,293	36,720	(36,421)	760,592	39,576
Total OWDA Loans	<u>17,776,867</u>	<u>104,668</u>	<u>(1,796,283)</u>	<u>16,085,252</u>	<u>995,218</u>
Bonds:					
Water Fund:					
1995 Water Works System 4.6%-5.85%	10,540,000	-	(470,000)	10,070,000	495,000
1998 Utility System 4.1%-5%	4,475,000	-	(477,500)	3,997,500	500,000
Sewer Fund:					
1998 Utility System 4.1%-5%	4,475,000	-	(477,500)	3,997,500	500,000
1993 Various Purpose Refunding 2.5%-5.375%	2,600,000	-	(235,000)	2,365,000	365,000
Total Bonds	<u>22,090,000</u>	<u>-</u>	<u>(1,660,000)</u>	<u>20,430,000</u>	<u>1,860,000</u>
Compensated Absences	1,082,234	254,748	-	1,336,982	138,361
<i>Total Business Type Activities</i>	<u>\$ 41,346,348</u>	<u>\$ 359,416</u>	<u>\$ (3,503,018)</u>	<u>\$ 38,202,746</u>	<u>\$ 3,040,315</u>

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2001

**NOTE 10 - LONG-TERM DEBT** (Continued)

	Outstanding 12/31/00	Additions	Reductions	Outstanding 12/31/01	Due Within One Year
<i>Governmental Activities</i>					
1993 Various Purpose Refunding					
Bonds 2.5%-5.375%	\$ 7,560,000	\$ -	\$ (1,185,000)	\$ 6,375,000	\$ 1,125,000
1998 Pension Refunding					
Bonds 3.15%-1.75%	6,325,000	-	(245,000)	6,080,000	255,000
1999 Various Purpose					
Bonds 3.50%	6,900,000	-	(265,000)	6,635,000	275,000
2001 Radio Communication					
Bonds 4.0%-2.25%	-	5,610,000	-	5,610,000	465,000
<b>Total Bonds</b>	<b>20,785,000</b>	<b>5,610,000</b>	<b>(1,695,000)</b>	<b>24,700,000</b>	<b>2,120,000</b>
1995 HUD Loan 7.71%-8.77%	2,990,000	-	(335,000)	2,655,000	335,000
1999 SIB Loan	1,251,000	-	(23,487)	1,227,513	48,482
2000 Legal Claims	506,200	-	(116,100)	390,100	102,600
2000 Millenium Parking					
Deck Loan 4%	1,857,235	60,347	(133,333)	1,784,249	133,333
Compensated Absences	9,675,010	1,080,332	-	10,755,342	1,200,701
<b>Total Governmental Activities</b>	<b>37,064,445</b>	<b>6,750,679</b>	<b>(2,302,920)</b>	<b>41,512,204</b>	<b>3,940,116</b>
<b>Totals</b>	<b>\$ 78,410,793</b>	<b>\$ 7,110,095</b>	<b>\$ (5,805,938)</b>	<b>\$ 79,714,950</b>	<b>\$ 6,980,431</b>

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 \$11,251 in the water enterprise fund and \$11,251 in the sewer enterprise fund.

The City's overall legal debt margin was \$80,238,880 and an unvoted debt margin of \$30,276,805 at December 31, 2001.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**Public Employee Retirement System**

All City full-time employees, other than Police and Firemen, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS 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. PERS issues a stand-alone financial report which may be obtained by writing to the 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 2001. 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, 2001

**NOTE 11 - DEFINED BENEFIT PENSION PLANS** (Continued)

actuarially. The City's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$3,505,449, \$1,620,502, and \$2,272,903, respectively. The full amount has been contributed for 2000 and 1999. 72.21 percent has been contributed for 2001 with the remainder being presented as "net assets undistributed" in the payroll clearing, agency fund.

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

The City contributes to the Police and Firemen's Disability and Pension Fund of Ohio (PFDPF), a cost-sharing multiple employer public employee retirement system administered by the PFDPF'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 PFDPF issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 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 1999 the City was required to contribute 12.5 percent for police and 17 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the PFDPF for police and firefighters were \$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, and \$1,055,814 and \$1,357,020 for the year ended December 31, 1999. The full amount has been contributed for 2000 and 1999, 72.94 and 72.73 percent, respectively, have been contributed for 2001 with the remainder being presented as "net assets undistributed" in the payroll clearing, agency fund.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**Public Employees Retirement System**

The Public Employees Retirement System of Ohio (PERS) 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 PERS is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2001 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 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.3 percent was the portion that was used to fund health care.

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, 2000, the net assets available for future OPEB payments were \$11,735,900. The City's actual contributions for 2001, which were used to fund OPEB, were \$1,112,279.

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2001

**NOTE 12 - POSTEMPLOYMENT BENEFITS** (Continued)

During 1997, PERS 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.

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

The Police and Firemen's Disability and Pension Fund (PFDPF) 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 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. For 2000, the percent used to fund health care was 7.25 percent. 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 2001 that were used to fund postemployment benefits were \$734,433 for police and \$663,165 for fire. PFDPF's total health care expenses for the year ended December 31, 2000 (the latest information available) were \$106,160,054, which was net of member contributions of \$5,657,431. The number of PFDPF participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 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 2001, 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, 2001

**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 2001, the City contributed \$108,962 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 2001. 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 2001. 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 \$960,330 from the General Fund during 2001 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, 2001

**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 2001, the City contributed \$93,845 to the Commission, which represents two 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, 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, 2001, the City had significant contractual commitments as follows:

Company	Project	Amount Remaining On Contract
Motorola Inc.	Radio Communication System	\$ 4,345,000
OPWC Project, Wenger Excavating	Harvard Ave. Bricking	1,191,181
OWDA Project	55th St. N.E. Water Main Extension	1,661,872

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2001

**NOTE 18 - 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>
2002	\$ 102,600
2003	27,600
2004	27,600
2005	27,600
2006	27,600
2007-2011	138,000
2012-2013	41,400
Total	<u>\$ 392,400</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 19 - NOTES PAYABLE**

GASB Statement No. 38 requires that short-term debt activity during the year be disclosed, even if no short-term debt is outstanding at year-end. Details are to include a schedule of changes in short-term debt, disclosing beginning and end of year balances, increases and decreases and the purpose for which the short-term debt was issued. The City's short debt obligations for 2001 were as follows:

City of Canton  
Stark County, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2001

**NOTE 19 - NOTES PAYABLE** (Continued)

	Outstanding 12/31/00	Additions	Reductions	Outstanding 12/31/01
Capital Projects Fund:				
Various Purpose 5.0%				
Issued June 8, 2000, 1-year term	\$ 865,000	\$ -	\$ 865,000	\$ -
Enterprise Fund:				
Refuse Packer Acquisition 4.50%				
Issued November 21, 2000, 1-year term	535,000	-	535,000	-
<i>Totals</i>	<u>\$ 1,400,000</u>	<u>\$ -</u>	<u>\$ 1,400,000</u>	<u>\$ -</u>

These notes were backed by the full faith and credit of the City. The note liabilities were reflected in the fund which received the proceeds and which repaid the debt.

**NOTE 20 - INTERFUND BALANCES AND TRANSFERS**

Interfund transfers for the year ended December 31, 2001, consisted of the following:

Transfer to	Transfer From					Total
	General Fund	Capital Projects	Nonmajor Capital Projects	Nonmajor Special Revenue	Nonmajor Internal Service	
General Fund	\$ -	\$ -	\$ -	\$ 42,595	\$ 738,341	\$ 780,936
Community Development	-	-	-	-	22,389	22,389
Nonmajor Special Revenue	73,114	-	-	-	52,916	126,030
Nonmajor Debt Service	-	3,251,127	-	521,833	-	3,772,960
Capital Projects	-	-	422,325	-	12,242	434,567
Nonmajor Capital Projects	-	1,056,169	-	-	-	1,056,169
Water	-	-	-	-	75,410	75,410
Sewer	-	-	-	-	61,384	61,384
Refuse	-	-	-	-	36,290	36,290
Nonmajor Internal Service	-	-	-	-	1,028	1,028
<i>Total</i>	<u>\$ 73,114</u>	<u>\$ 4,307,296</u>	<u>\$ 422,325</u>	<u>\$ 564,428</u>	<u>\$ 1,000,000</u>	<u>\$ 6,367,163</u>

City of Canton  
 Stark County, Ohio  
 Notes to the Basic Financial Statements  
 For The Year Ended December 31, 2001

**NOTE 20 - INTERFUND BALANCES AND TRANSFERS** (Continued)

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.

At December 31, 2001, the Capital Improvement Fund had an interfund due to of \$426,130 and the General Fund had an interfund due from for the same amount. This interfund obligation represents the short-term interfund loan authorized by City Council in 2001 for the purpose in assisting in the retiring of \$865,000 Capital Project Note maturing in 2001. This loan has an interest rate of 4.28 percent and matures on June 6, 2002.

	Due from	
	General Fund	Capital Projects
Due to		
General Fund	\$ 426,130	
Capital Projects		426,130
<i>Total</i>	\$ 426,130	\$ 426,130

**Combining, Statements and  
Individual Fund Schedules**

## ***Nonmajor Special Revenue Funds***

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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.

***Crime Lab Fund*** To account for revenues received from Stark Council of Governments for the operation of the crime lab.

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

***Recycle Ohio Fund*** To account for grant monies used for 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*

#### ***Nonmajor Debt Service Funds***

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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***

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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***

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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, 2001

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,259,661	\$ 18,521	\$ 6,981,895	\$ 10,260,077
Cash and Cash Equivalents with Fiscal Agents	-	3,019	-	3,019
Taxes Receivable	637,760	30,797	-	668,557
Accounts Receivable	370	-	9,588	9,958
Due From Other Governments	2,137,511	-	-	2,137,511
Inventories	322,844	-	-	322,844
<b>Total Assets</b>	<b>\$ 6,358,146</b>	<b>\$ 52,337</b>	<b>\$ 6,991,483</b>	<b>\$ 13,401,966</b>
<b>Liabilities and Fund Balances</b>				
<i>Current</i>				
Accounts Payable	\$ 251,433	\$ -	\$ 316	\$ 251,749
Accrued Wages and Benefits	100,919	-	-	100,919
Due to Other Governments	9,588	-	-	9,588
Deferred Revenue	1,932,672	30,797	-	1,963,469
<i>Total Current</i>	2,294,612	30,797	316	2,325,725
<b>Total Liabilities</b>	<b>2,294,612</b>	<b>30,797</b>	<b>316</b>	<b>2,325,725</b>
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Inventories	322,844	-	-	322,844
Encumbrances	629,508	-	6,164,089	6,793,597
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds (Deficit)	3,111,182	-	-	3,111,182
Debt Service Funds	-	21,540	-	21,540
Capital Projects Funds	-	-	827,078	827,078
<i>Total Fund Balances</i>	4,063,534	21,540	6,991,167	11,076,241
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,358,146</b>	<b>\$ 52,337</b>	<b>\$ 6,991,483</b>	<b>\$ 13,401,966</b>

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2001

	Police and Fire Pension	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 33,230	\$ 157,804	\$ 25,749	\$ 298,273	\$ 448,889
Cash and Cash Equivalents					
Taxes Receivable	637,760	-	-	-	-
Accounts Receivable	-	-	-	-	-
Due From Other Governments	-	809,016	59,576	282,051	-
Inventories	-	322,844	-	-	-
<b>Total Assets</b>	<b>\$ 670,990</b>	<b>\$ 1,289,664</b>	<b>\$ 85,325</b>	<b>\$ 580,324</b>	<b>\$ 448,889</b>
<b>Liabilities and Fund Balances</b>					
<i>Current</i>					
Accounts Payable	\$ -	\$ 41,410	\$ 10,150	\$ -	\$ 39,947
Accrued Wages and Benefits	-	42,859	3,622	-	-
Due to Other Governments	-	4,072	344	-	-
Deferred Revenue	637,760	495,152	37,953	-	-
<i>Total Current</i>	637,760	583,493	52,069	-	39,947
<b>Total Liabilities</b>	<b>637,760</b>	<b>583,493</b>	<b>52,069</b>	<b>-</b>	<b>39,947</b>
<i>Net Assets and Other Credits</i>					
<i>Fund Balances</i>					
Reserved for:					
Inventories	-	322,844	-	-	-
Encumbrances	-	90,843	2,881	234,947	6,961
Unreserved:					
Undesignated, Reported in :					
Special Revenue Funds (Deficit)	33,230	292,484	30,375	345,377	401,981
<i>Total Fund Balances</i>	33,230	706,171	33,256	580,324	408,942
<b>Total Liabilities and Fund Balances</b>	<b>\$ 670,990</b>	<b>\$ 1,289,664</b>	<b>\$ 85,325</b>	<b>\$ 580,324</b>	<b>\$ 448,889</b>

Health Service	Crime Lab	Court Computer	Recycle Ohio	Youth Development	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services
\$ 1,127,736	\$ -	\$261,667	\$12,748	\$ 30,038	\$ 43,686	\$ 117,937	\$ 14,227	\$ 48,617
-	-	-	-	-	-	-	-	-
-	-	-	-	220	-	-	-	-
920,388	-	11,478	11,320	-	507	2,033	1,359	1,867
-	-	-	-	-	-	-	-	-
<u>\$ 2,048,124</u>	<u>\$ -</u>	<u>\$273,145</u>	<u>\$24,068</u>	<u>\$ 30,258</u>	<u>\$ 44,193</u>	<u>\$ 119,970</u>	<u>\$ 15,586</u>	<u>\$ 50,484</u>
\$ 98,336	\$ -	\$ 5,557	\$ -	\$ 801	\$ 14,427	\$ 5,975	\$ 1,759	\$ -
46,019	-	2,231	-	-	-	-	-	1,888
4,372	-	212	-	-	-	-	-	179
725,135	-	-	-	-	-	-	-	-
<u>873,862</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>801</u>	<u>14,427</u>	<u>5,975</u>	<u>1,759</u>	<u>2,067</u>
<u>873,862</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>801</u>	<u>14,427</u>	<u>5,975</u>	<u>1,759</u>	<u>2,067</u>
-	-	-	-	-	-	-	-	-
119,077	-	106,083	21,234	2,406	-	-	1,958	-
1,055,185	-	159,062	2,834	27,051	29,766	113,995	11,869	48,417
<u>1,174,262</u>	<u>-</u>	<u>265,145</u>	<u>24,068</u>	<u>29,457</u>	<u>29,766</u>	<u>113,995</u>	<u>13,827</u>	<u>48,417</u>
<u>\$ 2,048,124</u>	<u>\$ -</u>	<u>\$273,145</u>	<u>\$24,068</u>	<u>\$ 30,258</u>	<u>\$ 44,193</u>	<u>\$ 119,970</u>	<u>\$ 15,586</u>	<u>\$ 50,484</u>

(continued)

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2001

	Prisoner Housing	Local Law Enforcement Block Grant	Other	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 20,650	\$ 372,437	\$ 245,973	\$ 3,259,661
Cash and Cash Equivalents				637,760
Taxes Receivable	-	-	-	370
Accounts Receivable	-	-	150	2,137,511
Due From Other Governments	914	-	37,002	322,844
Inventories	-	-	-	
<b>Total Assets</b>	<u>\$ 21,564</u>	<u>\$ 372,437</u>	<u>\$ 283,125</u>	<u>\$ 6,358,146</u>
<b>Liabilities and Fund Balances</b>				
<i>Current</i>				
Accounts Payable	\$ -	\$ -	\$ 33,071	\$ 251,433
Accrued Wages and Benefits	-	-	4,300	100,919
Due to Other Governments	-	-	409	9,588
Deferred Revenue	-	-	36,672	1,932,672
<i>Total Current</i>	<u>-</u>	<u>-</u>	<u>74,452</u>	<u>2,294,612</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>74,452</u>	<u>2,294,612</u>
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Inventories	-	-	-	322,844
Encumbrances	-	29,663	13,455	629,508
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds (Deficit)	21,564	342,774	195,218	3,111,182
<i>Total Fund Balances</i>	<u>21,564</u>	<u>372,437</u>	<u>208,673</u>	<u>4,063,534</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 21,564</u>	<u>\$ 372,437</u>	<u>\$ 283,125</u>	<u>\$ 6,358,146</u>

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2001

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 18,521	\$ -	\$ 18,521
Cash and Cash Equivalents with Fiscal Agents	3,019	-	3,019
Taxes Receivable	-	30,797	30,797
<b>Total Assets</b>	<b>\$ 21,540</b>	<b>\$ 30,797</b>	<b>\$ 52,337</b>
<b>Liabilities and Fund Balances</b>			
<i>Current</i>			
Deferred Revenue	\$ -	\$ 30,797	\$ 30,797
<i>Total Current</i>	-	30,797	30,797
<b>Total Liabilities</b>	-	30,797	30,797
<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
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,540</b>	<b>\$ 30,797</b>	<b>\$ 52,337</b>

**City of Canton, Ohio**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2001

	Radio Communication Systems	Parking Deck Construction	Harmount Sidewalk Improvement	Traffic Signalization
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 4,375,595	\$ 452	\$ 68,782	\$ 46,563
Accounts Receivable	9,588	-	-	-
<b>Total Assets</b>	<b>\$ 4,385,183</b>	<b>\$ 452</b>	<b>\$ 68,782</b>	<b>\$ 46,563</b>
<b>Liabilities and Fund Balances</b>				
<i>Current</i>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
<i>Total Current</i>	-	-	-	-
<b>Total Liabilities</b>	-	-	-	-
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Encumbrances	4,345,000	6,445	26,643	24,732
Unreserved:				
Undesignated, Reported in :				
Capital Projects Funds	40,183	(5,993)	42,139	21,831
<i>Total Fund Balances</i>	4,385,183	452	68,782	46,563
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,385,183</b>	<b>\$ 452</b>	<b>\$ 68,782</b>	<b>\$ 46,563</b>

Market Avenue Streetscape	Street & Storm Sewer Improvement	OPWC	Civic Center Improvement	Georgeview Estates	Other	Total Nonmajor Capital Projects Funds
\$ 287,427	\$ 335,712	\$ 598,386	\$ 968,802	\$ 497	\$ 299,679	\$ 6,981,895
-	-	-	-	-	-	9,588
<u>\$ 287,427</u>	<u>\$ 335,712</u>	<u>\$ 598,386</u>	<u>\$ 968,802</u>	<u>\$ 497</u>	<u>\$ 299,679</u>	<u>\$ 6,991,483</u>
\$ -	\$ 316	\$ -	\$ -	\$ -	\$ -	\$ 316
-	316	-	-	-	-	316
<u>-</u>	<u>316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316</u>
385,327	160,785	1,195,365	826	18,448	518	6,164,089
(97,900)	174,611	(596,979)	967,976	(17,951)	299,161	827,078
<u>287,427</u>	<u>335,396</u>	<u>598,386</u>	<u>968,802</u>	<u>497</u>	<u>299,679</u>	<u>6,991,167</u>
<u>\$ 287,427</u>	<u>\$ 335,712</u>	<u>\$ 598,386</u>	<u>\$ 968,802</u>	<u>\$ 497</u>	<u>\$ 299,679</u>	<u>\$ 6,991,483</u>

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
December 31, 2001

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Taxes	\$ 538,537	\$ -	\$ -	\$ 538,537
Charges for Services	571,114	-	-	571,114
Licenses, Permits, and Fees	185,423	-	-	185,423
Fines and forfeitures	125,449	-	-	125,449
Intergovernmental	2,826,590	-	874,218	3,700,808
Interest	26,810	-	101,465	128,275
Operating Grants and Contributions	2,632,896	-	-	2,632,896
Rentals	33,281	-	-	33,281
Other	48,625	-	32,712	81,337
<b>Total Revenues</b>	<u>6,988,725</u>	<u>-</u>	<u>1,008,395</u>	<u>7,997,120</u>
<b>Expenditures</b>				
Current				
General Government	908,615	-	-	908,615
Security of Persons and Property	1,807,371	-	-	1,807,371
Public Health	2,243,818	-	-	2,243,818
Transportation	1,228,657	-	-	1,228,657
Community Environment	33,561	-	-	33,561
Leisure Time Activities	8,768	-	-	8,768
Capital Outlay	-	-	2,173,576	2,173,576
Debt Service				
Principal	-	2,716,820	-	2,716,820
Interest and Fiscal Charges	-	1,056,140	-	1,056,140
<b>Total Expenditures</b>	<u>6,230,790</u>	<u>3,772,960</u>	<u>2,173,576</u>	<u>12,177,326</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>757,935</u>	<u>(3,772,960)</u>	<u>(1,165,181)</u>	<u>(4,180,206)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of from Debt Issues	-	-	5,670,347	5,670,347
Advances In	30,000	-	-	30,000
Advances Out	(30,000)	-	-	(30,000)
Operating Transfers In	126,030	3,772,960	1,056,169	4,955,159
Operating Transfers Out	(564,428)	-	(422,325)	(986,753)
<b>Total Other Financing Sources and Uses</b>	<u>(438,398)</u>	<u>3,772,960</u>	<u>6,304,191</u>	<u>9,638,753</u>
Net Change in Fund Balance	319,537	-	5,139,010	5,458,547
<i>Fund Balance at Beginning of Year</i>	3,648,996	21,540	1,852,157	5,522,693
<i>Increase (Decrease) in Reserve for Inventory</i>	95,001	-	-	95,001
<b>Fund Balance at End of Year</b>	<u>4,063,534</u>	<u>21,540</u>	<u>6,991,167</u>	<u>11,076,241</u>



**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
December 31, 2001

	Police and Fire Pension	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck
<b>Revenues</b>					
Property and Other Taxes	\$ 538,537	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	34	-	-	398,356
Licenses, Permits, and Fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	56,546	2,204,306	189,212	282,051	-
Interest	-	9,396	2,384	-	-
Operating Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	-	-
Other	-	21,343	45	-	-
<b>Total Revenues</b>	<u>595,083</u>	<u>2,235,079</u>	<u>191,641</u>	<u>282,051</u>	<u>398,356</u>
<b>Expenditures</b>					
Current					
General Government	-	-	-	-	223,366
Security of Persons and Property	-	1,457,937	28,970	-	-
Public Health	-	-	-	-	-
Transportation	-	766,398	228,579	233,680	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>2,224,335</u>	<u>257,549</u>	<u>233,680</u>	<u>223,366</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>595,083</u>	<u>10,744</u>	<u>(65,908)</u>	<u>48,371</u>	<u>174,990</u>
<b>Other Financing Sources (Uses)</b>					
Advances In	-	-	-	-	-
Advances Out	-	-	-	-	-
Operating Transfers In	-	24,841	2,024	-	-
Operating Transfers Out	(561,856)	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>(561,856)</u>	<u>24,841</u>	<u>2,024</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	33,227	35,585	(63,884)	48,371	174,990
<i>Fund Balance at Beginning of Year</i>	3	575,585	97,140	531,953	233,952
<i>Increase (Decrease) in Reserve for Inventory</i>	-	95,001	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ 33,230</u>	<u>\$ 706,171</u>	<u>\$33,256</u>	<u>\$580,324</u>	<u>\$ 408,942</u>

(continued)

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
December 31, 2001

	Health Service	Crime Lab	Court Computer	Recycle Ohio	Youth Development
<b>Revenues</b>					
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	148,272	-	-
Licenses, Permits, and Fees	185,423	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Operating Grants and Contributions	2,041,997	-	-	59,217	87,645
Rentals	-	-	-	-	-
Other	3,512	-	-	-	11,312
<b>Total Revenues</b>	<u>2,230,932</u>	<u>-</u>	<u>148,272</u>	<u>59,217</u>	<u>98,957</u>
<b>Expenditures</b>					
Current					
General Government	-	-	165,944	-	91,171
Security of Persons and Property	-	-	-	-	-
Public Health	2,243,818	-	-	-	-
Transportation	-	-	-	-	-
Community Environment	-	-	-	33,561	-
Leisure Time Activities	-	-	-	-	-
<b>Total Expenditures</b>	<u>2,243,818</u>	<u>-</u>	<u>165,944</u>	<u>33,561</u>	<u>91,171</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(12,886)</u>	<u>-</u>	<u>(17,672)</u>	<u>25,656</u>	<u>7,786</u>
<b>Other Financing Sources (Uses)</b>					
Advances In	30,000	-	-	-	-
Advances Out	(30,000)	-	-	-	-
Operating Transfers In	64,000	-	-	-	1,311
Operating Transfers Out	-	(2,572)	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>64,000</u>	<u>(2,572)</u>	<u>-</u>	<u>-</u>	<u>1,311</u>
Net Change in Fund Balance	51,114	(2,572)	(17,672)	25,656	9,097
<i>Fund Balance at Beginning of Year</i>	1,123,148	2,572	282,817	(1,588)	20,360
<i>Increase (Decrease) in Reserve for Inventory</i>	-	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ 1,174,262</u>	<u>\$ -</u>	<u>\$ 265,145</u>	<u>\$ 24,068</u>	<u>\$ 29,457</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538,537
-	-	-	22,621	-	-	1,831	571,114
-	-	-	-	-	-	-	185,423
6,983	67,490	19,000	-	22,564	-	9,412	125,449
-	-	-	-	-	-	94,475	2,826,590
-	-	-	-	-	13,624	1,406	26,810
-	-	7,249	-	-	208,022	228,766	2,632,896
-	-	-	-	-	-	33,281	33,281
-	-	-	-	-	-	12,413	48,625
<u>6,983</u>	<u>67,490</u>	<u>26,249</u>	<u>22,621</u>	<u>22,564</u>	<u>221,646</u>	<u>381,584</u>	<u>6,988,725</u>
-	40,195	-	53,181	1,000	-	333,758	908,615
14,856	3,557	19,889	-	-	247,847	34,315	1,807,371
-	-	-	-	-	-	-	2,243,818
-	-	-	-	-	-	-	1,228,657
-	-	-	-	-	-	-	33,561
-	-	-	-	-	-	8,768	8,768
<u>14,856</u>	<u>43,752</u>	<u>19,889</u>	<u>53,181</u>	<u>1,000</u>	<u>247,847</u>	<u>376,841</u>	<u>6,230,790</u>
<u>(7,873)</u>	<u>23,738</u>	<u>6,360</u>	<u>(30,560)</u>	<u>21,564</u>	<u>(26,201)</u>	<u>4,743</u>	<u>757,935</u>
-	-	-	-	-	-	-	30,000
-	-	-	-	-	-	-	(30,000)
-	-	-	-	-	23,114	10,740	126,030
-	-	-	-	-	-	-	(564,428)
-	-	-	-	-	<u>23,114</u>	<u>10,740</u>	<u>(438,398)</u>
(7,873)	23,738	6,360	(30,560)	21,564	(3,087)	15,483	319,537
37,639	90,257	7,467	78,977	-	375,524	193,190	3,648,996
-	-	-	-	-	-	-	95,001
<u>\$ 29,766</u>	<u>\$ 113,995</u>	<u>\$ 13,827</u>	<u>\$ 48,417</u>	<u>\$ 21,564</u>	<u>\$ 372,437</u>	<u>\$ 208,673</u>	<u>\$ 4,063,534</u>

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Debt Service Funds  
December 31, 2001

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Debt Service			
Principal	2,716,820	-	2,716,820
Interest and Fiscal Charges	1,056,140	-	1,056,140
<b>Total Expenditures</b>	3,772,960	-	3,772,960
<i>Excess Revenues Over (Under) Expenditures</i>	(3,772,960)	-	(3,772,960)
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	3,772,960	-	3,772,960
<b>Total Other Financing Sources and Uses</b>	3,772,960	-	3,772,960
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>	\$ 21,540	\$ -	\$ 21,540

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Project Funds  
December 31, 2001

	Radio Communication Systems	Parking Deck Construction	Harmount Sidewalk Improvement	Traffic Signalization	Market Avenue Streetscape
<b>Revenues</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 111,018
Interest	30,595	3,034	4,008	3,151	9,857
Other	9,588	-	-	23,124	-
<b>Total Revenues</b>	<u>40,183</u>	<u>3,034</u>	<u>4,008</u>	<u>26,275</u>	<u>120,875</u>
<b>Expenditures</b>					
Current					
Capital Outlay	1,265,000	4,071	95,228	250,824	85,912
<b>Total Expenditures</b>	<u>1,265,000</u>	<u>4,071</u>	<u>95,228</u>	<u>250,824</u>	<u>85,912</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(1,224,817)</u>	<u>(1,037)</u>	<u>(91,220)</u>	<u>(224,549)</u>	<u>34,963</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds of from Debt Issues	5,610,000	60,347	-	-	-
Operating Transfers In	-	-	-	133,000	-
Operating Transfers Out	-	(144,706)	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>5,610,000</u>	<u>(84,359)</u>	<u>-</u>	<u>133,000</u>	<u>-</u>
Net Change in Fund Balance	4,385,183	(85,396)	(91,220)	(91,549)	34,963
<i>Fund Balance at Beginning of Year</i>	-	85,848	160,002	138,112	252,464
<i>Fund Balance at End of Year</i>	<u>\$ 4,385,183</u>	<u>\$ 452</u>	<u>\$ 68,782</u>	<u>\$ 46,563</u>	<u>\$ 287,427</u>

(continued)

**City of Canton, Ohio**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Project Funds  
December 31, 2001

	Street & Storm Sewer Improvement	OPWC	Civic Center Improvement	Georgeview Estates	Other	Total Nonmajor Capital Projects Funds
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ 203,600	\$ 406,900	\$ 152,700	\$ 874,218
Interest	10,464	-	40,356	-	-	101,465
Other	-	-	-	-	-	32,712
<b>Total Revenues</b>	<u>10,464</u>	<u>-</u>	<u>243,956</u>	<u>406,900</u>	<u>152,700</u>	<u>1,008,395</u>
<b>Expenditures</b>						
Current						
Capital Outlay	375,396	7,830	88,163	828	324	2,173,576
<b>Total Expenditures</b>	<u>375,396</u>	<u>7,830</u>	<u>88,163</u>	<u>828</u>	<u>324</u>	<u>2,173,576</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(364,932)</u>	<u>(7,830)</u>	<u>155,793</u>	<u>406,072</u>	<u>152,376</u>	<u>(1,165,181)</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds of from Debt Issues	-	-	-	-	-	5,670,347
Operating Transfers In	46,000	587,169	-	-	290,000	1,056,169
Operating Transfers Out	-	-	-	(277,619)	-	(422,325)
<b>Total Other Financing Sources and Uses</b>	<u>46,000</u>	<u>587,169</u>	<u>-</u>	<u>(277,619)</u>	<u>290,000</u>	<u>6,304,191</u>
Net Change in Fund Balance	(318,932)	579,339	155,793	128,453	442,376	5,139,010
<i>Fund Balance at Beginning of Year</i>	654,328	19,047	813,009	(127,956)	(142,697)	1,852,157
<i>Fund Balance at End 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>

### ***Combining Statements-Fiduciary Funds***

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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***

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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***

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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, 2001*

	Balance 0/01/01	Additions	Reductions	Balance 12/31/01
<b>Building Escrow</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 105,606	\$ 140,567	\$ 145,561	\$ 100,612
<b>Liabilities</b>				
Undistributed Assets	\$ 105,606	\$ 140,567	\$ 145,561	\$ 100,612
<b>Payroll Clearing</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,313,477	\$ 11,814,143	\$ 11,350,748	\$ 1,776,872
<b>Liabilities</b>				
Undistributed Assets	\$ 1,313,477	\$ 11,814,143	\$ 11,350,748	\$ 1,776,872
<b>Auditors Transfer</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 250,029	\$ 169,595	\$ 419,624	\$ -
Cash and Cash Equivalents in Segregated Accounts	2,082	-	1,242	840
<b>Total Assets</b>	<b>\$ 252,111</b>	<b>\$ 169,595</b>	<b>\$ 420,866</b>	<b>\$ 840</b>
<b>Liabilities</b>				
Undistributed Assets	\$ 250,029	\$ 169,595	\$ 419,624	\$ -
Deposits Held and Due to Others	\$ 2,082	\$ -	\$ 1,242	\$ 840
<b>Total Liabilities</b>	<b>\$ 252,111</b>	<b>\$ 169,595</b>	<b>\$ 420,866</b>	<b>\$ 840</b>
<b>Municipal Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$ 76,292	\$ 6,113,149	\$ 6,106,831	\$ 82,610
<b>Liabilities</b>				
Undistributed Assets	\$ 76,292	\$ 6,113,149	\$ 6,106,831	\$ 82,610
<b>Other Agency</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 39	\$ 110,532	\$ 110,532	\$ 39
<b>Liabilities</b>				
Undistributed Assets	\$ 39	\$ 110,532	\$ 110,532	\$ 39

Note: Payroll Clearing Fund beginning balance includes \$1,210,586 redistributed to operating in 2000.



**City of Canton, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds (continued)*  
*For the Year Ended December 31, 2001*

	Balance 0/01/01	Additions	Reductions	Balance 12/31/01
<b>All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,669,151	\$ 12,234,837	\$ 12,026,465	\$ 1,877,523
Cash and Cash Equivalents in Segregated Accounts	78,374	6,113,149	6,108,073	83,450
<b>Total Assets</b>	<b>\$ 1,747,525</b>	<b>\$ 18,347,986</b>	<b>\$ 18,134,538</b>	<b>\$ 1,960,973</b>
<b>Liabilities</b>				
Undistributed Assets	\$ 1,745,443	\$ 18,347,986	\$ 18,133,296	\$ 1,960,133
Deposits Held and Due to Others	2,082	-	1,242	840
<b>Total Liabilities</b>	<b>\$ 1,747,525</b>	<b>\$ 18,347,986</b>	<b>\$ 18,134,538</b>	<b>\$ 1,960,973</b>

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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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Property and Other Taxes	\$ 3,998,611	\$ 2,309,311	\$ (1,689,300)
Municipal Income Tax	30,589,179	30,771,455	182,276
Charges for Services	6,266,912	6,553,430	286,518
Licenses, Permits and Fees	864,059	897,250	33,191
Fines and Forfeitures	461,121	461,446	325
Intergovernmental	7,585,057	9,387,207	1,802,150
Interest	2,268,144	2,318,632	50,488
Rentals	126,987	144,004	17,017
Other	106,720	195,299	88,579
<i>Total Revenue</i>	<u>52,266,790</u>	<u>53,038,034</u>	<u>771,244</u>
<b>Expenditures</b>			
Current:			
General Governmental:			
<i>Service Director-Support Administration :</i>			
Personnel Costs	6,223	5,885	338
Materials and Supplies	4,556	4,266	290
Contractual Services	324,548	298,798	25,750
Other	8,100	4,740	3,360
<i>Total Service Director-Support Administration</i>	<u>343,427</u>	<u>313,689</u>	<u>29,738</u>
<i>Service Director-Service Director Administration:</i>			
Personnel Costs	1,116,251	147,492	968,759
Materials and Supplies	6,700	1,200	5,500
Contractual Services	45,595	25,781	19,814
Other	9,000	3,374	5,626
<i>Total Service Director-Service Director Admin</i>	<u>1,177,546</u>	<u>177,847</u>	<u>999,699</u>
<i>Service Director-Purchase Administration:</i>			
Personnel Costs	328,300	325,912	2,388
Materials and Supplies	237,663	221,406	16,257
Contractual Services	8,999	7,158	1,841
Other	1,046	846	200
<i>Total Service Director-Purchase Administration</i>	<u>576,008</u>	<u>555,322</u>	<u>20,686</u>
<i>Service Director-Annexation:</i>			
Personnel Costs	7,450	5,334	2,116
Materials and Supplies	872	872	-
Contractual Services	6,403	6,403	-
<i>Total Service Director-Annexation</i>	<u>14,725</u>	<u>12,609</u>	<u>2,116</u>
<i>Building and Maintenance-Other Building:</i>			
Personnel Costs	878,126	874,625	3,501
Materials and Supplies	70,487	61,109	9,378
Contractual Services	339,675	317,035	22,640
Capital Outlay	2,640	640	2,000
Other	4,214	3,843	371
<i>Total Building and Maintenance-Other Building</i>	<u>\$ 1,295,142</u>	<u>\$ 1,257,252</u>	<u>\$ 37,890</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Total Income Tax-Income Tax Administration</i>			
Personnel Costs	\$ 993,047	\$ 897,670	\$ 95,377
Materials and Supplies	86,984	81,889	5,095
Contractual Services	110,771	100,800	9,971
Capital Outlay	4,650	2,889	1,761
Other	1,305,815	1,305,800	15
<i>Total Income Tax - Income Tax Administration</i>	<u>2,501,267</u>	<u>2,389,048</u>	<u>112,219</u>
<i>Mayor - Administration</i>			
Personnel Costs	466,373	464,152	2,221
Materials and Supplies	1,596	1,356	240
Contractual Services	12,522	11,076	1,446
Capital Outlay	191	-	191
Other	11,600	5,952	5,648
<i>Total Mayor-Mayor Administration</i>	<u>492,282</u>	<u>482,536</u>	<u>9,746</u>
<i>Mayor-Human Resources Administration:</i>			
Personnel Costs	230,423	229,611	812
Materials and Supplies	1,275	987	288
Contractual Services	41,521	37,588	3,933
Capital Outlay	150	-	150
Other	43	43	-
<i>Total Mayor-Human Resources Administration</i>	<u>273,412</u>	<u>268,229</u>	<u>5,183</u>
<i>Mayor-Word Processing Administration:</i>			
Personnel Costs	189,257	188,912	345
<i>Total Mayor-Word Processing Administration</i>	<u>189,257</u>	<u>188,912</u>	<u>345</u>
<i>Mayor-Youth Development Administration:</i>			
Personnel Costs	237,633	236,738	895
Materials and Supplies	1,837	1,424	413
Contractual Services	25,499	23,944	1,555
Other	1,850	672	1,178
<i>Total Mayor-Youth Development Administration</i>	<u>266,819</u>	<u>262,778</u>	<u>4,041</u>
<i>Council-Council Administration:</i>			
Personnel Costs	503,648	497,193	6,455
Materials and Supplies	3,599	3,594	5
Contractual Services	25,170	22,415	2,755
Capital Outlay	30	-	30
Other	11,300	6,917	4,383
<i>Total Council-Council Administration</i>	<u>\$ 543,747</u>	<u>\$ 530,119</u>	<u>\$ 13,628</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	\$ 1,338,736	\$ 1,333,613	\$ 5,123
Materials and Supplies	28,304	26,983	1,321
Contractual Services	38,843	29,776	9,067
Capital Outlay	890	610	280
Other	5,350	1,445	3,905
<i>Total Courts/Judge-Judge Administration</i>	<u>1,412,123</u>	<u>1,392,427</u>	<u>19,696</u>
<i>Judge Administration-Financial Responsibility:</i>			
Personnel Costs	30,876	30,823	53
<i>Total Judge Administration-Financial Responsibility</i>	<u>30,876</u>	<u>30,823</u>	<u>53</u>
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personnel Costs	1,096,831	1,096,470	361
Materials and Supplies	70,787	61,287	9,500
Contractual Services	52,972	38,028	14,944
Other	20,252	4,345	15,907
<i>Total Courts/Clerk-Clerk of Courts Admin</i>	<u>1,240,842</u>	<u>1,200,130</u>	<u>40,712</u>
<i>Law Director-Law Administration:</i>			
Personnel Costs	1,108,545	1,106,639	1,906
Materials and Supplies	17,494	15,915	1,579
Contractual Services	221,544	204,404	17,140
Other	33,146	31,527	1,619
<i>Total Law Director-Law Administration</i>	<u>1,380,729</u>	<u>1,358,485</u>	<u>22,244</u>
<i>Law Director-Police Settlement</i>			
Legal Claims	116,100	116,100	-
<i>Total Law Director-Police Settlement</i>	<u>116,100</u>	<u>116,100</u>	<u>-</u>
<i>Auditor-Auditor Administration:</i>			
Personnel Costs	889,188	888,796	392
Materials and Supplies	36,320	36,075	245
Contractual Services	1,004,502	1,004,208	294
Other	66,495	9,990	56,505
<i>Total Auditor-Auditor Administration</i>	<u>1,996,505</u>	<u>1,939,069</u>	<u>57,436</u>
<i>Treasurer- Administration &amp; Operations:</i>			
Personnel Costs	211,318	210,807	511
Materials and Supplies	2,001	1,490	511
Contractual Services	6,874	5,860	1,014
Capital Outlay	450	-	450
Other	718	128	590
<i>Total Treasurer-Operations</i>	<u>221,361</u>	<u>218,285</u>	<u>3,076</u>
<i>Board of Commission-Civil Service:</i>			
Personnel Costs	217,896	217,896	-
Materials and Supplies	1,553	1,539	14
Contractual Services	44,063	43,273	790
<i>Total Board of Commission-Civil Service</i>	<u>\$ 263,512</u>	<u>\$ 262,708</u>	<u>\$ 804</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Board of Commission-Zoning Board:</i>			
Personnel Costs	\$ 8,954	\$ 8,932	\$ 22
<i>Total Board of Commission-Zoning Board</i>	<u>8,954</u>	<u>8,932</u>	<u>22</u>
<i>Motor Vehicle-Administration:</i>			
Personnel Costs	129,685	128,146	1,539
Materials and Supplies	2,307	1,328	979
Contractual Services	127,996	126,784	1,212
Capital Outlay	1,819	1,444	375
Other	771	48	723
<i>Total Motor Vehicle-Administration</i>	<u>262,578</u>	<u>257,750</u>	<u>4,828</u>
<i>Motor Vehicle-Service and Repair:</i>			
Personnel Costs	967,092	955,525	11,567
Materials and Supplies	959,050	913,325	45,725
Contractual Services	112,588	95,183	17,405
Capital Outlay	6,065	4,755	1,310
Other	11,537	9,616	1,921
<i>Total Motor Vehicle-Service and Repair</i>	<u>2,056,332</u>	<u>1,978,404</u>	<u>77,928</u>
<i>Insurance:</i>			
Personnel Costs	101,851	100,649	1,202
Materials and Supplies	250	192	58
Contractual Services	61,383	60,959	424
Other	174,552	173,138	1,414
<i>Total Insurance</i>	<u>338,036</u>	<u>334,938</u>	<u>3,098</u>
<i>Management Information Systems:</i>			
Personal Services	1,217,979	1,055,839	162,140
Materials and Supplies	87,676	72,460	15,216
Contractual Services	447,249	302,512	144,737
Capital Outlay	21,288	13,380	7,908
Other	36,500	11,335	25,165
<i>Total Management Information Systems</i>	<u>1,810,692</u>	<u>1,455,526</u>	<u>355,166</u>
<i>Total General Government</i>	<u>18,812,272</u>	<u>16,991,918</u>	<u>1,820,354</u>
<i>Security of Persons and Property:</i>			
<i>Safety Director-Safety Director Administration:</i>			
Personnel Costs	211,165	210,659	506
Materials and Supplies	150	-	150
Contractual Services	15,402	11,855	3,547
Capital Outlay	300	-	300
Other	2,000	336	1,664
<i>Total Safety Director-Safety Director Admin</i>	<u>229,017</u>	<u>222,850</u>	<u>6,167</u>
<i>Safety Director-Code Enforcement Admin:</i>			
Personnel Costs	921,999	921,583	416
Materials and Supplies	23,582	19,785	3,797
Contractual Services	82,092	74,164	7,928
Other	18,615	9,080	9,535
<i>Total Safety Director-Code Enforcement Admin</i>	<u>\$ 1,046,288</u>	<u>\$ 1,024,612</u>	<u>\$ 21,676</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Safety Director-School Police Administration:</i>			
Personnel Costs	\$ 382,976	\$ 371,489	\$ 11,487
Materials and Supplies	1,201	1,200	1
<i>Total Safety Director-School Police Admin</i>	<u>384,177</u>	<u>372,689</u>	<u>11,488</u>
<i>Safety Director-Central Communication Admin:</i>			
Personnel Costs	755,893.00	751,942.00	3,951.00
Materials and Supplies	2,200	970	1,230
Contractual Services	12,360	10,045	2,315
Capital Outlay	1,500	-	1,500
Other	1,200	753	447
<i>Total Safety Director-Central Communication Admin</i>	<u>773,153</u>	<u>763,710</u>	<u>9,443</u>
<i>Police Administration:</i>			
Personnel Costs	14,638,912	14,479,357	159,555
Materials and Supplies	59,611	54,653	4,958
Contractual Services	387,402	344,535	42,867
Other	86,940	80,228	6,712
<i>Total Police Administration</i>	<u>15,172,865</u>	<u>14,958,773</u>	<u>214,092</u>
<i>Fire Administration:</i>			
Personnel Costs	13,009,925	13,026,974	(17,049)
Materials and Supplies	171,585	166,511	5,074
Contractual Services	259,819	250,587	9,232
Other	68,445	67,151	1,294
<i>Total Fire Administration</i>	<u>13,509,774</u>	<u>13,511,223</u>	<u>(1,449)</u>
<i>Traffic Divisions-Fire Alarm Maintenance:</i>			
Materials and Supplies	9,310	4,744	4,566
<i>Total Traffic Divisions-Fire Alarm Maintenance</i>	<u>9,310</u>	<u>4,744</u>	<u>4,566</u>
<i>Traffic Divisions-Traffic Engineer/Parking Meter:</i>			
Personnel Costs	113,294	112,116	1,178
Materials and Supplies	18,004	16,562	1,442
Contractual Services	2,964	2,936	28
Other	3,160	1,734	1,426
<i>Total Traffic Divisions-Traffic Engineer/Parking Meter</i>	<u>137,422</u>	<u>133,348</u>	<u>4,074</u>
<i>Total Security of Persons and Property</i>	<u>31,262,006</u>	<u>30,991,949</u>	<u>270,057</u>
<i>Public Health:</i>			
<i>Health Administration:</i>			
Personnel Costs	267,730	265,239	2,491
Materials and Supplies	27,378	20,157	7,221
Contractual Services	225,236	196,586	28,650
Capital Outlay	2,500	-	2,500
Other	3,500	1,872	1,628
<i>Total Health Administration</i>	<u>\$ 526,344</u>	<u>\$ 483,854</u>	<u>\$ 42,490</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Health-Nurses:</i>			
Personnel Costs	\$ 623,694	\$ 608,654	\$ 15,040
Materials and Supplies	26,496	21,303	5,193
Contractual Services	4,100	1,007	3,093
Capital Outlay	300	-	300
Other	3,122	2,260	862
<i>Total Health-Nurses</i>	<u>657,712</u>	<u>633,224</u>	<u>24,488</u>
<i>Health-Lab:</i>			
Personnel Costs	117,522	115,520	2,002
Materials and Supplies	31,262	29,880	1,382
Contractual Services	6,095	5,353	742
Capital Outlay	200	-	200
Other	1,115	90	1,025
<i>Total Health-Lab</i>	<u>156,194</u>	<u>150,843</u>	<u>5,351</u>
<i>Health-Environmental Health Administration:</i>			
Personnel Costs	582,827	580,714	2,113
Materials and Supplies	3,330	1,540	1,790
Contractual Services	6,608	5,810	798
Capital Outlay	100	-	100
Other	2,000	1,515	485
<i>Total Health-Environmental Health Administration</i>	<u>594,865</u>	<u>589,579</u>	<u>5,286</u>
<i>Total Public Health</i>	<u>1,935,115</u>	<u>1,857,500</u>	<u>77,615</u>
<i>Transportation:</i>			
<i>Engineering-Daily Operations:</i>			
Personnel Costs	217,946	216,512	1,434
Materials and Supplies	300	200	100
Contractual and Services	2,352	2,298	54
Other	3,600	940	2,660
<i>Total Engineering-Daily Operations</i>	<u>224,198</u>	<u>219,950</u>	<u>4,248</u>
<i>Street-Maintenance:</i>			
Personnel Costs	1,240,351	1,214,360	25,991
Materials and Supplies	350,255	348,580	1,675
Contractual Services	791,522	780,996	10,526
Capital Outlay	2,400	2,150	250
Other	12,838	12,639	199
<i>Total Street-Maintenance</i>	<u>2,397,366</u>	<u>2,358,725</u>	<u>38,641</u>
<i>Total Transportation</i>	<u>2,621,564</u>	<u>2,578,675</u>	<u>42,889</u>
<i>Leisure Time Activities:</i>			
<i>Park Division-Park Administration:</i>			
Personnel Costs	1,020,532	1,013,108	7,424
Materials and Supplies	38,960	35,372	3,588
Contractual Services	47,211	44,999	2,212
Other	9,375	7,851	1,524
<i>Total Park Division-Park Administration</i>	<u>\$ 1,116,078</u>	<u>\$ 1,101,330</u>	<u>\$ 14,748</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Park Division-Police:</i>			
Personnel Costs	\$ 53,227	\$ 51,439	\$ 1,788
Materials and Supplies	1,125	271	854
Contractual Services	1,640	438	1,202
Capital Outlay	350	-	350
Other	2,700	-	2,700
<i>Total Park Division-Police</i>	<u>59,042</u>	<u>52,148</u>	<u>6,894</u>
<i>Mayor-Baseball:</i>			
Personnel Costs	43,526	43,526	-
Materials and Supplies	19,314	16,386	2,928
Contractual Services	53,311	49,284	4,027
Other	1,900	1,800	100
<i>Total Mayor-Baseball</i>	<u>118,051</u>	<u>110,996</u>	<u>7,055</u>
<i>Civic Center-Civic Center Administration:</i>			
Personnel Costs	721,747	705,930	15,817
Materials and Supplies	81,875	79,694	2,181
Contractual Services	329,090	297,931	31,159
Capital Outlay	2,971	863	2,108
Other	7,739	6,536	1,203
<i>Total Civic Center-Civic Center Administration</i>	<u>1,143,422</u>	<u>1,090,954</u>	<u>52,468</u>
<i>Total Leisure Time Activities</i>	<u>2,436,593</u>	<u>2,355,428</u>	<u>81,165</u>
<b>Total Expenditures</b>	57,067,550	54,775,470	2,292,080
<b>Excess of Revenues (Under) Expenditures</b>	<u>(4,800,760)</u>	<u>(1,737,436)</u>	<u>3,063,324</u>
<i>Other Financing Sources (Uses)</i>			
Sale of Fixed Assets	-	7	7
Advances In	15,000	30,000	15,000
Advances Out	(522,000)	(456,130)	65,870
Operating Transfers In	762,554	780,936	18,382
Operating Transfers Out	(73,114)	(73,114)	-
<i>Total Other Financing Sources</i>	<u>182,440</u>	<u>281,699</u>	<u>99,259</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</b>	(4,618,320)	(1,455,737)	3,162,583
<i>Fund Balances Beginning of Year</i>	8,479,714	8,479,714	-
Unexpended Prior Year Encumbrances	211,349	211,349	-
<i>Fund Balances End of Year</i>	<u>\$ 4,072,743</u>	<u>\$ 7,235,326</u>	<u>\$ 3,162,583</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ -	\$ 75	\$ 75
Intergovernmental	12,700,000	7,495,470	(5,204,530)
Interest	3,149	13,265	10,116
Other	1,300,000	1,280,770	(19,230)
<i>Total Revenues</i>	<u>14,003,149</u>	<u>8,789,580</u>	<u>(5,213,569)</u>
<b>Expenditures</b>			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Personnel Costs	1,380,819	1,341,700	39,119
Materials and Supplies	39,464	20,133	19,331
Contractual Services	2,435,876	2,199,376	236,500
Capital Outlay	709,163	648,363	60,800
Other	4,219,179	2,128,411	2,090,768
<i>Total Community Development Administration</i>	<u>8,784,501</u>	<u>6,337,983</u>	<u>2,446,518</u>
<i>Community Development Planning:</i>			
Contractual Services	13,000	11,320	1,680
<i>Total Community Environment</i>	<u>8,797,501</u>	<u>6,349,303</u>	<u>2,448,198</u>
Debt Service:			
Principal Retirement	335,000	335,000	-
Interest and Fiscal Charges	251,872	251,872	-
<i>Total Debt Service</i>	<u>586,872</u>	<u>586,872</u>	<u>-</u>
<i>Total Expenditures</i>	<u>9,384,373</u>	<u>6,936,175</u>	<u>2,448,198</u>
<b>Excess of Revenues Over Expenditures</b>	4,618,776	1,853,405	(2,765,371)
<b>Other Financing Sources</b>			
Transfers In	10,116	22,389	12,273
<b>Excess of Revenues and Other Financing Sources Over Expenditures</b>	4,628,892	1,875,794	(2,753,098)
<i>Fund Balance (Deficit) Beginning of Year</i>	(4,813,215)	(4,813,215)	-
Unexpended Prior Year Encumbrances	1,279,464	1,279,464	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,095,141</u>	<u>\$ (1,657,957)</u>	<u>\$ (2,753,098)</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Municipal Income Tax	\$ 7,280,000	\$ 7,519,261	\$ 239,261
Charges for Services	-	48	48
Rentals	109,325	117,006	7,681
Other	-	49,523	49,523
<i>Total Revenues</i>	<u>7,389,325</u>	<u>7,685,838</u>	<u>296,513</u>
<b>Expenditures</b>			
Capital Outlay:			
Safety Director:			
Safety Director Administration	266,625	218,556	48,069
Code Enforcement Administration	29,075	28,441	634
Central Communication Administration	10,800	6,195	4,605
Police Department-Police Administration	62,829	60,030	2,799
Fire Department-Fire Administration	267,867	263,074	4,793
Traffic Divisions:			
Traffic Divisions-Engineer Administration	13,000	-	13,000
Traffic Sign and Paint	18,000	17,994	6
Service Director:			
General Government-Support Administration	112,177	78,068	34,109
Service Director Administration	640,000	500,699	139,301
Engineering Administration	1,122,334	632,277	490,057
Engineering - 12th St./13th St. NW Connector	154,328	13,692	140,636
Engineering - 1051 35th St. Reconstruction	40,094	40,094	-
Engineering - 1054 Baldwin Ave. N.E. Improvement	280,000	-	280,000
Engineering - 1068 Pro Football HOF Drive	110,000	97,936	12,064
Engineering - 1063 11th-13th St. Sewer Project	228,200	-	228,200
Engineering - 1069 Royal & 23rd St. N.E. Project	55,000	36,562	18,438
Street Administration	58,448	47,462	10,986
Street Paving	1,243,114	1,217,974	25,140
Street Guardrail/Attenuator Replacement	20,000	20,000	-
Civic Center Administration	1,035	-	1,035
Other Building	31,649	31,516	133
Park Division:			
Park Administration	\$ 116,514	\$ 102,559	\$ 13,955

(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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Mayor:			
Mayor Administration	\$ 3,000	\$ 2,875	\$ 125
Human Resources Administration	3,000	2,450	550
Baseball Stadium	68,494	45,600	22,894
Management Information Systems:			
MIS Administration	1,968	1,968	-
Systems	166,150	102,020	64,130
Judges:			
Judge Administration	6,340	6,300	40
Court-Clerks:			
Clerk of Courts Administration	199,288	179,987	19,301
Law Director:			
Law Administration	30,700	27,552	3,148
Auditor:			
Auditor Administration	261,444	258,055	3,389
Income Tax:			
Income Tax Administration	48,000	1,500	46,500
<i>Total Expenditures</i>	<u>5,669,473</u>	<u>4,041,436</u>	<u>1,628,037</u>
<b>Excess of Revenues Over Expenditures</b>	1,719,852	3,644,402	1,924,550
<b>Other Financing Sources (Uses)</b>			
Sale of Fixed Assets	530,000	594,840	64,840
Advances In	400,000	426,130	26,130
Operating Transfer In	525,000	434,567	(90,433)
Operating Transfers Out	(4,580,067)	(4,307,296)	272,771
<i>Total Other Financing (Uses)</i>	<u>(3,125,067)</u>	<u>(2,851,759)</u>	<u>273,308</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>	(1,405,215)	792,643	2,197,858
<i>Fund Balance Beginning of Year</i>	1,671,115	1,671,115	-
Unexpended Prior Year Encumbrances	127,973	127,973	-
<i>Fund Balance End of Year</i>	<u>\$ 393,873</u>	<u>\$ 2,591,731</u>	<u>\$ 2,197,858</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
*Motor Vehicle Purchase Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Municipal Income Tax	\$ 1,830,000	\$ 1,879,815	\$ 49,815
Rentals	-	15,000	15,000
Other	-	11,744	11,744
<i>Total Revenues</i>	<u>1,830,000</u>	<u>1,906,559</u>	<u>76,559</u>
<b>Expenditures</b>			
Capital Outlay:			
Safety Director:			
Code Enforcement Administration	43,193	40,170	3,023
Central Communication Administration	212,528	186,578	25,950
Police Department-Police Administration	402,651	377,973	24,678
Fire Department-Fire Administration	427,137	425,318	1,819
Traffic Divisions-Engineer Administration	45,549	22,816	22,733
Service Director:			
Service Director Administration	13,000	12,928	72
Engineering Administration	29,528	29,528	-
Street Administration	532,000	518,000	14,000
Health:			
Health Administration	64,628	54,518	10,110
Nurses	6,887	4,656	2,231
Environmental Health Administration	19,664	10,740	8,924
Park Division:			
Park Administration	178,100	162,391	15,709
Mayor:			
Youth Development Administration	2,628	2,628	-
Management Information Systems:			
MIS Administration	7,913	5,665	2,248
Council:			
Council Administration	2,628	2,628	-
Judges:			
Judge Administration	7,884	7,884	-
<i>Total Expenditures</i>	<u>\$ 1,995,918</u>	<u>\$ 1,864,421</u>	<u>\$ 131,497</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (165,918)	\$ 42,138	\$ 208,056
<b>Other Financing Sources</b>			
Sale of Fixed Assets	10,000	-	(10,000)
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	(155,918)	42,138	198,056
<i>Fund Balance Beginning of Year</i>	502,347	502,347	-
Unexpended Prior Year Encumbrances	5,213	5,213	-
<i>Fund Balance End of Year</i>	<u>\$ 351,642</u>	<u>\$ 549,698</u>	<u>\$ 198,056</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 10,899,000	\$ 11,218,267	\$ 319,267
Interest	5,685	9,109	3,424
Other	646,040	596,480	(49,560)
Proceeds of Loans	2,444,742	67,948	(2,376,794)
<i>Total Revenues</i>	<u>13,995,467</u>	<u>11,891,804</u>	<u>(2,103,663)</u>
<b>Expenses</b>			
Personnel Costs	4,697,357	4,634,334	63,023
Material and Supplies	1,119,466	1,055,312	64,154
Contractual Services	1,998,018	1,909,639	88,379
Capital Outlay	2,687,217	2,648,074	39,143
Claims	103,650	95,014	8,636
Other	131,709	124,660	7,049
Debt Service:			
Principal Retirement	1,627,101	1,627,101	-
Interest and Fiscal Charges	896,354	896,354	-
<i>Total Expenses</i>	<u>13,260,872</u>	<u>12,990,488</u>	<u>270,384</u>
<b>Excess of Revenues Over (Under) Expenses</b>	734,595	(1,098,684)	(1,833,279)
<b>Other Financing Sources</b>			
Operating Transfers In	-	75,410	75,410
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	734,595	(1,023,274)	(1,757,869)
<i>Fund Equity Beginning of Year</i>	1,834,422	1,834,422	-
Unexpended Prior Year Encumbrances	102,585	102,585	-
<i>Fund Equity End of Year</i>	<u>\$ 2,671,602</u>	<u>\$ 913,733</u>	<u>\$ (1,757,869)</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 9,485,000	\$ 9,146,763	\$ (338,237)
Capital Grants	27,546	27,546	-
Interest	282,488	282,488	-
Other	273,161	938,306	665,145
Proceeds of Loans	145,521	36,720	(108,801)
<i>Total Revenues</i>	<u>10,213,716</u>	<u>10,431,823</u>	<u>218,107</u>
<b>Expenses</b>			
Personnel Costs	3,725,107	3,666,640	58,467
Material and Supplies	641,043	519,301	121,742
Contractual Services	3,020,481	2,540,343	480,138
Capital Outlay	1,808,250	749,731	1,058,519
Claims	15,850	10,478	5,372
Other	80,513	64,338	16,175
Debt Service:			
Principal Retirement	1,880,245	1,875,918	4,327
Interest and Fiscal Charges	824,790	541,461	283,329
<i>Total Expenses</i>	<u>11,996,279</u>	<u>9,968,210</u>	<u>2,028,069</u>
<b>Excess of Revenues Over (Under) Expenses</b>	(1,782,563)	463,613	2,246,176
<b>Other Financing Sources (Uses)</b>			
Sale of Fixed Assets	-	3,700	3,700
Operating Transfers In	287,655	61,384	(226,271)
Operating Transfers Out	(724,815)	-	724,815
<i>Total Other Financing Sources (Uses)</i>	<u>(437,160)</u>	<u>65,084</u>	<u>502,244</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>	(2,219,723)	528,697	2,748,420
<i>Fund Equity Beginning of Year</i>	6,384,095	6,384,095	-
Unexpended Prior Year Encumbrances	688,931	688,931	-
<i>Fund Equity End of Year</i>	<u>\$ 4,853,303</u>	<u>\$ 7,601,723</u>	<u>\$ 2,748,420</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 4,200,000	\$ 4,178,082	\$ (21,918)
Other	-	159	159
<i>Total Revenues</i>	<u>4,200,000</u>	<u>4,178,241</u>	<u>(21,759)</u>
<b>Expenses</b>			
Personnel Costs	2,570,799	2,480,741	90,058
Material and Supplies	90,633	82,760	7,873
Contractual Services	1,500,392	1,365,984	134,408
Capital Outlay	129,827	98,376	31,451
Claims	955	410	545
Other	25,307	18,919	6,388
Debt Service:			
Principal Retirement	535,000	535,000	-
Interest and Fiscal Charges	24,008	24,008	-
<i>Total Expenses</i>	<u>4,876,921</u>	<u>4,606,198</u>	<u>270,723</u>
<b>Excess of Revenues Over Expenses</b>	(676,921)	(427,957)	248,964
<b>Other Financing Sources (Uses)</b>			
Sale of Fixed Assets	-	28,800	28,800
Operating Transfers In	-	36,290	36,290
Operating Transfers Out	(1,672)	-	1,672
<i>Total Other Financing Sources (Uses)</i>	<u>(1,672)</u>	<u>65,090</u>	<u>66,762</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)</b>	(678,593)	(362,867)	315,726
<i>Fund Equity Beginning of Year</i>	876,711	876,711	-
Unexpended Prior Year Encumbrances	137,846	137,846	-
<i>Fund Equity End of Year</i>	<u>\$ 335,964</u>	<u>\$ 651,690</u>	<u>\$ 315,726</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Property and Other Taxes	\$ 524,494	\$ 538,537	\$ 14,043
Intergovernmental	65,830	56,546	(9,284)
<i>Total Revenues</i>	<u>590,324</u>	<u>595,083</u>	<u>4,759</u>
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over Expenditures</b>	590,324	595,083	4,759
<b>Other Financing (Uses)</b>			
Operating Transfers Out	<u>(561,856)</u>	<u>(561,856)</u>	<u>-</u>
<b>Excess of Revenues Over Expenditures and Other Financing (Uses)</b>	28,468	33,227	4,759
<i>Fund Balance Beginning of Year</i>	3	3	-
<i>Fund Balance End of Year</i>	<u>\$ 28,471</u>	<u>\$ 33,230</u>	<u>\$ 4,759</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 2,329,000	\$ 2,206,086	\$ (122,914)
Interest	16,000	8,740	(7,260)
Other	159	21,343	21,184
<i>Total Revenues</i>	<u>2,345,159</u>	<u>2,236,169</u>	<u>(108,990)</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Engineer Administration:</i>			
Personnel Costs	294,747	294,360	387
Materials and Supplies	19,905	18,419	1,486
Contractual Services	99,298	84,152	15,146
Capital Outlay	4,220	1,850	2,370
Other	4,265	1,930	2,335
<i>Total Traffic Divisions-Traffic Engineer Administration</i>	<u>422,435</u>	<u>400,711</u>	<u>21,724</u>
<i>Traffic Divisions-Traffic Sign and Paint:</i>			
Personnel Costs	298,537	298,497	40
Materials and Supplies	70,537	69,401	1,136
Contractual Services	39,370	38,137	1,233
Capital Outlay	587	587	-
Other	5,125	3,172	1,953
<i>Total Traffic Divisions-Traffic Sign and Paint</i>	<u>414,156</u>	<u>409,794</u>	<u>4,362</u>
<i>Traffic Divisions-Traffic Signal:</i>			
Personnel Costs	405,321	405,060	261
Materials and Supplies	35,918	29,961	5,957
Contractual Services	246,730	244,934	1,796
Capital Outlay	7,037	5,270	1,767
Other	4,628	600	4,028
<i>Total Traffic Divisions-Traffic Signal</i>	<u>699,634</u>	<u>685,825</u>	<u>13,809</u>
<i>Total Security Persons and Property</i>	<u>\$ 1,536,225</u>	<u>\$ 1,496,330</u>	<u>\$ 39,895</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	\$ 704,128	\$ 637,734	\$ 66,394
Materials and Supplies	227,893	223,804	4,089
Contractual Services	72,559	69,681	2,878
Capital Outlay	895	705	190
Other	8,324	7,969	355
<i>Total Transportation</i>	<u>1,013,799</u>	<u>939,893</u>	<u>73,906</u>
<i>Total Expenditures</i>	<u>2,550,024</u>	<u>2,436,223</u>	<u>113,801</u>
<b>Excess of Revenues (Under) Expenditures</b>	(204,865)	(200,054)	4,811
<b>Other Financing Sources (Uses)</b>			
Transfers In	24,841	24,841	-
Transfers Out	(13,494)	-	13,494
<i>Total Other Financing Sources</i>	<u>11,347</u>	<u>24,841</u>	<u>13,494</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)</b>	(193,518)	(175,213)	18,305
<i>Fund Balance Beginning of Year</i>	186,091	186,091	-
Unexpended Prior Year Encumbrances	22,744	22,744	-
<i>Fund Balance End of Year</i>	<u>\$ 15,317</u>	<u>\$ 33,622</u>	<u>\$ 18,305</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 179,000	\$ 190,174	\$ 11,174
Interest	4,500	2,188	(2,312)
Other		45	45
<i>Total Revenues</i>	<u>183,500</u>	<u>192,407</u>	<u>8,907</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Signal:</i>			
Contractual Services	<u>40,369</u>	<u>40,001</u>	<u>368</u>
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	149,904	149,533	371
Materials and Supplies	37,000	36,818	182
Contractual Services	35,527	35,033	494
Other	100	100	-
<i>Total Transportation</i>	<u>222,531</u>	<u>221,484</u>	<u>1,047</u>
<i>Total Expenditures</i>	<u>262,900</u>	<u>261,485</u>	<u>1,415</u>
<b>Excess of Revenues (Under) Expenditures</b>	(79,400)	(69,078)	10,322
<b>Other Financing Sources</b>			
Transfers In	<u>-</u>	<u>2,024</u>	<u>2,024</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures</b>	(79,400)	(67,054)	12,346
<i>Fund Balance Beginning of Year</i>	79,207	79,207	-
Unexpended Prior Year Encumbrances	369	369	-
<i>Fund Balance End of Year</i>	<u>\$ 176</u>	<u>\$ 12,522</u>	<u>\$ 12,346</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 300,000	\$ -	\$ (300,000)
<b>Expenditures</b>			
Current:			
Transportation:			
<i>Engineering-Engineering Administration:</i>			
Materials and Supplies	818,628	468,628	350,000
<b>Excess of Revenues (Under) Expenditures</b>	(518,628)	(468,628)	50,000
<i>Fund Balance Beginning of Year</i>	491,324	491,324	-
Unexpended Prior Year Encumbrances	40,628	40,628	-
<i>Fund Balance End of Year</i>	<u>\$ 13,324</u>	<u>\$ 63,324</u>	<u>\$ 50,000</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 377,000	\$ 397,757	\$ 20,757
<b>Expenditures</b>			
Current:			
General Government:			
<i>Service Director-Service Director Administration:</i>			
Contractual Services	304,426	204,118	100,308
<b>Excess of Revenues Over Expenditures</b>	72,574	193,639	121,065
<i>Fund Balance Beginning of Year</i>	210,457	210,457	-
Unexpended Prior Year Encumbrances	2,378	2,378	-
<i>Fund Balance End of Year</i>	<u>\$ 285,409</u>	<u>\$ 406,474</u>	<u>\$ 121,065</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Licenses, Permits and Fees	\$ 186,554	\$ 185,423	\$ (1,131)
Intergovernmental	2,012,118	1,986,544	(25,574)
Other	-	3,512	3,512
<i>Total Revenues</i>	<u>2,198,672</u>	<u>2,175,479</u>	<u>(23,193)</u>
<b>Expenditures</b>			
Current:			
Public Health:			
<i>Health Administration:</i>			
Personnel Costs	2,003,703	1,508,592	495,111
Materials and Supplies	168,308	76,602	91,706
Contractual Services	119,550	83,773	35,777
Capital Outlay	84,693	82,314	2,379
Other	679,497	654,304	25,193
<i>Total Expenditures</i>	<u>3,055,751</u>	<u>2,405,585</u>	<u>650,166</u>
<b>Excess of Revenues (Under) Expenditures</b>	(857,079)	(230,106)	626,973
<b>Other Financing Sources (Uses)</b>			
Advances In	-	30,000	30,000
Advances Out	(30,000)	(30,000)	-
Operating Transfers In	572	64,000	63,428
<i>Total Other Financing Sources (Uses)</i>	<u>\$ (29,428)</u>	<u>\$ 64,000</u>	<u>\$ 93,428</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)</b>	\$ (886,507)	\$ (166,106)	\$ 720,401
<i>Fund Balance Beginning of Year</i>	1,075,447	1,075,447	-
Unexpended Prior Year Encumbrances	61,780	61,780	-
<i>Fund Balance End of Year</i>	<u>\$ 250,720</u>	<u>\$ 971,121</u>	<u>\$ 720,401</u>

**City of Canton, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances -Budget (Non-GAAP Basis) and Actual*  
**Crime Lab Fund**  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Other Financing (Uses)</b>			
Transfers Out	(2,572)	(2,572)	-
<b>Excess of Revenues (Under)</b>			
<b>Other Financing (Uses)</b>	(2,572)	(2,572)	-
<i>Fund Balance Beginning of Year</i>	2,572	2,572	-
<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*  
*Court's Computer Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 148,000	\$ 147,455	\$ (545)
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	64,578	62,783	1,795
Materials and Supplies	95,133	28,346	66,787
Contractual Services	85,881	49,598	36,283
Capital Outlay	147,282	103,414	43,868
Other	2,895	1,063	1,832
<i>Total Expenditures</i>	<u>395,769</u>	<u>245,204</u>	<u>150,565</u>
<b>Excess of Revenues (Under) Expenditures</b>	(247,769)	(97,749)	150,020
<i>Fund Balance Beginning of Year</i>	230,027	230,027	-
Unexpended Prior Year Encumbrances	17,769	17,769	-
<i>Fund Balance End of Year</i>	<u>\$ 27</u>	<u>\$ 150,047</u>	<u>\$ 150,020</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 59,217	\$ 47,897	\$ (11,320)
<b>Expenditures</b>			
Current:			
Community Environment:			
<i>Community Development Planning:</i>			
Materials and Supplies	2,617	1,560	1,057
Contractual Services	56,600	54,824	1,776
<i>Total Expenditures</i>	59,217	56,384	2,833
<b>Excess of Revenues (Under) Expenditures</b>	-	(8,487)	(8,487)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ (8,487)	\$ (8,487)

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 50,828	\$ 50,828	\$ -
Contributions and Donations	46,862	36,817	(10,045)
Other	-	11,092	11,092
<i>Total Revenues</i>	<u>97,690</u>	<u>98,737</u>	<u>1,047</u>
<b>Expenditures</b>			
Current:			
General Government:			
<i>Youth Development Administration:</i>			
Materials and Supplies	31,112	30,367	745
Contractual Services	42,650	37,172	5,478
Other	26,335	26,038	297
<i>Total Expenditures</i>	<u>100,097</u>	<u>93,577</u>	<u>6,520</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(2,407)	5,160	7,567
<b>Other Financing Sources</b>			
Transfers In	-	1,311	1,311
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	(2,407)	6,471	8,878
<i>Fund Balance Beginning of Year</i>	20,024	20,024	-
Unexpended Prior Year Encumbrances	336	336	-
<i>Fund Balance End of Year</i>	<u>\$ 17,953</u>	<u>\$ 26,831</u>	<u>\$ 8,878</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 7,000	\$ 7,119	\$ 119
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Enforcement and Education:</i>			
Materials and Supplies	34,500	25	34,475
Contractual Services	500	404	96
Other	2,000	-	2,000
	37,000	429	36,571
<b>Total Expenditures</b>			
<b>Excess of Revenues Over (Under) Expenditures</b>	(30,000)	6,690	36,690
<i>Fund Balance Beginning of Year</i>	36,996	36,996	-
<i>Fund Balance End of Year</i>	\$ 6,996	\$ 43,686	\$ 36,690

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 19,600	\$ 18,317	\$ (1,283)
Contributions and Donations	-	7,249	7,249
<i>Total Revenues</i>	<u>19,600</u>	<u>25,566</u>	<u>5,966</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	7,253	4,634	2,619
Contractual Services	6,890	4,939	1,951
Capital Outlay	1,000	900	100
Other	12,500	12,164	336
<i>Total Expenditures</i>	<u>27,643</u>	<u>22,637</u>	<u>5,006</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(8,043)	2,929	10,972
<i>Fund Balance Beginning of Year</i>	7,261	7,261	-
Unexpended Prior Year Encumbrances	1,043	1,043	-
<i>Fund Balance End of Year</i>	<u>\$ 261</u>	<u>\$ 11,233</u>	<u>\$ 10,972</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 64,000	\$ 67,887	\$ 3,887
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	100,000	43,519	56,481
<b>Excess of Revenues Over (Under) Expenditures</b>	(36,000)	24,368	60,368
<i>Fund Balance Beginning of Year</i>	90,244	90,244	-
<i>Fund Balance End of Year</i>	<u>\$ 54,244</u>	<u>\$ 114,612</u>	<u>\$ 60,368</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 21,000	\$ 22,146	\$ 1,146
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	63,420	52,872	10,548
Materials and Supplies	3,600	-	3,600
Other	1,000	-	1,000
<i>Total Expenditures</i>	68,020	52,872	15,148
<b>Excess of Revenues (Under) Expenditures</b>	(47,020)	(30,726)	16,294
<i>Fund Balance Beginning of Year</i>	79,343	79,343	-
<i>Fund Balance End of Year</i>	\$ 32,323	\$ 48,617	\$ 16,294

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 208,022	\$ 208,022	\$ -
Interest	13,958	13,958	-
<i>Total Revenues</i>	<u>221,980</u>	<u>221,980</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	49,828	49,828	-
Contractual Services	39,987	39,766	221
Capital Outlay	297,564	187,916	109,648
<i>Total Expenditures</i>	<u>387,379</u>	<u>277,510</u>	<u>109,869</u>
<b>Excess of Revenues (Under) Expenditures</b>	(165,399)	(55,530)	109,869
<b>Other Financing Sources</b>			
Transfers In	23,114	23,114	-
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures</b>	(142,285)	(32,416)	109,869
<i>Fund Balance Beginning of Year</i>	374,509	374,509	-
<i>Fund Balance End of Year</i>	<u>\$ 232,224</u>	<u>\$ 342,093</u>	<u>\$ 109,869</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, 2001*

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

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Other	\$ 525	\$ 525	\$ -
<b>Expenditures</b>			
Current:			
General Government:			
<i>Law Director-Administration:</i>			
Materials and Supplies	6,526	6,228	298
<i>Total Expenditures</i>	6,526	6,228	298
<b>Excess of Revenues Under Expenditures</b>	(6,001)	(5,703)	298
<i>Fund Balance Beginning of Year</i>	6,526	6,526	-
<i>Fund Balance End of Year</i>	<u>\$ 525</u>	<u>\$ 823</u>	<u>\$ 298</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ -	\$ 1,831	\$ 1,831
Contributions and Donations	158,700	173,333	14,633
Rentals	24,891	24,880	(11)
<i>Total Revenues</i>	<u>183,591</u>	<u>200,044</u>	<u>16,453</u>
<b>Expenditures</b>			
Current:			
General Government:			
<i>Southeast Community Center Maintenance:</i>			
Personnel Costs	148,095	135,231	12,864
Materials and Supplies	11,800	8,002	3,798
Contractual Services	60,300	56,073	4,227
Capital Outlay	12,700	9,430	3,270
Other	3,400	-	3,400
<i>Total Expenditures</i>	<u>236,295</u>	<u>208,736</u>	<u>27,559</u>
<b>Excess of Revenues (Under) Expenditures</b>	(52,704)	(8,692)	44,012
<b>Other Financing Sources</b>			
Operating In	10,000	10,000	-
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	(42,704)	1,308	44,012
<i>Fund Balance Beginning of Year</i>	73,756	73,756	-
Unexpended Prior Year Encumbrances	3,000	3,000	-
<i>Fund Balance End of Year</i>	<u>\$ 34,052</u>	<u>\$ 78,064</u>	<u>\$ 44,012</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenue</b>			
Rentals	\$ 8,341	\$ 8,401	\$ 60
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and Supplies	901	750	151
Contractual Services	14,773	5,900	8,873
<i>Total Expenditures</i>	<u>15,674</u>	<u>6,650</u>	<u>9,024</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(7,333)	1,751	9,084
<i>Fund Balance Beginning of Year</i>	16,691	16,691	-
Unexpended Prior Year Encumbrances	151	151	-
<i>Fund Balance End of Year</i>	<u><u>\$ 9,509</u></u>	<u><u>\$ 18,593</u></u>	<u><u>\$ 9,084</u></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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Contributions and Donations	\$ 50	\$ 50	\$ -
Other	12,678	12,678	-
<i>Total Revenues</i>	<u>12,728</u>	<u>12,728</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	15,000	12,906	2,094
Contractual Services	547	-	547
<i>Total Expenditures</i>	<u>15,547</u>	<u>12,906</u>	<u>2,641</u>
<b>Excess of Revenues (Under) Expenditures</b>	(2,819)	(178)	2,641
<i>Fund Balance Beginning of Year</i>	21,010	21,010	-
Unexpended Prior Year Encumbrances	547	547	-
<i>Fund Balance End of Year</i>	<u>\$ 18,738</u>	<u>\$ 21,379</u>	<u>\$ 2,641</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 9,035	\$ 9,082	\$ 47
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	9,904	9,565	339
Contractual Services	2,629	1,452	1,177
Capital Outlay	975	975	-
<i>Total Expenditures</i>	<u>13,508</u>	<u>11,992</u>	<u>1,516</u>
<b>Excess of Revenues (Under) Expenditures</b>	(4,473)	(2,910)	1,563
<i>Fund Balance Beginning of Year</i>	1,775	1,775	-
Unexpended Prior Year Encumbrances	1,516	1,516	-
<i>Fund Balance End of Year</i>	<u>\$ (1,182)</u>	<u>\$ 381</u>	<u>\$ 1,563</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, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 74,833	\$ 74,093	\$ (740)
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration 5th year grant:</i>			
Personnel Costs	39,321	39,078	243
Materials and Supplies	931	874	57
Other	<u>39,985</u>	<u>37,046</u>	<u>2,939</u>
<i>Total Expenditures</i>	<u>80,237</u>	<u>76,998</u>	<u>3,239</u>
<b>Excess of Revenues (Under) Expenditures</b>	(5,404)	(2,905)	2,499
<b>Other Financing Sources</b>			
Operating In	<u>-</u>	<u>740</u>	<u>740</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures</b>	(5,404)	(2,165)	3,239
<i>Fund Balance Beginning of Year</i>	11,888	11,888	-
<i>Fund Balance End of Year</i>	<u><u>\$ 6,484</u></u>	<u><u>\$ 9,723</u></u>	<u><u>\$ 3,239</u></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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Fines and Forfeitures	\$ 8,500	\$ 21,650	\$ 13,150
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	5,000	1,000	4,000
<b>Excess of Revenues Over Expenditures</b>	3,500	20,650	17,150
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 3,500</u>	<u>\$ 20,650</u>	<u>\$ 17,150</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<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, 2000*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Capital Outlay	7,042	6,294	748
<i>Total Expenditures</i>	7,042	6,294	748
<b>Excess of Revenues (Under) Expenditures</b>	(7,042)	(6,294)	748
<i>Fund Balance Beginning of Year</i>	7,042	7,042	-
<i>Fund Balance End of Year</i>	\$ -	\$ 748	\$ 748

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 3,812	\$ 3,812	\$ -
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Capital Outlay	3,812	940	2,872
<b>Excess of Revenues Over (Under) Expenditures</b>	-	2,872	2,872
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ 2,872	\$ 2,872

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 90,663	\$ 90,663	\$ -
Interest	1,406	1,406	-
<i>Total Revenues</i>	<u>92,069</u>	<u>92,069</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	5,645	5,645	-
Other	15	15	-
<i>Total Expenditures</i>	<u>5,660</u>	<u>5,660</u>	<u>-</u>
<b>Excess of Revenues Over Expenditures</b>	86,409	86,409	-
<i>Fund Balance Beginning of Year</i>	6,373	6,373	-
<i>Fund Balance End of Year</i>	<u><u>\$ 92,782</u></u>	<u><u>\$ 92,782</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*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Debt Service:			
<i>Principal Retirement:</i>			
Various Purpose Notes	865,000	865,000	-
Various Purpose Loans	156,820	156,820	-
General Obligation Various Improvement Bonds	1,695,000	1,695,000	-
<i>Total Principal Retirement</i>	<u>2,716,820</u>	<u>2,716,820</u>	<u>-</u>
<i>Interest and Fiscal Charges:</i>			
Various Purpose Notes	43,130	43,130	-
Various Purpose Loans	26,584	26,584	-
General Obligation Various Improvement Bonds	986,426	986,426	-
<i>Total Interest and Fiscal Charges</i>	<u>1,056,140</u>	<u>1,056,140</u>	<u>-</u>
<i>Total Expenditures</i>	<u>3,772,960</u>	<u>3,772,960</u>	<u>-</u>
<b>Excess of Revenues (Under) Expenditures</b>	<u>(3,772,960)</u>	<u>(3,772,960)</u>	<u>-</u>
<b>Other Financing Sources</b>			
Operating Transfers In	3,771,829	3,772,960	1,131
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures</b>	(1,131)	-	1,131
<i>Fund Balance Beginning of Year</i>	18,523	18,523	-
<i>Fund Balance End of Year</i>	<u>\$ 17,392</u>	<u>\$ 18,523</u>	<u>\$ 1,131</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, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
<b>Revenues</b>			
Interest	\$ 22,377	\$ 22,377	\$ -
<b>Expenditures</b>			
Capital Outlay:			
Safety Director:			
Radio Communication System Bond	<u>5,621,805</u>	<u>5,610,000</u>	<u>11,805</u>
<b>Excess of Revenues (Under) Expenditures</b>	(5,599,428)	(5,587,623)	11,805
<b>Other Financing Sources</b>			
Proceeds of Bonds	<u>5,610,000</u>	<u>5,610,000</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures</b>	10,572	22,377	11,805
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u><u>\$ 10,572</u></u>	<u><u>\$ 22,377</u></u>	<u><u>\$ 11,805</u></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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Interest	\$ 3,000	\$ 3,797	\$ 797
<b>Expenditures</b>			
Capital Outlay:			
Auditor Administration	2,374	-	2,374
<b>Excess of Revenues Over Expenditures</b>	626	3,797	3,171
<b>Other Financing Sources (Uses)</b>			
Proceeds of Loan	63,191	60,347	(2,844)
Operating Transfer Out	(144,706)	(144,706)	-
<i>Total Other Financing (Uses)</i>	(81,515)	(84,359)	(2,844)
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)</b>	(80,889)	(80,562)	327
<i>Fund Balance Beginning of Year</i>	78,515	78,515	-
Unexpended Prior Year Encumbrances	2,374	2,374	-
<i>Fund Balance End of Year</i>	\$ -	\$ 327	\$ 327

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 4,428	\$ -	\$ (4,428)
Interest	-	4,428	4,428
<i>Total Revenues</i>	<u>4,428</u>	<u>4,428</u>	<u>-</u>
<b>Expenditures</b>			
Capital Outlay:			
Engineering Administration	<u>62,492</u>	<u>27,993</u>	<u>34,499</u>
<b>Excess of Revenues Under Expenditures</b>	(58,064)	(23,565)	34,499
<i>Fund Balance Beginning of Year</i>	39,083	39,083	-
Unexpended Prior Year Encumbrances	26,492	26,492	-
<i>Fund Balance End of Year</i>	<u>\$ 7,511</u>	<u>\$ 42,010</u>	<u>\$ 34,499</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Interest	\$ 3,000	\$ 4,318	\$ 1,318
Other	157,442	23,124	(134,318)
<i>Total Revenues</i>	<u>160,442</u>	<u>27,442</u>	<u>(133,000)</u>
<b>Expenditures</b>			
Capital Outlay:			
Safety Director:			
Traffic Divisions:			
Traffic Divisions- Engineering Administration	<u>266,493</u>	<u>246,011</u>	<u>20,482</u>
<b>Excess of Revenues (Under) Expenditures</b>	(106,051)	(218,569)	(112,518)
<b>Other Financing Sources</b>			
Operating Transfer In	<u>-</u>	<u>133,000</u>	<u>133,000</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures</b>	(106,051)	(85,569)	20,482
<i>Fund Balance Beginning of Year</i>	82,620	82,620	-
Unexpended Prior Year Encumbrances	24,732	24,732	-
<i>Fund Balance End of Year</i>	<u>\$ 1,301</u>	<u>\$ 21,783</u>	<u>\$ 20,482</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 9,218	\$ 9,218	\$ -
Interest	12,770	12,770	-
<i>Total Revenues</i>	<u>21,988</u>	<u>21,988</u>	<u>-</u>
<b>Expenditures</b>			
Capital Outlay:			
Service Director:			
Service Director Administration	18,502	-	18,502
Engineering Administration	230,568	-	230,568
Auditor	<u>346</u>	<u>-</u>	<u>346</u>
<i>Total Expenditures</i>	<u>249,416</u>	<u>-</u>	<u>249,416</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(227,428)	21,988	249,416
<i>Fund Balance Beginning of Year</i>	15,741	15,741	-
Unexpended Prior Year Encumbrances	249,416	249,416	-
<i>Fund Balance End of Year</i>	<u>\$ 37,729</u>	<u>\$ 287,145</u>	<u>\$ 249,416</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Intergovernmental	\$ 609,530	\$ -	\$ (609,530)
<b>Expenditures</b>			
Capital Outlay:			
Service Director:			
OPWC:			
Engineering Administration	1,213,413	1,200,864	12,549
<b>Excess of Revenues (Under) Expenditures</b>	(603,883)	(1,200,864)	(596,981)
<b>Other Financing Sources</b>			
Operating Transfers In	587,169	587,169	-
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures</b>	(16,714)	(613,695)	(596,981)
<i>Fund Balance Beginning of Year</i>	12,530	12,530	-
Unexpended Prior Year Encumbrances	4,184	4,184	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ (596,981)</u>	<u>\$ (596,981)</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, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
<b>Revenues</b>			
Interest	\$ 10,200	\$ 10,200	\$ -
<b>Expenditures</b>			
Capital Outlay:			
Engineering Administration	<u>483,220</u>	<u>324,403</u>	<u>158,817</u>
<b>Excess of Revenues (Under) Expenditures</b>	(473,020)	(314,203)	158,817
<b>Other Financing Sources (Uses)</b>			
Transfer In	46,000	46,000	-
Operating Transfer Out	<u>(5,331)</u>	<u>-</u>	<u>5,331</u>
<i>Total Other Financing Sources</i>	<u>40,669</u>	<u>46,000</u>	<u>(5,331)</u>
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures and and Other Financing (Uses)</b>	(432,351)	(268,203)	164,148
<i>Fund Balance Beginning of Year</i>	345,331	345,331	-
Unexpended Prior Year Encumbrance	97,220	97,220	-
<i>Fund Balance End of Year</i>	<u>\$ 10,200</u>	<u>\$ 174,348</u>	<u>\$ 164,148</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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Interest	\$ 44,052	\$ 44,052	\$ -
<b>Expenditures</b>			
Capital Outlay:			
Service Director:			
Service Director Administration	1,000,000	88,287	911,713
Auditor	259	-	259
<i>Total Expenditures</i>	1,000,259	88,287	911,972
<b>Excess of Revenues Under Expenditures</b>	(956,207)	(44,235)	911,972
<i>Fund Balance Beginning of Year</i>	1,010,428	1,010,428	-
Unexpended Prior Year Encumbrance	259	259	-
<i>Fund Balance End of Year</i>	\$ 54,480	\$ 966,452	\$ 911,972

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Other	\$ 75,501	\$ 75,501	\$ -
<b>Expenditures</b>			
Capital Outlay:			
Auditor	497	-	497
<b>Excess of Revenues Over Expenditures</b>	75,004	75,501	497
<b>Other Financing (Uses)</b>			
Operating Transfer Out	(277,619)	(277,619)	-
<b>Excess of Revenues Under Expenditures and Other Financing (Uses)</b>	(202,615)	(202,118)	497
<i>Fund Balance Beginning of Year</i>	202,118	202,118	-
<i>Unexpended Prior Year Encumbrance</i>	497	497	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 497</u>	<u>\$ 497</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, 2001*

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

**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, 2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Capital Outlay:			
Safety Director:			
Traffic Engineering Administration	290,000	-	290,000
Auditor	194	-	194
<i>Total Expenditures</i>	<u>290,194</u>	<u>-</u>	<u>290,194</u>
<b>Excess of Revenues (Under) Expenditures</b>	(290,194)	-	290,194
<b>Other Financing Sources (Uses)</b>			
Operating Transfer In	290,000	290,000	-
Operating Transfer Out	(5,832)	-	5,832
<i>Total Other Financing Sources</i>	<u>284,168</u>	<u>290,000</u>	<u>5,832</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>	(6,026)	290,000	296,026
<i>Fund Balance Beginning of Year</i>	5,832	5,832	-
<i>Unexpended Prior Year Encumbrance</i>	194	194	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 296,026</u>	<u>\$ 296,026</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 31,2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Other	\$ 877,493	\$ 877,493	\$ -
<b>Expenses</b>			
Contractual Services	675,000	657,605	17,395
Claims	550,000	478,712	71,288
<i>Total Expenses</i>	<u>1,225,000</u>	<u>1,136,317</u>	<u>88,683</u>
<b>Excess of Revenues (Under) Expenses</b>	(347,507)	(258,824)	88,683
<b>Other Financing (Uses)</b>			
Operating Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
<b>Excess of Revenues (Under) Expenditures and Other Financing (Uses)</b>	(1,347,507)	(1,258,824)	88,683
<i>Fund Equity Beginning of Year</i>	<u>8,457,032</u>	<u>8,457,032</u>	<u>-</u>
<i>Fund Equity End of Year</i>	<u>\$ 7,109,525</u>	<u>\$ 7,198,208</u>	<u>\$ 88,683</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 31,2001*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<b>Revenues</b>			
Charges for Services	\$ 6,474,116	\$ 6,475,899	\$ 1,783
Interest	29,000	47,980	18,980
Other	-	31,135	31,135
<i>Total Revenues</i>	<u>6,503,116</u>	<u>6,555,014</u>	<u>51,898</u>
<b>Expenses</b>			
Personnel Costs	59,362	58,307	1,055
Materials and Supplies	2,600	105	2,495
Contractual Services	368,493	345,037	23,456
Claims	6,554,538	6,146,271	408,267
Other	237,774	236,423	1,351
<i>Total Expenses</i>	<u>7,222,767</u>	<u>6,786,143</u>	<u>436,624</u>
<b>Excess of Revenues (Under) Expenses</b>	(719,651)	(231,129)	488,522
<b>Other Financing Sources</b>			
Operating Transfers In	-	1,028	1,028
<b>Excess of Revenues and Other Financing Sources (Under) Expenditures</b>	(719,651)	(230,101)	489,550
<i>Fund Equity Beginning of Year</i>	634,743	634,743	-
Unexpended Prior Year Encumbrances	134,136	134,136	-
<i>Fund Equity End of Year</i>	<u>\$ 49,228</u>	<u>\$ 538,778</u>	<u>\$ 489,550</u>

**STATISTICAL SECTION**

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

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

	2001	(2)	2000	1999	1998	1997	1996	1995	1994	1993	1992
General Government	\$ 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	\$10,661,612	
Security of Persons and Property	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	20,715,193	
Public Health	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	2,287,549	
Transportation	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	6,674,213	
Community Environment	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	3,056,113	
Leisure Time Activities	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	1,663,137	
Capital Outlay	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	1,878,349	
Debt Service	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	2,106,898	
<b>Total</b>	<b>\$81,563,346.00</b>	<b>\$78,529,288</b>	<b>\$88,858,628</b>	<b>\$66,850,333</b>	<b>\$67,045,357</b>	<b>\$64,204,866</b>	<b>\$61,478,060</b>	<b>\$60,397,861</b>	<b>\$54,539,173</b>	<b>\$49,043,064</b>	

Source: City financial records

(1) Includes All Governmental Funds

(2) Presented on Modified Accrual - Consistent With 2000 and Prior

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

	2001 (4)	2000	1999	1998	1997	1996	1995	1994	1993	1992
Taxes (2,3)	\$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	\$30,125,262
Charges for Services	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	1,654,197
Licenses, Permits and Fees	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	1,405,169
Fines and Forfeitures	563,440	583,792	674,756	689,129	653,787	-	-	-	-	-
Intergovernmental	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	13,587,305
Interest	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	1,357,217
Contributions and Donations (3)	34,300	168,162	57,133	6,450	15,412	-	-	-	-	-
Rental (3)	310,190	157,555	147,685	253,281	144,067	-	-	-	-	-
Others (3)	2,046,065	768,959	246,703	141,770	116,069	5,783,889	5,290,839	4,846,644	4,854,852	1,377,862
<b>Totals</b>	<b>\$79,296,944</b>	<b>\$72,553,982</b>	<b>\$72,619,648</b>	<b>\$70,628,228</b>	<b>\$68,240,391</b>	<b>\$64,037,461</b>	<b>\$64,477,204</b>	<b>\$59,643,622</b>	<b>\$55,636,636</b>	<b>\$49,507,012</b>

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
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	1,348,132	1,316,364	97.64	31,816	1,348,180	100.00	168,632	12.51
1992	1,348,494	1,313,918	97.44	32,632	1,346,550	99.86	182,208	13.51

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	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2001 (2)	\$714,619,710	\$2,041,770,600	\$53,812,050	\$61,150,057	\$230,809,736	\$923,238,944	\$999,241,496	\$3,026,159,601	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	\$2,613,861,089	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	2,595,700,311	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	2,540,382,942	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	2,235,674,045	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	2,140,561,044	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	2,108,488,889	33.69
1994	474,167,960	1,354,765,600	65,026,670	73,893,943	160,990,500	643,962,000	700,185,130	2,072,621,543	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	2,080,819,901	33.66
1992	472,255,700	1,349,302,000	63,321,350	71,956,080	170,925,696	683,702,784	706,502,746	2,104,960,864	33.56

Source: Stark County, Ohio : County Auditor

(1) The year represents collection year.

(2) This amount is calculated based on the following percentages for 2000:

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		City of Canton		Stark County	Canton		Plain Local		Canton		Stark County		Stark County		County Parks
	District 2	District 3	District 4	District 4		City School District	Local School District	Recreational district	Joint district	Library	RTA	County District	County Parks			
2001	\$3.40	\$2.00	\$2.60	\$2.60	\$9.60	\$59.20	\$46.80	\$52.60	\$52.60	\$1.00	\$0.70	\$0.00	\$0.50			\$0.50
2000	3.40	2.00	2.60	2.60	9.60	59.20	47.40	52.60	52.60	1.00	0.75	0.00	0.50			0.50
1999	3.40	2.00	2.60	2.60	9.60	59.20	47.40	52.60	52.60	1.00	0.75	0.00	0.50			0.50
1998	3.40	2.00	2.60	2.60	9.60	54.70	49.10	52.60	52.60	1.00	0.75	0.00	0.50			0.50
1997	3.40	2.00	2.60	2.60	9.60	54.70	49.10	52.60	52.60	1.00	0.00	3.90	0.20			0.20
1996	3.40	2.00	2.60	2.60	10.10	54.70	39.30	45.70	45.70	0.75	0.00	3.90	0.20			0.20
1995	3.40	2.00	2.60	2.60	8.20	52.20	39.30	45.70	45.70	0.75	0.00	3.90	0.20			0.20
1994	3.40	2.00	2.60	2.60	9.20	45.30	39.20	45.70	45.70	0.75	0.00	3.90	0.20			0.20
1993	3.40	2.00	2.60	2.60	9.20	45.30	39.70	45.70	45.70	0.75	0.00	3.90	0.20			0.20
1992	3.40	2.00	2.60	2.60	9.20	45.30	42.50	45.70	45.70	0.75	0.00	3.90	0.20			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>
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
1992	444,226

Source: Stark County, Ohio; County Auditor

**City of Canton, Ohio**  
*Special Assessment Collections*

During 1998, 1999, 2000, and 2001, 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
2001	80,806	\$24,681,477	\$999,241,496	2.47%	\$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
1992	83,391	13,273,378	706,502,746	1.88	159.17

Source: Stark County, Ohio: County Auditor

(1) Population figures 1990 through 1996 from census bureau.  
 City of Canton estimates for 1997 and 1998

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

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

Fund	Year	Operating Revenue **	Operating Expenses ***	Net Revenue Available for		Debt Service Requirement ****			Coverage
				Debt Service	Debt Service	Principal	Interest	Total	
Water	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	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, 2001*

Total Assessed Property Value	\$999,241,496
Overall Debt Limitation (10 1/2 % of Assessed Valuation)	<u>\$104,920,357</u>
Gross Indebtedness	67,232,526
Less: Enterprise Funds' Bonds	(20,430,000)
OWDA Loans	(16,085,252)
OPWC Loan	(350,512)
HUD Loan	(2,655,000)
SIB Loan	(1,227,513)
Millennium Parking Deck	(1,784,249)
Debt. Service Fund Balance	(18,523)
Net Debt Within 10 1/2 % Limitations	<u>24,681,477</u>
Legal Debt Margin Within 10 1/2 % Limitations	<u>\$80,238,880</u>
Unvoted Debt Limitation ( 5 1/2 % of Assessed Valuation)	\$54,958,282
Gross Indebtedness	67,172,179
Less: Enterprise Funds' Bonds	(20,430,000)
OWDA Loans	(16,085,252)
OPWC Loan	(350,512)
HUD Loan	(2,655,000)
SIB Loan	(1,227,513)
Millennium Parking Deck	(1,723,902)
Debt. Service Fund Balance	(18,523)
Net Debt Within 5 1/2 % Limitations	<u>24,681,477</u>
Legal Debt Margin Within 5 1/2 % Limitations	<u>\$30,276,805</u>

Source: Stark County, Ohio: County Auditor

**City of Canton, Ohio**

*Computation of Direct and Overlapping General Obligation Bonded Debt  
December 31, 2001*

	General Obligation Debt Outstanding (1)	Percentage Applicable to City (2)	Amount Applicable to City of Canton
City of Canton	\$24,700,000	100.00%	\$24,700,000
Stark County	-	15.31	-
Canton City Schools	44,605,413	93.53	41,719,443
			<u>\$66,419,443</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*

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service To Total General Governmental Expenditures</u>
2001	(1)	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
1992		788,072	1,318,826	2,106,898	49,043,064	4.30

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	
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
1992	706,502,746	1,284	7,125,498	179	42,751,082	797,601

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, 2001*

Taxpayer	Type of Business	Real Estate	Public Utility		Tangible Personal	Total Assessed Valuation	Percent of Assessed Value
			Personal	Personal			
Timken Company	Manufacturing	\$ 9,252,170	\$ -	\$ -	\$ 46,299,110	\$ 55,551,280	5.56%
Republic Technologies International LLC	Manufacturing	4,325,530	-	-	30,039,070	34,364,600	3.44
Ohio Power Company	Public Utility	1,855,360	25,088,420	-	-	26,943,780	2.70
Ohio Bell Telephone	Public Utility	1,171,000	13,539,140	-	-	14,710,140	1.47
M K Morse Company	Business	1,077,510	-	-	6,867,130	7,944,640	0.80
Fresh Mark	Business	-	-	-	7,919,010	7,919,010	0.79
Ironrock Capital Incorporated	Business	2,344,490	-	-	3,730,960	6,075,450	0.61
Phoenix Packaging Corporation	Business	842,350	-	-	5,050,510	5,892,860	0.59
Detroit Diesel Corporation	Business	-	-	-	5,541,740	5,541,740	0.55
NASC 1994-MDI Canton Ctr LLC.	Business	5,425,010	-	-	-	5,425,010	0.54
<b>Totals</b>		<b>\$26,293,420</b>	<b>\$38,627,560</b>	<b>\$ -</b>	<b>\$105,447,530</b>	<b>\$170,368,510</b>	<b>17.05%</b>
<b>Total All Assessed Valuations</b>						<b>\$999,241,496</b>	

Source: Stark County Auditor

**City of Canton, Ohio**  
**Miscellaneous Statistics**  
**December 31, 2001**

Date of Incorporation	1854
Form of Government	Mayor/Council
Area	20,986 Square Miles
Miles of Streets	405.39
Number of Traffic Lights	232
Fire Protection:	
Number of Stations	9
Number of Fire Personnel and Officers	175
Number of Calls Answered	12,494
Number of Inspections Conducted	3,302
Police Protection:	
Number of Stations	3
Number of Police Personnel and Officers	189
Number of Patrol Units	140
Number of Law Violations:	
Physical Arrests	3,155
Traffic Violations	7,263
Parking Violations	24,324
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	609.63
Number of Service Connections	41,404
Number of Fire Hydrants	2739
Daily Average Consumption in Gallons	22.305 Million
Maximum Daily Capacity of Plant in Gallons	40.8 Million
Sewerage System:	
Miles of Sanitary Sewers	352.98
Miles of Storm Sewers	205.6
Number of Treatment Plants	1
Number of Service Connections	28995
Daily Average Consumption in Gallons	25.956 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





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
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**CITY OF CANTON**

**STARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 3, 2002**