

**Auditor of State
Betty Montgomery**

**CITY OF CANTON
STARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Compliance and on Internal Control Required by Government Auditing Standards.....	1
Independent Accountants' Report on Compliance with Requirements Applicable to Each of Its Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	3
Schedule of Receipts and Expenditures of Federal Awards.....	7
Notes to the Schedule of Receipts and Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs.....	9
Schedule of Prior Audit Findings.....	14

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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 Honorable Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, (the City) as of and for the year ended December 31, 2003 which collectively comprise the City's basic financial statements and have issued our report thereon dated June 15, 2004 which indicated the financial statements of the City's component unit were audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the 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.

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 the City's management in a separate letter dated June 15, 2004.

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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.

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Betty Montgomery
Auditor of State

June 15, 2004



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH OF ITS MAJOR FEDERAL PROGRAMS AND 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 Honorable Mayor and 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 each of its major federal programs for the year ended December 31, 2003. The City's major federal programs are 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 each of its major federal programs 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 on 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 each of its major federal programs for the year ended December 31, 2003.

However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2003-001 through 2003-004.

We also noted certain other instances of noncompliance that do not require inclusion in this report that we have reported to management of the City in a separate letter dated June 15, 2004.

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 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 2003-004.

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, the reportable condition described above is considered to be 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 June 15, 2004.

Schedule of Receipts and Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2003 which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2004 which indicated the financial statements of the City's component unit were audited by other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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.

City of Canton
Stark County
Independent Accountants' Report on Compliance with Requirements
Applicable to Each of Its Major Federal Programs and Internal Control Over
Compliance in Accordance with OMB Circular A-133
Page 3

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.

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Betty Montgomery
Auditor of State

June 15, 2004

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CITY OF CANTON
STARK COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Grant Year	Federal CFDA Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
<i>(Direct)</i>					
Community Development Block Grants/ Entitlement Grants		02	14.218	\$3,144,321	\$3,144,321
				<u>3,144,321</u>	<u>3,144,321</u>
Emergency Shelter Grants Program		01	14.231	33,190	33,190
				<u>33,190</u>	<u>33,190</u>
HOME Investment Partnerships Program		92	14.239	3,097	3,097
		93		40,000	40,000
		94		16,600	16,600
		95		67,979	65,303
		98		16,203	0
		00		164,365	188,792
		01		54,766	25,214
				<u>363,010</u>	<u>339,006</u>
Total U.S. Department of Housing and Urban Development				3,540,521	3,516,517
<u>U.S. Department of Commerce</u>					
<i>(Direct)</i>					
Economic Development Grants for Public Works Assistance			11.300	21,209	0
				<u>21,209</u>	<u>0</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>					
<i>(Direct)</i>					
Local Law Enforcement Block Grant Program		01	16.592	0	238,274
		03		128,293	0
				<u>128,293</u>	<u>238,274</u>
Total Local Law Enforcement Block Grant Program				128,293	238,274
Public Safety-Bullet Proof Vest		03	16.607	7,473	7,473
				<u>7,473</u>	<u>7,473</u>
Total U.S. Department of Justice				135,766	245,747
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
<i>(Direct)</i>					
Assistance to Firefighters Grant		03	97.044	37,664	53,774
				<u>37,664</u>	<u>53,774</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>					
<i>(Passed through the State of Ohio Environmental Protection Agency)</i>					
Air Pollution Control Program Support	AP-19-91-76-02/030004		66.001	182,956	182,956
Safe Drinking Water			66.476	79,722	65,695
				<u>79,722</u>	<u>65,695</u>
Total U.S. Environmental Protection Agency				262,678	248,651
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
<i>(Passed through State of Ohio Department of Health)</i>					
Preventive Health Services - Sexually Transmitted Diseases	76-2-001-2-BX03/04		93.977	83,331	44,476
Childhood Lead Poisoning Prevention Projects	76-2-001-1-BD03/04		93.197	51,750	36,541
Center for Disease Control and Prevention	76-2-001-2-BI03/04		93.283	242,536	294,038
Immunization Grants	76-2-001-2-AZ02/03		93.268	210,139	166,705
Maternal and Child Health Services Block Grant	76-2-001-1-AJ03		93.944	31,617	31,617
				<u>31,617</u>	<u>31,617</u>
Total U.S. Department of Health and Human Services				619,373	573,377
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>(Passed through State of Ohio Department of Health)</i>					
Special Supplemental Nutrition Program for for Women and Children	76-2-001-1-CL03/04		10.557	905,476	816,046
<i>(Passed through State of Ohio Department of Education)</i>					
Summer Food Service Program for Children	114306	03	10.559	33,955	29,888
				<u>33,955</u>	<u>29,888</u>
Total U.S. Department of Agriculture				939,431	845,934
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
<i>(Passed through State of Ohio Department of Public Safety)</i>					
State and Community Highway Safety	76002-CTO	03	20.600	13,692	13,692
				<u>13,692</u>	<u>13,692</u>
Total U.S. Department of Transportation				13,692	13,692
Total				\$5,570,334	\$5,497,692

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

**CITY OF CANTON
STARK COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2003**

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- SUBRECIPIENTS

The City passes-through certain Federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the City records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C -- U.S. DEPARTMENT OF HOMELAND SECURITY FEDERAL AWARDS

The Federal Homeland Security Act of 2002 established the Department of Homeland Security (the Department) to consolidate functions of other Federal agencies related to homeland security. Effective January 24, 2003, the Department began to administer certain Federal awards the City previously received from other Federal agencies. The accompanying Federal Awards Expenditure Schedule reports all such 2003 award amounts under the Department's Catalog of Federal Domestic Assistance (CFDA) numbers. The purposes and compliance requirement of these programs has not changed. A comparison of the Federal agencies' and CFDA number the City reported in its 2002 Federal Award Expenditure Schedule compared with the Department's CFDA number reported in the 2003 Schedule follows:

Previous Federal Agency	CFDA No. used In 2002	Homeland Security CFDA No. used for 2003
Federal Emergency Management Agency	83.544	97.044

NOTE D -- MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**CITY OF CANTON
STARK COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 §.505
DECEMBER 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant (Entitlement Program), CFDA #14.218, Home Investment Partnerships Program (HOME), CFDA #14.239, Special Supplemental Nutrition Program for Women Infants, and Children, CFDA #10.557
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Federal Questioned Costs

Finding Number	2003-001
CFDA Title	Home Investment Partnerships (HOME) Program
CFDA Number	14.239
Pass Through Entity Number/Year	Direct
Federal Oversight Agency	U.S. Department of Housing and Urban Development

24 CFR Section 92.504(b) requires that before disbursing any HOME funds to any entity, the participating jurisdiction (the City) must enter into a written agreement with that entity. Before disbursing any HOME funds to any entity, a State recipient, subrecipient, or contractor which is administering all or a part of the HOME program on behalf of the City, must enter into a written agreement with that entity. The written agreement must ensure compliance with the requirements of this part. **24 CFR Section 92.504(c)(3)(ii)** further states the agreement must require housing assisted with HOME funds to meet the affordability requirements of **24 CFR Section 92.254**, and must require repayment of the funds to the City if the housing does not meet the affordability requirements for the specified time period. **24 CFR Section 92.254(a)(3)** provides the housing must be acquired by a homebuyer whose family qualifies as a low-income family and the housing must be the principal residence of the family throughout the period of affordability. **24 CFR Section 92.254(a)(4)** requires the HOME-assisted housing must meet the affordability requirements for not less than the applicable period beginning after project completion.

In 1999, the City provided Victory Economic and Development Corporation, a subrecipient of the Stark County Out of Poverty Partnership, Inc., HOME program assistance totaling \$15,000 toward a home rehabilitation project and in 2003 the City provided an additional \$25,000 for the same project. Approximately three months after receiving 2003 assistance, Victory Economic and Development Corporation transferred ownership of the property to John J. Lucas Jr., Director of Victory Economic and Development Corporation. The period of affordability was determined to be 10 years based on the level of assistance received. No documentation was provided to support that Mr. Lucas qualified as a low-income family or that he used the property as his principal residence. This change in ownership occurred prior to expiration of the 10 year period of affordability. Although as of the date of this report, no money has been repaid to the City related to this transaction, the property was transferred back to Victory Economic and Development Corporation on June 17, 2004. As a result, the \$40,000 in HOME program assistance for this home rehabilitation project is being reported as questioned costs.

Federal Questioned Costs

Finding Number	2003-002
CFDA Title	Community Development Block Grant/Entitlement Grant
CFDA Number	14.218
Pass Through Entity Number/Year	Direct
Federal Oversight Agency	U.S. Department of Housing and Urban Development

24 CFR Section 570.200(a)(2) requires 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 **24 CFR Sections 570.200 through 570.207** provide, in part, that 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, (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); an (25) residential rehabilitation including code enforcement, lead-based paint hazard evaluation, and removal.

The City did not prepare project files or other records to demonstrate that certain expenditures were related to projects that met national objectives or allowable activities as defined above. Nor was documentation maintained to support that these costs were allocated in relation to the relative benefit received. Accordingly, the following expenditures (\$38,833 out of \$1,599,092 expenditures tested) are questioned costs.

<u>Check Date</u>	<u>Check Number</u>	<u>Vendor</u>	<u>Description</u>	<u>Check Amount</u>
07/01/03	283832	Canton Symphony Orchestra	2003 Concert in the Park	\$27,470
08/13/03	286184	National League of Cities	Annual Membership Dues	5,504
10/09/03	288603	NEFCO	Semi-Annual Dues	5,859
Total				<u>\$38,833</u>

Federal Questioned Costs

Finding Number	2003-002 (Continued)
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Prior to incurring obligations, the City should evaluate whether an obligation is related to a project that meets one of the national objectives and whether the obligation further meets the allowability criteria. This evaluation should be clearly documented. For potentially higher risk types of expenditures, the Director of Community Development should obtain written verification from representatives of the Department of Housing and Urban Development that the proposed expenditure meets allowability requirements of the program.

Noncompliance

Finding Number	2003-003
CFDA Title	Home Investment Partnerships (HOME) Program
CFDA Number	14.239
Pass Through Entity Number/Year	Direct
Federal Oversight Agency	U.S. Department of Housing and Urban Development

24 CFR 92.203 governs income eligibility determinations. **24. CFR 92.203(a)** states the HOME program has income targeting requirements for the HOME program and for HOME projects. Therefore, the participating jurisdiction (the City) must determine each family is income eligible by determining the family's annual income.

24 CRF 92.203(d)(2) states the participating jurisdiction (the City) is not required to re-examine the family's income at the time HOME assistance is provided for rehabilitation projects, unless more than six months has elapsed since the City determined that the family qualified as income eligible. During 2003, 5 out of 14 instances tested (totaling \$29,266 out of \$112,765 total assistance) were noted where re-certification was required because more than six months had elapsed, but was not performed. However, for these 5 instances, 2003 City income tax return forms on file with the City Income Tax Department indicate the families' actual income for 2003 were within the eligibility limits.

The Community Development Director should re-certify income-eligibility in instances where more than 6 months elapse between initial determination and actual assistance occurs. This will help ensure eligibility of households receiving HOME Program assistance.

Noncompliance/Material Weakness

Finding Number	2003-004
CFDA Title	Home Investment Partnerships (HOME) Program
CFDA Number	14.239
Pass Through Entity Number/Year	Direct
Federal Oversight Agency	U.S. Department of Housing and Urban Development

OMB Circular A-133 § .400(d)(3) provides in part that pass-through entities are responsible for monitoring the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes and in compliance with laws, regulations, and the provisions of contracts and grant agreements.

Noncompliance/Material Weakness (Continued)

Finding Number	2003-004 (Continued)
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24 CFR 92.504(a) states the participating jurisdiction (the City) is responsible for managing the day to day operations of its HOME program, ensuring that HOME funds are used in accordance with all program requirements and written agreements, and taking appropriate action when performance problems arise. The use of State recipients, subrecipients or contractors does not relieve the City of this responsibility. The performance of each contractor and subrecipient must be reviewed at least annually.

Regular and annual review of the performance of entities participating in the City’s HOME program, subrecipients, contractors, and Community Housing Development Organizations (CHDOs) is a component of the City’s responsibilities.

Files maintained by the Community Development Director contained copies of subrecipient cash drawdown requests (voucher packets) and photographs of project sites indicating some level of rehabilitation progress monitoring was performed. However, the City has not developed a formal subrecipient monitoring plan. Additionally, the City performed no on-site review or desk reviews of subrecipient accounting, beneficiary, or project construction records to determine compliance with program requirements.

The U.S. Department of Housing and Urban Development’s website recommends the development of an annual monitoring plan which articulates the City’s strategy for conducting a thorough review and aids in gaining assurance that all activities are meeting HOME regulatory requirements. The annual monitoring plan should, at a minimum, address the following areas:

1. Monitoring objectives and strategy – The plan should identify the City’s monitoring goals and strategies, highlighting areas to which staff should pay special attention during the monitoring year.
2. Ongoing monitoring – The plan should clearly identify the checkpoints that ensure a minimum level of review for all activities during the year and the scope and frequency of those reviews. This component should identify specific reports to be generated and reviews to be conducted, as well as establishing the frequency and timing of such reviews.
3. Monitoring staff and schedule – The plan should include a schedule of when monitoring reviews will be performed and by whom. To the extent that staff other than the monitoring staff is responsible for any particular reviews, this should be articulated.
4. In-Depth monitoring – The plan should also identify the program area and partners that will be subject to in-depth, on-site reviews during the coming monitoring year.
5. Follow-up activities – The plan should detail procedures for communicating the results of reviews with internal (the City) and external (other organizations being monitored) staff and the methods for obtaining and incorporating their feedback.
6. Coordination – Finally, the plan should describe the necessary coordination between City staff and the staff of other organizations. The plan should also describe the procedures that monitoring staff will follow when informing other HOME program staff about compliance problems.

The U.S. Housing and Urban Development has developed recommended steps for monitoring program activities and program wide performance under each of the four eligible HOME activity types per: www.hud.gov/offices/cpd/affordablehousing/training/checkup/monitoring/monitoringobjectives.cfm The Community Development Director should consider implementing these recommended steps when designing its own annual monitoring plan. By following the recommended steps, implementation costs may be reduced and some assurance gained that significant concerns the U.S. Housing and Urban Development may have pertaining to the HOME program will be addressed during annual reviews.

**CITY OF CANTON
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
Finding number 2002-001 originally issued in Finding number 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. Refer to Finding Number 2003-002.

**Comprehensive Annual Financial Report
For The Year Ended December 31, 2003
City of Canton, Ohio**



City of Canton, Ohio

Comprehensive Annual

Financial Report

For the Year Ended December 31, 2003

Kim R. Perez

City Auditor

Prepared by the City Auditor's Office

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City of Canton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2003
Table of Contents

	Page
I. Introductory Section	
Title Page	
Table of Contents	i
Letter of Transmittal	iv
GFOA Certificate of Achievement	xiv
List of Principal Officials	xv
Organizational Chart	xvi
II. Financial Section	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual- General and Major Special Revenue Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual- General and Major Special Revenue Fund	22
Statement of Fund Net Assets – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	24
Statement of Cash Flow – Proprietary Funds	25

Statement of Fiduciary Net Assets – Fiduciary Funds	26
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	27
Notes to the Basic Financial Statements	28
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions	63
Combining Balance Sheet – Nonmajor Governmental Funds	67
Combining Balance Sheet – Nonmajor Special Revenue Funds	68
Combining Balance Sheet – Nonmajor Debt Service Funds	71
Combining Balance Sheet – Nonmajor Capital Projects	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds	80
Combining Statements – Fiduciary Funds (Agency Funds)	
Fund Descriptions	82
Combining Statement of Changes in Assets and Liabilities – Fiduciary Funds	83
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	86
Community Development Fund	92
Capital Projects Fund	93
Motor Vehicle Purchase Fund	95
Water Fund	97
Sewer Fund	98
Refuse Fund	99

Nonmajor Funds:	
Special Revenue Funds	100
Debt Service Fund	135
Capital Project Funds	136
Internal Service Funds	146

III. Statistical Section

General Governmental Expenditures by Function – Last Ten Years	S1
General Governmental Revenues by Source – Last Ten Years	S2
Real Property Tax Levies and Collections – Last Ten Years	S3
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	S4
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S5
Tangible Personal Property Tax Collections – Last Ten Years	S6
Special Assessment Collections	S7
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years	S8
General Obligation Revenue Bond Coverage – Last Three Years	S9
Computation of Legal Debt Margin	S10
Computation of Direct and Overlapping General Obligation Bonded Debt	S11
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures – Last Ten Years	S12
Demographic Statistics – Last Five Censuses	S13
Property Value, Construction and Bank Deposits – Last Ten Years	S14
Principal Taxpayers	S15
Miscellaneous Statistics	S16



KIM R. PEREZ
CANTON CITY AUDITOR

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

June 15, 2004

To Council Members and Citizens of the City of Canton

The Comprehensive Annual Financial Report (CAFR) of the City of Canton as of December 31, 2003 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 reporting under the New Governmental Accounting Standard Board Statement No. 34, Independent Accountants' Report, the Management Discussion and Analysis, the Basic Financial Statements including corresponding Notes, the Combining Statements for Non-major Funds and other relevant supplemental financial statements and schedules for 2003. The statistical section includes selected financial and demographic information, generally presented on a multi year basis.

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

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

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

The City's legislative authority is vested in a twelve-member Council of whom three are elected at-large and nine are elected from their respective ward, for a term of two years. The presiding officer is the President of Council, who is elected at-large by the voters for a two-year term. The President of Council

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

The Mayor appoints the directors of City departments other than the Income Tax Department. The major officials appointed by the Mayor are the Directors of Public Service, Public Safety, Management and Budget, the Fire Chief, the Police Chief and the City Engineer. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees. The City Treasurer appoints the Director of Income Tax who serves at his pleasure.

The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council.

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

City Services

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

Proprietary Operations: The City operates a Water, Sewer and Refuse Departments. The revenue generated from these business type activities was sufficient to meet all expenses associated with the Water and Sewer Departments. The Refuse Department experienced a net asset loss of \$104,067.

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 2003.

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

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

Economic Condition and Outlook

Six commercial banks and savings and loan associations are located in the City. One daily newspaper serves the City. The City is within the broadcast area of eight television stations and thirty AM and FM radio stations. Warner Cable provides seventy-one channel cable TV services.

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

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

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

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

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

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

The City is also the home of the National Professional Football Hall of Fame, which attracts more than 200,000 visitors annually. A \$9.2 million renovation and expansion of the facility was completed in September 1995, increasing the size of the facility from 51,000 square feet to 83,000 square feet and adding state-of-the-art video and theatre facilities. During 2003, the Football Hall of Fame completed its \$1.7 million renovation to the Hall of Fame Gallery where the enshrines busts are on display. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium.

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

The Stark Area Regional Transit Authority (SARTA), a separate political subdivision, provides daily public transportation in and around the City. 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. In 2003, SARTA opened its roughly \$2.5 million Cornerstone Transfer Station, which included a 3,163 square foot customer service building in Downtown Canton.

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

The Akron-Canton Regional Airport, a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,700 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport is served by seven commercial airlines and provides passenger and cargo transport facilities. Airport usage has fluctuated from year to year, sometimes significantly, with changes in the airline industry. The number of passengers using the Airport in 1999 was approximately 745,885, an increase of 42 percent from 1996, after having been as high as 779,479 in 1987. In February 1996, AirTran Airways began offering low-cost, nonstop flights from the Airport to Orlando, Florida. Airport officials believe the addition of the AirTran flights provides sustainable growth in passenger service. The Airport's master plan, which establishes a schedule of financial and construction priorities based on projected demand, provides for \$56.5 million of capital improvements from 1995 to 2015. The Airport

has completed more than \$12 million of terminal, runway and taxiway improvements under the master plan. The Airport recently completed a \$1 million renovation and expansion of the terminal area to enlarge waiting areas and provide improved support facilities for business travelers. The Airport achieved its 1999 goal of providing one new airline and one new destination; the Airport now offers the services of Atlantic Coast Airlines and provides additional service to Washington D.C. The Airport completed plans for an \$11 million Runway Expansion Project in June 2001. The Airport anticipated a 5 to 10 percent growth each year over the next 5 years. The effects of September 11, 2001 have slowed the rate of anticipated growth; however, the Airport continues to experience steady and consistent growth. The Airport experienced steady growth in 2002 and exceeded expectations by increased usage of by 11%. In 2003, in conjunction with its five year capital improvement plan, the Airport opened a new \$7 million baggage claim area and food court complete with wireless Internet access.

For additional information on the City's economic status and financial outlook, refer to the Management Discussion and Analysis starting on page 3.

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 five-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 eight applications in various stages of the process.

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

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

The City acquired an additional surface parking lot adjacent to City Hall in an attempt to continue its ongoing effort to provide adequate affordable parking in the downtown area. This acquisition is in addition to the 4 separate downtown parcels of land presently utilized as surface parking lots. Three of the parcels will continue as surface parking lots pending future development. The 4th parcel was utilized to construct the Millennium Parking Deck structure providing 404 parking spaces. The \$5.2 million parking deck began operations in July 2000. The project was funded by a \$750,000 State of Ohio Grant, a \$2 million construction loan from the State of Ohio, a \$400,000 Urban Redevelopment Loan and grant, \$970,800 of City CDBG funds, and \$1,171,923 of other City funds provided by the issuance of general obligation debt.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2003, the City completed a \$76,551 street improvement to 44th St. and Market Ave N.E. and a \$24,543 street improvement to Tuscarawas St. between Schoyer and Cherry Ave. ODOT has granted Transportation Enhancement Funds in the amount of \$250,000 for the Mahoning Rd. N.E. Trail Enhancement Project. Engineering projects in various stages of planning, development, and construction include: 25th St. and Market Ave Storm Sewer, Woodland Ave. N.W. Storm Sewer, Guilford Ave. NW Bridge Replacement, Fulton Road/Monument Park Intersection and the 4th St. NW/Shorb Ave. NW Improvement in conjunction with the Canton City Schools Timken Campus expansion program.

The Engineering Department has completed the \$257,851 Harmont Ave. N.E. Lift Station, which included a construction loan from the OPWC in the amount of \$107,900. ODOT's Whipple Ave. S.W. Trunk Storm Sewer project is being completed from U.S. 30 to 7th St. S.W. at a cost of \$2,055,000. The City's Sewer Department has projects in various stages of planning, development, and construction, which include Faircrest Annexation Sewer Line, Market Ave. North Sewer Line, Odor Corrosion Project, the Water Pollution Control Center Digester Project, and the Reis-Snyder Wetland Sewer Improvement. In addition, the City has completed the J&L Steel Sewer Line Project. The \$1,676,128 project was funded with \$995,000 from the EDA, \$400,000 from ODOD, and the balance from OWDA loans.

Financial Information

Accounting Policies and Budgetary Control

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations ordinance: all are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the department level. Any budgetary modifications at this level may only be made by resolution of the City Council. Budgetary control at the department level provides each department the flexibility necessary to move appropriations among their respective expense account line items in order to meet expenses.

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

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

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

Internal Accounting and Reporting Control

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

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

Debt Administration

The gross indebtedness of the City at the end of 2002 was \$66,240,127. At the end of 2003, the gross indebtedness of the City was \$62,780,010. In 2003, the City did not issue notes or bonds. The City received OWDA Loan proceeds of \$1,732,101, \$1,205,964, and \$955 to fund the Water Pollution Odor Corrosion Project and the Lake Local School and Lawrence Chester water line extension projects, respectively. The City also received OPWC Loan proceeds of \$104,467 and \$197,266 to fund the Harmont Lift Station Project and 35th Street Storm Sewer Project respectively.

As of December 31, 2003, the City had \$556,813 and \$20,617,148 in outstanding OPWC and OWDA loans, respectively. The City also had \$16,555,000 outstanding in the enterprise funds and \$20,420,000 for bonds payable in the governmental funds. The City had a legal claim and judgment outstanding of \$259,900. The City had \$4,631,049 in long-term HUD, SIB and Urban Redevelopment Loans outstanding as of December 31, 2003.

The City has maintained its “A+” rating although they call it A-2, it is the same as the former “A” from Moody’s Investors Service, Inc. on general obligation bond issue. The general obligation indebtedness of the City is subject to two statutory debt limitations referred to as the “direct debt limitation: (Section 133.05 ORC). The total principal amount of voted and unvoted nonexempt net indebtedness of the City may not exceed 10.5 percent of its assessed value of real and personal property, and in addition, the net principal amount of unvoted nonexempt debt may not exceed 5.5 percent of the same total assessed value. The City’s overall legal debt margin was \$82,496,703 and an unvoted debt margin of \$36,145,189 as of December 31, 2003.

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.

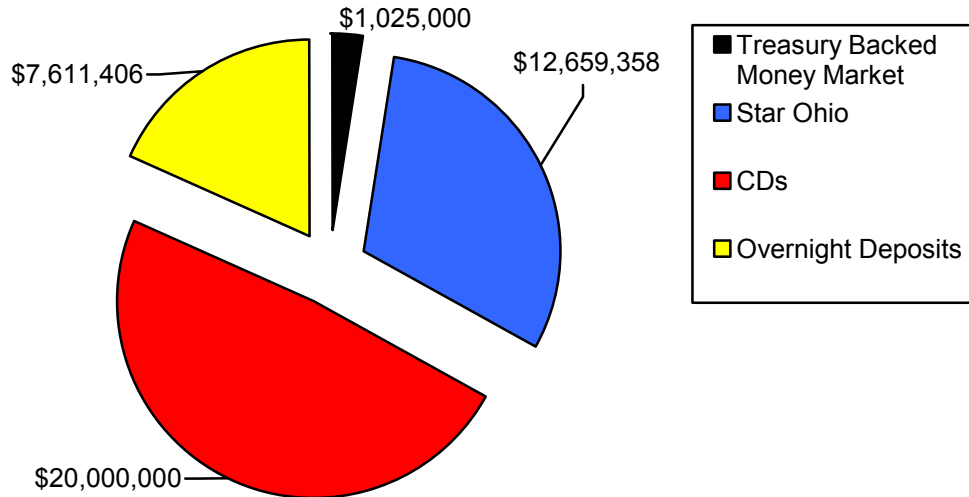
The City contracts with Leonard Insurance Company and Arthur J. Gallery Insurance for commercial property coverage, which has a \$343,730,350 limit and a \$100,000 deductible. The City also contracts with Leonard Insurance Services Agency, Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible. The City contracts with Ohio Municipal League for automobile combined coverage, which has a \$5,000,000 limit and a \$100,000 deductible. The City also contracts with the Ohio Municipal League for general liability, including police professional and public official liability combined coverage provision. This coverage has a \$5,000,000 limit and a \$100,000 deductible for bodily injury and property damage, fire damage, employee benefit liability, and personal and advertising.

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

Cash Management

At December 31, 2003, the City had \$41.3 million in cash and investments. The allocation of these investment resources is included in the graph on the following page.

Allocation of City of Canton Investment Resources



Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2002. The Certificate of Achievement is the highest form of recognition for excellence in state and local government.

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

Independent Audit

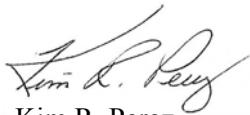
The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2003, have been audited by the Auditor of State Betty Montgomery's Office. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

Acknowledgements

Special recognition for the preparation of this report is made to our Civil Engineer, Mick Coutts, and his staff, other contributing department heads, Treasurer's staff, my own Auditor's office staff and City Council for their continuing support and commitment to responsible fiscal reporting. Special acknowledgement is given to my administrative staff: James Carman, Anita Henderson, Thurm Rohrer and Gary Young for their continued dedication and commitment to sound financial reporting in the preparation of this report.

This report is dedicated to the memory of Thurm Rohrer whose dedication and leadership as my Chief Deputy Auditor is greatly missed

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, 2002

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



President

Executive Director

CITY OF CANTON

CITY OFFICIALS

Mayor

Richard D. Watkins

Council Members

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

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

City Auditor
Kim R. Perez

City Treasurer
Robert C. Schirack

Law Director
Joseph Martuccio

Director of Income Tax
Cynthia Allensworth

Director of Public Safety
Joseph Concatto

Director of Public Service
Michael Miller

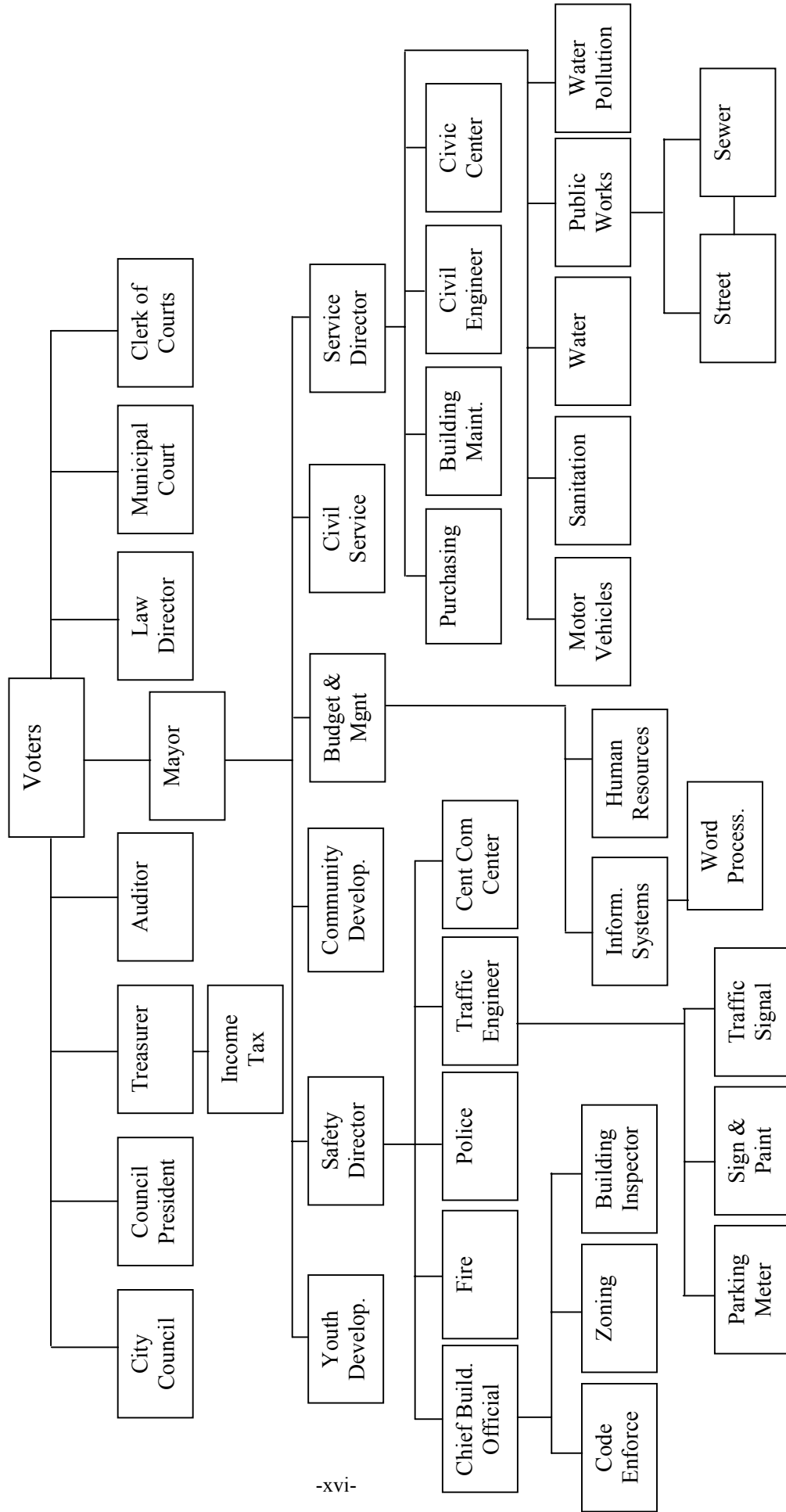
Director of Management and Budget
Tad Ellsworth

Fire Chief
James Scott

Police Chief
Dean McKimm

City Engineer
G. Michael Coutts

City of Canton Organizational Chart



Financial Section



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Canton Community Improvement Corporation. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for the Canton Community Improvement Corporation on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canton, Stark County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and Special Revenue Community and Economic Development Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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www.auditor.state.oh.us

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

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

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

Betty Montgomery
Auditor of State

June 15, 2004

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Canton's financial performance provides an overview of the City's financial activities as of December 31, 2003.

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 \$4.1 million as a result of this year's operations. Net assets of our business-type activities increased by \$3.5 million, or 5.0 percent, and net assets of governmental activities decreased by \$7.6 million, or 6.0 percent.
- The City did not issue General Obligation Bonds in 2003 and continues to reduce its overall outstanding debt obligations which peaked in 2000.
- The City maintained Bond Ratings of Aaa per Moody's and its AAA status from Standards and Poor's, and Fitch in 2003.

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
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2003

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Proprietary funds: When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2003

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 \$196.5 million to \$192.4 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	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	\$ 53.1	\$ 53.8	\$ 23.8	\$ 23.2	\$ 76.9	\$ 77.0
Capital Assets, Net	110.8	120.9	90.1	88.5	200.9	209.4
Total Assets	\$ 163.9	\$ 174.7	\$ 113.9	\$ 111.7	\$ 277.8	\$ 286.4
Liabilities						
Current and Other Liabilities	\$ 9.8	\$ 9.8	\$ 1.0	\$ 1.6	\$ 10.8	\$ 11.4
Long-Term Liabilities:						
Due Within One Year	3.6	4.3	3.9	3.8	7.5	8.1
Due Within More Than One Year	32.1	34.6	35.0	35.8	67.1	70.4
Total Liabilities	45.5	48.7	39.9	41.2	85.4	89.9
Net Assets						
Invested in Capital Assets Net of Debt	99.0	98.3	49.7	49.7	148.7	148.0
Restricted:						
Special Revenue	16.9	17.7	-	-	16.9	17.7
Debt Services	-	-	-	-	-	-
Capital Projects	6.3	10.4	-	-	6.3	10.4
Other	-	0.2	-	-	-	0.2
Unrestricted	(3.8)	(0.6)	24.3	20.8	20.5	20.2
Total Net Assets	\$ 118.4	\$ 126.0	\$ 74.0	\$ 70.5	\$ 192.4	\$ 196.5

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2003

Net assets in the City's governmental activities decreased by 6.0 percent (\$126.0 million compared to \$118.4 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 (\$0.6 million) at December 31, 2002 to (\$3.8 million) at the end of 2003. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance decreased by \$5.1 million. The investments in capital assets, net of debt category increased by \$0.7 million.

Net assets in the City's business-type activities increased by 5.0 percent (\$70.5 million compared to \$74.0 million) in 2003. 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, 2003. The City's Governmental Activities revenue increased slightly in 2003 from \$71.9 million to \$72.0 million and expenditures declined by \$1.7 million or 2.1% resulting in a decrease in governmental net assets of \$7.6 million. The City's Business-Type Activities revenue decreased by \$0.3 million and expenditures decreased by \$1.8 million resulting in a net asset decrease of \$3.5 million.

Table 2
Change in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues						
Program Revenues:						
Charges for Services	\$ 11.4	\$ 10.9	\$ 25.3	\$ 25.5	\$ 36.7	\$ 36.4
Operating Grants and Contributions	7.3	6.3	-	-	7.3	6.3
Capital Grants and Contributions	0.9	1.2	1.5	1.6	2.4	2.8
Total Program Revenues	19.6	18.4	26.8	27.1	46.4	45.5
General Revenues:						
City Income Taxes	38.2	37.7	-	-	38.2	37.7
Property Taxes	3.8	2.4	-	-	3.8	2.4
Intergovernmental	8.4	9.8	-	-	8.4	9.8
Grants and Contributions	-	0.4	-	-	-	0.4
Interest and Investment Earnings	0.5	0.9	-	-	0.5	0.9
Charges for Services not Restricted to Program Revenue	-	0.2	-	-	-	0.2
Other	1.5	2.1	0.1	0.1	1.6	2.2
Total General Revenues	52.4	53.5	0.1	0.1	52.5	53.6
Total Revenues	\$ 72.0	\$ 71.9	\$ 26.9	\$ 27.2	\$ 98.9	\$ 99.1

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2003

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

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Expenses						
Program Expenses:						
General Government	\$ 15.4	\$ 17.1	\$ -	\$ -	\$ 15.4	\$ 17.1
Security of Persons and Property	32.0	32.7	-	-	32.0	32.7
Public Health	4.8	4.5	-	-	4.8	4.5
Transportation	18.8	16.4	-	-	18.8	16.4
Community Development	5.0	6.5	-	-	5.0	6.5
Leisure Time Activities	2.3	2.7	-	-	2.3	2.7
Interest on Long-Term Debt	1.3	1.4	-	-	1.3	1.4
Water	-	-	9.1	10.8	9.1	10.8
Sewer	-	-	10.0	10.1	10.0	10.1
Refuse	-	-	4.3	4.3	4.3	4.3
Total Program Expenses	<u>79.6</u>	<u>81.3</u>	<u>23.4</u>	<u>25.2</u>	<u>103.0</u>	<u>106.5</u>
Increase (Decrease) in Net Assets before transfers	(7.6)	(9.4)	3.5	2.0	(4.1)	(7.4)
Transfers	<u>-</u>	<u>(0.4)</u>	<u>-</u>	<u>0.4</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	(7.6)	(9.8)	3.5	2.4	(4.1)	(7.4)
Restated Net Assets 1/1/2003	<u>126.0</u>	<u>135.8</u>	<u>70.5</u>	<u>68.1</u>	<u>196.5</u>	<u>203.9</u>
Net Assets 12/31/2003	<u>\$ 118.4</u>	<u>\$ 126.0</u>	<u>\$ 74.0</u>	<u>\$ 70.5</u>	<u>\$ 192.4</u>	<u>\$ 196.5</u>

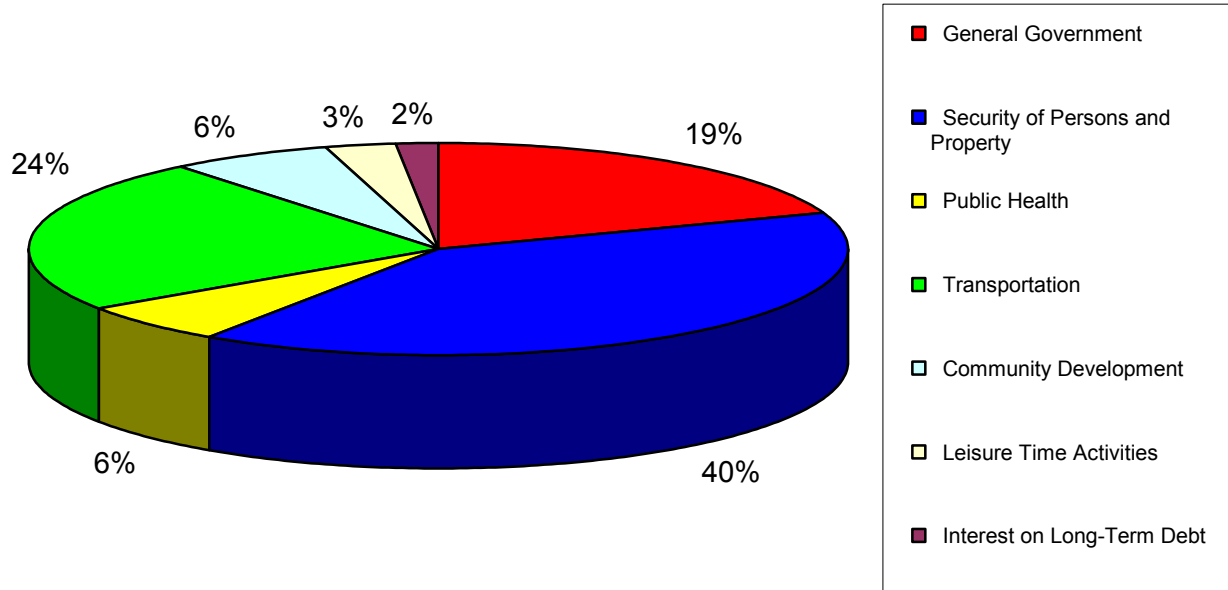
Governmental Activities

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

Graph 3 represents the cost of each of the City's Governmental programs: Security of Persons and Property, General Government, Transportation, Public Health, Leisure Time Activities, Community Development, and Interest on Long Term Debt. 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
For The Year Ended December 31, 2003

**Graph 3
Program Expenses 2003**



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

When looking at sources of income to support governmental activities, it should be noted that charges for service are only 15.8 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another 11.3 percent. The remaining revenues are primarily generated locally through property (5.3 percent) and income taxes (53.1 percent).

Business-Type Funds

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

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

The City's Funds

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$70.9 million and expenditures of \$72.6 million. The General Fund balance

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2003

decreased \$769,627. Within the General Fund, expenditures exceeded revenue by \$0.7 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 City has reduced the work force by 110 employees or 10 percent and negotiated 0% percent raises for all employees and negotiated for employee contributions to offset rising health care costs in 2003. These steps have resulted in the reduction of the excess of revenues under expenditures from \$4.6 million in 2002 to \$0.9 million in 2003.

The Community Development Fund balance decreased by \$841,503 is solely due to the administrative guidelines of the department of Housing and Urban Development to request a cash draw from the existing line of credit only when expenditures are ready to be paid. The Capital Improvement Fund balance increased by \$235,403. There were two transfers in the governmental funds last year. One transfer was from the General Fund to a Nonmajor Special Revenue Fund for a grant match in the amount of \$50,000. The second transfer in the amount \$5,000 was also for a grant match but it was between two Nonmajor Special Revenue Funds and was done per a judge's entry. The Motor Vehicle Fund balance decreased by \$471,962 due to new debt associated with the radio communication system. The Water fund balance increased by \$2,468,456 and the Sewer fund balance increased by \$1,126,287. Both increases were due to additional customers and the full effect of previous fee increases. The Refuse Department fund balance decreased by \$104,067 due largely to a substantial depreciation expense with very little improvements to its vehicle fleet.

General Fund Budgeting Highlights

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

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

City of Canton
 Stark County, Ohio
 Management's Discussion and Analysis
 For The Year Ended December 31, 2003

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.

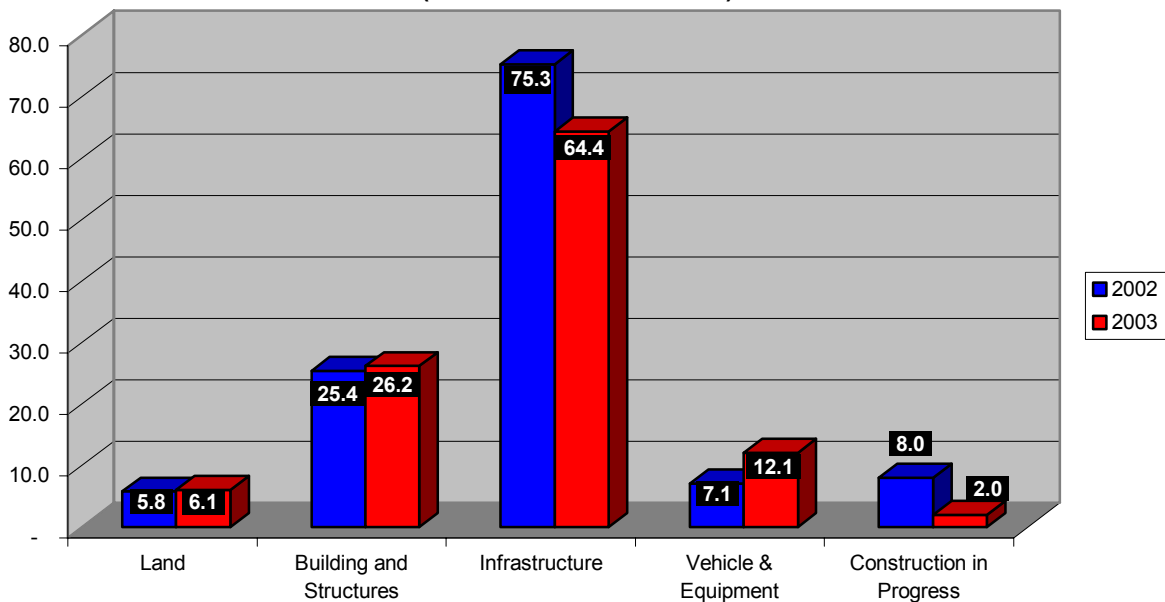
The City Auditor's General Fund variance from original estimated revenues increased by \$266,943 increasing the overall General Fund estimated revenues to \$48,590,020 as indicated on page 20. This change represents 0.5% of total revenue. The General Fund variance from original appropriations to final appropriations was \$23,644,983, this increased the overall General Fund appropriations to \$53,113,507. This change represents the effects of Canton City Council's attempt to analyze the City's overall operations and to appropriate in accordance with it's overall plan for the City and the effects of the considerable downsizing of the City's workforce from 2002 to 2003.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

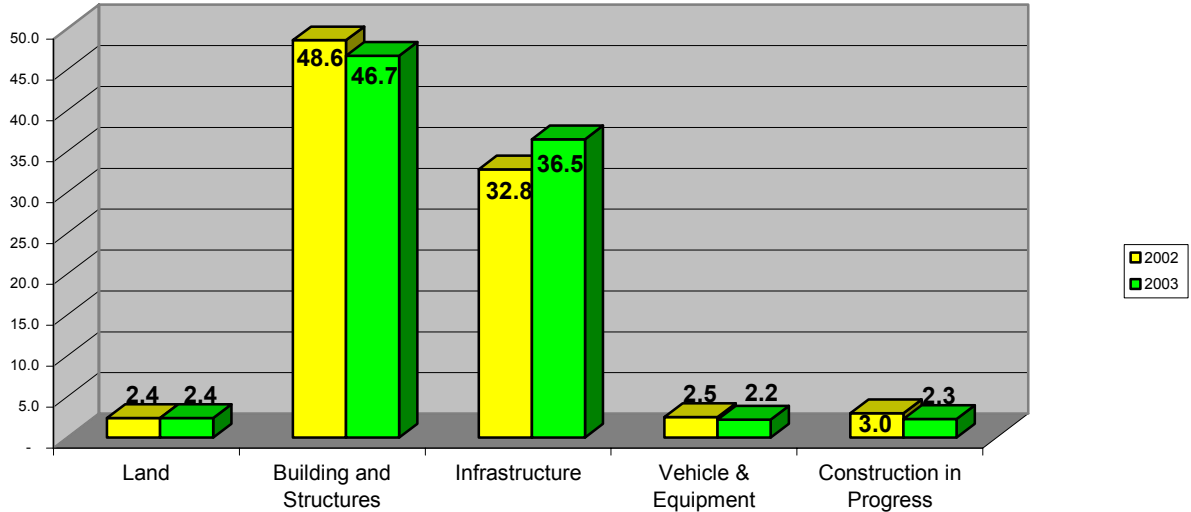
At the end of 2003, the City had \$200.9 million invested in a broad range of capital assets, including police, fire and radio equipment, land, buildings, park facilities, roads bridges, and water and sewer lines (see below). This amount represents a net decrease over last year.

Graph 4
Change in Governmental Capital Assets
 (Dollar Value in Millions)



City of Canton
 Stark County, Ohio
 Management's Discussion and Analysis
 For The Year Ended December 31, 2003

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



This year's major additions in the Governmental Activities included Safety/Service Radio Communication equipment, EMS squad, street sweeper, police cruisers, and land for the development of a Scenic Rail Station. Additions to Business-Type Activities included packers for the Refuse Fund and the completion of several water line extensions and various sewer improvement projects previously reported as construction in progress.

The City's 2004 capital budget anticipates a spending level of \$8.3 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, 2003, the City had \$20.4 million in General Obligation Bonds.

Table 6
 General Obligation Bond Debt Outstanding at Year End

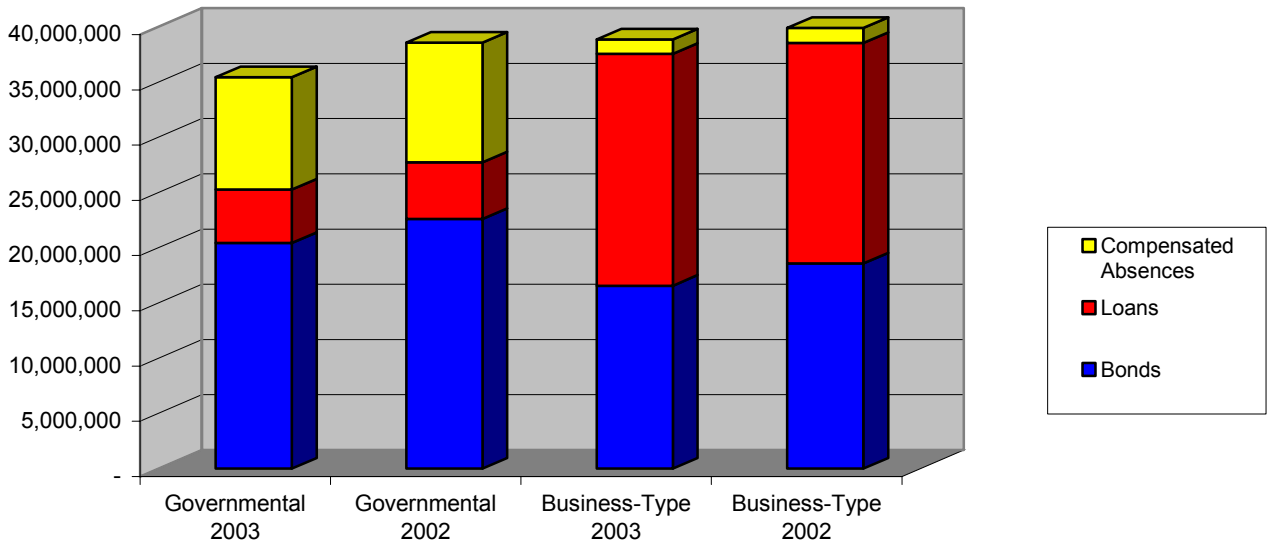
	Governmental Activities	
	2003	2002
Unvoted General Obligation Bonds:		
1993 Various Refunding Bonds	\$ 4,140,000	\$ 5,250,000
1998 Pension Refunding Bonds	5,560,000	5,825,000
1999 Various Purpose Refunding	6,075,000	6,360,000
2001 Radio Communication	4,645,000	5,145,000
Total Unvoted General Obligation Bonds:	<u>\$ 20,420,000</u>	<u>\$ 22,580,000</u>

City of Canton
 Stark County, Ohio
 Management's Discussion and Analysis
 For The Year Ended December 31, 2003

The City's overall legal debt margin was \$82,496,703 as of December 31, 2003. The City's unvoted legal debt margin was \$36,145,189 as of December 31, 2003.

At December 31, 2003, the City had outstanding long-term debt obligations in the amount of \$35.7 million down from \$38.8 million in 2002 for the governmental activities this represents a 7.9 percent decrease. The City's business-type activities debt obligation as of December 31, 2003 was \$38.8 million down from \$39.6 million in 2002 this represents an decrease of 2.1 percent. 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 Note 10 to the basic financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

City of Canton, Ohio

Statement of Net Assets

December 31, 2003

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 23,216,443	\$ 16,285,935	\$ 39,502,378	\$ 67,378
Cash and Cash Equivalents with Fiscal Agent	3,019	-	3,019	-
Accounts Receivable	2,084,817	6,378,209	8,463,026	83,809
Taxes Receivable	9,922,685	-	9,922,685	-
Loans Receivable	3,490,936	-	3,490,936	-
Due From Other Governments	13,916,413	35,278	13,951,691	-
Inventories	433,789	939,715	1,373,504	-
Prepaid Expenses	-	127,971	127,971	-
<i>Total Current Assets</i>	<u>53,068,102</u>	<u>23,767,108</u>	<u>76,835,210</u>	<u>151,187</u>
<i>Noncurrent Assets</i>				
Capital Assets:				
Land and Construction in Progress	8,156,124	4,729,474	12,885,598	176,121
Other Capital Assets, Net of Depreciation	102,596,884	85,374,783	187,971,667	229,497
<i>Total Noncurrent Assets</i>	<u>110,753,008</u>	<u>90,104,257</u>	<u>200,857,265</u>	<u>405,618</u>
Total Assets	<u>\$ 163,821,110</u>	<u>\$ 113,871,365</u>	<u>\$ 277,692,475</u>	<u>\$ 556,805</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	\$ 1,655,244	\$ 538,722	\$ 2,193,966	\$ 28,466
Accrued Wages and Benefits	1,810,352	414,355	2,224,707	4,164
Due to Other Governments	367,197	39,365	406,562	-
Retainage Payable	90,747	34,423	125,170	-
Claims Payable	3,197,068	-	3,197,068	-
Deferred Revenue	2,577,648	-	2,577,648	-
Long Term Liabilities				
Due Within One Year	3,579,253	3,956,864	7,536,117	-
Legal Claims Payable				
Due Within One Year	27,600	-	27,600	-
<i>Total Current Liabilities</i>	<u>13,305,109</u>	<u>4,983,729</u>	<u>18,288,838</u>	<u>32,630</u>
<i>Noncurrent Liabilities</i>				
Long Term Liabilities				
Due Within More Than One Year	31,856,036	34,904,924	66,760,960	-
Legal Claims Payable				
Due Within More Than One Year	232,300	-	232,300	-
<i>Total Noncurrent Liabilities</i>	<u>32,088,336</u>	<u>34,904,924</u>	<u>66,993,260</u>	<u>-</u>
Total Liabilities	<u>45,393,445</u>	<u>39,888,653</u>	<u>85,282,098</u>	<u>32,630</u>
Net Assets				
Invested in Capital Assets , Net of Related Debt	98,931,209	49,682,535	148,613,744	405,618
Restricted for:				
Special Revenue	16,912,282	-	16,912,282	-
Debt Service	71,474	-	71,474	-
Capital Projects	6,318,001	-	6,318,001	-
Unrestricted	(3,805,301)	24,300,177	20,494,876	118,557
Total Net Assets	<u>118,427,665</u>	<u>73,982,712</u>	<u>192,410,377</u>	<u>524,175</u>
Total Liabilities and Net Assets	<u>\$ 163,821,110</u>	<u>\$ 113,871,365</u>	<u>\$ 277,692,475</u>	<u>\$ 556,805</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Activities
For the year ended December 31, 2003

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
<i>Governmental Activities</i>				
General Government	\$ 15,454,089	\$ 6,003,375	\$ 180,154	\$ -
Security of Persons and Property	32,018,034	4,120,625	33,580	128,293
Public Health	4,847,020	644,816	2,691,909	-
Transportation	18,775,982	416,447	-	709,869
Community Development	5,002,599	-	4,411,575	27,260
Leisure Time Activities	2,344,346	261,861	-	-
Interest on Long-Term Debt	1,252,757	-	-	-
<i>Total Governmental Activities</i>	<u>79,694,827</u>	<u>11,447,124</u>	<u>7,317,218</u>	<u>865,422</u>
<i>Business-Type Activities</i>				
Water	9,125,850	10,943,207	-	563,460
Sewer	9,978,082	10,156,755	-	845,487
Refuse	4,339,264	4,164,018	12,809	57,412
<i>Total Business-Type Activities</i>	<u>23,443,196</u>	<u>25,263,980</u>	<u>12,809</u>	<u>1,466,359</u>
Total Primary Government	<u>\$ 103,138,023</u>	<u>\$ 36,711,104</u>	<u>\$ 7,330,027</u>	<u>\$ 2,331,781</u>
Component Unit:				
CCIC	\$ 349,251	\$ 3,278	\$ 476,821	\$ 59,999

General revenues:

Taxes:

 City Income Taxes

 Property Taxes

 Intergovernmental

Grants and Contributions

Interest and Investment Earnings

Charges for Service not Restricted
to Program Revenue

Rentals

Other

Gains on Sale of Assets

 Total General Revenues and Transfers

 Change in Net Assets

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

Net Assets -- Ending

See accompanying notes to the basic financial statements

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

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	CCIC
\$ (9,270,560)	\$ -	\$ (9,270,560)	\$ -
(27,735,536)	-	(27,735,536)	-
(1,510,295)	-	(1,510,295)	-
(17,649,666)	-	(17,649,666)	-
(563,764)	-	(563,764)	-
(2,082,485)	-	(2,082,485)	-
(1,252,757)	-	(1,252,757)	-
<u>(60,065,063)</u>	<u>-</u>	<u>(60,065,063)</u>	<u>-</u>
-	2,380,817	2,380,817	-
-	1,024,160	1,024,160	-
-	(105,025)	(105,025)	-
<u>-</u>	<u>3,299,952</u>	<u>3,299,952</u>	<u>-</u>
<u>(60,065,063)</u>	<u>3,299,952</u>	<u>(56,765,111)</u>	<u>-</u>
190,847	-	-	190,847
38,169,084	-	38,169,084	-
3,841,736	-	3,841,736	-
8,420,742	-	8,420,742	-
13,811	-	13,811	-
477,079	7,851	484,930	-
78,234	-	78,234	-
225	-	225	-
1,514,821	182,873	1,697,694	1,793
6,182	-	6,182	-
<u>52,521,914</u>	<u>190,724</u>	<u>52,712,638</u>	<u>1,793</u>
(7,543,149)	3,490,676	(4,052,473)	192,640
125,970,814	70,492,036	196,462,850	331,535
<u>\$ 118,427,665</u>	<u>\$ 73,982,712</u>	<u>\$ 192,410,377</u>	<u>\$ 524,175</u>

City of Canton, Ohio

Balance Sheet
Governmental Funds
December 31, 2003

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 4,884,270	\$ 384,510	\$ 2,666,755	\$ 670,592
Cash and Cash Equivalents with Fiscal Agents	-	-	-	-
Taxes Receivable	7,681,086	-	1,280,652	320,163
Accounts Receivable	1,823,150	126,212	-	-
Loans Receivable (net of uncollectibles)	-	3,490,936	-	-
Due From Other Funds	14,501	-	-	-
Due From Other Governments	3,923,467	7,343,921	-	-
Inventories	222,369	-	-	-
Total Assets	\$ 18,548,843	\$ 11,345,579	\$ 3,947,407	\$ 990,755
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 591,831	\$ 294,345	\$ 185,064	\$ 78,387
Accrued Wages and Benefits	1,513,430	42,664	119,816	-
Due to Other Funds	-	-	75,750	-
Due to Other Governments	138,760	51,487	3,138	-
Retainage Payable	-	-	16,487	-
Deferred Revenue	7,014,049	6,910,525	237,824	261,835
Total Liabilities	9,258,070	7,299,021	638,079	340,222
Fund Balances				
Reserved for:				
Inventories	222,369	-	-	-
Encumbrances	513,818	2,677,610	1,645,425	395,336
Loans Receivable	-	3,490,936	-	-
Other Purpose	14,501	-	-	-
Unreserved:				
Undesignated, Reported in :				
General Fund	8,540,085	-	-	-
Special Revenue Funds (Deficit)	-	(2,121,988)	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	1,663,903	255,197
Total Fund Balances	9,290,773	4,046,558	3,309,328	650,533
Total Liabilities and Fund Balances	\$ 18,548,843	\$ 11,345,579	\$ 3,947,407	\$ 990,755

Note: The difference between the Due to and Due From Other Funds line items is a interfund balance in the Internal Service Funds

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, 2003

Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$ 24,781,597
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 7,094,763	\$ 15,700,890	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
3,019	3,019	Land and Improvements	\$ 6,120,549
640,784	9,922,685	Buildings and Structures (net of depreciation)	26,220,057
105,603	2,054,965	Vehicles & Equipment (net of depreciation)	12,053,178
-	3,490,936	Infrastructure (net of depreciation)	64,323,649
75,750	90,251	Construction in Progress	<u>2,035,575</u>
2,649,025	13,916,413	Total	110,753,008
211,420	433,789		
<u>\$ 10,780,364</u>	<u>\$ 45,612,948</u>		
		The internal service fund is used by management to charge the costs of insurance to individual funds. A portion of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	4,356,030
\$ 500,141	\$ 1,649,768	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	
131,031	1,806,941	Grants	8,126,959
50,608	126,358	Property Taxes	626,880
173,488	366,873	Intergovernmental	2,470,036
74,260	90,747	Charge for Service	1,160,538
2,366,431	16,790,664	Income Tax	1,390,372
<u>3,295,959</u>	<u>20,831,351</u>	Special Assessments	429,582
		Other	<u>8,649</u>
211,420	433,789	Total	14,213,016
2,324,195	7,556,384		
-	3,490,936	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
75,750	90,251	General Obligation Bonds	(20,420,000)
		Loans	(4,828,315)
-	8,540,085	Long-term Legal Claims	(259,900)
4,328,040	2,206,052	Compensated Absences (net of internal service values)	<u>(10,167,771)</u>
21,540	21,540	Total	(35,675,986)
523,460	2,442,560		
7,484,405	24,781,597		
<u>\$ 10,780,364</u>	<u>\$ 45,612,948</u>	<i>Net Assets of Governmental Activities</i>	<u><u>\$ 118,427,665</u></u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2003

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Revenues				
Property and Other Taxes	\$ 3,285,019	\$ -	\$ -	\$ -
Municipal Income Tax	28,671,627	-	7,363,873	1,639,717
Charges for Services	7,547,000	136,128	-	-
Licenses, Permits, and Fees	1,092,086	-	-	-
Fines and forfeitures	324,919	-	-	-
Intergovernmental	6,654,766	-	-	-
Interest	451,272	4,128	-	-
Operating Grants and Contributions	90,967	3,683,178	-	-
Capital Grants and Contributions	-	-	3,032	-
Rentals	142,856	-	22,250	23,499
Other	393,209	833,866	34,318	886
Total Revenues	<u>48,653,721</u>	<u>4,657,300</u>	<u>7,423,473</u>	<u>1,664,102</u>
Expenditures				
Current				
General Government	14,127,119	-	-	-
Security of Persons and Property	29,243,760	-	-	-
Public Health	1,997,318	-	-	-
Transportation	2,116,864	-	-	-
Community Environment	-	4,967,073	-	-
Leisure Time Activities	1,888,292	-	-	-
Capital Outlay	-	-	5,187,394	1,491,609
Debt Service				
Principal	-	335,000	1,578,898	500,000
Interest and Fiscal Charges	-	196,730	623,144	174,305
Total Expenditures	<u>49,373,353</u>	<u>5,498,803</u>	<u>7,389,436</u>	<u>2,165,914</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(719,632)</u>	<u>(841,503)</u>	<u>34,037</u>	<u>(501,812)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	5	-	4,100	29,850
Proceeds from Debt Issues	-	-	197,266	-
Transfers In	-	-	-	-
Transfers Out	(50,000)	-	-	-
Total Other Financing Sources and Uses	<u>(49,995)</u>	<u>-</u>	<u>201,366</u>	<u>29,850</u>
Net Change in Fund Balance	(769,627)	(841,503)	235,403	(471,962)
<i>Fund Balance at Beginning of Year</i>	10,096,686	4,888,061	3,073,925	1,122,495
<i>Increase (Decrease) in Reserve for Inventory</i>	(36,286)	-	-	-
Fund Balance at End of Year	<u>\$ 9,290,773</u>	<u>\$ 4,046,558</u>	<u>\$ 3,309,328</u>	<u>\$ 650,533</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, 2003

Other Governmental Funds	Total Governmental Funds		
		Net change in fund balances-Total Government Funds	\$ (1,454,680)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$ 511,511	\$ 3,796,530		
-	37,675,217	Governmental funds report capital outlays as expenditures.	
859,880	8,543,008	However, in the statement of activities, the cost of those	
212,597	1,304,683	assets is allocated over their estimated useful lives as	
540,709	865,628	depreciation expense. This is the amount by which depreciation	
2,543,475	9,198,241	exceed capital outlay in the current period.	
19,963	475,363	Capital Outlay	\$ 5,000,695
2,763,367	6,537,512	Depreciation Expense	<u>(15,056,070)</u>
862,390	865,422		(10,055,375)
9,000	197,605		
206,131	1,468,410	The net effect of various miscellaneous transactions involving	
<u>8,529,023</u>	<u>70,927,619</u>	capital assets (i.e., sales and donations) is to decrease net assets.	
		Sale proceeds for capital asset deletes	(27,773)
960,791	15,087,910		
1,964,437	31,208,197	Repayment of long-term debt is reported as an expenditure in	
2,708,562	4,705,880	the governmental funds, but the repayment reduces long-term	
956,895	3,073,759	liabilities in the statement of net assets.	
21,354	4,988,427	Bond Principal Payments	2,160,000
21,389	1,909,681	Loan Principal Payments	518,898
1,029,008	7,708,011	Legal Claims Payments	<u>27,600</u>
			2,706,498
265,000	2,678,898		
258,578	1,252,757	Change in Long Term Debt Due to the issuance of new	
<u>8,186,014</u>	<u>72,613,520</u>	loans by the City	(197,266)
343,009	(1,685,901)		
-	33,955	Consumable inventory is reported using the purchase	
-	197,266	method on a modified accrual basis, but is reported using the	
55,000	55,000	consumption method for full accrual. This amount represents	
(5,000)	(55,000)	the increase in inventory that took place during the fiscal year	156,563
<u>50,000</u>	<u>231,221</u>		
393,009	(1,454,680)	Some revenues that will not be collected for several months	
		after the City's year end are not considered "available" revenues	
		and are deferred in the governmental funds.	1,207,310
7,211,673	26,392,840		
(120,277)	(156,563)	Some items reported in the statement of activities do not	
<u>\$ 7,484,405</u>	<u>\$ 24,781,597</u>	require the use of current financial resources and therefore	
		are not reported as expenditures in the governmental	
		funds. Changes in compensated absences.	(613,148)
		Internal service funds are used by management to charge the	
		costs of certain activities, such as insurance, to individual	
		funds. The net revenue (expense) of the internal service funds	
		is reported with governmental activities	734,722
		<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ (7,543,149)</u></u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds
For the year ended December 31, 2003

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 2,741,937	\$ 2,873,581	\$ 3,266,675	\$ 393,094
Municipal Income Tax	28,317,996	28,473,331	28,694,076	220,745
Intergovernmental	7,071,356	7,071,356	6,905,020	(166,336)
Charges for Services	7,440,044	7,613,747	7,632,663	18,916
Licenses, Permits and Fees	895,837	895,837	1,083,319	187,482
Fines and Forfeitures	432,481	457,481	306,282	(151,199)
Interest	765,851	769,187	454,505	(314,682)
Rentals	112,885	127,885	146,869	18,984
Other	544,690	307,615	389,858	82,243
Total Revenues	<u>48,323,077</u>	<u>48,590,020</u>	<u>48,879,267</u>	<u>289,247</u>
Expenditures				
<i>Current</i>				
General				
Service Director Support Administration	263,336	294,071	274,710	19,361
Service Director	72,031	116,080	97,114	18,966
Annexation	14,993	19,400	15,039	4,361
Purchasing Administration	327,394	480,793	468,370	12,423
Building Maintenance	850,833	1,247,806	1,205,634	42,172
Income Tax	1,158,205	1,313,540	1,108,210	205,330
Mayor Administration	265,038	498,065	487,421	10,644
Human Resources	146,018	225,628	213,716	11,912
Word Processing	81,810	181,861	180,004	1,857
Youth Development	118,618	224,023	206,241	17,782
Council	231,443	1,770,648	523,521	1,247,127
Judges	708,100	1,552,171	1,475,776	76,395
Clerk of Courts	602,812	1,263,482	1,186,420	77,062
Law Department	709,497	1,301,414	1,215,688	85,726
Auditor's Office	1,086,988	1,549,100	1,452,136	96,964
Treasurer's Office	111,373	220,035	218,126	1,909
Civil Service	127,099	230,728	203,424	27,304
Zoning Board	4,563	8,538	8,470	68
Department of Motor Vehicles	2,183,873	2,223,873	2,106,437	117,436
Insurance	330,061	330,061	304,150	25,911
Management Information Systems	1,431,780	1,431,780	1,334,511	97,269
Total General	<u>10,825,865</u>	<u>16,483,097</u>	<u>14,285,118</u>	<u>2,197,979</u>
Security of Persons and Property				
Safety Director	72,195	155,329	150,558	4,771
Code Enforcement	516,227	839,506	817,499	22,007
Police	7,246,789	15,028,377	14,321,175	707,202
Fire	6,357,314	13,154,346	12,903,750	250,596
Central Communication	357,794	905,040	881,015	24,025
Traffic Engineer/Parking Meters	74,747	148,009	143,401	4,608
Total Security of Persons and Property	<u>\$ 14,625,066</u>	<u>\$ 30,230,607</u>	<u>\$ 29,217,398</u>	<u>\$ 1,013,209</u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds (continued)
For the year ended December 31, 2003

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Health				
Administration	\$ 404,898	\$ 574,303	\$ 529,713	\$ 44,590
Nurses	267,454	665,052	653,001	12,051
Lab	86,372	185,973	175,129	10,844
Environmental Administration	295,772	656,436	602,368	54,068
Total Health	<u>1,054,496</u>	<u>2,081,764</u>	<u>1,960,211</u>	<u>121,553</u>
Transportation				
Engineering - Daily Operations	41,851	89,979	84,862	5,117
Street Department	1,589,917	2,117,563	2,053,885	63,678
Total Transportation	<u>1,631,768</u>	<u>2,207,542</u>	<u>2,138,747</u>	<u>68,795</u>
Leisure Time Activities				
Civic Center - Administration	696,111	962,716	864,947	97,769
Park	552,758	1,047,691	996,223	51,468
Baseball Stadium	82,460	100,090	57,538	42,552
Total Leisure Time Activities	<u>1,331,329</u>	<u>2,110,497</u>	<u>1,918,708</u>	<u>191,789</u>
Total Expenditures	<u>29,468,524</u>	<u>53,113,507</u>	<u>49,520,182</u>	<u>3,593,325</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>18,854,553</u>	<u>(4,523,487)</u>	<u>(640,915)</u>	<u>3,882,572</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	5	5
Advances In	30,000	54,000	39,036	(14,964)
Advances Out	(30,000)	(54,000)	(39,036)	14,964
Transfers In	-	434,416	-	(434,416)
Transfers Out	(54,800)	(54,800)	(50,000)	4,800
Total Other Financing Sources (Uses)	<u>(54,800)</u>	<u>379,616</u>	<u>(49,995)</u>	<u>(429,611)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	18,799,753	(4,143,871)	(690,910)	3,452,961
<i>Fund Balance at Beginning of Year</i>	4,362,864	4,362,864	4,362,864	-
Unexpended Prior Year Encumbrances	306,813	306,813	306,813	-
Fund Balance at End of Year	<u>\$ 23,469,430</u>	<u>\$ 525,806</u>	<u>\$ 3,978,767</u>	<u>\$ 3,452,961</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds *(continued)*
For the year ended December 31, 2003

	Community and Economic Development			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Intergovernmental	\$ 11,572,490	\$ 11,750,529	\$ 3,540,522	\$ (8,210,007)
Charges for Services		-	136,320	136,320
Interest	-	-	3,818	3,818
Other	955,000	796,961	835,484	38,523
Total Revenues	<u>12,527,490</u>	<u>12,547,490</u>	<u>4,516,144</u>	<u>(8,031,346)</u>
Expenditures				
Current				
Community Environment	11,122,878	10,939,878	5,720,168	5,219,710
Debt Service				
Principal	335,000	335,000	335,000	-
Interest and Fiscal Charges	337,000	239,728	182,878	56,850
Total Expenditures	<u>11,794,878</u>	<u>11,514,606</u>	<u>6,238,046</u>	<u>5,276,560</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>732,612</u>	<u>1,032,884</u>	<u>(1,721,902)</u>	<u>(2,754,786)</u>
Other Financing Sources (Uses)				
Transfers In	20,000	3,635	-	(3,635)
Transfers Out	-	(84,635)	-	84,635
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>(81,000)</u>	<u>-</u>	<u>81,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	752,612	951,884	(1,721,902)	(2,673,786)
<i>Fund Balance at Beginning of Year</i>	(1,746,129)	(1,746,129)	(1,746,129)	-
Unexpended Prior Year Encumbrances	896,243	896,243	896,243	-
Fund Balance at End of Year	<u>\$ (97,274)</u>	<u>\$ 101,998</u>	<u>\$ (2,571,788)</u>	<u>\$ (2,673,786)</u>

See the accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2003

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
Assets					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 5,980,211	\$ 9,347,402	\$ 958,322	\$ 16,285,935	\$ 7,515,553
Accounts Receivable	2,875,320	2,092,296	1,410,593	6,378,209	29,852
Due From Other Funds	-	-	-	-	36,107
Due From Other Governments	35,278	-	-	35,278	-
Inventories	702,976	236,739	-	939,715	-
Prepaid Expenses	63,986	63,985	-	127,971	-
<i>Total Current Assets</i>	<u>9,657,771</u>	<u>11,740,422</u>	<u>2,368,915</u>	<u>23,767,108</u>	<u>7,581,512</u>
<i>Noncurrent Assets</i>					
<i>Capital Assets:</i>					
Land and Construction in Progress	1,859,378	2,870,096	-	4,729,474	-
Other Capital Assets, Net of Depreciation	35,225,411	49,218,455	930,917	85,374,783	-
<i>Total Noncurrent Assets</i>	<u>37,084,789</u>	<u>52,088,551</u>	<u>930,917</u>	<u>90,104,257</u>	<u>-</u>
Total Assets	<u><u>\$46,742,560</u></u>	<u><u>\$ 63,828,973</u></u>	<u><u>\$ 3,299,832</u></u>	<u><u>\$ 113,871,365</u></u>	<u><u>\$ 7,581,512</u></u>
Liabilities					
<i>Current</i>					
Accounts Payable	\$ 174,369	\$ 317,551	\$ 46,802	\$ 538,722	\$ 5,476
Accrued Wages and Benefits	178,116	144,653	91,586	414,355	3,411
Due to Other Governments	16,921	13,743	8,701	39,365	324
Retainage Payable	-	34,423	-	34,423	-
<i>Total Current</i>	<u>369,406</u>	<u>510,370</u>	<u>147,089</u>	<u>1,026,865</u>	<u>9,211</u>
<i>Noncurrent</i>					
Due Within One Year	1,491,171	2,441,976	23,717	3,956,864	1,124
Due Within More Than One Year	16,819,593	17,908,895	176,436	34,904,924	18,079
Claims Payable	-	-	-	-	3,197,068
<i>Total Noncurrent</i>	<u>18,310,764</u>	<u>20,350,871</u>	<u>200,153</u>	<u>38,861,788</u>	<u>3,216,271</u>
Total Liabilities	<u>18,680,170</u>	<u>20,861,241</u>	<u>347,242</u>	<u>39,888,653</u>	<u>3,225,482</u>
<i>Net Assets</i>					
Invested in Capital Assets, Net of Related Debt	18,074,982	30,436,905	1,170,648	49,682,535	-
Unrestricted	9,987,408	12,530,827	1,781,942	24,300,177	4,356,030
<i>Total Net Assets</i>	<u>28,062,390</u>	<u>42,967,732</u>	<u>2,952,590</u>	<u>73,982,712</u>	<u>4,356,030</u>
Total Net Assets and Liabilities	<u><u>\$46,742,560</u></u>	<u><u>\$ 63,828,973</u></u>	<u><u>\$ 3,299,832</u></u>	<u><u>\$ 113,871,365</u></u>	<u><u>\$ 7,581,512</u></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, 2003

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
Operating Revenues					
Charges for Services	\$ 11,278,045	\$ 10,142,081	\$ 4,164,018	\$ 25,584,144	\$ 8,143,205
Operating Grants and Contributions	-	-	12,808	12,808	-
Rentals	100,278	14,675	-	114,953	-
Other	94,740	924,796	959	1,020,495	85,986
Total Operating Revenues	<u>11,473,063</u>	<u>11,081,552</u>	<u>4,177,785</u>	<u>26,732,400</u>	<u>8,229,191</u>
Operating Expenses					
Personal Services	5,119,105	4,144,882	2,766,688	12,030,675	101,570
Contractual Services	706,276	2,367,719	1,291,315	4,365,310	433,924
Materials and Supplies	892,479	496,765	61,720	1,450,964	720
Insurance Claims and Expenses	22,648	23,458	2,731	48,837	6,959,701
Depreciation	1,298,881	2,171,815	186,407	3,657,103	-
Other	86,168	36,869	30,403	153,440	270
Total Operating Expenses	<u>8,125,557</u>	<u>9,241,508</u>	<u>4,339,264</u>	<u>21,706,329</u>	<u>7,496,185</u>
<i>Operating Income (Loss)</i>	<u>3,347,506</u>	<u>1,840,044</u>	<u>(161,479)</u>	<u>5,026,071</u>	<u>733,006</u>
Nonoperating Revenues (Expenses)					
Capital Grants and Contributions	115,000	21,209	57,412	193,621	-
Interest	6,243	1,608	-	7,851	1,716
Interest Expense	(1,000,293)	(736,574)	-	(1,736,867)	-
Total Nonoperating Revenue (Expenses)	<u>(879,050)</u>	<u>(713,757)</u>	<u>57,412</u>	<u>(1,535,395)</u>	<u>1,716</u>
Change in Net Assets	2,468,456	1,126,287	(104,067)	3,490,676	734,722
<i>Total Net Assets at Beginning of Year</i>	<u>25,593,934</u>	<u>41,841,445</u>	<u>3,056,657</u>	<u>70,492,036</u>	<u>3,621,308</u>
<i>Total Net Assets at End of Year</i>	<u>\$ 28,062,390</u>	<u>\$ 42,967,732</u>	<u>\$ 2,952,590</u>	<u>\$ 73,982,712</u>	<u>\$ 4,356,030</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, 2003

	Business-Type Activities				Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	Internal Service
Cash Flows From Operating Activities					
Receipts from Customers	\$ 11,194,919	\$ 9,991,575	\$ 4,169,441	\$ 25,355,935	\$ 8,106,963
Other Cash Receipts	169,489	939,734	13,767	1,122,990	69,822
Payments to Suppliers	(1,833,721)	(2,826,960)	(1,364,403)	(6,025,084)	(430,026)
Payments to Employees	(5,255,588)	(4,103,090)	(2,825,149)	(12,183,827)	(99,700)
Claims Paid	(22,648)	(23,458)	(2,731)	(48,837)	(6,940,226)
Other Cash Payments	(89,189)	(37,084)	(30,427)	(156,700)	-
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>4,163,262</u>	<u>3,940,717</u>	<u>(39,502)</u>	<u>8,064,477</u>	<u>706,833</u>
Cash Flows From Capital and Related Financing Activities					
Proceeds from Capital Grants	79,722	21,209	57,412	158,343	-
Proceeds from Capital Debt	1,561,476	1,836,568	-	3,398,044	-
Purchases of Capital Assets	(2,843,628)	(2,691,658)	(58,387)	(5,593,673)	-
Principal Paid on Capital Debt	(1,369,557)	(2,348,083)	-	(3,717,640)	-
Interest Paid on Capital Debt	(1,000,293)	(736,574)	-	(1,736,867)	-
<i>Net Cash Provided (Used) by Capital and Related Financing Activities</i>	<u>(3,572,280)</u>	<u>(3,918,538)</u>	<u>(975)</u>	<u>(7,491,793)</u>	<u>-</u>
Cash Flows From Investing Activities					
Interest and Dividends	4,835	-	-	4,835	1,758
<i>Net Cash Provided (Used) by Investing Activities</i>	<u>4,835</u>	<u>-</u>	<u>-</u>	<u>4,835</u>	<u>1,758</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	595,817	22,179	(40,477)	577,519	708,591
Balance - Beginning of the Year	5,384,394	9,325,223	998,799	15,708,416	6,806,962
Balance - End of the Year	<u>5,980,211</u>	<u>9,347,402</u>	<u>958,322</u>	<u>16,285,935</u>	<u>7,515,553</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	3,347,506	1,840,044	(161,479)	5,026,071	733,006
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation Expense	1,298,881	2,171,815	186,407	3,657,103	-
Change in Assets and Liabilities:					
Accounts Receivables, net	246,102	(150,243)	5,423	101,282	(16,257)
Inventories	(37,702)	(10,524)	-	(48,226)	-
Due From Other Funds	-	-	-	-	(36,107)
Accounts Payables	(538,381)	12,414	(11,392)	(537,359)	4,888
Accrued Wages Payable	(58,829)	(39,209)	(5,456)	(103,494)	(329)
Intergovernmental Payable	516	1,352	437	2,305	(74)
Retainage Payable	(16,661)	34,423	-	17,762	-
Compensated Absences Payable	(78,170)	80,645	(53,442)	(50,967)	2,231
Claims Payable	-	-	-	-	19,475
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>\$ 4,163,262</u>	<u>\$ 3,940,717</u>	<u>\$ (39,502)</u>	<u>\$ 8,064,477</u>	<u>\$ 706,833</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2003

	Private Purpose Trust	
	Hartford Houtz	Agency Funds
Assets		
Equity in Pooled Cash and Cash Equivalents		\$ 1,592,980
Cash and Cash Equivalents in Segregated Accounts	80,719	63,662
Investments in Segregated Accounts	56,025	
Total Assets	\$ 136,744	\$ 1,656,642
Liabilities		
Due to Other Governments	\$ -	\$ 1,000,280
Undistributed Assets	-	64,358
Deposits Held and Due to Others	-	592,004
Total Liabilities	-	\$ 1,656,642
Net Assets		
Restricted for Endowments	102,384	
Unrestricted	34,360	
Total Liabilities and Net Assets	\$ 136,744	

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, 2003

	Private Purpose Trust
	<u>Hartford Houtz</u>
Additions	
Investment Earnings:	
Interest	\$ 2,563
Total Investment Earnings	<u>2,563</u>
Deductions	
Benefits	6,000
Administrative Expenses	380
Total Deductions	<u>6,380</u>
Change in Net Assets	<u>(3,817)</u>
<i>Net Assets-Beginning of the Year</i>	140,561
<i>Net Assets-End of the Year</i>	<u>\$ 136,744</u>

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, 2003

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The City has not elected to apply FASB statements and interpretations issued after November 30, 1989. 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, 2003

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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Community and Economic Development Fund - To account for HUD Community and Economic Development Block Grant money used for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

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

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

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

Proprietary Funds

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

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

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

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

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

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

Fiduciary Funds

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

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, 2003, but which were levied to finance year 2004 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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Lapsing of Appropriations

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

Cash and Cash Equivalents

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

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

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

During 2003, investments were limited to certificates of deposit, a money market investment, repurchase agreements, and STAROhio.

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

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price investments could be sold for on December 31, 2003.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2003 amounted to \$451,272, which includes \$21,600, 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, 2003

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, 2003, 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, 2003

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
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

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. The other purpose reservation line item is used to create a reserve fund balance for any amount due from another fund.

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, refuse collection, and the workers compensation and health insurance internal service funds. 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 capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

both the governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

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 2003.

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, 2003

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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

Net Change in Fund Balance		
	General Fund	Community and Economic Development Fund
GAAP Basis	\$ (769,627)	\$ (841,503)
Net Adjustment for Revenue Accruals	225,546	(141,156)
Net Adjustment for Expenditure		
Accruals	(499,001)	(1,563,011)
Encumbrances	352,172	823,768
Budget Basis	<u>\$ (690,910)</u>	<u>\$ (1,721,902)</u>

NOTE 4 - RESTATEMENT OF PRIOR YEAR NET ASSETS

Restatement of Fund Balance

Prior to adjustments, capital assets reflected within governmental activities were misstated as a result of certain errors, by \$726,274. This restatement had the following effect on net assets as it was previously reported:

	Governmental Activities
Total Net Assets December 31, 2002	\$ 126,697,088
Land and Construction In Progress	(763,847)
Other Capital Assets, Net of Depreciation	<u>37,573</u>
Adjusted Net Assets, December 31, 2002	<u>\$ 125,970,814</u>

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

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

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

	Water	Sewer	Refuse	Total Enterprise
Net Assets December 31, 2002	\$ 26,030,849	\$ 41,920,516	\$ 3,058,638	\$ 71,010,003
Land, Improvements, and Construction				
In Progress	(390,187)	(421,045)	-	(811,232)
Other Capital Assets, Net of Depreciation	(6,248)	(2,838)	(1,981)	(11,067)
Due Within More Than One Year	(40,480)	344,812	-	304,332
Adjusted Net Assets, December 31, 2002	<u>\$ 25,593,934</u>	<u>\$ 41,841,445</u>	<u>\$ 3,056,657</u>	<u>\$ 70,492,036</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

Interim monies may be invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

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 \$141,805 in undeposited cash on hand which is included on the Financial Statements of the City as part of "Cash and Cash Equivalents."

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

At year end, the carrying amount of the City's deposits was \$24,434,133 and the bank balance was \$25,672,126. Of the bank balance:

1. \$699,042 was covered by federal depository insurance.
2. \$24,973,084 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 3	Carrying Amount	Fair Value
Money Market Investments	-	1,025,000	1,025,000
Repurchase Agreements	3,090,493	3,090,493	3,090,493
STAR Ohio	-	12,659,358	12,659,358
Total Investments	\$ 3,090,493	\$ 16,774,851	\$ 16,774,851

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

	Cash and Cash	
	Equivalents/Deposits	Investments
GASB Statement No. 9	\$ 41,295,764	\$ 56,025
Investments of the cash management pool:	-	-
Money Market	(1,025,000)	1,025,000
Repurchase Agreements	(3,090,493)	3,090,493
STAROhio	(12,659,358)	12,659,358
Petty Cash	(1,000)	-
Cash on Hand/Unrecorded Cash	(141,805)	-
Investments with maturity of greater than 3 months	56,025	(56,025)
GASB Statement No. 3	\$ 24,434,133	\$ 16,774,851

NOTE 6 - RECEIVABLES

Receivables at December 31, 2003, 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 \$20,498 in the Debt Service Fund, and \$409,084 for the other governmental funds. Special assessments are included in either accounts receivable or taxes 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 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) is for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

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. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 6 - RECEIVABLES (Continued)

The assessed value upon which the 2003 taxes were collected was \$927,030,289. Real estate represented 76.20 percent (\$706,429,510) of this total, public utility tangible personal property represented 4.87 percent (\$45,127,590) and general tangible personal property represented 18.93 percent (\$175,473,189). The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2003, 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, 2003. 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 2003 operations. The receivable is offset by deferred revenue.

Income Taxes

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

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

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 6 - RECEIVABLES (Continued)

Due From Other Governments

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government and Local Government	
Revenue Assistance	\$ 3,584,503
Charges for Service	420,063
Courts	45,628
Gasoline and Excise Tax	677,388
Motor Vehicle Tax	69,123
Grants	9,119,708
Total:	\$ 13,916,413

Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$3,490,936. 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 2003 are \$250,000 per claim.

A minimum premium for fixed costs is charged by the Ohio Bureau of Workers' Compensation. A maximum premium, the employer's experience-rated premium multiplied by the maximum percentage selected by the employer, may be charged back to the City for a ten-year evaluation period per claim. For the policy year 2003, the City selected Tier 1 which calls for no claim limit and a 200 percent maximum premium limit.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 7 - RISK MANAGEMENT (Continued)

The claims liability of \$2,282,084 reported in the internal service fund at December 31, 2003, 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
2002	\$ 2,379,107	\$ 445,996	\$ 359,113	\$ 2,465,990
2003	2,465,990	427,489	611,395	2,282,084

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 Leonard Insurance Company and Arthur J. Gallery Insurance for commercial property coverage, which has a \$343,730,350 limit and a \$100,000 deductible. The City also contracts with Leonard Insurance Services Agency, Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible.

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

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

Medical

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 7 - RISK MANAGEMENT (Continued)

The claims liability of \$914,984 reported in the self-insurance fund at December 31, 2003, 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
2002	\$ 893,524	\$ 7,096,494	\$ 7,278,415	\$ 711,603
2003	711,603	6,532,212	6,328,831	914,984

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003, was as follows:

	Balance 12/31/02	Additions	Deductions	Balance 12/31/03
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 5,762,142	\$ 358,407	\$ -	\$ 6,120,549
Construction in Progress	7,267,297	2,288,616	(7,520,338)	2,035,575
Total Capital Assets, not being Depreciated	13,029,439	2,647,023	(7,520,338)	8,156,124
Capital Assets, being Depreciated				
Buildings and Structures	37,630,991	1,807,784	-	39,438,775
Vehicles and Equipment	18,678,751	6,501,559	(377,756)	24,802,554
Infrastructure	321,296,618	1,564,667	(89,588)	322,771,697
Total Capital Assets, being Depreciated	377,606,360	9,874,010	(467,344)	387,013,026

(Continued)

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 8 - CAPITAL ASSETS (Continued)

	Balance 12/31/02	Additions	Deductions	Balance 12/31/03
Less Accumulated Depreciation				
Buildings and Structures	\$ (12,195,515)	\$ (1,023,203)	\$ -	\$ (13,218,718)
Vehicles and Equipment	(11,578,592)	(1,543,560)	372,776	(12,749,376)
Infrastructure	(246,025,537)	(12,489,307)	66,796	(258,448,048)
Total Accumulated Depreciation	<u>(269,799,644)</u>	<u>(15,056,070)</u> *	<u>439,572</u>	<u>(284,416,142)</u>
Total Capital Assets, being Depreciated, net Governmental Activities	<u>107,806,716</u>	<u>(5,182,060)</u>	<u>(27,772)</u>	<u>102,596,884</u>
Capital Assets, net	<u>\$ 120,836,155</u>	<u>\$ (2,535,037)</u>	<u>\$ (7,548,110)</u>	<u>\$ 110,753,008</u>
 Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 2,404,179	\$ -	\$ -	\$ 2,404,179
Construction in Progress	2,178,044	2,588,850	(2,441,599)	2,325,295
Total Capital Assets, not being Depreciated	<u>4,582,223</u>	<u>2,588,850</u>	<u>(2,441,599)</u>	<u>4,729,474</u>
Capital Assets, being Depreciated				
Buildings and Structures	87,504,092	18,517	-	87,522,609
Vehicles and Equipment	9,742,540	148,390	(13,357)	9,877,573
Infrastructure	140,419,734	4,924,758	-	145,344,492
Total Capital Assets, being Depreciated	<u>237,666,366</u>	<u>5,091,665</u>	<u>(13,357)</u>	<u>242,744,674</u>
Less Accumulated Depreciation				
Buildings and Structures	(38,911,377)	(1,882,517)	-	(40,793,894)
Vehicles and Equipment	(7,201,802)	(458,381)	13,357	(7,646,826)
Infrastructure	(107,612,966)	(1,316,205)	-	(108,929,171)
Total Accumulated Depreciation	<u>(153,726,145)</u>	<u>(3,657,103)</u>	<u>13,357</u>	<u>(157,369,891)</u>
Total Capital Assets, being Depreciated, net Business-Type Activities	<u>83,940,221</u>	<u>1,434,562</u>	<u>-</u>	<u>85,374,783</u>
Capital Assets, net	<u>\$ 88,522,444</u>	<u>\$ 4,023,412</u>	<u>\$ (2,441,599)</u>	<u>\$ 90,104,257</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 8 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

General Government	\$ 576,929
Security of Persons and Property	984,740
Public Health	77,404
Transportation	12,888,403
Community Environment	14,529
Leisure Time Activities	514,065
Total Depreciation Expense	<u>\$ 15,056,070</u>

NOTE 9 - COMPENSATED ABSENCES

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

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

Employees earn sick leave at the rate of 1.25 days per month of service. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid 100 percent to a maximum of 150 days of accumulated, unused sick leave. Firefighters and police can be paid 100 percent to a maximum of 187.5 days and 1,500 hours, respectively. In March 2003, the City created a weighted scale for management and non-bargaining classifications. In addition, the City was able to negotiate this same scale with the union representing approximately 135 of the City's clerical and technical workers. This scale will now require 3400 hours of unused sick time at retirement in order to receive the same 1,500 hours severance as noted above.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

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. The City's most recent general obligation bond issuance came in 2001 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 some exceptions. General obligation bonds currently outstanding are as follows:

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

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

<u>Year Ending</u> <u>December 31</u>	<u>General Obligation Bonds</u>		<u>Business-Type Acitivites</u>	
	<u>Governmental Activities</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	2,300,000	917,623	2,075,000	882,891
2005	2,410,000	816,486	2,145,000	780,216
2006	2,195,000	707,572	2,145,000	673,281
2007	1,815,000	609,689	2,210,000	565,836
2008	1,250,000	530,493	1,980,000	453,620
2009-2013	5,670,000	1,864,615	4,035,000	1,306,990
2014-2018	4,780,000	721,438	1,965,000	174,038
Total	<u>\$ 20,420,000</u>	<u>\$ 6,167,916</u>	<u>\$ 16,555,000</u>	<u>\$ 4,836,872</u>

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

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

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

Housing and Urban Development Loan			State Infrastructure Bank Loan		
			Year Ending	Governmental Activities	
December 31	Principal	Interest	December 31	Principal	Interest
2004	335,000	169,026	2004	52,737	47,405
2005	335,000	141,422	2005	55,002	45,140
2006	335,000	113,316	2006	57,364	42,778
2007	335,000	84,941	2007	59,828	40,314
2008	335,000	56,232	2008	62,398	37,744
2009-2013	310,000	27,187	2009-2013	354,567	146,142
			2014-2018	437,541	63,168
Total	<u>\$ 1,985,000</u>	<u>\$ 592,124</u>	2019-2023	49,029	1,042
			Total	<u>\$ 1,128,466</u>	<u>\$ 423,733</u>

Urban Redevelopment Loan		
Year Ending	Governmental Activities	
December 31	Principal	Interest
2004	133,333	-
2005	133,333	-
2006	133,334	56,666
2007	133,333	51,000
2008	133,333	45,333
2009-2013	666,667	141,667
2014-2018	184,250	11,333
Total	<u>\$ 1,517,583</u>	<u>\$ 305,999</u>

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

The City entered into various loan agreements with the Ohio Public Works Commission for the purpose of improving the water pollution control and storm sewer operations. These are interest free loans. Annual debt service requirements to maturity for Ohio Public Works Commission Loan are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Water Pollution Control Center	0.00%	724,423
35th St. N.E. Storm Sewer Reconstruction	0.00%	197,266
Harmont Ave Pump Station	0.00%	107,900
		<u>\$ 1,029,589</u>

Annual debt service requirements to maturity for Ohio Public Works Commission loans are as follows:

Ohio Public Works Commission Loan				
Year Ending	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
December 31	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	25,387	-	52,130	-
2005	25,387	-	52,130	-
2006	25,387	-	52,130	-
2007	25,387	-	52,130	-
2008	25,387	-	52,130	-
2009-2013	70,331	-	50,342	-
2014-2018	-	-	26,975	-
2019-2023	-	-	21,580	-
Total	<u>\$ 197,266</u>	<u>\$ -</u>	<u>\$ 359,547</u>	<u>\$ -</u>

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Steiner Heights Water Line Extension	6.39%	591,671
Plain Township Water Line Extension (55th St)	4.74%	1,653,459
Water Main Extension (Norwood Hills)	4.55%	541,706
Perry Township Water Extension	4.65%	1,545,872
Lake Local School Waterline	4.64%	1,980,193
Lawrence Chester Water Main Extension	5.01%	955
Incinerator Rehabilitation	4.56%	1,322,503
Water Pollution System	2.64%	13,470,938
Discharge Line (J.L.)	4.56%	760,592
Odor Corrosion	3.20%	1,954,263
		<u>\$ 23,822,152</u>

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

Ohio Water Development Authority Loan		
Year Ending	<u>Business-Type Activities</u>	
December 31	<u>Principal</u>	<u>Interest</u>
2004	1,705,237	702,832
2005	1,781,354	625,761
2006	1,478,568	563,101
2007	1,531,060	510,609
2008	1,164,743	459,339
2009-2013	5,915,347	1,647,659
2014-2018	5,264,229	783,324
2019-2023	1,776,610	98,419
Total	<u>\$ 20,617,148</u>	<u>\$ 5,391,044</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2003, were as follows:

	Outstanding 12/31/02	Additions	Reductions	Outstanding 12/31/03	Due Within One Year
<i>Business Type Activities</i>					
OPWC Loan:					
Sewer Fund:					
Water Pollution Control					
Center 0%	\$ 303,777	-	(46,735)	\$ 257,042	\$ 46,735
2003 Harmont Lift Station 0%	3,433	104,467	(5,395)	102,505	5,395
Total OPWC Loans	<u>307,210</u>	<u>104,467</u>	<u>(52,130)</u>	<u>359,547</u>	<u>52,130</u>
OWDA Loans:					
Water Fund:					
2001 Water Main Extension (Norwood Hills) 4.55%					
	484,528	-	(44,668)	439,860	46,723
2000 Steiner Heights Water Line Extension 6.39%					
	476,617	-	(51,331)	425,286	54,664
2001 Plain Township Water Line Ext. (55th St) 4.74%					
	1,628,212	-	(52,303)	1,575,909	54,811
2002 Perry Twshp Water Extension 4.65%					
	1,459,754	-	(117,670)	1,342,084	123,205
2002 Lake Schl Water 4.64%					
	774,229	1,205,964	(63,585)	1,916,608	67,856
2003 Lawrence Water Main Extension 5.01%					
	-	955	-	955	955
Sewer Fund:					
2002 Odor Corrosion 3.20% 1997 Incinerator Rehabilitation 4.56%					
	222,162	1,732,101	(367,105)	1,587,158	367,105
1997 Water Pollution System 2.64%					
	1,013,884	-	(322,851)	691,033	433,084
1999 Discharge Line (J.L.) 4.56%					
	12,546,495	-	(591,707)	11,954,788	512,290
	722,757	-	(39,290)	683,467	44,544
Total OWDA Loans	<u>19,328,638</u>	<u>2,939,020</u>	<u>(1,650,510)</u>	<u>20,617,148</u>	<u>1,705,237</u>
Bonds:					
Water Fund:					
1995 Water Works System 4.6%-5.85%					
	9,575,000	-	(520,000)	9,055,000	545,000
1998 Utility System 4.1%-5%					
	3,497,500	-	(520,000)	2,977,500	545,000
Sewer Fund:					
1998 Utility System 4.1%-5%					
	3,497,500	-	(520,000)	2,977,500	545,000
1993 Various Purpose Refunding 2.5%-5.375%					
	2,000,000	-	(455,000)	1,545,000	440,000
Total Bonds	<u>18,570,000</u>	<u>-</u>	<u>(2,015,000)</u>	<u>16,555,000</u>	<u>2,075,000</u>
Compensated Absences	1,364,991	296,072	(347,040)	1,314,023	124,497
<i>Total Business Type Activities</i>	<u>\$ 39,570,839</u>	<u>\$ 3,339,559</u>	<u>\$ (4,064,680)</u>	<u>\$ 38,845,718</u>	<u>\$ 3,956,864</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

	Outstanding 12/31/02	Additions	Reductions	Outstanding 12/31/03	Due Within One Year
<i>Governmental Activities</i>					
1993 Various Purpose Refunding Bonds 2.5%-5.375%	\$ 5,250,000	\$ -	\$ (1,110,000)	\$ 4,140,000	\$ 1,200,000
1998 Pension Refunding Bonds 3.15%-1.75%	5,825,000	-	(265,000)	5,560,000	275,000
1999 Various Purpose Bonds 3.50%	6,360,000	-	(285,000)	6,075,000	300,000
2001 Radio Communication Bonds 4.0%-2.25%	5,145,000	-	(500,000)	4,645,000	525,000
Total Bonds	22,580,000	-	(2,160,000)	20,420,000	2,300,000
1995 HUD Loan 7.71%-8.77%	2,320,000	-	(335,000)	1,985,000	335,000
1999 SIB Loan	1,179,031	-	(50,565)	1,128,466	52,737
2000 Legal Claims	287,500	-	(27,600)	259,900	27,600
2000 Millenium Parking Deck Loan 4%	1,650,916	-	(133,333)	1,517,583	133,333
2003 35th St NE Storm Sewer OPWC Loan	-	197,266	-	197,266	25,387
Compensated Absences	10,819,327	636,491	(1,268,844)	10,186,974	732,796
Total Governmental Activities	38,836,774	833,757	(3,975,342)	35,695,189	3,606,853
Totals	\$ 78,407,613	\$ 4,173,318	\$ (8,040,022)	\$ 74,540,909	\$ 7,563,719

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, were used for a water meters project. The utility system general obligation bonds are reported net of the unamortized premium of \$8,035 in the water enterprise fund and \$8,035 in the sewer enterprise fund. Last year, as in previous years, the City's compensated absences were funded from current operations consistent with the employee's fund labor distribution. Starting in 2004, each fund with a salary expense will be required to pay a premium to a Compensated Absences Claim Fund to offset the cost of both current and previously unfunded compensated absences. The expense associated with current and future obligations will be charged as a direct claim against the Compensated Absences Claim Fund. The premium supporting the fund will be included in the personal service charge for each fund. The City's overall legal debt margin was \$82,496,703 and an unvoted debt margin of \$36,145,189 at December 31, 2003.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employee Retirement System

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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 2003. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2003, 2002, and 2001 were \$3,275,288, \$3,549,389, and \$3,505,449, respectively. The full amount has been contributed for 2002 and 2001. 95.24 percent has been contributed for 2003 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

Ohio Police and Firemen's Disability and Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and for 2003 the City was required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the PFDPF for police and firefighters were \$1,735,243 and \$1,998,274 for the year ending December 31, 2003, \$1,872,704 and \$2,077,467 for the year ended December 31, 2002, \$1,909,601 and \$2,122,129 for the year ended December 31, 2001. The full amount has been contributed for 2002 and 2001 72.68 and 72.05 percent, respectively, have been contributed for 2003 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

NOTE 12 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service employees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2003 employer contribution rate was 13.55 percent of covered payroll for employees; 5.0 percent was the portion that was used to fund health care for 2003.

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, 2002, the net assets available for

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2003

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

future OPEB payments were \$10.0 billion. The City's actual contributions for 2003, which were used to fund OPEB, were \$1,208,593.

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

Ohio Police and Firemen's Disability and Pension Fund

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. The Board defined allocation was 7.75% of covered payroll in 2003 and 2004. 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 2003 that were used to fund postemployment benefits were \$688,892 for police and \$645,442 for fire. OP&F's total health care expenses for the year ended December 31, 2002 (the latest information available) were \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 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 2003, the City contributed \$45,000 to Canton Tomorrow, Inc., through the Canton Regional Chamber of Commerce. 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, 2003

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 2003, the City contributed \$98,832 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 2003. 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 2003. 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 \$405,131 from the General Fund for 2003 for the operation of SCOG, which represents 48.5 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, 2003

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 2003, the City contributed \$98,077 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

NOTE 16 – DISCRETELY PRESENTED COMPONENT UNIT

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

Canton Community Improvement Corporation

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

NOTE 17 - CONTRACTUAL COMMITMENTS

As of December 31, 2003, the City had significant contractual commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Remaining On Contract</u>
Canton City Schools	Bus Garage Relocation	\$ 1,000,000
OWDA Project	Lawerence Chester Water Line Ext.	272,835
Canton Regional Chamber of Commerce	Mill Road Industrial Park	400,000
OPWC Project	4th & Shorb Roadway Project	708,260
Nickel Excavating Inc.	Scenic Valley Railroad Train Station	287,405

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 18 – OPERATING LEASES

The City has entered into multiple year non-cancelable operating leases for equipment and vehicles. In addition, some of the operating leases have options to purchase the equipment or vehicle at the end of the lease. Total costs for such leases were \$145,457 for the year ended December 31, 2003. The minimum rental commitments under all such non-cancelable leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2004	\$ 161,290
2005	132,821
2006	119,873
2007	15,833
Total	<u><u>\$ 429,817</u></u>

NOTE 19 - CONTINGENT LIABILITIES

Grants

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

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>
2004	\$ 27,600
2005	27,600
2006	27,600
2007	27,600
2008	27,600
2009-2013	121,900
Total	<u><u>\$ 259,900</u></u>

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 19 - CONTINGENT LIABILITIES(Continued)

The City is a party to various other legal proceedings. The City management is of the opinion that ultimate disposition of those subsequent pending claims and legal proceedings will likely not have a material adverse effect, if any, on the financial condition of the City. However any litigation that could be successful against the City would in all likelihood not exceed a maximum exposure of \$400,000.

NOTE 20 - NOTES PAYABLE

GASB Statement No. 38 requires that short-term debt activity during the year be disclosed, even if no short-term debt is outstanding at year-end. Details are to include a schedule of changes in short-term debt, disclosing beginning and end of year balances, increases and decreases and the purpose for which the short-term debt was issued. The City had no short debt obligations for 2003.

NOTE 21 - INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the year ended December 31, 2003, consisted of the following:

	Transfer From		
	General Fund	Nonmajor Special Revenue	Total
Nonmajor Special Revenue	\$ 50,000	\$ 5,000	\$ 55,000
<i>Total</i>	<u>\$ 50,000</u>	<u>\$ 5,000</u>	<u>\$ 55,000</u>

Transfers are used to move resources from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2003

NOTE 21 - INTERFUND BALANCES AND TRANSFERS (Continued)

At December 31, 2003, the Nonmajor Special Revenue Funds and the Nonmajor Capital Projects Funds had interfunds due to of \$50,608 and \$75,750 respectively. The General Fund, Nonmajor Capital Projects Funds, and Nonmajor Internal Service Funds had interfunds due from for \$14,501, \$75,750, and \$36,107 respectively. These interfund obligations represent the advance funding necessary to provide adequate cash reserves to meet the Health Funds payroll, cash owed by the Health Funds for the cost of health care, and a funding obligation between two Capital Project Funds. These obligations will be satisfied using the appropriate grant and program revenues associated with each fund.

	Due from		
	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
<i>Due to</i>			
General Fund	\$ 14,501	\$ -	\$ 14,501
Capital Projects	-	75,750	75,750
Nonmajor Internal Service	36,107	-	36,107
<i>Total</i>	\$ 50,608	\$ 75,750	\$ 126,358

**Combining, Statements and
Individual Fund Schedules**

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

Canton Rail Station Fund To account for grant monies used in conjunction with the building of the Scenic Valley Railroad train station.

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

Law Department Dispute Resolution Fund To provide for the receipt of fees charged for discretionary public services provided to resolve various types of disputes.

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.

Supplementary Police Forces Fund To account for the receipts and expenditures associated with the City's Auxiliary Police Force and Police Youth Corp.

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
Thermal Imaging System Fund
Clerk of Courts Administration Fund
Court Security Funding Fund
Federal Forfeiture Fund
EMS Training & Equipment Fund
Armored Vehicle Fund
Firefighters Assistance Grant Fund

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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.

Shorb & 4th Street Roadway Improvement Fund To account for all costs associated with the revamping and rerouting of Shorb Avenue and 4th Street NW.

Midway Avenue Fund To account for the improvement of Midway Avenue.

38th Street Improvement Fund To account for the improvement of 38th Street.

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

OPWC Fund To account for some of the 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:

Building Acquisition Fund

Nonmajor Internal Service Funds

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

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

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

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 4,566,957	\$ 18,521	\$ 2,509,285	\$ 7,094,763
Cash and Cash Equivalents with Fiscal Agents	-	3,019	-	3,019
Taxes Receivable	620,286	20,498	-	640,784
Accounts Receivable	-	-	105,603	105,603
Due From Other Funds	-	-	75,750	75,750
Due From Other Governments	2,649,025	-	-	2,649,025
Inventories	211,420	-	-	211,420
Total Assets	<u>\$ 8,047,688</u>	<u>\$ 42,038</u>	<u>\$ 2,690,638</u>	<u>\$ 10,780,364</u>
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ 204,783	\$ -	\$ 295,358	\$ 500,141
Accrued Wages and Benefits	131,031	-	-	131,031
Due to Other Funds	50,608	-	-	50,608
Due to Other Governments	173,488	-	-	173,488
Retainage Payable	-	-	74,260	74,260
Deferred Revenue	2,345,933	20,498	-	2,366,431
Total Liabilities	<u>2,905,843</u>	<u>20,498</u>	<u>369,618</u>	<u>3,295,959</u>
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Inventories	211,420	-	-	211,420
Encumbrances	602,385	-	1,721,810	2,324,195
Other Purpose	-	-	75,750	75,750
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds	4,328,040	-	-	4,328,040
Debt Service Funds	-	21,540	-	21,540
Capital Projects Funds	-	-	523,460	523,460
Total Fund Balances	<u>5,141,845</u>	<u>21,540</u>	<u>2,321,020</u>	<u>7,484,405</u>
Total Liabilities and Fund Balances	<u>\$ 8,047,688</u>	<u>\$ 42,038</u>	<u>\$ 2,690,638</u>	<u>\$ 10,780,364</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003

	Police and Fire Pension	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 345,302	\$ 34,898	\$ 611,909	\$ 730,183
Taxes Receivable	620,286	-	-	-	-
Due From Other Governments	-	694,583	58,045	89,250	-
Inventories	-	211,420	-	-	-
Total Assets	\$ 620,286	\$ 1,251,305	\$ 92,943	\$ 701,159	\$ 730,183
Liabilities and Fund Balances					
<i>Current</i>					
Accounts Payable	\$ -	\$ 66,317	\$ 7,945	\$ -	\$ 103,005
Accrued Wages and Benefits	-	55,556	2,403	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	5,278	228	-	-
Deferred Revenue	616,192	371,261	30,102	-	-
Total Liabilities	616,192	498,412	40,678	-	103,005
<i>Net Assets and Other Credits</i>					
<i>Fund Balances</i>					
Reserved for:					
Inventories	-	211,420	-	-	-
Encumbrances	-	122,391	4,966	261,428	21,729
Unreserved:					
Undesignated, Reported in :					
Special Revenue Funds (Deficit)	4,094	419,082	47,299	439,731	605,449
Total Fund Balances	4,094	752,893	52,265	701,159	627,178
Total Liabilities and Fund Balances	\$ 620,286	\$ 1,251,305	\$ 92,943	\$ 701,159	\$ 730,183

Health Service	Court	Canton Rail Station	Court Computer	Law Department Dispute Resolution	Recycle Ohio	Youth Development	Enforcement and Education	Indigent Driver Alcohol Treatment
\$ 1,531,896	\$ 81,175	\$ 1,460	\$ 20,776	\$ 1,335	\$ 56,939	\$ 17,508	\$ 1,736	\$ 159,756
-	-	-	-	-	-	-	-	-
1,708,662	13,155	-	11,454	-	5,795	-	180	2,158
-	-	-	-	-	-	-	-	-
<u>\$ 3,240,558</u>	<u>\$ 94,330</u>	<u>\$ 1,460</u>	<u>\$ 32,230</u>	<u>\$ 1,335</u>	<u>\$ 62,734</u>	<u>\$ 17,508</u>	<u>\$ 1,916</u>	<u>\$ 161,914</u>
\$ 16,950	\$ 868	\$ -	\$ 3,714	\$ -	\$ -	\$ 1,690	\$ -	\$ -
59,821	3,080	-	4,413	-	-	-	-	-
50,608	-	-	-	-	-	-	-	-
143,192	293	-	419	-	-	-	-	-
1,287,745	-	-	-	-	5,795	-	-	-
<u>1,558,316</u>	<u>4,241</u>	<u>-</u>	<u>8,546</u>	<u>-</u>	<u>5,795</u>	<u>1,690</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
136,488	3,218	14,115	15,936	-	1,940	3,339	-	-
1,545,754	86,871	(12,655)	7,748	1,335	54,999	12,479	1,916	161,914
1,682,242	90,089	1,460	23,684	1,335	56,939	15,818	1,916	161,914
<u>\$ 3,240,558</u>	<u>\$ 94,330</u>	<u>\$ 1,460</u>	<u>\$ 32,230</u>	<u>\$ 1,335</u>	<u>\$ 62,734</u>	<u>\$ 17,508</u>	<u>\$ 1,916</u>	<u>\$ 161,914</u>

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003

	Law Enforcement Trust	Municipal Probation Services	Prisoner Housing	Supplementary Police Forces	Local Law Enforcement Block Grant	Other	Total Nonmajor Special Revenue Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 97,045	\$ 95,493	\$ 27,978	\$ 5,537	\$ 267,065	\$ 478,966	\$ 4,566,957
Taxes Receivable	-	-	-	-	-	-	620,286
Due From Other Governments	193	14,697	932	-	-	49,921	2,649,025
Inventories	-	-	-	-	-	-	211,420
Total Assets	\$ 97,238	\$ 110,190	\$ 28,910	\$ 5,537	\$ 267,065	\$ 528,887	\$ 8,047,688
Liabilities and Fund Balances							
<i>Current</i>							
Accounts Payable	\$ 1,434	\$ 400	\$ -	\$ 295	\$ -	\$ 2,165	\$ 204,783
Accrued Wages and Benefits	-	4,199	-	-	-	1,559	131,031
Due to Other Funds	-	-	-	-	-	-	50,608
Due to Other Governments	-	399	-	-	-	23,679	173,488
Deferred Revenue	-	-	-	-	-	34,838	2,345,933
Total Liabilities	1,434	4,998	-	295	-	62,241	2,905,843
<i>Net Assets and Other Credits</i>							
<i>Fund Balances</i>							
Reserved for:							
Inventories	-	-	-	-	-	-	211,420
Encumbrances	3,728	10	-	-	1,234	11,863	602,385
Unreserved:							
Undesignated, Reported in :							
Special Revenue Funds (Deficit)	92,076	105,182	28,910	5,242	265,831	454,783	4,328,040
Total Fund Balances	95,804	105,192	28,910	5,242	267,065	466,646	5,141,845
Total Liabilities and Fund Balances	\$ 97,238	\$ 110,190	\$ 28,910	\$ 5,537	\$ 267,065	\$ 528,887	\$ 8,047,688

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2003

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 18,521	\$ -	\$ 18,521
Cash and Cash Equivalents with Fiscal Agents	3,019	-	3,019
Taxes Receivable	-	20,498	20,498
Total Assets	\$ 21,540	\$ 20,498	\$ 42,038
Liabilities and Fund Balances			
<i>Current</i>			
Deferred Revenue	\$ -	\$ 20,498	\$ 20,498
Total Liabilities	-	20,498	20,498
<i>Net Assets and Other Credits</i>			
<i>Fund Balances</i>			
Unreserved:			
Undesignated, Reported in :			
Debt Service Funds	21,540	-	21,540
<i>Total Fund Balances</i>	21,540	-	21,540
Total Liabilities and Fund Balances	\$ 21,540	\$ 20,498	\$ 42,038

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003

	Radio Communication Systems	Harmout Sidewalk Improvement	Traffic Signalization	Shorb & 4th Street Roadway Improvement	38th Street Improvement
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 6,843	\$ 12,171	\$ 15,211	\$ 601,234	\$ -
Accounts Receivable	-	-	-	105,603	-
Due From Other Funds	-	-	-	-	75,750
Total Assets	\$ 6,843	\$ 12,171	\$ 15,211	\$ 706,837	\$ 75,750
Liabilities and Fund Balances					
<i>Current</i>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 204,353	\$ 1,502
Retainage Payable	-	-	-	74,260	-
Total Liabilities	-	-	-	278,613	1,502
<i>Net Assets and Other Credits</i>					
<i>Fund Balances</i>					
Reserved for:					
Encumbrances	284	-	14,397	814,981	74,249
Other Purpose	-	-	-	-	75,750
Unreserved:					
Undesignated, Reported in :					
Capital Projects Funds	6,559	12,171	814	(386,757)	(75,751)
Total Fund Balances	6,843	12,171	15,211	428,224	74,248
Total Liabilities and Fund Balances	\$ 6,843	\$ 12,171	\$ 15,211	\$ 706,837	\$ 75,750

Street & Storm Sewer Improvement	OPWC	Civic Center Improvement	Georgeview Estates	Other	Total Nonmajor Capital Projects Funds
\$ 925,276	\$ 69,585	\$ 878,965	\$ -	\$ -	\$ 2,509,285
-	-	-	-	-	105,603
-	-	-	-	-	75,750
<u>\$ 925,276</u>	<u>\$ 69,585</u>	<u>\$ 878,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,690,638</u>
\$ 89,503	\$ -	\$ -	\$ -	\$ -	\$ 295,358
-	-	-	-	-	74,260
<u>89,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,618</u>
786,091	-	31,808	-	-	1,721,810
-	-	-	-	-	75,750
49,682	69,585	847,157	-	-	523,460
<u>835,773</u>	<u>69,585</u>	<u>878,965</u>	<u>-</u>	<u>-</u>	<u>2,321,020</u>
<u>\$ 925,276</u>	<u>\$ 69,585</u>	<u>\$ 878,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,690,638</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Taxes	\$ 511,511	\$ -	\$ -	\$ 511,511
Charges for Services	859,880	-	-	859,880
Licenses, Permits, and Fees	212,597	-	-	212,597
Fines and forfeitures	540,709	-	-	540,709
Intergovernmental	2,543,475	-	-	2,543,475
Interest	7,651	-	12,312	19,963
Operating Grants and Contributions	2,763,367	-	-	2,763,367
Capital Grants and Contributions	155,553	-	706,837	862,390
Rentals	9,000	-	-	9,000
Other	57,338	-	148,793	206,131
Total Revenues	<u>7,661,081</u>	<u>-</u>	<u>867,942</u>	<u>8,529,023</u>
Expenditures				
Current				
General Government	960,791	-	-	960,791
Security of Persons and Property	1,964,437	-	-	1,964,437
Public Health	2,708,562	-	-	2,708,562
Transportation	956,895	-	-	956,895
Community Environment	21,354	-	-	21,354
Leisure Time Activities	21,389	-	-	21,389
Capital Outlay	25,800	-	1,003,208	1,029,008
Debt Service				
Principal	265,000	-	-	265,000
Interest and Fiscal Charges	258,578	-	-	258,578
Total Expenditures	<u>7,182,806</u>	<u>-</u>	<u>1,003,208</u>	<u>8,186,014</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>478,275</u>	<u>-</u>	<u>(135,266)</u>	<u>343,009</u>
Other Financing Sources (Uses)				
Transfers In	55,000	-	-	55,000
Transfers Out	(5,000)	-	-	(5,000)
Total Other Financing Sources and Uses	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	528,275	-	(135,266)	393,009
<i>Fund Balance at Beginning of Year</i>	4,733,847	21,540	2,456,286	7,211,673
<i>Increase (Decrease) in Reserve for Inventory</i>	(120,277)	-	-	(120,277)
Fund Balance at End of Year	<u>5,141,845</u>	<u>21,540</u>	<u>2,321,020</u>	<u>7,484,405</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2003

	Police and Fire Pension	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck
Revenues					
Property and Other Taxes	\$ 511,511	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	405,745
Licenses, Permits, and Fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	55,726	2,183,004	183,910	120,835	-
Interest	-	3,643	389	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	-	-
Other	-	8,150	10,000	-	-
Total Revenues	<u>567,237</u>	<u>2,194,797</u>	<u>194,299</u>	<u>120,835</u>	<u>405,745</u>
Expenditures					
Current					
General Government	-	-	-	-	328,219
Security of Persons and Property	131,644	1,242,092	34,405	-	-
Public Health	-	-	-	-	-
Transportation	-	771,142	122,782	-	62,971
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	265,000	-	-	-	-
Interest and Fiscal Charges	258,578	-	-	-	-
Total Expenditures	<u>655,222</u>	<u>2,013,234</u>	<u>157,187</u>	<u>-</u>	<u>391,190</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(87,985)</u>	<u>181,563</u>	<u>37,112</u>	<u>120,835</u>	<u>14,555</u>
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(87,985)	181,563	37,112	120,835	14,555
<i>Fund Balance at Beginning of Year</i>	92,079	691,607	15,153	580,324	612,623
<i>Increase (Decrease) in Reserve for Inventory</i>	-	(120,277)	-	-	-
Fund Balance at End of Year	<u>\$ 4,094</u>	<u>\$ 752,893</u>	<u>\$ 52,265</u>	<u>\$ 701,159</u>	<u>\$ 627,178</u>

(continued)

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2003

	Health Service	Court	Canton Rail Station	Court Computer	Law Department Dispute Resolution
Revenues					
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	158,305	-	138,085	1,335
Licenses, Permits, and Fees	212,597	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Operating Grants and Contributions	2,537,425	-	-	-	-
Capital Grants and Contributions	-	-	27,260	-	-
Rentals	-	-	-	-	-
Other	10,780	-	-	366	-
Total Revenues	<u>2,760,802</u>	<u>158,305</u>	<u>27,260</u>	<u>138,451</u>	<u>1,335</u>
Expenditures					
Current					
General Government	-	128,712	-	216,395	-
Security of Persons and Property	-	-	-	-	-
Public Health	2,708,562	-	-	-	-
Transportation	-	-	-	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Capital Outlay	-	-	25,800	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>2,708,562</u>	<u>128,712</u>	<u>25,800</u>	<u>216,395</u>	<u>-</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>52,240</u>	<u>29,593</u>	<u>1,460</u>	<u>(77,944)</u>	<u>1,335</u>
Other Financing Sources (Uses)					
Transfers In	50,000	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources and Uses	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	102,240	29,593	1,460	(77,944)	1,335
<i>Fund Balance at Beginning of Year</i>	1,580,002	60,496	-	101,628	-
<i>Increase (Decrease) in Reserve for Inventory</i>	-	-	-	-	-
Fund Balance at End of Year	<u>\$ 1,682,242</u>	<u>\$ 90,089</u>	<u>\$ 1,460</u>	<u>\$ 23,684</u>	<u>\$ 1,335</u>

Recycle Ohio	Youth Development	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services	Prisoner Housing
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	156,410	-
-	-	-	-	-	-	-
-	-	3,722	40,611	127,274	-	11,692
-	-	-	-	-	-	-
55,378	50,634	-	-	2,280	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	17,480	-	-	-	-	-
<u>55,378</u>	<u>68,114</u>	<u>3,722</u>	<u>40,611</u>	<u>129,554</u>	<u>156,410</u>	<u>11,692</u>
-	73,131	-	26,147	-	96,292	4,000
-	-	7,478	-	107,502	-	-
-	-	-	-	-	-	-
21,354	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>21,354</u>	<u>73,131</u>	<u>7,478</u>	<u>26,147</u>	<u>107,502</u>	<u>96,292</u>	<u>4,000</u>
<u>34,024</u>	<u>(5,017)</u>	<u>(3,756)</u>	<u>14,464</u>	<u>22,052</u>	<u>60,118</u>	<u>7,692</u>
-	-	-	-	-	-	-
-	-	-	-	-	(5,000)	-
-	-	-	-	-	(5,000)	-
34,024	(5,017)	(3,756)	14,464	22,052	55,118	7,692
22,915	20,835	5,672	147,450	73,752	50,074	21,218
-	-	-	-	-	-	-
<u>\$ 56,939</u>	<u>\$ 15,818</u>	<u>\$ 1,916</u>	<u>\$ 161,914</u>	<u>\$ 95,804</u>	<u>\$ 105,192</u>	<u>\$ 28,910</u>

(continued)

City of Canton, Ohio

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2003

	Supplementary Police Forces	Local Law Enforcement Block Grant	Other	Total Nonmajor Special Revenue Funds
Revenues				
Property and Other Taxes	\$ -	\$ -	\$ -	\$ 511,511
Charges for Services	-	-	-	859,880
Licenses, Permits, and Fees	-	-	-	212,597
Fines and forfeitures	-	-	357,410	540,709
Intergovernmental	-	-	-	2,543,475
Interest	-	3,357	262	7,651
Operating Grants and Contributions	-	-	117,650	2,763,367
Capital Grants and Contributions	-	128,293	-	155,553
Rentals	-	-	9,000	9,000
Other	9,417	-	1,145	57,338
Total Revenues	<u>9,417</u>	<u>131,650</u>	<u>485,467</u>	<u>7,661,081</u>
Expenditures				
Current				
General Government	-	-	87,895	960,791
Security of Persons and Property	4,175	233,507	203,634	1,964,437
Public Health	-	-	-	2,708,562
Transportation	-	-	-	956,895
Community Environment	-	-	-	21,354
Leisure Time Activities	-	-	21,389	21,389
Capital Outlay	-	-	-	25,800
Debt Service				
Principal	-	-	-	265,000
Interest and Fiscal Charges	-	-	-	258,578
Total Expenditures	<u>4,175</u>	<u>233,507</u>	<u>312,918</u>	<u>7,182,806</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>5,242</u>	<u>(101,857)</u>	<u>172,549</u>	<u>478,275</u>
Other Financing Sources (Uses)				
Transfers In	-	-	5,000	55,000
Transfers Out	-	-	-	(5,000)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>50,000</u>
Net Change in Fund Balance	5,242	(101,857)	177,549	528,275
<i>Fund Balance at Beginning of Year</i>	-	368,922	289,097	4,733,847
<i>Increase (Decrease) in Reserve for Inventory</i>	-	-	-	(120,277)
Fund Balance at End of Year	<u>\$ 5,242</u>	<u>\$ 267,065</u>	<u>\$ 466,646</u>	<u>\$ 5,141,845</u>

City of Canton, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Debt Service Funds
 December 31, 2003

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
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, 2003

	Radio Communication Systems	Harmount Sidewalk Improvement	Traffic Signalization	Shorb & 4th Street Roadway Improvement	38th Street Improvement
Revenues					
Interest	\$ 1,792	\$ 152	\$ 166	\$ -	\$ -
Capital Grants and Contributions	-	-	-	706,837	-
Other	-	-	43	-	75,750
Total Revenues	<u>1,792</u>	<u>152</u>	<u>209</u>	<u>706,837</u>	<u>75,750</u>
Expenditures					
Current					
Capital Outlay	<u>469,888</u>	<u>17,870</u>	<u>2,620</u>	<u>278,613</u>	<u>1,502</u>
Net Change in Fund Balance	(468,096)	(17,718)	(2,411)	428,224	74,248
<i>Fund Balance at Beginning of Year</i>	474,939	29,889	17,622	-	-
<i>Fund Balance at End of Year</i>	<u>\$ 6,843</u>	<u>\$ 12,171</u>	<u>\$ 15,211</u>	<u>\$ 428,224</u>	<u>\$ 74,248</u>

Street & Storm Sewer Improvement	OPWC	Civic Center Improvement	Georgeview Estates	Other	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ 10,202	\$ -	\$ -	\$ 12,312
-	-	-	-	-	706,837
73,000	-	-	-	-	148,793
<u>73,000</u>	<u>-</u>	<u>10,202</u>	<u>-</u>	<u>-</u>	<u>867,942</u>
119,579	19	104,176	83	8,858	1,003,208
(46,579)	(19)	(93,974)	(83)	(8,858)	(135,266)
882,352	69,604	972,939	83	8,858	2,456,286
<u>\$ 835,773</u>	<u>\$ 69,585</u>	<u>\$ 878,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,321,020</u>

Combining Statements-Fiduciary Funds

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

Nonexpendable Trust Fund-Private Purpose Trust

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

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

Agency Funds

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

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

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

Employee Buyout Incentive Fund To account for money being held and disbursed in conjunction with the City's 2002 Incentive Retirement Plan.

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, 2003

	Balance 01/01/03	Additions	Reductions	Balance 12/31/03
Building Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 118,476	\$ 75,218	\$ 96,587	\$ 97,107
Liabilities				
Deposits Held and Due to Others	\$ 118,476	\$ 75,218	\$ 96,587	\$ 97,107
Payroll Clearing				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,756,907	\$ 10,899,883	\$ 11,656,510	\$ 1,000,280
Liabilities				
Due to Other Governments	\$ 1,756,907	\$ 10,899,883	\$ 11,656,510	\$ 1,000,280
Employee Buyout Incentive				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 583,210	\$ 474,805	\$ 108,405
Liabilities				
Deposits Held and Due to Others	\$ -	\$ 583,210	\$ 474,805	\$ 108,405
Auditors Transfer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 14	\$ 813,482	\$ 427,639	\$ 385,857
Cash and Cash Equivalents in Segregated Accounts	516	21,690	21,571	635
Total Assets	\$ 530	\$ 835,172	\$ 449,210	\$ 386,492
Liabilities				
Deposits Held and Due to Others	\$ 530	\$ 835,172	\$ 449,210	\$ 386,492
Municipal Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$ 79,510	\$ 6,180,320	\$ 6,196,803	\$ 63,027
Liabilities				
Undistributed Assets	\$ 79,510	\$ 6,180,320	\$ 6,196,803	\$ 63,027

(continued)

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds (continued)
For the Year Ended December 31, 2003

	Balance 01/01/03	Additions	Reductions	Balance 12/31/03
Other Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 242	\$ 77,905	\$ 76,816	\$ 1,331
Liabilities				
Undistributed Assets	\$ 242	\$ 77,905	\$ 76,816	\$ 1,331
All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,875,639	\$ 12,449,698	\$ 12,732,357	\$ 1,592,980
Cash and Cash Equivalents in Segregated Accounts	80,026	6,202,010	6,218,374	63,662
Total Assets	\$ 1,955,665	\$ 18,651,708	\$ 18,950,731	\$ 1,656,642
Liabilities				
Due to Other Governments	\$ 1,756,907	\$ 10,899,883	\$ 11,656,510	\$ 1,000,280
Undistributed Assets	79,752	6,258,225	6,273,619	64,358
Deposits Held and Due to Others	119,006	1,493,600	1,020,602	592,004
Total Liabilities	\$ 198,758	\$ 7,751,825	\$ 7,294,221	\$ 1,656,642

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 2,873,581	\$ 3,266,675	\$ 393,094
Municipal Income Tax	28,473,331	28,694,076	220,745
Charges for Services	7,613,747	7,632,663	18,916
Licenses, Permits and Fees	895,837	1,083,319	187,482
Fines and Forfeitures	457,481	306,282	(151,199)
Intergovernmental	6,889,382	6,774,570	(114,812)
Operating Grants	181,974	130,450	(51,524)
Interest	769,187	454,505	(314,682)
Rentals	127,885	146,869	18,984
Other	307,615	389,858	82,243
<i>Total Revenue</i>	<u>48,590,020</u>	<u>48,879,267</u>	<u>289,247</u>
Expenditures			
Current:			
General Governmental:			
<i>Service Director-Support Administration :</i>			
Personal Services	34,410	34,181	229
Materials and Supplies	12,425	10,637	1,788
Contractual Services	168,096	151,826	16,270
Other	79,140	78,066	1,074
<i>Total Service Director-Support Administration</i>	<u>294,071</u>	<u>274,710</u>	<u>19,361</u>
<i>Service Director-Service Director Administration:</i>			
Personal Services	81,481	78,780	2,701
Materials and Supplies	3,600	880	2,720
Contractual Services	27,699	14,202	13,497
Other	3,300	3,252	48
<i>Total Service Director-Service Director Admin</i>	<u>116,080</u>	<u>97,114</u>	<u>18,966</u>
<i>Service Director-Purchase Administration:</i>			
Personal Services	264,192	262,699	1,493
Materials and Supplies	207,530	197,634	9,896
Contractual Services	8,221	7,209	1,012
Other	850	828	22
<i>Total Service Director-Purchase Administration</i>	<u>480,793</u>	<u>468,370</u>	<u>12,423</u>
<i>Service Director-Annexation:</i>			
Personal Services	9,700	9,285	415
Materials and Supplies	2,350	983	1,367
Contractual Services	7,350	4,771	2,579
<i>Total Service Director-Annexation</i>	<u>19,400</u>	<u>15,039</u>	<u>4,361</u>
<i>Building and Maintenance-Other Building:</i>			
Personal Services	835,536	817,995	17,541
Materials and Supplies	59,480	53,418	6,062
Contractual Services	344,750	331,700	13,050
Capital Outlay	2,880	-	2,880
Other	5,160	2,521	2,639
<i>Total Building and Maintenance-Other Building</i>	<u>1,247,806</u>	<u>1,205,634</u>	<u>42,172</u>
<i>Total Income Tax-Income Tax Administration</i>			
Personal Services	957,875	854,376	103,499
Materials and Supplies	76,046	71,790	4,256
Contractual Services	116,150	85,291	30,859
Capital Outlay	7,171	7,155	16
Other	156,298	89,598	66,700
<i>Total Income Tax - Income Tax Administration</i>	<u>\$ 1,313,540</u>	<u>\$ 1,108,210</u>	<u>\$ 205,330</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Mayor - Administration</i>			
Personal Services	\$ 482,731	\$ 475,009	\$ 7,722
Materials and Supplies	1,525	957	568
Contractual Services	11,738	10,914	824
Other	2,071	541	1,530
<i>Total Mayor-Mayor Administration</i>	<u>498,065</u>	<u>487,421</u>	<u>10,644</u>
<i>Mayor-Human Resources Administration:</i>			
Personal Services	192,703	188,717	3,986
Materials and Supplies	2,746	391	2,355
Contractual Services	30,179	24,608	5,571
<i>Total Mayor-Human Resources Administration</i>	<u>225,628</u>	<u>213,716</u>	<u>11,912</u>
<i>Mayor-Word Processing Administration:</i>			
Personal Services	181,861	180,004	1,857
<i>Total Mayor-Word Processing Administration</i>	<u>181,861</u>	<u>180,004</u>	<u>1,857</u>
<i>Mayor-Youth Development Administration:</i>			
Personal Services	210,070	196,110	13,960
Materials and Supplies	1,197	484	713
Contractual Services	12,681	9,647	3,034
Other	75	-	75
<i>Total Mayor-Youth Development Administration</i>	<u>224,023</u>	<u>206,241</u>	<u>17,782</u>
<i>Council-Council Administration:</i>			
Personal Services	498,745	490,679	8,066
Materials and Supplies	1,159	1,111	48
Contractual Services	40,744	31,731	9,013
Other	1,230,000	-	1,230,000
<i>Total Council-Council Administration</i>	<u>1,770,648</u>	<u>523,521</u>	<u>1,247,127</u>
<i>Courts/Judge-Judge Administration:</i>			
Personal Services	1,478,380	1,408,436	69,944
Materials and Supplies	33,581	33,260	321
Contractual Services	32,793	30,444	2,349
Capital Outlay	876	676	200
Other	6,541	2,960	3,581
<i>Total Courts/Judge-Judge Administration</i>	<u>1,552,171</u>	<u>1,475,776</u>	<u>76,395</u>
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personal Services	1,149,409	1,103,913	45,496
Materials and Supplies	60,832	44,245	16,587
Contractual Services	47,985	35,064	12,921
Other	5,256	3,198	2,058
<i>Total Courts/Clerk-Clerk of Courts Admin</i>	<u>1,263,482</u>	<u>1,186,420</u>	<u>77,062</u>
<i>Law Director-Law Administration:</i>			
Personal Services	1,097,305	1,030,654	66,651
Materials and Supplies	13,870	9,902	3,968
Contractual Services	127,565	115,691	11,874
Other	35,074	31,841	3,233
<i>Total Law Director-Law Administration</i>	<u>\$ 1,273,814</u>	<u>\$ 1,188,088</u>	<u>\$ 85,726</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Law Director-Police Settlement</i>			
Legal Claims	\$ 27,600	\$ 27,600	\$ -
<i>Total Law Director-Police Settlement</i>	<u>27,600</u>	<u>27,600</u>	<u>-</u>
<i>Auditor-Auditor Administration:</i>			
Personal Services	907,227	907,027	200
Materials and Supplies	32,388	20,808	11,580
Contractual Services	477,375	467,311	10,064
Other	132,110	56,990	75,120
<i>Total Auditor-Auditor Administration</i>	<u>1,549,100</u>	<u>1,452,136</u>	<u>96,964</u>
<i>Treasurer- Administration & Operations:</i>			
Personal Services	206,279	204,854	1,425
Materials and Supplies	896	739	157
Contractual Services	12,540	12,383	157
Capital Outlay	120	-	120
Other	200	150	50
<i>Total Treasurer-Operations</i>	<u>220,035</u>	<u>218,126</u>	<u>1,909</u>
<i>Board of Commission-Civil Service:</i>			
Personal Services	193,517	184,355	9,162
Materials and Supplies	3,499	1,373	2,126
Contractual Services	33,262	17,696	15,566
Capital Outlay	450	-	450
<i>Total Board of Commission-Civil Service</i>	<u>230,728</u>	<u>203,424</u>	<u>27,304</u>
<i>Board of Commission-Zoning Board:</i>			
Personal Services	8,538	8,470	68
<i>Total Board of Commission-Zoning Board</i>	<u>8,538</u>	<u>8,470</u>	<u>68</u>
<i>Motor Vehicle-Administration:</i>			
Personal Services	150,511	147,076	3,435
Materials and Supplies	990	155	835
Contractual Services	135,941	112,978	22,963
Capital Outlay	900	-	900
Other	200	75	125
<i>Total Motor Vehicle-Administration</i>	<u>288,542</u>	<u>260,284</u>	<u>28,258</u>
<i>Motor Vehicle-Service and Repair:</i>			
Personal Services	911,052	879,302	31,750
Materials and Supplies	903,706	864,543	39,163
Contractual Services	103,085	85,369	17,716
Capital Outlay	6,838	6,436	402
Other	10,650	10,503	147
<i>Total Motor Vehicle-Service and Repair</i>	<u>1,935,331</u>	<u>1,846,153</u>	<u>89,178</u>
<i>Insurance:</i>			
Personal Services	108,378	100,275	8,103
Materials and Supplies	120	118	2
Contractual Services	60,000	48,040	11,960
Other	161,563	155,717	5,846
<i>Total Insurance</i>	<u>\$ 330,061</u>	<u>\$ 304,150</u>	<u>\$ 25,911</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Management Information Systems:</i>			
Personal Services	\$ 1,009,742	\$ 952,907	\$ 56,835
Materials and Supplies	45,919	29,048	16,871
Contractual Services	363,395	350,816	12,579
Capital Outlay	2,500	883	1,617
Other	10,224	857	9,367
<i>Total Management Information Systems</i>	<u>1,431,780</u>	<u>1,334,511</u>	<u>97,269</u>
Total General Government	<u>16,483,097</u>	<u>14,285,118</u>	<u>2,197,979</u>
Security of Persons and Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personal Services	145,091	142,671	2,420
Materials and Supplies	238	138	100
Contractual Services	5,205	3,879	1,326
Other	4,795	3,870	925
<i>Total Safety Director-Safety Director Admin</i>	<u>155,329</u>	<u>150,558</u>	<u>4,771</u>
<i>Safety Director-Code Enforcement Admin:</i>			
Personal Services	718,135	715,910	2,225
Materials and Supplies	22,643	15,602	7,041
Contractual Services	90,560	79,002	11,558
Capital Outlay	600	594	6
Other	7,568	6,391	1,177
<i>Total Safety Director-Code Enforcement Admin</i>	<u>839,506</u>	<u>817,499</u>	<u>22,007</u>
<i>Safety Director-School Police Administration:</i>			
Personal Services	357,888	341,316	16,572
Materials and Supplies	1,350	1,350	-
<i>Total Safety Director-School Police Admin</i>	<u>359,238</u>	<u>342,666</u>	<u>16,572</u>
<i>Safety Director-Central Communication Admin:</i>			
Salaries and Wages	849,486	834,223	15,263
Materials and Supplies	2,032	1,340	692
Contractual Services	52,193	44,628	7,565
Capital Outlay	1,142	824	318
Other	187	-	187
<i>Total Safety Director-Central Communication Admin</i>	<u>905,040</u>	<u>881,015</u>	<u>24,025</u>
<i>Police Administration:</i>			
Personal Services	14,178,264	13,557,071	621,193
Materials and Supplies	43,071	37,967	5,104
Contractual Services	436,014	378,121	57,893
Other	11,790	5,350	6,440
<i>Total Police Administration</i>	<u>14,669,139</u>	<u>13,978,509</u>	<u>690,630</u>
<i>Fire Administration:</i>			
Personal Services	12,736,565	12,518,169	218,396
Materials and Supplies	112,673	106,090	6,583
Contractual Services	270,078	251,367	18,711
Other	33,351	27,314	6,037
<i>Total Fire Administration</i>	<u>13,152,667</u>	<u>12,902,940</u>	<u>249,727</u>
<i>Traffic Divisions-Fire Alarm Maintenance:</i>			
Materials and Supplies	1,679	810	869
<i>Total Traffic Divisions-Fire Alarm Maintenance</i>	<u>\$ 1,679</u>	<u>\$ 810</u>	<u>\$ 869</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Traffic Divisions-Traffic Engineer/Parking Meter:</i>			
Personal Services	\$ 133,397	\$ 130,219	\$ 3,178
Materials and Supplies	11,159	9,894	1,265
Contractual Services	2,640	2,495	145
Other	813	793	20
<i>Total Traffic Divisions-Traffic Engineer/Parking Meter</i>	<u>148,009</u>	<u>143,401</u>	<u>4,608</u>
Total Security of Persons and Property	<u>30,230,607</u>	<u>29,217,398</u>	<u>1,013,209</u>
Public Health:			
<i>Health Administration:</i>			
Personal Services	299,062	285,615	13,447
Materials and Supplies	20,998	11,731	9,267
Contractual Services	135,059	123,770	11,289
Capital Outlay	1,800	-	1,800
Other	117,384	108,597	8,787
<i>Total Health Administration</i>	<u>574,303</u>	<u>529,713</u>	<u>44,590</u>
<i>Health-Nurses:</i>			
Personal Services	638,013	627,957	10,056
Materials and Supplies	22,080	21,678	402
Contractual Services	2,432	1,814	618
Other	2,527	1,552	975
<i>Total Health-Nurses</i>	<u>665,052</u>	<u>653,001</u>	<u>12,051</u>
<i>Health-Lab:</i>			
Personal Services	149,726	142,341	7,385
Materials and Supplies	26,541	25,705	836
Contractual Services	7,576	7,083	493
Capital Outlay	630	-	630
Other	1,500	-	1,500
<i>Total Health-Lab</i>	<u>185,973</u>	<u>175,129</u>	<u>10,844</u>
<i>Health-Environmental Health Administration:</i>			
Personal Services	645,394	595,167	50,227
Materials and Supplies	6,649	5,640	1,009
Contractual Services	2,303	920	1,383
Other	2,090	641	1,449
<i>Total Health-Environmental Health Administration</i>	<u>656,436</u>	<u>602,368</u>	<u>54,068</u>
Total Public Health	<u>2,081,764</u>	<u>1,960,211</u>	<u>121,553</u>
Transportation:			
<i>Engineering-Daily Operations:</i>			
Personal Services	87,759	82,660	5,099
Materials and Supplies	19	-	19
Contractual and Services	2,201	2,202	(1)
<i>Total Engineering-Daily Operations</i>	<u>89,979</u>	<u>84,862</u>	<u>5,117</u>
<i>Street-Maintenance:</i>			
Personal Services	1,064,208	1,013,083	51,125
Materials and Supplies	274,886	267,386	7,500
Contractual Services	775,676	770,785	4,891
Capital Outlay	400	400	-
Other	2,393	2,231	162
<i>Total Street-Maintenance</i>	<u>2,117,563</u>	<u>2,053,885</u>	<u>63,678</u>
Total Transportation	<u>\$ 2,207,542</u>	<u>\$ 2,138,747</u>	<u>\$ 68,795</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Leisure Time Activities:			
<i>Park Division-Park Administration:</i>			
Personal Services	\$ 905,749	\$ 871,377	\$ 34,372
Materials and Supplies	33,173	26,995	6,178
Contractual Services	46,922	40,089	6,833
Capital Outlay	900	-	900
Other	7,715	6,860	855
<i>Total Park Division-Park Administration</i>	<u>994,459</u>	<u>945,321</u>	<u>49,138</u>
<i>Park Division-Police:</i>			
Personal Services	53,077	50,902	2,175
Contractual Services	155	-	155
<i>Total Park Division-Police</i>	<u>53,232</u>	<u>50,902</u>	<u>2,330</u>
<i>Mayor-Baseball:</i>			
Personal Services	38,395	16,299	22,096
Materials and Supplies	13,757	9,392	4,365
Contractual Services	47,938	31,847	16,091
<i>Total Mayor-Baseball</i>	<u>100,090</u>	<u>57,538</u>	<u>42,552</u>
<i>Civic Center-Civic Center Administration:</i>			
Personal Services	576,348	531,159	45,189
Materials and Supplies	89,060	86,129	2,931
Contractual Services	289,067	243,464	45,603
Capital Outlay	1,832	375	1,457
Other	6,409	3,820	2,589
<i>Total Civic Center-Civic Center Administration</i>	<u>962,716</u>	<u>864,947</u>	<u>97,769</u>
Total Leisure Time Activities	<u>2,110,497</u>	<u>1,918,708</u>	<u>191,789</u>
Total Expenditures	53,113,507	49,520,182	3,593,325
Excess of Revenues Over (Under) Expenditures	<u>(4,523,487)</u>	<u>(640,915)</u>	<u>3,882,572</u>
<i>Other Financing Sources (Uses)</i>			
Sale of Capital Assets	-	5	5
Advances In	54,000	39,036	(14,964)
Advances Out	(54,000)	(39,036)	14,964
Transfers In	434,416	-	(434,416)
Transfers Out	(54,800)	(50,000)	4,800
<i>Total Other Financing Sources</i>	<u>379,616</u>	<u>(49,995)</u>	<u>(429,611)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,143,871)	(690,910)	3,452,961
<i>Fund Balances Beginning of Year</i>	4,362,864	4,362,864	-
<i>Unexpended Prior Year Encumbrances</i>	306,813	306,813	-
<i>Fund Balances End of Year</i>	<u>\$ 525,806</u>	<u>\$ 3,978,767</u>	<u>\$ 3,452,961</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, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ -	\$ 136,320	\$ 136,320
Intergovernmental	11,750,529	3,540,522	(8,210,007)
Interest	-	3,818	3,818
Other	796,961	835,484	38,523
Total Revenues	12,547,490	4,516,144	(8,031,346)
Expenditures			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Personnel Costs	1,289,665	1,172,558	117,107
Materials and Supplies	38,308	11,112	27,196
Contractual Services	3,541,733	2,064,601	1,477,132
Capital Outlay	1,128,025	204,132	923,893
Other	4,919,147	2,263,641	2,655,506
Total Community Development Administration	10,916,878	5,716,044	5,200,834
<i>Community Development Planning:</i>			
Contractual Services	23,000	4,124	18,876
Total Community Environment	10,939,878	5,720,168	5,219,710
Debt Service:			
Principal Retirement	335,000	335,000	-
Interest and Fiscal Charges	239,728	182,878	56,850
Total Debt Service	574,728	517,878	56,850
Total Expenditures	11,514,606	6,238,046	5,276,560
Excess of Revenues Over (Under) Expenditures	1,032,884	(1,721,902)	(2,754,786)
Other Financing Sources (Uses)			
Transfers In	3,635	-	(3,635)
Transfers Out	(84,635)	-	84,635
Total Other Financing Sources (Uses)	(81,000)	-	81,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	951,884	(1,721,902)	(2,673,786)
<i>Fund Balance (Deficit) Beginning of Year</i>	<i>(1,746,129)</i>	<i>(1,746,129)</i>	<i>-</i>
Unexpended Prior Year Encumbrances	896,243	896,243	-
Fund Balance (Deficit) End of Year	\$ 101,998	\$ (2,571,788)	\$ (2,673,786)

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 7,032,696	\$ 7,364,184	\$ 331,488
Intergovernmental	39,250	-	(39,250)
Capital Grants	-	3,032	3,032
Rentals	-	22,250	22,250
Other	26,830	34,318	7,488
Proceeds of Loans	476,950	197,266	(279,684)
<i>Total Revenues</i>	<u>7,575,726</u>	<u>7,621,050</u>	<u>45,324</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Communication System Bond	2,495	-	2,495
Code Enforcement Administration	450	-	450
Central Communication Administration	5,020	4,479	541
Police Department-Police Administration	94,495	94,174	321
Fire Department-Fire Administration	123,873	119,413	4,460
Traffic Divisions-Engineer Administration	105,000	92,200	12,800
Traffic Sign and Paint	1,690	1,690	-
Traffic Signal	44,000	37,182	6,818
Traffic Engineer/Parking Meter	21,500	14,871	6,629
Service Director:			
General Government-Support Administration	85,284	81,316	3,968
Service Director Administration	544,163	495,836	48,327
Engineering Administration	3,630,667	3,135,727	494,940
Engineering - 12th St./13th St. NW Connector	3,321	1,273	2,048
Engineering - 1051 35th St. Reconstruction	186,748	186,746	2
Engineering - Guilford Ave NW Bridge Improvement	23,436	23,436	-
Engineering - 1068 Pro Football HOF Drive	536	-	536
Engineering - Dueber Ave Turning Lane	39,250	39,250	-
Engineering - 1069 Royal & 23rd St. N.E. Project	3,741	-	3,741
Street Administration	84,384	28,057	56,327
Street Paving	1,559,023	1,265,994	293,029
Civic Center Administration	146	146	-
Building Maintenance Administration	97,618	54,362	43,256
Health:			
Health Administration	54,500	28,396	26,104
Park Division:			
Park Administration	165,037	147,170	17,867
Mayor:			
Youth Development Administration	21,390	16,154	5,236
Baseball Stadium	1,213	-	1,213
Management Information Systems:			
Systems	225,232	82,328	142,904
Council:			
Council Administration	\$ 5,000	\$ 4,135	\$ 865

(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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Judges:			
Judge Administration	9,157	9,157	-
Court-Clerks:			
Clerk of Courts Administration	6,542	5,042	1,500
Law Director:			
Law Administration	1,900	1,900	-
Auditor:			
Auditor Administration	1,181,312	1,179,623	1,689
Treasurer:			
Treasurer Administration	1,850	-	1,850
Total Capital Outlay	8,329,973	7,150,057	1,179,916
Debt Service:			
Principal Retirement	1,578,898	1,578,898	-
Interest and Fiscal Charges	623,144	623,144	-
Total Debt Service	2,202,042	2,202,042	-
Total Expenditures	10,532,015	9,352,099	1,179,916
Excess of Revenues (Under) Expenditures	(2,956,289)	(1,731,049)	1,225,240
Other Financing Sources (Uses)			
Sale of Capital Assets	-	4,100	4,100
Advances In	114,400	114,400	-
Transfer In	479,482	-	(479,482)
Transfers Out	(75,750)	-	75,750
Total Other Financing Sources	518,132	118,500	(399,632)
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(2,438,157)	(1,612,549)	825,608
Fund Balance Beginning of Year	2,063,420	2,063,420	-
Unexpended Prior Year Encumbrances	382,609	382,609	-
Fund Balance End of Year	\$ 7,872	\$ 833,480	\$ 825,608

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 1,821,162	\$ 1,841,046	\$ 19,884
Rentals	11,145	23,499	12,354
Other	-	1,098	1,098
<i>Total Revenues</i>	<u>1,832,307</u>	<u>1,865,643</u>	<u>33,336</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Code Enforcement Administration	39,579	39,579	-
Central Communication Administration	20,000	19,453	547
Police Department-Police Administration	232,558	231,681	877
Fire Department-Fire Administration	215	215	-
Traffic Divisions-Engineer Administration	1,706	1,706	-
Traffic Divisions-Traffic Sign & Paint	3,127	3,127	-
Traffic Divisions-Traffic Signal	75,274	74,917	357
Traffic Divisions-Engineer/Parking Meter	23,137	22,809	328
Service Director:			
Engineering Administration	2,843	2,843	-
Street Administration	584,490	562,151	22,339
Maintenance	3,412	3,412	-
Motor Vehicle Administration	569	569	-
Health:			
Health Administration	4,549	4,549	-
Park Division:			
Park Administration	82,029	60,029	22,000
Park Police	853	853	-
Mayor:			
Youth Development Administration	4,315	4,315	-
Management Information Systems:			
MIS Administration	7,589	7,589	-
Judges:			
Judge Administration	15,710	15,314	396
<i>Total Capital Outlay</i>	<u>1,101,955</u>	<u>1,055,111</u>	<u>46,844</u>
Debt Service:			
Principal Retirement	500,000	500,000	-
Interest and Fiscal Charges	174,305	174,305	-
<i>Total Debt Service</i>	<u>674,305</u>	<u>674,305</u>	<u>-</u>
<i>Total Expenditures</i>	<u>\$ 1,776,260</u>	<u>\$ 1,729,416</u>	<u>\$ 46,844</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, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Excess of Revenues Over Expenditures	\$ 56,047	\$ 136,227	\$ 80,180
Other Financing Sources (Uses)			
Sale of Capital Assets	19,855	29,850	9,995
Excess of Revenues and Other Financing Sources Over Expenditures	<u>75,902</u>	<u>166,077</u>	<u>90,175</u>
<i>Fund Balance Beginning of Year</i>	28,514	28,514	-
Unexpended Prior Year Encumbrances	1,007	1,007	-
<i>Fund Balance End of Year</i>	<u>\$ 105,423</u>	<u>\$ 195,598</u>	<u>\$ 90,175</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 10,988,727	\$ 11,178,682	\$ 189,955
Interest	-	4,835	4,835
Proceeds of Loans	1,922,003	1,561,476	(360,527)
Capital Grant	115,000	79,722	(35,278)
Rentals	-	74,750	74,750
Other	75,075	94,739	19,664
<i>Total Revenues</i>	<u>13,100,805</u>	<u>12,994,204</u>	<u>(106,601)</u>
Expenses			
Personnel Costs	5,530,574	5,255,588	274,986
Material and Supplies	1,150,878	1,009,744	141,134
Contractual Services	2,361,769	2,014,063	347,706
Capital Outlay	790,961	423,795	367,166
Claims	41,835	22,686	19,149
Other	160,009	90,834	69,175
Debt Service:			
Principal Retirement	1,369,557	1,369,557	-
Interest and Fiscal Charges	1,007,916	1,000,293	7,623
<i>Total Expenses</i>	<u>12,413,499</u>	<u>11,186,560</u>	<u>1,226,939</u>
Excess of Revenues Over Expenses	687,306	1,807,644	1,120,338
Other Financing (Uses)			
Transfers Out	(19,864)	-	19,864
Excess of Revenues Over Expenditures and Other Financing (Uses)	667,442	1,807,644	1,140,202
<i>Fund Equity Beginning of Year</i>	3,186,457	3,186,457	-
Unexpended Prior Year Encumbrances	204,780	204,780	-
<i>Fund Equity End of Year</i>	<u>\$ 4,058,679</u>	<u>\$ 5,198,881</u>	<u>\$ 1,140,202</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 9,950,000	\$ 10,009,817	\$ 59,817
Capital Grants		21,209	21,209
Proceeds of Loans	1,803,106	1,836,568	33,462
Rentals	14,175	14,675	500
Other	-	925,059	925,059
<i>Total Revenues</i>	<u>11,767,281</u>	<u>12,807,328</u>	<u>1,040,047</u>
Expenses			
Personnel Costs	5,326,898	4,103,090	1,223,808
Material and Supplies	784,739	590,916	193,823
Contractual Services	3,421,299	2,697,232	724,067
Capital Outlay	1,692,489	1,181,236	511,253
Claims	26,535	25,197	1,338
Other	403,033	39,505	363,528
Debt Service:			
Principal Retirement	2,363,939	2,348,083	15,856
Interest and Fiscal Charges	746,614	736,574	10,040
<i>Total Expenses</i>	<u>14,765,546</u>	<u>11,721,833</u>	<u>3,043,713</u>
Excess of Revenues Over (Under) Expenses	(2,998,265)	1,085,495	4,083,760
Other Financing Sources (Uses)			
Transfers In	911,948	-	(911,948)
Transfers Out	(1,022,291)	-	1,022,291
<i>Total Other Financing (Uses)</i>	<u>(110,343)</u>	<u>-</u>	<u>110,343</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(3,108,608)	1,085,495	4,194,103
<i>Fund Equity Beginning of Year</i>	6,693,147	6,693,147	-
Unexpended Prior Year Encumbrances	290,619	290,619	-
<i>Fund Equity End of Year</i>	<u>\$ 3,875,158</u>	<u>\$ 8,069,261</u>	<u>\$ 4,194,103</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 4,225,000	\$ 4,172,099	\$ (52,901)
Capital Grants	-	57,412	57,412
Operating Grants	-	12,808	12,808
Other	-	959	959
<i>Total Revenues</i>	<u>4,225,000</u>	<u>4,243,278</u>	<u>18,278</u>
Expenses			
Personnel Costs	2,870,390	2,825,149	45,241
Material and Supplies	82,635	67,832	14,803
Contractual Services	1,334,887	1,308,396	26,491
Capital Outlay	181,675	139,317	42,358
Claims	5,500	2,889	2,611
Other	16,252	15,551	701
<i>Total Expenses</i>	<u>4,491,339</u>	<u>4,359,134</u>	<u>132,205</u>
Excess of Revenues (Under) Expenses	(266,339)	(115,856)	150,483
Other Financing Sources			
Transfers In	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures	(261,339)	(115,856)	145,483
<i>Fund Equity Beginning of Year</i>	906,620	906,620	-
Unexpended Prior Year Encumbrances	17,761	17,761	-
<i>Fund Equity End of Year</i>	<u>\$ 663,042</u>	<u>\$ 808,525</u>	<u>\$ 145,483</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 520,000	\$ 507,417	\$ (12,583)
Intergovernmental	58,000	55,726	(2,274)
<i>Total Revenues</i>	<u>578,000</u>	<u>563,143</u>	<u>(14,857)</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	65,822	65,822	-
<i>Fire Administration:</i>			
Other	<u>65,822</u>	<u>65,822</u>	<u>-</u>
<i>Total Security Persons and Property</i>	131,644	131,644	-
Debt Service:			
Principal Retirement	265,000	265,000	-
Interest and Fiscal Charges	<u>258,578</u>	<u>258,578</u>	<u>-</u>
<i>Total Debt Service</i>	<u>523,578</u>	<u>523,578</u>	<u>-</u>
<i>Total Expenditures</i>	<u>655,222</u>	<u>655,222</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	(77,222)	(92,079)	(14,857)
<i>Fund Balance Beginning of Year</i>	92,079	92,079	-
<i>Fund Balance End of Year</i>	<u>\$ 14,857</u>	<u>\$ -</u>	<u>\$ (14,857)</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 2,141,389	\$ 2,132,223	\$ (9,166)
Interest	2,000	3,643	1,643
Other	159	8,150	7,991
Total Revenues	2,143,548	2,144,016	468
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Engineer Administration:</i>			
Personnel Costs	262,639	252,829	9,810
Materials and Supplies	2,951	2,469	482
Contractual Services	73,357	67,509	5,848
Capital Outlay	8,745	7,079	1,666
Total Traffic Divisions-Traffic Engineer Administration	347,692	329,886	17,806
<i>Traffic Divisions-Traffic Sign and Paint:</i>			
Personnel Costs	220,692	215,950	4,742
Materials and Supplies	63,276	58,229	5,047
Contractual Services	60,833	52,751	8,082
Capital Outlay	450	-	450
Other	2,995	1,300	1,695
Total Traffic Divisions-Traffic Sign and Paint	348,246	328,230	20,016
<i>Traffic Divisions-Traffic Signal:</i>			
Personnel Costs	348,866	340,933	7,933
Materials and Supplies	39,655	23,889	15,766
Contractual Services	253,771	236,286	17,485
Other	903	300	603
Total Traffic Divisions-Traffic Signal	643,195	601,408	41,787
Total Security Persons and Property	1,339,133	1,259,524	79,609
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	305,887	288,067	17,820
Materials and Supplies	329,272	325,056	4,216
Contractual Services	207,028	199,670	7,358
Other	9,893	7,893	2,000
Total Transportation	852,080	820,686	31,394
Total Expenditures	2,191,213	2,080,210	111,003
Excess of Revenues Over (Under) Expenditures	(47,665)	63,806	111,471
<i>Fund Balance Beginning of Year</i>	61,907	61,907	-
Unexpended Prior Year Encumbrances	35,802	35,802	-
Fund Balance End of Year	\$ 50,044	\$ 161,515	\$ 111,471

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 178,779	\$ 182,938	\$ 4,159
Interest	4,500	389	(4,111)
<i>Total Revenues</i>	<u>183,279</u>	<u>183,327</u>	<u>48</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Signal:</i>			
Contractual Services	40,160	40,000	160
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	83,554	77,231	6,323
Materials and Supplies	41,620	40,000	1,620
Contractual Services	6,954	5,604	1,350
Other	500	-	500
<i>Total Transportation</i>	<u>132,628</u>	<u>122,835</u>	<u>9,793</u>
<i>Total Expenditures</i>	<u>172,788</u>	<u>162,835</u>	<u>9,953</u>
Excess of Revenues Over Expenditures	10,491	20,492	10,001
<i>Fund Balance Beginning of Year</i>	1,336	1,336	-
Unexpended Prior Year Encumbrances	160	160	-
<i>Fund Balance End of Year</i>	<u>\$ 11,987</u>	<u>\$ 21,988</u>	<u>\$ 10,001</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 711,305	\$ 239,184	\$ (472,121)
Expenditures			
Current:			
Transportation:			
<i>Engineering-Engineering Administration:</i>			
Materials and Supplies	1,084,028	261,428	822,600
Excess of Revenues (Under) Expenditures	(372,723)	(22,244)	350,479
<i>Fund Balance Beginning of Year</i>	233,694	233,694	-
Unexpended Prior Year Encumbrances	139,029	139,029	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 350,479</u>	<u>\$ 350,479</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 402,500	\$ 408,770	\$ 6,270
Expenditures			
Current:			
General Government:			
<i>Service Director-Service Director Administration:</i>			
Contractual Services	377,814	306,366	71,448
Capital Outlay	84,660	40,287	44,373
Other	1,197	1,197	-
<i>Total Expenditures</i>	463,671	347,850	115,821
Excess of Revenues Over (Under) Expenditures	(61,171)	60,920	122,091
<i>Fund Balance Beginning of Year</i>	599,634	599,634	-
Unexpended Prior Year Encumbrances	26,571	26,571	-
<i>Fund Balance End of Year</i>	\$ 565,034	\$ 687,125	\$ 122,091

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Licenses, Permits and Fees	\$ 226,875	\$ 225,618	\$ (1,257)
Intergovernmental	2,794,873	2,400,879	(393,994)
Other	4,924	8,320	3,396
<i>Total Revenues</i>	<u>3,026,672</u>	<u>2,634,817</u>	<u>(391,855)</u>
Expenditures			
Current:			
Public Health:			
<i>Health Administration:</i>			
Personnel Costs	2,654,355	1,627,491	1,026,864
Materials and Supplies	366,801	93,345	273,456
Contractual Services	195,225	98,315	96,910
Capital Outlay	146,289	61,243	85,046
Other	1,012,810	871,831	140,979
<i>Total Expenditures</i>	<u>4,375,480</u>	<u>2,752,225</u>	<u>1,623,255</u>
Excess of Revenues (Under) Expenditures	(1,348,808)	(117,408)	1,231,400
Other Financing Sources (Uses)			
Advances In	-	15,036	15,036
Advances Out	(25,000)	(15,036)	(9,964)
Transfers In	120	50,000	49,880
<i>Total Other Financing Sources (Uses)</i>	<u>(24,880)</u>	<u>50,000</u>	<u>74,880</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(1,373,688)	(67,408)	1,306,280
<i>Fund Balance Beginning of Year</i>	1,324,298	1,324,298	-
Unexpended Prior Year Encumbrances	103,290	103,290	-
<i>Fund Balance End of Year</i>	<u>\$ 53,900</u>	<u>\$ 1,360,180</u>	<u>\$ 1,306,280</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Canton Rail Station Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 100,000	\$ 27,260	\$ (72,740)
Expenditures			
Current:			
Community Environment:			
<i>Community Development Planning:</i>			
Capital Outlay	100,000	39,915	60,085
Excess of Revenues (Under) Expenditures	-	(12,655)	(12,655)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ (12,655)</u>	<u>\$ (12,655)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court's Computer Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 164,000	\$ 137,628	\$ (26,372)
Other	-	366	366
<i>Total Revenues</i>	<u>164,000</u>	<u>137,994</u>	<u>(26,006)</u>
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	127,201	125,828	1,373
Materials and Supplies	24,458	10,588	13,870
Contractual Services	82,703	74,661	8,042
Capital Outlay	8,982	6,281	2,701
Other	1,791	1,125	666
<i>Total Expenditures</i>	<u>245,135</u>	<u>218,483</u>	<u>26,652</u>
Excess of Revenues (Under) Expenditures	(81,135)	(80,489)	646
<i>Fund Balance Beginning of Year</i>	58,402	58,402	-
Unexpended Prior Year Encumbrances	23,243	23,243	-
<i>Fund Balance End of Year</i>	<u>\$ 510</u>	<u>\$ 1,156</u>	<u>\$ 646</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over
Revenues			
Intergovernmental	\$ 50,000	\$ 55,378	\$ 5,378
Expenditures			
Current:			
Community Environment:			
<i>Community Development Planning:</i>			
Materials and Supplies	3,600	-	3,600
Contractual Services	56,801	10,889	45,912
<i>Total Expenditures</i>	60,401	10,889	49,512
Excess of Revenues Over (Under) Expenditures	(10,401)	44,489	54,890
<i>Fund Balance Beginning of Year</i>	10,108	10,108	-
Unexpended Prior Year Encumbrances	401	401	-
<i>Fund Balance End of Year</i>	<u>\$ 108</u>	<u>\$ 54,998</u>	<u>\$ 54,890</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Youth Development Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 31,000	\$ 33,955	\$ 2,955
Contributions and Donations	12,600	16,679	4,079
Other	20,400	17,595	(2,805)
<i>Total Revenues</i>	<u>64,000</u>	<u>68,229</u>	<u>4,229</u>
Expenditures			
Current:			
General Government:			
<i>Youth Development Administration:</i>			
Personnel Costs	30,000	25,401	4,599
Materials and Supplies	13,529	13,161	368
Contractual Services	39,974	36,222	3,752
<i>Total Expenditures</i>	<u>83,503</u>	<u>74,784</u>	<u>8,719</u>
Excess of Revenues (Under) Expenditures	(19,503)	(6,555)	12,948
Other Financing Sources (Uses)			
Advances In	24,000	24,000	-
Advances Out	(24,000)	(24,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(19,503)	(6,555)	12,948
<i>Fund Balance Beginning of Year</i>	17,222	17,222	-
Unexpended Prior Year Encumbrances	3,503	3,503	-
<i>Fund Balance End of Year</i>	<u>\$ 1,222</u>	<u>\$ 14,170</u>	<u>\$ 12,948</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 55,000	\$ 3,850	\$ (51,150)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Enforcement and Education:</i>			
Personnel Costs	7,600	1,459	6,141
Materials and Supplies	12,825	2,146	10,679
Capital Outlay	39,315	3,873	35,442
<i>Total Expenditures</i>	<u>59,740</u>	<u>7,478</u>	<u>52,262</u>
Excess of Revenues (Under) Expenditures	(4,740)	(3,628)	1,112
<i>Fund Balance Beginning of Year</i>	5,364	5,364	-
<i>Fund Balance End of Year</i>	<u>\$ 624</u>	<u>\$ 1,736</u>	<u>\$ 1,112</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 100,000	\$ 127,232	\$ 27,232
Intergovernmental	-	2,280	2,280
<i>Total Revenues</i>	<u>100,000</u>	<u>129,512</u>	<u>29,512</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	57,633	19,661	37,972
Contractual Services	4,485	2,971	1,514
Capital Outlay	54,000	54,000	-
Other	41,571	35,347	6,224
<i>Total Expenditures</i>	<u>157,689</u>	<u>111,979</u>	<u>45,710</u>
Excess of Revenues Over (Under) Expenditures	(57,689)	17,533	75,222
<i>Fund Balance Beginning of Year</i>	72,891	72,891	-
Unexpended Prior Year Encumbrances	1,456	1,456	-
<i>Fund Balance End of Year</i>	<u>\$ 16,658</u>	<u>\$ 91,880</u>	<u>\$ 75,222</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, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 60,000	\$ 55,718	\$ (4,282)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	100,000	29,622	70,378
Excess of Revenues Over (Under) Expenditures	(40,000)	26,096	66,096
<i>Fund Balance Beginning of Year</i>	133,659	133,659	-
<i>Fund Balance End of Year</i>	\$ 93,659	\$ 159,755	\$ 66,096

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, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues			
Charges for Services	\$ 255,000	\$ 151,632	\$ (103,368)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	153,404	90,356	63,048
Materials and Supplies	1,910	1,143	767
Contractual Services	121,189	1,627	119,562
Capital Outlay	8,090	-	8,090
Other	5,000	879	4,121
<i>Total Expenditures</i>	<u>289,593</u>	<u>94,005</u>	<u>195,588</u>
Excess of Revenues Over (Under) Expenditures	(34,593)	57,627	92,220
Other Financing (Uses)			
Transfers Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing (Uses)	(39,593)	52,627	92,220
<i>Fund Balance Beginning of Year</i>	42,456	42,456	-
<i>Fund Balance End of Year</i>	<u><u>\$ 2,863</u></u>	<u><u>\$ 95,083</u></u>	<u><u>\$ 92,220</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Local Law Enforcement Block Grant Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 128,293	\$ 128,293	\$ -
Interest	5,150	3,670	(1,480)
<i>Total Revenues</i>	<u>133,443</u>	<u>131,963</u>	<u>(1,480)</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	8,145	8,010	135
Contractual Services	3,612	3,612	-
Capital Outlay	363,852	225,086	138,766
<i>Total Expenditures</i>	<u>375,609</u>	<u>236,708</u>	<u>138,901</u>
Excess of Revenues (Under) Expenditures	(242,166)	(104,745)	137,421
<i>Fund Balance Beginning of Year</i>	370,328	370,328	-
Unexpended Prior Year Encumbrances	129	129	-
<i>Fund Balance End of Year</i>	<u>\$ 128,291</u>	<u>\$ 265,712</u>	<u>\$ 137,421</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, 2003

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

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
D.A.R.E. Program Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	21,379	21,379	-
<i>Fund Balance End of Year</i>	<u>\$ 21,379</u>	<u>\$ 21,379</u>	<u>\$ -</u>

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government:			
<i>Law Director-Administration:</i>			
Materials and Supplies	5,645	4,310	1,335
Excess of Revenues (Under) Expenditures	(5,645)	(4,310)	1,335
<i>Fund Balance Beginning of Year</i>	5,645	5,645	-
<i>Fund Balance End of Year</i>	\$ -	\$ 1,335	\$ 1,335

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 114,400	\$ 114,400	\$ -
Expenditures			
Current:			
<i>Southeast Community Center Maintenance:</i>			
Materials and Supplies	292	-	292
Contractual Services	88	-	88
Capital Outlay	426	426	-
Other	21,987	21,930	57
<i>Total Expenditures</i>	<u>22,793</u>	<u>22,356</u>	<u>437</u>
Excess of Revenues Over Expenditures	91,607	92,044	437
Other Financing (Uses)			
Advances Out	(114,400)	(114,400)	-
Excess of Revenues (Under) Expenditures and Other Financing (Uses)	(22,793)	(22,356)	437
<i>Fund Balance Beginning of Year</i>	21,931	21,931	-
Unexpended Prior Year Encumbrances	862	862	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 437</u>	<u>\$ 437</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenue			
Contributions and Donations	\$ 12,595	\$ 12,600	\$ 5
Rentals	16,000	9,225	(6,775)
Other	-	1,095	1,095
	<u>28,595</u>	<u>22,920</u>	<u>(5,675)</u>
Expenditures			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and Supplies	2,927	1,004	1,923
Contractual Services	17,200	3,369	13,831
Capital Outlay	36,792	22,217	14,575
Other	500	500	-
	<u>57,419</u>	<u>27,090</u>	<u>30,329</u>
Excess of Revenues (Under) Expenditures	(28,824)	(4,170)	24,654
<i>Fund Balance Beginning of Year</i>	47,230	47,230	-
Unexpended Prior Year Encumbrances	787	787	-
<i>Fund Balance End of Year</i>	<u>\$ 19,193</u>	<u>\$ 43,847</u>	<u>\$ 24,654</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 4,000	\$ 5,858	\$ 1,858
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	3,305	1,250	2,055
Capital Outlay	3,195	3,195	-
Other	1,000	940	60
Excess of Revenues Over (Under) Expenditures	(3,500)	473	3,973
<i>Fund Balance Beginning of Year</i>	5,093	5,093	-
<i>Fund Balance End of Year</i>	<u>\$ 1,593</u>	<u>\$ 5,566</u>	<u>\$ 3,973</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, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 102,896	\$ 59,286	\$ (43,610)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration 5th year grant:</i>			
Personnel Costs	22,469	18,992	3,477
Materials and Supplies	1,759	1,378	381
Other	35,129	17,419	17,710
<i>Total Courts/Judge-Judge Administration 5th year grant</i>	<u>59,357</u>	<u>37,789</u>	<u>21,568</u>
<i>Courts/Judge-Judge Administration 6th year grant:</i>			
Personnel Costs	46,530	16,030	30,500
Materials and Supplies	1,446	-	1,446
<i>Total Courts/Judge-Judge Administration 6th year grant</i>	<u>47,976</u>	<u>16,030</u>	<u>31,946</u>
<i>Total Expenditures</i>	<u>107,333</u>	<u>53,819</u>	<u>53,514</u>
Excess of Revenues Over (Under) Expenditures	(4,437)	5,467	9,904
Other Financing Sources			
Transfer In	-	5,000	5,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(4,437)	10,467	14,904
<i>Fund Balance Beginning of Year</i>	4,482	4,482	-
<i>Fund Balance End of Year</i>	<u>\$ 45</u>	<u>\$ 14,949</u>	<u>\$ 14,904</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 10,000	\$ 11,741	\$ 1,741
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	30,000	4,000	26,000
Excess of Revenues Over (Under) Expenditures	(20,000)	7,741	27,741
<i>Fund Balance Beginning of Year</i>	20,237	20,237	-
<i>Fund Balance End of Year</i>	<u>\$ 237</u>	<u>\$ 27,978</u>	<u>\$ 27,741</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, 2003*

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

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court Security Funding Fund
For the Year Ended December 31, 2003

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

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
EMS Training and Equipment Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 44,470	\$ 25,787	\$ (18,683)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	14,798	14,453	345
Capital Outlay	19,563	1,143	18,420
Other	4,465	1,395	3,070
<i>Total Expenditures</i>	38,826	16,991	21,835
Excess of Revenues Over Expenditures	5,644	8,796	3,152
<i>Fund Balance Beginning of Year</i>	(6,484)	(6,484)	-
Unexpended Prior Year Encumbrances	840	840	-
<i>Fund Balance End of Year</i>	\$ -	\$ 3,152	\$ 3,152

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 349,000	\$ 348,893	\$ (107)
Interest	-	324	324
<i>Total Revenues</i>	<u>349,000</u>	<u>349,217</u>	<u>217</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Contractual Services	239	-	239
Capital Outlay	98,262	95,050	3,212
<i>Total Expenditures</i>	<u>98,501</u>	<u>95,050</u>	<u>3,451</u>
Excess of Revenues Over Expenditures	250,499	254,167	3,668
<i>Fund Balance Beginning of Year</i>	98,535	98,535	-
<i>Fund Balance End of Year</i>	<u>\$ 349,034</u>	<u>\$ 352,702</u>	<u>\$ 3,668</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Thermal Imaging System Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	150	-	150
Contractual Services	825	-	825
Capital Outlay	18,200	-	18,200
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	19,175	-	19,175
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(19,175)	-	19,175
<i>Fund Balance Beginning of Year</i>	19,175	19,175	-
	<hr/>	<hr/>	<hr/>
<i>Fund Balance End of Year</i>	\$ -	\$ 19,175	\$ 19,175
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of Canton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balances -Budget (Non-GAAP Basis) and Actual
 Court Capital Improvement Special Project Fund
 For the Year Ended December 31, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 114,760	\$ 120,055	\$ 5,295
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	81,017	74,379	6,638
Materials and Supplies	3,790	1,019	2,771
Contractual Services	28,999	3,706	25,293
Capital Outlay	34,210	23,769	10,441
Other	16,000	2,183	13,817
<i>Total Expenditures</i>	164,016	105,056	58,960
Excess of Revenues Over (Under) Expenditures	(49,256)	14,999	64,255
<i>Fund Balance Beginning of Year</i>	49,256	49,256	-
<i>Fund Balance End of Year</i>	\$ -	\$ 64,255	\$ 64,255

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Armored Vehicle Fund
For the Year Ended December 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	(50,000)	(50,000)	-
<i>Fund Balance Beginning of Year</i>	50,000	50,000	-
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ -</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
 Firefighters Assistance Grant Fund
 For the Year Ended December 31, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 53,802	\$ 37,664	\$ (16,138)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	53,821	37,633	16,188
Excess of Revenues Over (Under) Expenditures	(19)	31	50
<i>Fund Balance Beginning of Year</i>	19	19	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Canton Police Youth Corp Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 3,542	\$ 4,397	\$ 855
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	3,542	3,103	439
Excess of Revenues Over Expenditures	-	1,294	1,294
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ 1,294	\$ 1,294

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Canton Police Auxiliary Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 5,000	\$ 5,020	\$ 20
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	900	45	855
Contractual Services	4,100	732	3,368
<i>Total Expenditures</i>	5,000	777	4,223
Excess of Revenues Over Expenditures	-	4,243	4,243
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ 4,243	\$ 4,243

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Legal Research Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 43,506	\$ 36,335	\$ (7,171)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Materials and Supplies	7,908	3,577	4,331
Contractual Services	8,000	-	8,000
Capital Outlay	27,092	19,056	8,036
<i>Total Expenditures</i>	43,000	22,633	20,367
Excess of Revenues Over Expenditures	506	13,702	13,196
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ 506	\$ 13,702	\$ 13,196

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Law Department Dispute Resolution Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ -	\$ 1,335	\$ 1,335
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	1,335	1,335
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 1,335</u>	<u>\$ 1,335</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, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	18,523	18,523	-
<i>Fund Balance End of Year</i>	<u>\$ 18,523</u>	<u>\$ 18,523</u>	<u>\$ -</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, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 2,537	\$ 2,653	\$ 116
Expenditures			
Capital Outlay:			
Safety Director:			
Radio Communication System Bond	22,000	21,792	208
Excess of Revenues (Under) Expenditures	(19,463)	(19,139)	324
<i>Fund Balance Beginning of Year</i>	25,698	25,698	-
<i>Fund Balance End of Year</i>	<u>\$ 6,235</u>	<u>\$ 6,559</u>	<u>\$ 324</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Harmont Sidewalk Improvement Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ -	\$ 190	\$ 190
Expenditures			
Capital Outlay:			
Engineering Administration	29,841	17,870	11,971
Excess of Revenues (Under) Expenditures	(29,841)	(17,680)	12,161
<i>Fund Balance Beginning of Year</i>	17,870	17,870	-
Unexpended Prior Year Encumbrances	11,971	11,971	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 12,161</u>	<u>\$ 12,161</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ -	\$ 173	\$ 173
Other	-	43	43
<i>Total Revenues</i>	<u>-</u>	<u>216</u>	<u>216</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Traffic Divisions:			
Traffic Divisions- Engineering Administration	<u>14,398</u>	<u>14,397</u>	<u>1</u>
Excess of Revenues (Under) Expenditures	(14,398)	(14,181)	217
<i>Fund Balance Beginning of Year</i>	583	583	-
Unexpended Prior Year Encumbrances	14,398	14,398	-
<i>Fund Balance End of Year</i>	<u>\$ 583</u>	<u>\$ 800</u>	<u>\$ 217</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Shorb & 4th Street Roadway Improvement Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 1,031,500	\$ 601,234	\$ (430,266)
Expenditures			
Capital Outlay:			
Engineering Administration	1,031,500	1,019,334	12,166
Excess of Revenues Over (Under) Expenditures	-	(418,100)	(418,100)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ (418,100)	\$ (418,100)

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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Service Director:			
OPWC:			
Engineering Administration	69,602	19	69,583
Excess of Revenues (Under) Expenditures	(69,602)	(19)	69,583
<i>Fund Balance Beginning of Year</i>	20	20	-
Unexpended Prior Year Encumbrances	69,582	69,582	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 69,583</u>	<u>\$ 69,583</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, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	1,205,657	-	(1,205,657)
Other	-	73,000	73,000
<i>Total Revenues</i>	<u>1,205,657</u>	<u>73,000</u>	<u>(1,132,657)</u>
Expenditures			
Capital Outlay:			
Engineering Administration	2,043,417	889,495	1,153,922
Excess of Revenues (Under) Expenditures	(837,760)	(816,495)	21,265
<i>Fund Balance Beginning of Year</i>	747,917	747,917	-
Unexpended Prior Year Encumbrance	118,260	118,260	-
<i>Fund Balance End of Year</i>	<u>\$ 28,417</u>	<u>\$ 49,682</u>	<u>\$ 21,265</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 1,200	\$ 10,592	\$ 9,392
Expenditures			
Capital Outlay:			
Service Director:			
Civic Center Administration	900,891	135,984	764,907
Excess of Revenues (Under) Expenditures	(899,691)	(125,392)	774,299
<i>Fund Balance Beginning of Year</i>	970,887	970,887	-
Unexpended Prior Year Encumbrance	891	891	-
<i>Fund Balance End of Year</i>	<u>\$ 72,087</u>	<u>\$ 846,386</u>	<u>\$ 774,299</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Georgeview Estates Project Fund
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Service Director:			
Engineering Administration	83	83	-
Excess of Revenues (Under) Expenditures	(83)	(83)	-
<i>Fund Balance Beginning of Year</i>	83	83	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
38th Street Improvement Fund
For the Year Ended December 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Engineering Administration	<u>75,750</u>	<u>75,750</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	(75,750)	(75,750)	-
Other Financing Sources			
Transfer In	<u>75,750</u>	<u>-</u>	<u>(75,750)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	-	(75,750)	(75,750)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ (75,750)</u></u>	<u><u>\$ (75,750)</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, 2003*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Safety Director:			
Traffic Engineering Administration	8,858	8,858	-
Excess of Revenues (Under) Expenditures	(8,858)	(8,858)	-
<i>Fund Balance Beginning of Year</i>	8,858	8,858	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 24,172	\$ 24,172	\$ -
Expenses			
Personnel Costs	38,512	37,390	1,122
Contractual Services	89,256	78,637	10,619
Claims	935,000	611,395	323,605
<i>Total Expenses</i>	<u>1,062,768</u>	<u>727,422</u>	<u>335,346</u>
Excess of Revenues (Under) Expenses	(1,038,596)	(703,250)	335,346
Other Financing (Uses)			
Transfers Out	<u>(845,800)</u>	<u>-</u>	<u>845,800</u>
Excess of Revenues (Under) Expenses and Other Financing (Uses)	(1,884,396)	(703,250)	1,181,146
<i>Fund Equity Beginning of Year</i>	5,856,879	5,856,879	-
Unexpended Prior Year Encumbrances	<u>3,920</u>	<u>3,920</u>	<u>-</u>
<i>Fund Equity End of Year</i>	<u>\$ 3,976,403</u>	<u>\$ 5,157,549</u>	<u>\$ 1,181,146</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, 2003

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 8,175,000	\$ 8,107,005	\$ (67,995)
Interest	25,000	1,758	(23,242)
Other	-	45,650	45,650
<i>Total Revenues</i>	<u>8,200,000</u>	<u>8,154,413</u>	<u>(45,587)</u>
Expenses			
Personnel Costs	82,157	62,310	19,847
Materials and Supplies	400	294	106
Contractual Services	416,655	351,723	64,932
Capital Outlay	4,700	-	4,700
Claims	7,975,099	6,332,497	1,642,602
<i>Total Expenses</i>	<u>8,479,011</u>	<u>6,746,824</u>	<u>1,732,187</u>
Excess of Revenues Over (Under) Expenses	(279,011)	1,407,589	1,686,600
<i>Fund Equity Beginning of Year</i>	937,210	937,210	-
Unexpended Prior Year Encumbrances	5,853	5,853	-
<i>Fund Equity End of Year</i>	<u>\$ 664,052</u>	<u>\$ 2,350,652</u>	<u>\$ 1,686,600</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

	2003	2002	(2)	2001	2000	1999	1998	1997	1996	1995	1994
General Government	\$ 15,087,910	\$ 16,786,625		\$ 18,123,377	\$ 15,094,284	\$ 15,400,997	\$ 15,046,758	\$ 12,810,369	\$ 12,105,889	\$ 10,989,650	\$ 10,820,055
Security of Persons and Property	31,208,197	32,844,347		32,859,014	31,022,880	30,466,841	28,345,165	28,242,747	26,161,421	25,316,571	24,964,102
Public Health	4,705,880	4,406,174		4,110,072	3,865,933	3,771,963	2,853,878	3,590,596	3,337,908	3,062,493	2,941,486
Transportation	3,073,759	3,672,284		3,851,048	3,903,035	3,846,145	4,156,173	7,115,278	7,802,927	8,053,692	7,500,394
Community Environment	4,988,427	6,597,736		7,652,400	5,723,281	5,852,892	4,847,217	4,781,204	3,437,072	4,207,187	4,255,032
Leisure Time Activities	1,909,681	2,306,005		2,355,592	2,155,148	2,527,589	2,496,990	2,370,522	2,192,988	2,144,686	1,996,410
Capital Outlay	7,708,011	13,646,316		8,252,011	8,608,103	19,415,297	6,377,863	5,581,370	6,830,120	5,147,006	5,956,591
Debt Service	3,931,655	4,052,930		4,359,832	8,156,624	7,576,904	2,726,289	2,553,271	2,336,541	2,556,775	1,963,791
Total	\$ 72,613,520	\$ 84,312,417		\$ 81,563,346	\$ 78,529,288	\$ 88,858,628	\$ 66,850,333	\$ 67,045,357	\$ 64,204,866	\$ 61,478,060	\$ 60,397,861

Source: City financial records

(1) Includes All Governmental Funds

(2) Presented on Modified Accrual - Consistant With 2002 and Prior

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

	2003 (4)	2002 (4)	2001 (4)	2000	1999	1998	1997	1996	1995	1994
Taxes (2)	\$ 41,471,747	\$ 39,793,658	\$ 44,253,914	\$ 39,038,014	\$ 38,978,833	\$ 37,322,730	\$ 36,964,729	\$ 35,706,346	\$ 35,233,631	\$ 32,889,868
Charges for Services (3)	8,543,008	8,056,371	7,136,779	7,424,259	7,209,402	9,639,932	7,115,907	3,544,150	3,284,890	2,723,974
Licenses, Permits and Fees	1,304,683	1,075,767	1,094,256	1,119,591	869,806	1,032,032	1,621,127	1,555,503	1,389,185	1,596,701
Fines and Forfeitures (3)	865,628	640,344	563,440	583,792	674,756	689,129	653,787	-	-	-
Intergovernmental	16,601,175	20,276,115	21,404,677	21,083,678	21,224,994	18,889,000	19,683,391	15,673,361	17,363,372	16,495,595
Interest	475,363	912,257	2,453,323	2,209,972	3,210,336	2,653,904	1,925,902	1,774,212	1,915,287	1,090,840
Contributions and Donations (3)	-	-	34,300	168,162	57,133	6,450	15,412	-	-	-
Rental (3)	197,605	172,880	310,190	157,555	147,685	253,281	144,067	-	-	-
Others (3)	1,468,410	1,891,633	2,046,065	768,959	246,703	141,770	116,069	5,783,889	5,290,839	4,846,644
Totals	\$ 70,927,619	\$ 72,819,025	\$ 79,296,944	\$ 72,553,982	\$ 72,619,648	\$ 70,628,228	\$ 68,240,391	\$ 64,037,461	\$ 64,477,204	\$ 59,643,622

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
						Percent of Total Collections To Tax Levy	Percent of Total Collections To Tax Levy		
2003	\$1,858,533	\$1,768,255	95.14 %	\$126,845	\$1,895,100	101.96 %	\$232,934	12.53 %	
2002	1,863,997	1,767,653	94.83	132,723	1,900,376	101.95	199,574	10.71	
2001	1,916,541	1,778,346	92.79	180,704	1,959,050	102.22	252,444	13.17	
2000	1,654,177	1,536,174	92.87	80,081	1,616,255	97.71	218,892	13.23	
1999	1,663,658	1,584,484	95.24	71,513	1,655,997	99.54	256,114	15.39	
1998	1,649,857	1,577,732	95.63	59,108	1,636,840	99.21	229,362	13.90	
1997	1,407,827	1,359,684	96.58	42,748	1,402,432	99.62	253,427	18.00	
1996	1,337,859	1,302,239	97.34	44,702	1,346,941	100.68	187,824	14.04	
1995	1,353,646	1,308,952	96.70	36,370	1,345,322	99.39	187,735	13.87	
1994	1,355,699	1,323,082	97.59	34,396	1,357,478	100.13	168,910	12.46	

Source: Stark County, Ohio; County Auditor

(1) Includes homestead/rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

(2) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year (1)	Real Property		Public Utility Property		Tangible Personal Property		Total	Ratio	
	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)			
2003	\$706,429,510	\$2,018,370,029	\$45,127,590	\$51,281,352	\$175,473,189	\$701,892,756	\$927,030,289	\$2,771,544,137	33.45 %
2002 (2)	707,432,310	2,021,235,171	44,134,790	50,153,170	221,577,347	886,309,388	973,144,447	2,957,697,729	32.90
2001	714,619,710	2,041,770,600	53,812,050	61,150,057	230,809,736	923,238,944	999,241,496	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

Source: Stark County, Ohio ; County Auditor

(1) The year represents collection year.

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

Real property is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

Tangible personal is assessed at 25 percent of actual value.

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

Year	City of Canton		City of Canton District 3	City of Canton District 4	Stark County	Canton		Plain Local		Canton		Stark County		Stark County		County Parks
	District 2	District 3				City School District	Local School District	City School District	Local School District	Joint Recreational district	Library District	RTA				
2003	3.40	2.00	2.60	2.60	9.60	58.20	57.70	46.20	1.00	1.00	1.00	1.00	0.00	0.50		
2002	3.40	2.00	2.60	2.60	9.60	58.20	52.60	46.20	1.00	1.00	1.00	0.00	0.00	0.50		
2001	3.40	2.00	2.60	2.60	9.60	59.20	52.60	46.80	1.00	1.00	1.00	0.70	0.00	0.50		
2000	3.40	2.00	2.60	2.60	9.60	59.20	52.60	47.40	1.00	1.00	1.00	0.75	0.00	0.50		
1999	3.40	2.00	2.60	2.60	9.60	59.20	52.60	47.40	1.00	1.00	1.00	0.75	0.00	0.50		
1998	3.40	2.00	2.60	2.60	9.60	54.70	52.60	49.10	1.00	1.00	1.00	0.75	0.00	0.50		
1997	3.40	2.00	2.60	2.60	9.60	54.70	52.60	49.10	1.00	1.00	1.00	0.00	3.90	0.20		
1996	3.40	2.00	2.60	2.60	10.10	54.70	45.70	39.30	0.75	0.75	0.00	0.00	3.90	0.20		
1995	3.40	2.00	2.60	2.60	8.20	52.20	45.70	39.30	0.75	0.75	0.00	0.00	3.90	0.20		
1994	3.40	2.00	2.60	2.60	9.20	45.30	45.70	39.20	0.75	0.75	0.00	0.00	3.90	0.20		

Source: Stark County, Ohio; County Auditor

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

<u>Year</u>	<u>Amount</u>
2003	\$458,122
2002	538,574
2001	563,581
2000	539,274
1999	528,807
1998	524,638
1997	487,448
1996	468,647
1995	477,461
1994	425,359

Source: Stark County, Ohio; County Auditor

City of Canton, Ohio
Special Assessment Collections

During 1998, 1999, 2000, 2001, 2002, and 2003, the City did not have any outstanding special assessment debt; therefore, the City did not have special assessment collections related to debt. 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 (2,3)	Assessed Value	Ratio of Net Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
2003	80,806	\$20,420,000	\$927,030,289	2.20%	\$252.70
2002	80,806	22,561,477	973,144,447	2.32	279.21
2001	80,806	24,681,477	999,241,496	2.40	305.44
2000	80,806	20,763,460	865,265,725	2.40	256.95
1999	89,159	22,140,286	863,986,216	2.56	248.32
1998	83,159	16,104,329	848,227,745	1.90	193.66
1997	82,935	10,321,977	746,392,008	1.38	124.46
1996	81,079	10,942,195	715,831,568	1.53	134.96
1995	81,557	12,086,454	710,381,241	1.70	148.20
1994	82,319	13,202,025	700,185,130	1.89	160.38

Source: Stark County, Ohio: County Auditor

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

City of Canton estimates for 1997, 1998, 1999

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

(3) Includes Pension Liability Bonds not factored into voted and unvoted legal debt margin

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

Fund	Year	Operating Revenue **	Operating Expenses ***	Net Revenue Available for Debt Service	Debt Service Requirement ****			Coverage
					Principal	Interest	Total	
Water	2003	\$11,473,063	\$8,125,557	\$3,347,506	\$1,369,557	\$1,000,293	\$2,369,850	1.41
	2002	11,663,776	10,090,009	1,573,767	995,000	856,814	1,851,814	0.85
	2001	11,994,325	9,469,478	2,524,847	947,500	896,354	1,843,854	1.37
	2000	11,108,218	6,294,935	4,813,283	905,000	848,914	1,753,914	2.74
	1999	8,504,751	7,110,331	1,394,420	865,000	767,689	1,632,689	0.85
Sewer	2003	11,081,552	9,241,508	1,840,044	2,348,083	736,574	3,084,657	0.60
	2002	11,245,738	9,446,599	1,799,139	865,000	748,284	1,613,284	1.12
	2001	10,086,502	8,452,600	1,633,902	712,500	541,461	1,253,961	1.30
	2000	9,267,633	5,324,968	3,942,665	695,000	364,995	1,059,995	3.72
	1999	7,927,167	4,329,244	3,597,923	675,000	278,788	953,788	3.77

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, 2003

Total Assessed Property Value	\$927,030,289
	<hr style="border-top: 3px double #000;"/>
Overall Debt Limitation (10 1/2 % of Assessed Valuation)	\$97,338,180
	<hr style="border-top: 3px double #000;"/>
Gross Indebtedness	62,780,010
Less: Enterprise Funds' Bonds	(16,555,000)
Pension Refunding Bonds	(5,560,000)
OWDA Loans	(20,617,148)
OPWC Loan	(556,813)
HUD Loan	(1,985,000)
SIB Loan	(1,128,466)
Millennium Parking Deck	(1,517,583)
Debt. Service Fund Balance	(18,523)
Net Debt Within 10 1/2 % Limitations	14,841,477
	<hr style="border-top: 3px double #000;"/>
Legal Debt Margin Within 10 1/2 % Limitations	\$82,496,703
	<hr style="border-top: 3px double #000;"/>
Unvoted Debt Limitation (5 1/2 % of Assessed Valuation)	\$50,986,666
	<hr style="border-top: 3px double #000;"/>
Gross Indebtedness	62,780,010
Less: Enterprise Funds' Bonds	(16,555,000)
Pension Refunding Bonds	(5,560,000)
OWDA Loans	(20,617,148)
OPWC Loan	(556,813)
HUD Loan	(1,985,000)
SIB Loan	(1,128,466)
Millennium Parking Deck	(1,517,583)
Debt. Service Fund Balance	(18,523)
Net Debt Within 5 1/2 % Limitations	14,841,477
	<hr style="border-top: 3px double #000;"/>
Legal Debt Margin Within 5 1/2 % Limitations	\$36,145,189
	<hr style="border-top: 3px double #000;"/>

Source: Stark County, Ohio: County Auditor

City of Canton, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2003

	General Obligation Debt Outstanding (1)	Percentage Applicable to City (2)	Amount Applicable to City of Canton
	<u> </u>	<u> </u>	<u> </u>
City of Canton	20,420,000	100.00%	\$20,420,000
Stark County	-	14.55	<u>-</u>
Canton City Schools	46,680,000	93.06	<u>43,440,408</u>
			<u><u>\$63,860,408</u></u>

Source: Stark County, Ohio ; County Auditor

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

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

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

Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service To Total General Governmental Expenditures
2003	(1) \$ 2,678,898	\$ 1,252,757	\$ 3,931,655	\$72,540,827	5.42%
2002	2,636,815	1,416,115	4,052,930	84,312,417	4.81
2001	3,051,820	1,308,012	4,359,832	81,563,346	5.35
2000	1,610,000	1,056,541	2,666,541	78,529,288	3.40
1999	1,290,000	787,022	2,077,022	88,858,628	2.34
1998	1,005,000	489,771	1,494,771	66,850,333	2.24
1997	1,599,000	954,271	2,553,271	67,045,357	3.81
1996	1,479,000	857,541	2,336,541	64,204,866	3.64
1995	1,448,000	1,108,775	2,556,775	61,478,060	4.16
1994	1,163,000	800,791	1,963,791	60,397,861	3.25

Source: City financial records

(1) Includes Bonds, Loans, Notes

City of Canton, Ohio
Demographic Statistics
Last Five Censuses

Year	Population	Occupied Households	Total Dwelling Units	Persons Per Household	Median Income
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	
2003	\$927,030,289	1,058	\$ 20,464,423	411	\$ 83,946,740	\$2,197,639
2002	973,144,447	1,420	43,443,476	30	45,512,136	2,153,245
2001	999,241,496	3,629	38,603,830	764	22,180,911	1,029,891
2000	865,265,725	1,390	17,959,967	428	50,398,559	1,021,596
1999	863,986,216	1,573	15,849,691	178	37,112,999	3,883,475
1998	848,227,745	1,661	13,980,742	193	38,410,161	3,883,475
1997	746,392,008	1,689	16,367,775	190	79,748,023	3,823,605
1996	715,831,568	1,546	9,250,235	205	31,848,676	3,851,016
1995	710,381,241	1,332	11,265,440	201	69,661,212	3,819,510
1994	700,185,130	1,402	8,125,595	181	29,470,127	3,714,924

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, 2003

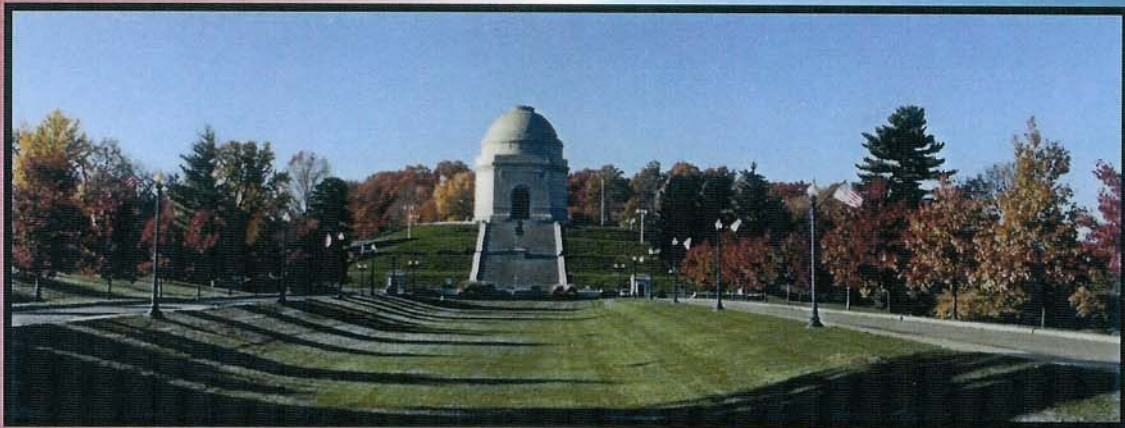
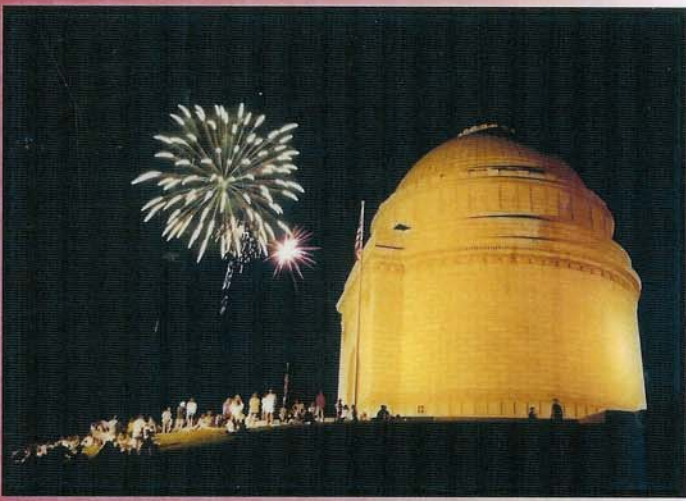
Taxpayer	Type of Business	Real Estate	Public Utility Personal		Tangible Personal	Total Assessed Valuation	Percent of Assessed Value
Timken Company	Manufacturing	\$ 6,017,340	\$ -	\$ 39,873,840	\$ 45,891,180	4.95%	
Ohio Power Company	Public Utility	1,914,370	26,196,080	-	28,110,450	3.03	
Ohio Bell Telephone	Public Utility	1,171,010	14,211,320	-	15,382,330	1.66	
Republic Engineered Products	Manufacturing	3,820,520	-	10,452,720	14,273,240	1.54	
Republic Storage	Business	1,368,820	-	3,998,494	5,367,314	0.58	
Ironrock Capital Inc.	Business	2,302,000	-	3,049,460	5,351,460	0.58	
Sonoco Phoenix Inc.	Business	-	-	4,864,830	4,864,830	0.52	
NASC 1994-MDI Canton Ctr LLC.	Business	3,682,010	-	-	3,682,010	0.40	
West Tuscarawas Property Management LLC	Business	3,298,400	-	-	3,298,400	0.36	
McKinley Building LLC.	Business	3,210,110	-	-	3,210,110	0.35	
Totals		\$ 26,784,580	\$ 40,407,400	\$ 62,239,344	\$ 129,431,324	13.96%	
Total All Assessed Valuations					\$927,030,289		

Source: Stark County Auditor

City of Canton, Ohio
Miscellaneous Statistics
December 31, 2003

Date of Incorporation	1854
Form of Government	Mayor/Council
Area	23.29 Square Miles
Miles of Streets	408.96
Number of Intersections with Traffic Lights	230
Fire Protection:	
Number of Stations	9
Number of Fire Personnel and Officers	165
Number of Calls Answered	14,376
Number of Inspections Conducted	2,758
Police Protection:	
Number of Stations	3
Number of Police Personnel and Officers	173
Number of Patrol Units	140
Number of Law Violations:	
Physical Arrests	4,606
Traffic Violations	5,212
Parking Violations	18,523
Culture and Recreation:	
Community Centers	6
Number of Parks	59
Park Acreage	700
Swimming Pools	1
Tennis Courts	8
Water System:	
Miles of Water Mains	642.32
Number of Service Connections	42,878
Number of Fire Hydrants	3,063
Daily Average Consumption in Gallons	22.577 Million
Maximum Daily Capacity of Plant in Gallons	40.8 Million
Sewerage System:	
Miles of Sanitary Sewers	356.27
Miles of Storm Sewers	209.4
Number of Treatment Plants	1
Number of Service Connections	33,046
Daily Average Consumption in Gallons	31.46 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	17
Number of Elementary School Instructors	636
Number of Secondary Schools	6
Number of Secondary School Instructors	225
Hospitals	
Number of Hospitals	2
Number of Patient Beds	1,205

Source: City Records



City of Canton 2003 Financial Report



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF CANTON

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 19, 2004**