

**Auditor of State
Betty Montgomery**

CITY OF CANTON
STARK COUNTY

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**Auditor of State
Betty Montgomery**

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

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

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, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 22, 2005 in which we noted the financial statements of the City's component unit was 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated August 26, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

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

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City of Canton
Stark County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

July 22, 2005



Auditor of State Betty Montgomery

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

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

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 apply to each of its major federal programs for the year ended December 31, 2004. The summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 apply to each major federal program for the year ended December 31, 2004. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2004-001 through 2004-003. In a separate letter to the City's management dated August 26, 2005, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The City's management 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 directly and materially affect a major federal program 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.

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We noted a certain matter involving the internal control over compliance and its operation that we consider 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 2004-003.

A material weakness is a reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when 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 material weaknesses. We consider item 2004-003 to be a material weakness.

We also noted other matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated August 26, 2005.

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the remaining aggregate fund information of the City as of and for the year ended December 31, 2004, and have issued our report thereon dated July 22, 2005 in which we noted the financial statements of the City's component unit was audited by other auditors. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Federal Awards Receipts and Expenditures Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

August 26, 2005, except for the Federal Awards Receipts and Expenditures Schedule which is dated July 22, 2005.

CITY OF CANTON
STARK COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004

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	B-02-MC-390002	02	14.218	\$202,608	\$202,608
	B-03-MC-390002	03		3,561,000	3,560,130
	B-04-MC-390002	04		208,723	200,817
				<u>3,972,331</u>	<u>3,963,555</u>
Emergency Shelter Grants Program	S-00-MC-390002	00	14.146	47,450	10,532
	S-01-MC-390002	01		129,000	30,918
	S-02-MC-390002	02		129,000	14,652
	S-03-MC-390002	03		92,313	36,991
				<u>397,763</u>	<u>93,093</u>
HOME Investment Partnerships Program	M-98-MC-390203	98	14.239	2,598	2,598
	M-99-MC-390203	99		13,768	13,768
	M-00-MC-390203	00		197,982	197,982
	M-01-MC-390203	01		189,794	189,794
	M-02-MC-390203	02		172,357	172,267
	M-03-MC-390203	03		19,868	19,868
				<u>596,367</u>	<u>596,277</u>
Total U.S. Department of Housing and Urban Development				4,966,461	4,652,925
<u>U.S. DEPARTMENT OF JUSTICE</u>					
<i>(Direct)</i>					
Local Law Enforcement Block Grant Program		02	16.592		138,971
		03			53,582
		04		64,342	
Total U.S. Department of Justice				64,342	192,553
<u>U.S. DEPARTMENT HOMELAND SECURITY</u>					
<i>(Direct)</i>					
Assistance to Firefighters Grant		03	97.044	121,071	103,940
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>					
<i>(Passed through the State of Ohio Environmental Protection Agency)</i>					
Air Pollution Control Program Support	AP-19-91-76-020004/5		66.001	243,820	243,820
Safe Drinking Water			66.476		14,027
Total U.S. Environmental Protection Agency				243,820	257,847
<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-BX04/05		93.977	79,291	46,862
Childhood Lead Poisoning Prevention Projects	76-2-001-1-BD04		93.197	26,750	31,246
HIV Prevention	76-2-001-2-AS-04/05		93.940	118,652	118,652
Center for Disease Control and Prevention Investigations and Technical Assistance	76-2-001-2-BI04/05		93.283	359,786	323,114
Immunization Grants	76-1-001-2-AZ03/04		93.268	172,342	168,176
Maternal and Child Health Services Block Grant	76-2-001-1-AJ03/04		93.994	38,218	40,594
Total U.S. Department of Health and Human Services				795,039	728,644
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>(Passed through State of Ohio Department of Health)</i>					
Special Supplemental Nutrition Program for Women and Children	76-2-001-1-CL04/05		10.557	851,174	872,271
<i>(Passed through State of Ohio Department of Education)</i>					
Summer Food Service Program for Children	114306	04	10.559	30,254	30,254
Total U.S. Department of Agriculture				881,428	902,525
<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	04	20.600	28,542	28,542
Total U.S. Department of Transportation				28,542	28,542
Total				\$7,100,703	\$6,866,976

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

**CITY OF CANTON
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (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 Federal Department of Housing and Urban Development (HUD) 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 - CHILD NUTRITION CLUSTER

Program regulations do not require the City to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes and local businesses. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property or the asset acquired. At December 31, 2004, the gross amount of loans outstanding under this program was \$312,099.

NOTE E - 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, 2004**

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, Center for Disease Control and Prevention Investigations and Technical Assistance Program, CFDA #93.283
(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	2004-001
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 Community Development Block Grant (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, an expenditure of \$41,415 (out of \$961,486 expenditures tested) to the Canton Symphony Orchestra for the 2004 Concert in the Park is a federal questioned cost.

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	2004-002
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 CFR 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 2004, all 9 project files tested (\$228,253 total assistance) were noted where re-certification was required because more than six months had elapsed, but was not performed. However, for these 9 instances, 2004 City income tax returns on file with the City Income Tax Department indicate the families' actual income for 2004 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	2004-003
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

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 or grant agreements and that performance goals are achieved.

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 (CHDs) is a component of the City's responsibilities.

Noncompliance/Material Weakness (Continued)

Finding Number	2004-003 (Continued)
-----------------------	-----------------------------

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**

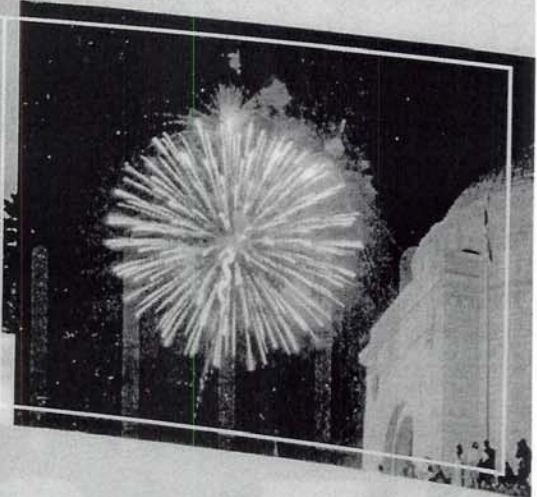
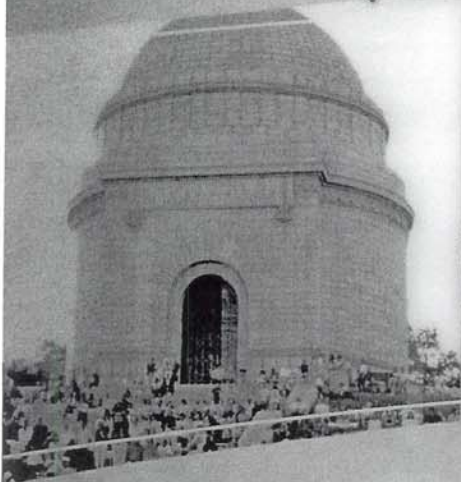
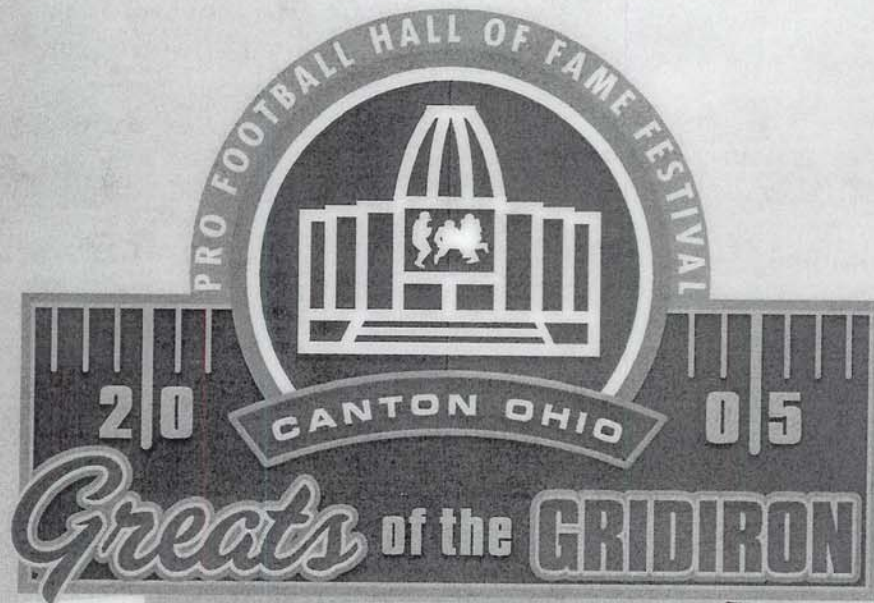
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2003-001	Federal Questioned Cost 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.	Corrected	The improved property in question was transferred back to Victory Economic and Development Corporation on June 17, 2004 resolving the questioned cost issue.
Finding number 2003-002 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	Partially Corrected – One questioned cost program expenditure was noted during the current audit. Refer to Finding Number 2004-001.
2003-003	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.	No	Not corrected – Repeat comment for program files reviewed for 2004. Refer to Finding Number 2004-002.
2003-004	The City is responsible for subrecipient monitoring and 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.	No	Not corrected – Repeat comment for program files reviewed for 2004. Refer to Finding Number 2004-003.

• CITY OF CANTON, OHIO •

Comprehensive Annual Financial Report

Richard A. Mallonn II
Auditor, City of Canton



For The Year Ended December 31, 2004

City of Canton, Ohio

Comprehensive Annual

Financial Report

For the Year Ended December 31, 2004

Richard A Mallonn II

City Auditor

Prepared by the City Auditor's Office

Introductory Section

City of Canton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2004
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RICHARD A. MALLONN II
CANTON CITY AUDITOR

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

July 22, 2005

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, 2004 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 2004. 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, Chief of Staff, 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 Water, Sewer and Refuse Departments. The revenue generated from these business type activities was sufficient to meet all expenses.

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 2004.

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

Eight 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 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, Republic Engineered Products, Republic Storage, 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 an increase in overall revenue for the first time in three years. In addition the City saw a significant increase of income tax revenue in the second half of 2004 giving rise to optimistic income tax growth estimates for 2005. The gradual economic improvement that has affected the entire nation's economy is impacting Canton's overall economic outlook. The economic future appears to be improving as a result of significant governmental and private construction initiatives. The City must commit substantial resources to attract permanent industrial, retail, and service businesses in order to sustain the temporary revenue increase generated by the various construction projects within the City.

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 almost all remaining schools 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 believes these major public works have dramatically improved the condition of the School District's facilities that have already been completed. The School District improvement program has two to three years to reach completion.

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 (476 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 60 parks and covers approximately 700 acres. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium. 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.

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. In 2004 AirTran Airways secured the right to operate three daily round trip flights from Canton to New York and began offering a nonstop flight from Canton to Boston.

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 2004, the City annexed approximately 450 acres and continues to explore further annexation options.

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

In 2004 the City chose to consolidate all of its previous community reinvestment areas into one area known as the Central Neighborhoods Community Reinvestment Area. The new area covers the City's central downtown business district, significant portions of the City's northeast and southeast quadrants, and portions of the southwest and northwest quadrants closest to the City's downtown. Residential properties in the Central Neighborhoods Community Reinvestment Area can receive a 100 percent abatement per year for ten years on the increased value of all qualifying improvements, restoration or new construction. Commercial properties in the area can receive a 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 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 2004, the City completed a \$13,750 engineering project at Wareham Pl. NE and finalized the \$344,147 Mahoning Trail Project. The engineer's office also completed two storm sewer replacement projects in 2004. The first project was 25th St. NW from Market to Cleveland and cost \$232,652 to complete. The second storm sewer replacement was at Woodland Ave. NW and cost \$49,012. Engineering projects in various stages of planning, development, and construction include: Guilford Ave. NW Bridge Replacement, 4th St. NE improvement, Fulton Road/Monument Park Intersection, Steese Area Drainage Project, 38th St. NW improvement and the 4th St. NW/Shorb Ave. NW Improvement in conjunction with the Canton City Schools Timken Campus expansion program.

During 2004, the City's Sewer Department completed the Water Pollution Control Center Digester project at a cost of \$287,147, the Odor Corrosion Project at a cost of \$1,830,064, and the Reis-Snyder Wetland Sewer Improvement at a cost of \$121,335. The Sewer Department is still working on the Faircrest Annexation Sewer Line and the Market Ave. North Sewer Line. The City's Water Department completed work on the \$245,731 Lawrence Township waterline extension. The project was funded with a \$250,606 loan from the Ohio Water Development Authority.

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 2003 was \$62,780,010. At the end of 2004, the gross indebtedness of the City was \$56,622,586. In 2004, the City did not issue notes or bonds. The City received OWDA Loan proceeds of \$249,651 to fund the Lawrence Chester water line extension. The City also received OPWC Loan proceeds of \$183,546 and \$54,389 to fund the 35th Street Storm Sewer Project and the Market Avenue Sanitary Sewer Project respectively.

As of December 31, 2004, the City had \$719,929 and \$19,192,678 in outstanding OPWC and OWDA loans, respectively. The City also had \$14,480,000 outstanding in the enterprise funds and \$18,120,000

for bonds payable in the governmental funds. The City had a legal claim and judgment outstanding of \$232,300. The City had \$4,109,979 in long-term HUD, SIB and Urban Redevelopment Loans outstanding as of December 31, 2004.

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 \$94,100,582 and an unvoted debt margin of \$43,178,876 as of December 31, 2004.

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.

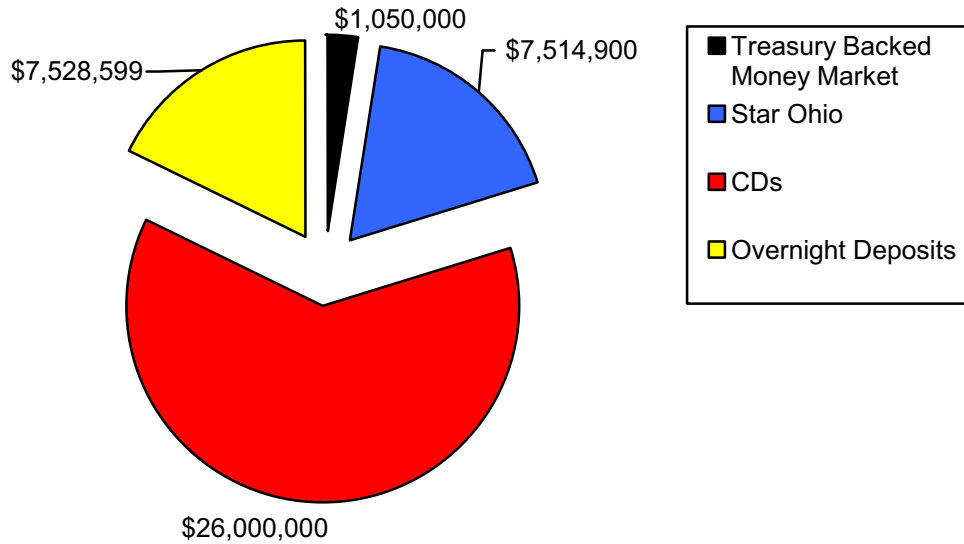
The City contracts with Leonard Insurance Company for commercial property coverage, which has a \$354,162,901 limit and a \$100,000 deductible. The City also contracts with Leonard Insurance Services Agency, Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible. 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 Benefit Services Inc., 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, 2004, the City had \$42.1 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, 2003. 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, 2004, 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 former 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: Christine Bagley, James Carman, John Slebodnik and Gary Young for their continued dedication and commitment to sound financial reporting in the preparation of this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Mallonn II". The signature is written in a cursive style with a large, sweeping initial "R".

Richard A Mallonn II
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, 2003

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.



Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

CITY OF CANTON

CITY OFFICIALS

Mayor

Janet Weir Creighton

Council Members

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

James E. Griffin
Richard D. Hart
Gregory Hawk
Terry Prater
Thomas West
Kelly Zachary

City Auditor

Richard A Mallonn II

City Treasurer

Robert C. Schirack

Law Director

Joseph Martuccio

Director of Income Tax

Cynthia Allensworth

Chief of Staff

William Allen

Director of Public Safety

Bernard Hunt

Director of Public Service

Joseph Concatto

Fire Chief

James Scott

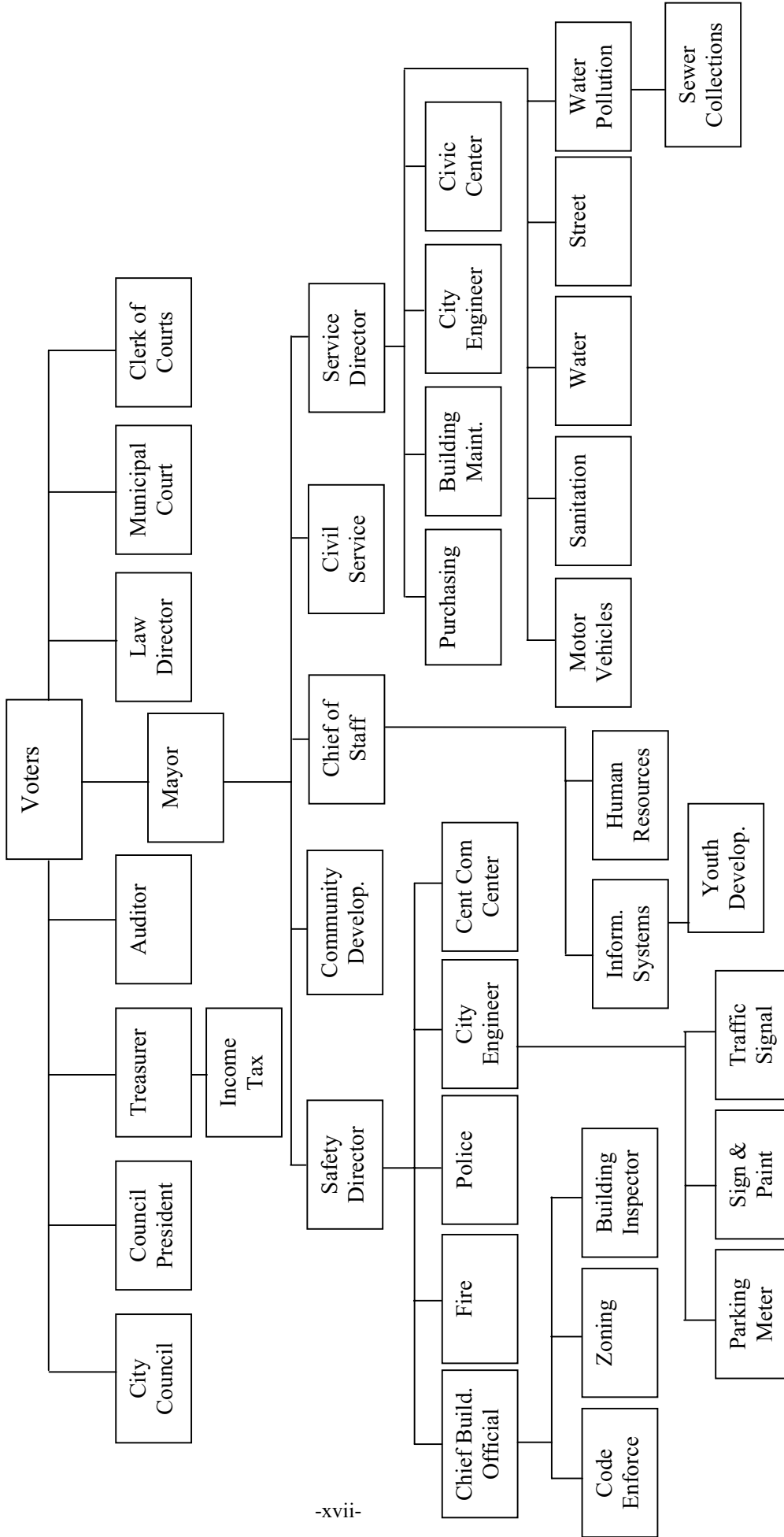
Police Chief

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, 2004, 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 reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General and Special Revenue Community and Economic Development Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Betty Montgomery
Auditor of State

July 22, 2005

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2004

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, 2004. 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 \$2.9 million as a result of this year's operations. Net assets of our business-type activities increased by \$2.1 million, or 2.8 percent, and net assets of governmental activities decreased by \$5.0 million, or 4.4 percent.
- The City did not issue General Obligation Bonds in 2004 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 2004.
- In 2004 the City established a Compensated Absences Claim Fund to begin reducing the City's unfunded outstanding compensated absence debt.

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.

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

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

THE CITY AS A WHOLE

The City's *combined* net assets changed from a year ago, *decreasing* from \$192.4 million to \$189.5 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	
	2004	2003	2004	2003	2004	2003
Assets						
Current and Other Assets	\$ 56.0	\$ 53.1	\$ 25.0	\$ 23.8	\$ 78.9	\$ 76.9
Capital Assets, Net	101.0	110.8	88.6	90.1	189.6	200.9
Total Assets	\$ 157.0	\$ 163.9	\$ 113.6	\$ 113.9	\$ 268.5	\$ 277.8
Liabilities						
Current and Other						
Liabilities	\$ 10.9	\$ 9.8	\$ 3.5	\$ 1.0	\$ 12.3	\$ 10.8
Due Within One Year	3.8	3.6	4.0	3.9	7.8	7.5
Long-Term Liabilities:						
Due Within More Than One Year	28.9	32.1	30.0	35.0	58.9	67.1
Total Liabilities	43.6	45.5	37.5	39.9	79.0	85.4
Net Assets						
Invested in Capital						
Assets Net of Debt	83.6	99.0	54.6	49.7	138.2	148.7
Restricted:						
Special Revenue	16.9	16.9	-	-	16.9	16.9
Debt Services	-	-	-	-	-	-
Capital Projects	6.3	6.3	-	-	6.3	6.3
Unrestricted	6.6	(3.8)	21.5	24.3	28.1	20.5
Total Net Assets	\$ 113.4	\$ 118.4	\$ 76.1	\$ 74.0	\$ 189.5	\$ 192.4

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Net assets in the City's governmental activities decreased by 4.4 percent (\$118.4 million compared to \$113.4 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—increased from (\$3.8 million) at December 31, 2003 to \$6.6 million at the end of 2004. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance remained constant from 2003. The investments in capital assets, net of debt category decreased by \$15.4 million.

Net assets in the City's business-type activities increased by 2.8 percent (\$74.0 million compared to \$76.1 million) in 2004. 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, 2004. The City's Governmental Activities revenue increased in 2004 from \$72.0 million to \$75.7 million and expenditures increased slightly by \$1.1 million or 1.3% resulting in a decrease in governmental net assets of \$5.0 million. The City's Business-Type Activities revenue increased by \$0.1 million and expenditures increased by \$1.5 million resulting in a net asset increase of \$2.1 million.

Table 2
Change in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues						
Program Revenues:						
Charges for Services	\$ 12.0	\$ 11.4	\$ 25.4	\$ 25.3	\$ 37.4	\$ 36.7
Operating Grants and Contributions	7.6	7.3	-	-	7.6	7.3
Capital Grants and Contributions	2.5	0.9	1.5	1.5	4.0	2.4
Total Program Revenues	<u>22.1</u>	<u>19.6</u>	<u>26.9</u>	<u>26.8</u>	<u>49.0</u>	<u>46.4</u>
General Revenues:						
City Income Taxes	39.0	38.2	-	-	39.0	38.2
Property Taxes	3.2	3.8	-	-	3.2	3.8
Intergovernmental	9.2	8.4	-	-	9.2	8.4
Interest and Investment Earnings	0.7	0.5	-	-	0.7	0.5
Other	1.5	1.5	0.1	0.1	1.6	1.6
Total General Revenues	<u>53.6</u>	<u>52.4</u>	<u>0.1</u>	<u>0.1</u>	<u>53.7</u>	<u>52.5</u>
Total Revenues	<u>\$ 75.7</u>	<u>\$ 72.0</u>	<u>\$ 27.0</u>	<u>\$ 26.9</u>	<u>\$ 102.7</u>	<u>\$ 98.9</u>

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

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Expenses						
Program Expenses:						
General Government	\$ 16.6	\$ 15.4	\$ -	\$ -	\$ 16.6	\$ 15.4
Security of Persons and Property	32.0	32.0	-	-	32.0	32.0
Public Health	4.7	4.8	-	-	4.7	4.8
Transportation	17.3	18.8	-	-	17.3	18.8
Community Development	6.5	5.0	-	-	6.5	5.0
Leisure Time Activities	2.5	2.3	-	-	2.5	2.3
Interest on Long-Term Debt	1.1	1.3	-	-	1.1	1.3
Water	-	-	9.8	9.1	9.8	9.1
Sewer	-	-	10.4	10.0	10.4	10.0
Refuse	-	-	4.7	4.3	4.7	4.3
Total Program Expenses	<u>80.7</u>	<u>79.6</u>	<u>24.9</u>	<u>23.4</u>	<u>105.6</u>	<u>103.0</u>
Increase (Decrease) in Net Assets	(5.0)	(7.6)	2.1	3.5	(2.9)	(4.1)
Net Assets 1/1/2004	<u>118.4</u>	<u>126.0</u>	<u>74.0</u>	<u>70.5</u>	<u>192.4</u>	<u>196.5</u>
Net Assets 12/31/2004	<u>\$ 113.4</u>	<u>\$ 118.4</u>	<u>\$ 76.1</u>	<u>\$ 74.0</u>	<u>\$ 189.5</u>	<u>\$ 192.4</u>

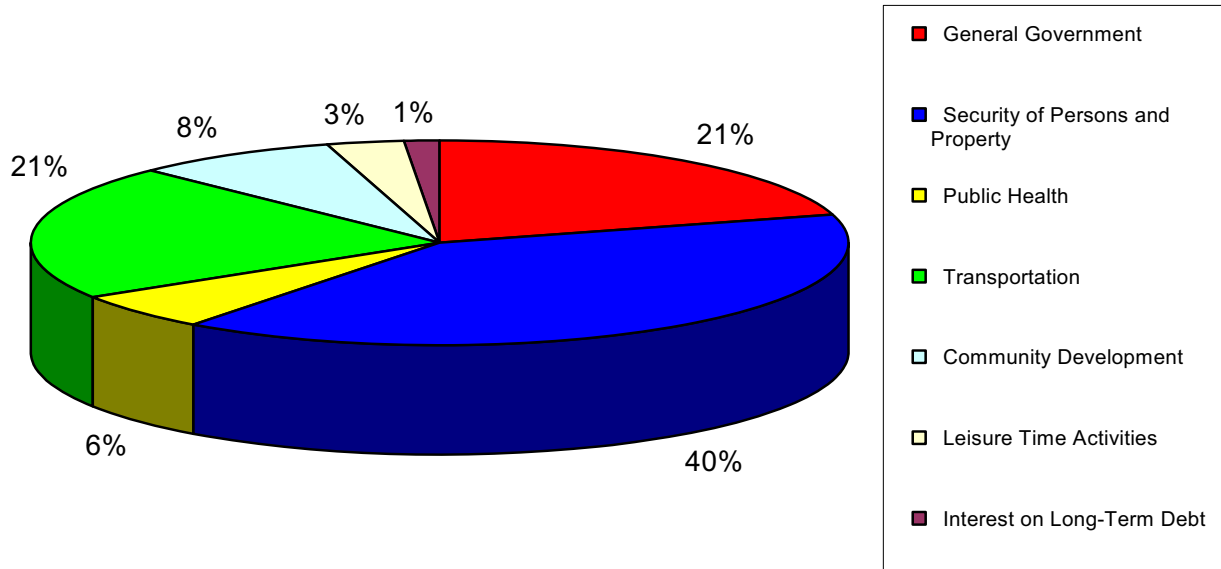
Governmental Activities

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.

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**Graph 3
 Program Expenses 2004**



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 15.9 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another 13.3 percent. The remaining revenues are primarily generated locally through property (4.2 percent) and income taxes (51.5 percent).

Business-Type Funds

The City's major Enterprise Funds consist of the Water Operating Fund, the Sewer Operating Fund and the Refuse Operating 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 \$75.7 million and expenditures of \$75.7 million. The General Fund balance

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decreased \$91,589. Within the General Fund, expenditures exceeded revenue by just \$13,213. The minimal deficit is a result of City Council's efforts to bring expenses in line with revenue. In recent years the city has taken steps to curb its deficit including negotiating concessions with its five unions, reducing the work force through attrition and retirement incentives, and the cutting of all other budgetary line items. The cost saving steps taken in recent years has allowed the General Fund to reach a near break-even point compared to the \$4.6 million deficit in 2002 and \$0.9 million deficit in 2003. In 2004, cost cutting measures were continued with the establishment of the Compensated Absences Claim Fund. The new fund is receiving biweekly premiums from all other funds presently paying a salary. The money set aside will be used to pay for the salaries of employees using sick leave and cover the cost of benefits paid to employees at the point of termination. The long-term goal of the new fund is to bring down the value of the City's unfunded compensated absences debt.

The Community Development Fund balance decreased by \$506,275 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 \$157,176. There were three transfers in the governmental funds last year. All three transfers were from the General Fund to a Nonmajor Special Revenue Fund. The first was for a grant match in the amount of \$40,000. The other two transfers for \$33,000 and \$5,377 were originally supposed to be grant advances, but it was later determined that the money will not be repaid so the advances were reclassified to transfers. The Motor Vehicle Fund balance increased by \$791,142 due to an increase in income tax receipts and money from the sale of fixed assets. The Water fund balance increased by \$2,752,977 and the Sewer fund balance increased by \$1,434,972. Both increases were due to additional customers and the full effect of previous fee increases. The Refuse Department fund balance increased by \$58,343 due largely to a decrease in expenses, especially in the salary line item.

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

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required criteria are processed by the City Auditor resulting in the required purchase order. The purchase order provides for the reserved encumbrance against the current budget.

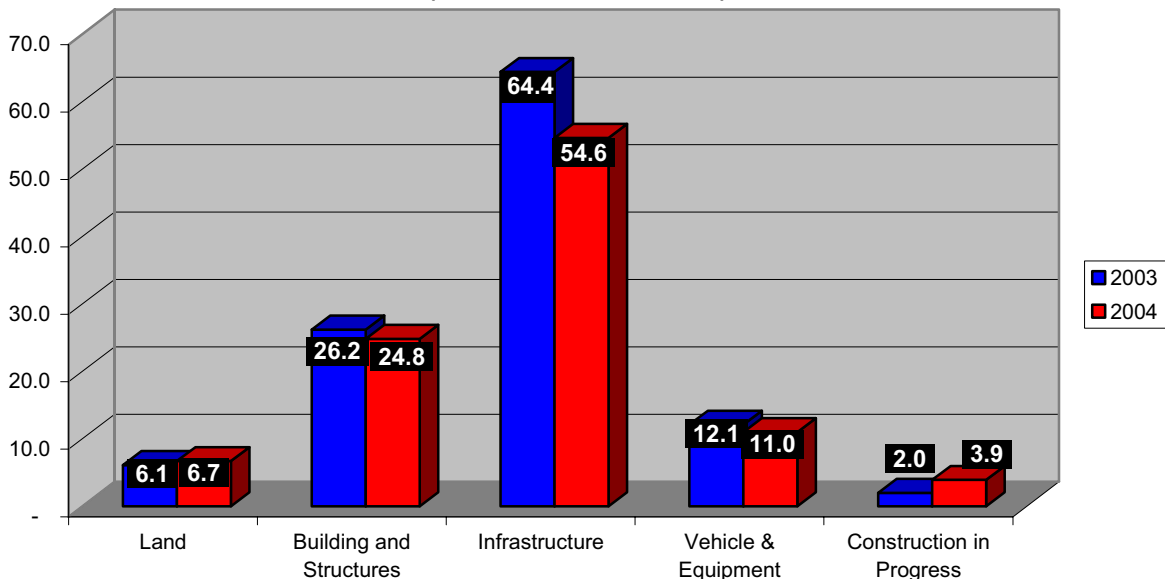
The City Auditor continually monitors the encumbrances and expenditures against the budgeted appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over balances less carry over encumbrances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

The City Auditor's General Fund variance from original estimated revenues increased by \$126,674 increasing the overall General Fund estimated revenues to \$49,137,774 as indicated on page 20. This change represents 0.2% of total revenue. The General Fund variance from original appropriations to final appropriations was \$26,792,387, this increased the overall General Fund appropriations to \$52,372,892. 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. Actual revenue exceeded the final certificate by \$748,306 due largely to increases in income tax and charges for service. Actual expenditures were below the final budget by \$1.5 million. This variance is due to City Council and the City Administration's constant monitoring of expenses throughout the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

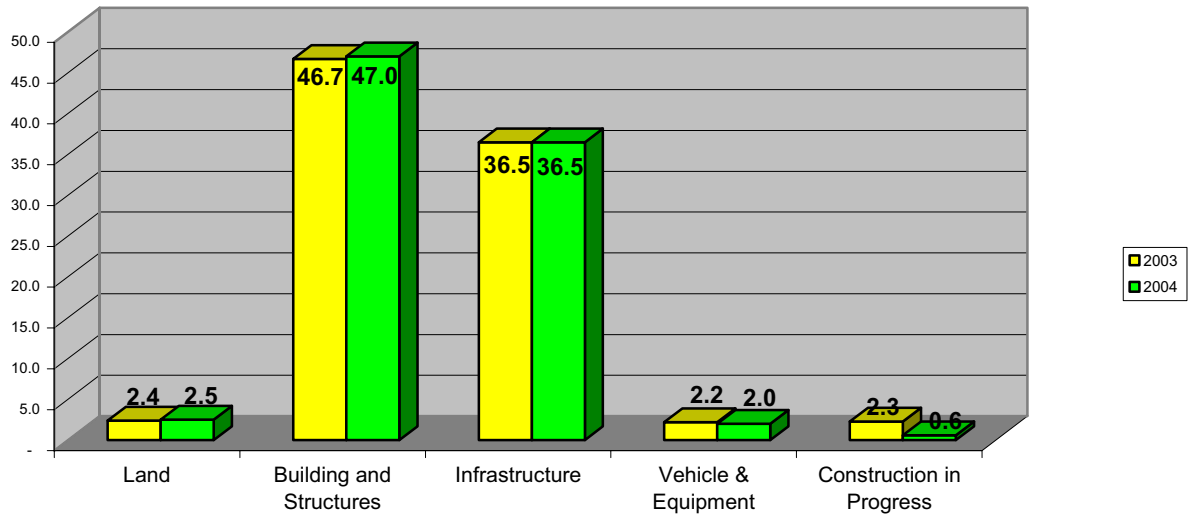
At the end of 2004, the City had \$189.6 million invested in a broad range of capital assets, including police, fire and radio equipment, land, buildings, park facilities, roads bridges, and water and sewer lines (see below). This amount represents a net decrease over last year.

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



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



This year's major additions in the Governmental Activities included land for the new federal campus project, a street sweeper, police cruisers, additional work done on several ongoing street projects, and additions to several of the City's parks. Additions to Business-Type Activities included the completion of the Lawrence Township waterline extension and the completion of the Odor Corrosion project at the City's Waste Water Treatment Plant.

The City's 2005 capital budget anticipates a spending level of \$9.6 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 7 to the basic financial statements.

Debt

At December 31, 2004, the City had \$18.1 million in General Obligation Bonds.

Table 6
General Obligation Bond Debt Outstanding at Year End

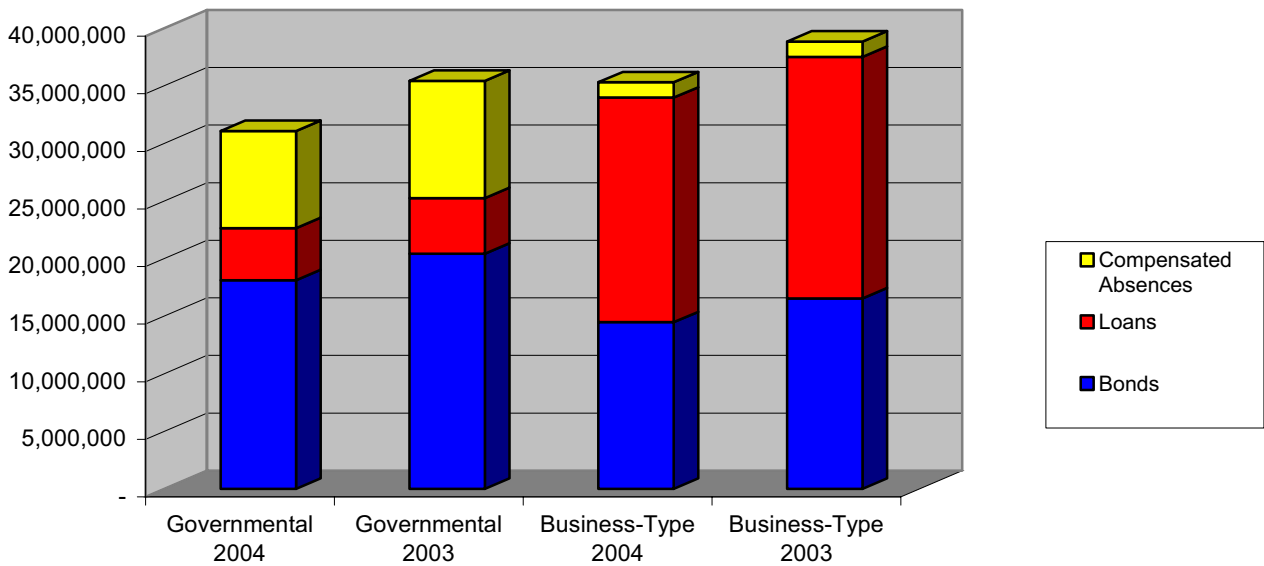
	Governmental Activities	
	2004	2003
Unvoted General Obligation Bonds:		
1993 Various Refunding Bonds	\$ 2,940,000	\$ 4,140,000
1998 Pension Refunding Bonds	5,285,000	5,560,000
1999 Various Purpose Refunding	5,775,000	6,075,000
2001 Radio Communication	4,120,000	4,645,000
Total Unvoted General Obligation Bonds:	<u>\$ 18,120,000</u>	<u>\$ 20,420,000</u>

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The City's overall legal debt margin was \$94,100,582 as of December 31, 2004. The City's unvoted legal debt margin was \$43,178,876 as of December 31, 2004.

At December 31, 2004, the City had outstanding long-term debt obligations in the amount of \$31.3 million down from \$35.7 million in 2003 for the governmental activities this represents a 12.3 percent decrease. The City's business-type activities debt obligation as of December 31, 2004 was \$35.3 million down from \$38.8 million in 2003 this represents a decrease of 9.0 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 9 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 Richard A Mallonn II-City Auditor, City of Canton, 218 Cleveland Ave., Canton, Ohio 44702. (Phone 330-489-3226 or Fax 330-580-2067).

City of Canton, Ohio

Statement of Net Assets

December 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 23,032,419	\$ 17,633,824	\$ 40,666,243	\$ 67,845
Cash and Cash Equivalents with Fiscal Agents	3,019	-	3,019	-
Accounts Receivable	2,129,105	6,152,303	8,281,408	-
Taxes Receivable	10,495,880	-	10,495,880	-
Loans Receivable	3,223,374	-	3,223,374	-
Due From Other Governments	14,743,327	113,800	14,857,127	-
Inventories	265,082	1,116,308	1,381,390	-
Internal Balances	2,112,283	-	-	-
<i>Total Current Assets</i>	<u>56,004,489</u>	<u>25,016,235</u>	<u>78,908,441</u>	<u>67,845</u>
<i>Noncurrent Assets</i>				
Capital Assets:				
Land and Construction in Progress	10,689,706	3,165,705	13,855,411	21,000
Other Capital Assets, Net of Depreciation	90,289,428	85,466,932	175,756,360	365,292
<i>Total Noncurrent Assets</i>	<u>100,979,134</u>	<u>88,632,637</u>	<u>189,611,771</u>	<u>386,292</u>
Total Assets	<u>\$ 156,983,623</u>	<u>\$ 113,648,872</u>	<u>\$ 268,520,212</u>	<u>\$ 454,137</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	\$ 2,124,867	\$ 881,134	\$ 3,006,001	\$ 5,000
Accrued Wages and Benefits	1,969,360	497,622	2,466,982	5,680
Internal Balance	-	2,112,283	-	-
Due to Other Governments	318,857	45,467	364,324	-
Retainage Payable	23,720	-	23,720	-
Other Accrued Liabilities	-	-	-	-
Claims Payable	3,596,637	-	3,596,637	-
Deferred Revenue	2,866,413	-	2,866,413	-
Long Term Liabilities				
Due Within One Year	3,733,270	3,981,128	7,714,398	-
Legal Claims Payable				
Due Within One Year	27,600	-	27,600	-
<i>Total Current Liabilities</i>	<u>14,660,724</u>	<u>7,517,634</u>	<u>20,066,075</u>	<u>10,680</u>
<i>Noncurrent Liabilities</i>				
Long Term Liabilities				
Due Within More Than One Year	28,691,371	30,014,517	58,705,888	-
Legal Claims Payable				
Due Within More Than One Year	204,700	-	204,700	-
<i>Total Noncurrent Liabilities</i>	<u>28,896,071</u>	<u>30,014,517</u>	<u>58,910,588</u>	<u>-</u>
Total Liabilities	<u>43,556,795</u>	<u>37,532,151</u>	<u>78,976,663</u>	<u>10,680</u>
Net Assets				
Invested in Capital Assets , Net of Related Debt	83,624,341	54,636,994	138,261,335	386,292
Restricted for:				
Special Revenue	16,933,852	-	16,933,852	-
Debt Service	42,038	-	42,038	-
Capital Projects	6,275,786	-	6,275,786	-
Unrestricted	6,550,811	21,479,727	28,030,538	57,165
Total Net Assets	<u>113,426,828</u>	<u>76,116,721</u>	<u>189,543,549</u>	<u>443,457</u>
Total Liabilities and Net Assets	<u>\$ 156,983,623</u>	<u>\$ 113,648,872</u>	<u>\$ 268,520,212</u>	<u>\$ 454,137</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Activities
For the year ended December 31, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
<i>Governmental Activities</i>				
General Government	\$ 16,658,224	\$ 6,198,901	\$ 164,665	\$ -
Security of Persons and Property	31,987,242	4,191,851	168,687	64,342
Public Health	4,691,879	723,364	2,767,709	-
Transportation	17,253,856	488,791	-	566,650
Community Development	6,523,014	-	4,474,318	1,896,027
Leisure Time Activities	2,470,793	370,253	-	-
Interest on Long-Term Debt	1,140,758	-	-	-
<i>Total Governmental Activities</i>	<u>80,725,766</u>	<u>11,973,160</u>	<u>7,575,379</u>	<u>2,527,019</u>
<i>Business-Type Activities</i>				
Water	9,801,322	11,184,797	-	414,754
Sewer	10,472,024	10,058,832	-	1,077,959
Refuse	4,662,221	4,158,393	24,830	-
<i>Total Business-Type Activities</i>	<u>24,935,567</u>	<u>25,402,022</u>	<u>24,830</u>	<u>1,492,713</u>
Total Primary Government	<u>\$ 105,661,333</u>	<u>\$ 37,375,182</u>	<u>\$ 7,600,209</u>	<u>\$ 4,019,732</u>
Component Unit:				
CCIC	\$ 1,174,249	\$ 40,950	\$ 1,049,491	\$ -

General revenues:
Taxes:
 City Income Taxes
 Property Taxes
 Intergovernmental
Grants and Contributions
Interest and Investment Earnings
Other
Gains on Sale of Assets
 Total General Revenues
 Change in Net Assets
Net Assets -- Beginning
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
\$ (10,294,658)	\$ -	\$ (10,294,658)	\$ -
(27,562,362)	-	(27,562,362)	-
(1,200,806)	-	(1,200,806)	-
(16,198,415)	-	(16,198,415)	-
(152,669)	-	(152,669)	-
(2,100,540)	-	(2,100,540)	-
(1,140,758)	-	(1,140,758)	-
<u>(58,650,208)</u>	<u>-</u>	<u>(58,650,208)</u>	<u>-</u>
-	1,798,229	1,798,229	-
-	664,767	664,767	-
-	(478,998)	(478,998)	-
-	<u>1,983,998</u>	<u>1,983,998</u>	-
<u>(58,650,208)</u>	<u>1,983,998</u>	<u>(56,666,210)</u>	<u>-</u>
-	-	-	(83,808)
38,977,012	-	38,977,012	-
3,209,850	-	3,209,850	-
9,222,630	17,992	9,240,622	-
10,513	-	10,513	-
654,913	7,264	662,177	-
1,574,453	115,130	1,689,583	3,090
-	9,625	9,625	-
<u>53,649,371</u>	<u>150,011</u>	<u>53,799,382</u>	<u>3,090</u>
(5,000,837)	2,134,009	(2,866,828)	(80,718)
118,427,665	73,982,712	192,410,377	524,175
<u>\$ 113,426,828</u>	<u>\$ 76,116,721</u>	<u>\$ 189,543,549</u>	<u>\$ 443,457</u>

City of Canton, Ohio

Balance Sheet Governmental Funds December 31, 2004

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 4,498,825	\$ 2,193,700	\$ 2,821,002	\$ 1,159,055
Cash and Cash Equivalents with Fiscal Agents	-	-	-	-
Taxes Receivable	8,692,657	-	1,425,182	356,296
Accounts Receivable	1,822,697	171,151	-	438
Loans Receivable (net of uncollectibles)	-	3,223,374	-	-
Due From Other Funds	27,304	-	-	-
Due From Other Governments	3,828,116	6,801,333	-	-
Inventories	224,733	-	-	-
Total Assets	\$ 19,094,332	\$ 12,389,558	\$ 4,246,184	\$ 1,515,789
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 625,111	\$ 162,119	\$ 362,935	\$ 26,369
Accrued Wages and Benefits	1,643,616	45,667	124,239	-
Due to Other Funds	-	2,300,000	-	-
Due to Other Governments	85,069	61,761	3,559	-
Retainage Payable	-	-	23,720	-
Deferred Revenue	7,538,988	6,279,728	190,979	47,745
Total Liabilities	9,892,784	8,849,275	705,432	74,114
Fund Balances				
Reserved for:				
Inventories	224,733	-	-	-
Encumbrances	656,840	3,249,616	2,544,027	756,854
Loans Receivable	-	3,223,374	-	-
Other Purpose	27,304	-	-	-
Unreserved:				
Undesignated, Reported in :				
General Fund	8,292,671	-	-	-
Special Revenue Funds (Deficit)	-	(2,932,707)	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	996,725	684,821
<i>Total Fund Balances</i>	9,201,548	3,540,283	3,540,752	1,441,675
Total Liabilities and Fund Balances	\$ 19,094,332	\$ 12,389,558	\$ 4,246,184	\$ 1,515,789

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, 2004

Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$ 25,157,708
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 6,865,778	\$ 17,538,360	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	\$ 6,748,878
21,744	10,495,879	Buildings and Structures (net of depreciation)	24,820,576
71,216	2,065,502	Vehicles & Equipment (net of depreciation)	10,899,611
-	3,223,374	Infrastructure (net of depreciation)	54,569,242
-	27,304	Construction in Progress	<u>3,940,827</u>
4,113,878	14,743,327	Total	100,979,134
40,349	265,082		
<u>\$ 11,115,984</u>	<u>\$ 48,361,847</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.	(3,960,370)
\$ 413,487	\$ 1,590,021	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	
150,895	1,964,417	Grants	8,689,376
27,304	2,327,304	Property Taxes	471,460
159,426	309,815	Intergovernmental	2,312,141
-	23,720	Charge for Service	1,197,542
2,931,422	16,988,862	Income Tax	954,895
<u>3,682,534</u>	<u>23,204,139</u>	Special Assessments	477,423
		Other	<u>19,612</u>
40,349	265,082	Total	14,122,449
2,869,259	10,076,596	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
-	3,223,374	General Obligation Bonds	(18,120,000)
-	27,304	Loans	(4,519,793)
		Long-term Legal Claims	<u>(232,300)</u>
		Total	(22,872,093)
-	8,292,671		
4,941,975	2,009,268		
3,019	3,019		
(421,152)	1,260,394		
7,433,450	25,157,708		
<u>\$ 11,115,984</u>	<u>\$ 48,361,847</u>		
		<i>Net Assets of Governmental Activities</i>	<u>\$ 113,426,828</u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2004

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Revenues				
Property and Other Taxes	\$ 2,807,101	\$ -	\$ -	\$ -
Municipal Income Tax	29,829,980	-	7,505,006	2,077,503
Charges for Services	7,988,525	74,849	-	-
Licenses, Permits, and Fees	1,534,624	-	-	-
Fines and forfeitures	290,546	-	-	-
Intergovernmental	6,653,046	-	-	-
Interest	503,469	2,762	-	-
Operating Grants and Contributions	117,319	5,099,610	-	-
Capital Grants and Contributions	-	-	-	-
Rentals	215,998	-	-	15,615
Other	499,769	756,226	17,294	-
Total Revenues	<u>50,440,377</u>	<u>5,933,447</u>	<u>7,522,300</u>	<u>2,093,118</u>
Expenditures				
Current				
General Government	14,800,808	-	-	-
Security of Persons and Property	30,012,027	-	-	-
Public Health	2,119,408	-	-	-
Transportation	1,583,985	-	-	-
Community Environment	-	5,988,059	-	-
Leisure Time Activities	1,937,362	-	-	-
Capital Outlay	-	-	5,351,520	919,916
Debt Service				
Principal	-	335,000	1,661,457	525,000
Interest and Fiscal Charges	-	175,731	535,693	162,305
Total Expenditures	<u>50,453,590</u>	<u>6,498,790</u>	<u>7,548,670</u>	<u>1,607,221</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(13,213)</u>	<u>(565,343)</u>	<u>(26,370)</u>	<u>485,897</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	1	59,068	-	305,245
Proceeds from Debt Issues	-	-	183,546	-
Transfers In	-	-	-	-
Transfers Out	(78,377)	-	-	-
Total Other Financing Sources and Uses	<u>(78,376)</u>	<u>59,068</u>	<u>183,546</u>	<u>305,245</u>
Net Change in Fund Balance	(91,589)	(506,275)	157,176	791,142
<i>Fund Balance at Beginning of Year</i>	9,290,773	4,046,558	3,383,576	650,533
<i>Increase (Decrease) in Reserve for Inventory</i>	2,364	-	-	-
Fund Balance at End of Year	<u>\$ 9,201,548</u>	<u>\$ 3,540,283</u>	<u>\$ 3,540,752</u>	<u>\$ 1,441,675</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, 2004

Other Governmental Funds	Total Governmental Funds		\$
		Net change in fund balances-Total Government Funds	544,818
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$ 558,169	\$ 3,365,270		
-	39,412,489	Governmental funds report capital outlays as expenditures.	
849,231	8,912,605	However, in the statement of activities, the cost of those	
228,426	1,763,050	assets is allocated over their estimated useful lives as	
393,600	684,146	depreciation expense. This is the amount by which depreciation	
3,264,687	9,917,733	exceed capital outlay in the current period.	
20,844	527,075	Capital Outlay	\$ 6,230,466
3,201,883	8,418,812	Depreciation Expense	<u>(15,427,821)</u>
1,131,680	1,131,680		(9,197,355)
8,751	240,364		
35,124	1,308,413	The net effect of various miscellaneous transactions involving	
<u>9,692,395</u>	<u>75,681,637</u>	capital assets (i.e., sales and donations) is to decrease net assets.	
		Sale proceeds for capital asset deletes	(576,518)
1,062,370	15,863,178		
1,822,570	31,834,597	Repayment of long-term debt is reported as an expenditure in	
2,714,945	4,834,353	the governmental funds, but the repayment reduces long-term	
1,606,082	3,190,067	liabilities in the statement of net assets.	
549,491	6,537,550	Bond Principal Payments	2,300,000
8,183	1,945,545	Loan Principal Payments	546,457
1,275,127	7,546,563	Legal Claims Payments	<u>27,600</u>
			2,874,057
325,000	2,846,457		
267,029	1,140,758	Change in Long Term Debt Due to the issuance of new	
<u>9,630,797</u>	<u>75,739,068</u>	loans by the City	(237,935)
61,598	(57,431)		
-	364,314	Consumable inventory is reported using the purchase	
54,389	237,935	method on a modified accrual basis, but is reported using the	
78,377	78,377	consumption method for full accrual. This amount represents	
-	(78,377)	the decrease in inventory that took place during the fiscal year	(168,707)
<u>132,766</u>	<u>602,249</u>		
194,364	544,818	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.	(90,567)
7,410,157	24,781,597		
(171,071)	(168,707)	Some items reported in the statement of activities do not	
<u>\$ 7,433,450</u>	<u>\$ 25,157,708</u>	require the use of current financial resources and therefore	
		are not reported as expenditures in the governmental	
		funds. Changes in compensated absences.	10,167,771
		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	(8,316,401)
		<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ (5,000,837)</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, 2004

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 3,003,363	\$ 2,802,637	\$ 2,825,445	\$ 22,808
Municipal Income Tax	29,531,000	28,847,054	28,961,987	114,933
Intergovernmental	6,808,466	6,823,968	6,903,628	79,660
Charges for Services	7,378,248	7,845,055	8,048,097	203,042
Licenses, Permits and Fees	1,083,155	1,457,462	1,533,226	75,764
Fines and Forfeitures	296,000	281,000	292,468	11,468
Interest	423,248	436,171	507,254	71,083
Operating Grant	88,417	104,795	112,733	7,938
Rentals	147,884	177,522	214,974	37,452
Other	251,319	362,110	486,268	124,158
Total Revenues	<u>49,011,100</u>	<u>49,137,774</u>	<u>49,886,080</u>	<u>748,306</u>
Expenditures				
<i>Current</i>				
General				
Service Director Support Administration	130,505	278,965	269,275	9,690
Service Director	59,499	94,081	83,458	10,623
Annexation	8,659	27,338	27,338	-
Purchasing Administration	254,451	512,968	495,393	17,575
Building Maintenance	665,281	1,304,128	1,262,332	41,796
Income Tax	556,136	1,487,021	1,440,984	46,037
Mayor Administration	241,297	685,754	512,422	173,332
Human Resources	105,734	242,509	217,264	25,245
Word Processing	90,212	176,423	171,213	5,210
Youth Development	123,739	214,212	199,736	14,476
Council	274,339	568,195	555,748	12,447
Judges	761,372	1,521,318	1,519,892	1,426
Clerk of Courts	627,448	1,225,579	1,222,178	3,401
Law Department	962,164	1,626,722	1,506,399	120,323
Auditor's Office	823,056	1,793,191	1,681,095	112,096
Treasurer's Office	107,457	209,279	199,315	9,964
Civil Service	124,949	239,972	221,935	18,037
Zoning Board	4,233	8,466	8,466	-
Department of Motor Vehicles	1,122,627	2,264,917	2,225,136	39,781
Management Information Systems	711,389	1,430,467	1,363,033	67,434
Total General	<u>7,754,547</u>	<u>15,911,505</u>	<u>15,182,612</u>	<u>728,893</u>
Security of Persons and Property				
Safety Director	77,537	127,651	122,843	4,808
Code Enforcement	426,187	879,666	856,924	22,742
Police	7,336,795	14,894,447	14,571,849	322,598
Fire	6,557,941	13,604,496	13,442,740	161,756
Central Communication	449,791	893,972	862,402	31,570
Traffic Engineer/Parking Meters	76,117	151,789	149,441	2,348
Total Security of Persons and Property	<u>\$ 14,924,368</u>	<u>\$ 30,552,021</u>	<u>\$ 30,006,199</u>	<u>\$ 545,822</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, 2004

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Health				
Administration	\$ 311,019	\$ 701,301	\$ 691,148	\$ 10,153
Nurses	333,452	668,144	660,662	7,482
Lab	104,593	194,019	176,654	17,365
Environmental Administration	350,727	646,482	595,013	51,469
Total Health	<u>1,099,791</u>	<u>2,209,946</u>	<u>2,123,477</u>	<u>86,469</u>
Transportation				
Engineering - Daily Operations	46,617	95,062	88,130	6,932
Street Department	766,737	1,532,616	1,493,085	39,531
Total Transportation	<u>813,354</u>	<u>1,627,678</u>	<u>1,581,215</u>	<u>46,463</u>
Leisure Time Activities				
Civic Center - Administration	429,760	971,577	870,966	100,611
Park	524,980	1,037,443	1,019,182	18,261
Baseball Stadium	33,705	62,722	56,282	6,440
Total Leisure Time Activities	<u>988,445</u>	<u>2,071,742</u>	<u>1,946,430</u>	<u>125,312</u>
Total Expenditures	<u>25,580,505</u>	<u>52,372,892</u>	<u>50,839,933</u>	<u>1,532,959</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>23,430,595</u>	<u>(3,235,118)</u>	<u>(953,853)</u>	<u>2,281,265</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	1	1
Advances Out	(15,000)	(13,623)	(13,118)	505
Transfers In	426,750	60,000	-	(60,000)
Transfers Out	(844,021)	(78,377)	(78,377)	-
Total Other Financing Sources (Uses)	<u>(432,271)</u>	<u>(32,000)</u>	<u>(91,494)</u>	<u>(59,494)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>22,998,324</u>	<u>(3,267,118)</u>	<u>(1,045,347)</u>	<u>2,221,771</u>
<i>Fund Balance at Beginning of Year</i>	3,978,774	3,978,774	3,978,774	-
Unexpended Prior Year Encumbrances	279,761	279,761	279,761	-
Fund Balance at End of Year	<u>\$ 27,256,859</u>	<u>\$ 991,417</u>	<u>\$ 3,213,188</u>	<u>\$ 2,221,771</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, 2004

	Community and Economic Development			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Charges for Services	\$ 100,000	\$ 100,000	\$ 74,849	\$ (25,151)
Operating Grant	8,187,519	12,215,000	4,966,462	(7,248,538)
Interest	3,000	3,000	2,814	(186)
Other	490,000	490,000	755,988	265,988
Total Revenues	<u>8,780,519</u>	<u>12,808,000</u>	<u>5,800,113</u>	<u>(7,007,887)</u>
Expenditures				
Current				
Community Environment	11,091,851	15,052,908	7,707,218	7,345,690
Debt Service				
Principal	335,000	335,000	335,000	-
Interest and Fiscal Charges	169,026	169,026	91,218	77,808
Total Expenditures	<u>11,595,877</u>	<u>15,556,934</u>	<u>8,133,436</u>	<u>7,423,498</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(2,815,358)</u>	<u>(2,748,934)</u>	<u>(2,333,323)</u>	<u>415,611</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	59,068	59,068
Advances In	-	2,300,000	2,300,000	-
Advances Out	-	(3,556,433)	-	3,556,433
Transfers In	437,000	5,710,000	-	(5,710,000)
Total Other Financing Sources (Uses)	<u>437,000</u>	<u>4,453,567</u>	<u>2,359,068</u>	<u>(2,094,499)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,378,358)</u>	<u>1,704,633</u>	<u>25,745</u>	<u>(1,678,888)</u>
<i>Fund Balance at Beginning of Year</i>	<u>(2,571,788)</u>	<u>(2,571,788)</u>	<u>(2,571,788)</u>	<u>-</u>
Unexpended Prior Year Encumbrances	1,332,681	1,332,681	1,332,681	-
<i>Fund Balance at End of Year</i>	<u>\$ (3,617,465)</u>	<u>\$ 465,526</u>	<u>\$ (1,213,362)</u>	<u>\$ (1,678,888)</u>

See the accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2004

	Business-Type Activities			Total	Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
Assets					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 7,243,560	\$ 9,320,876	\$ 1,069,388	\$ 17,633,824	\$ 5,494,059
Accounts Receivable	2,794,609	1,932,356	1,425,338	6,152,303	63,602
Due From Other Funds	-	-	-	-	2,300,000
Due From Other Governments	112,391	1,409	-	113,800	-
Inventories	719,960	396,348	-	1,116,308	-
<i>Total Current Assets</i>	<u>10,870,520</u>	<u>11,650,989</u>	<u>2,494,726</u>	<u>25,016,235</u>	<u>7,857,661</u>
<i>Noncurrent Assets</i>					
Capital Assets:					
Land and Construction in Progress	1,954,236	1,211,469	-	3,165,705	-
Other Capital Assets, Net of Depreciation	35,133,144	49,578,214	755,574	85,466,932	-
<i>Total Noncurrent Assets</i>	<u>37,087,380</u>	<u>50,789,683</u>	<u>755,574</u>	<u>88,632,637</u>	<u>-</u>
Total Assets	<u>\$ 47,957,900</u>	<u>\$ 62,440,672</u>	<u>\$ 3,250,300</u>	<u>\$ 113,648,872</u>	<u>\$ 7,857,661</u>
Liabilities					
<i>Current</i>					
Accounts Payable	\$ 373,517	\$ 394,248	\$ 113,369	\$ 881,134	\$ 534,846
Accrued Wages and Benefits	201,594	180,962	115,066	497,622	4,943
Due to Other Governments	19,151	15,384	10,932	45,467	9,042
Due Within One Year	1,524,199	2,456,929	-	3,981,128	774,548
Claims Payable	-	-	-	-	3,596,637
<i>Total Current</i>	<u>2,118,461</u>	<u>3,047,523</u>	<u>239,367</u>	<u>5,405,351</u>	<u>4,920,016</u>
<i>Noncurrent</i>					
Due Within More Than One Year	15,024,072	14,990,445	-	30,014,517	9,010,300
Total Liabilities	<u>17,142,533</u>	<u>18,037,968</u>	<u>239,367</u>	<u>35,419,868</u>	<u>13,930,316</u>
<i>Net Assets</i>					
Invested in Capital Assets, Net of Related Debt	20,539,109	33,342,311	755,574	54,636,994	-
Unrestricted	10,276,258	11,060,393	2,255,359	23,592,010	(6,072,655)
<i>Total Net Assets</i>	<u>30,815,367</u>	<u>44,402,704</u>	<u>3,010,933</u>	<u>78,229,004</u>	<u>(6,072,655)</u>
Total Net Assets and Liabilities	<u>\$ 47,957,900</u>	<u>\$ 62,440,672</u>	<u>\$ 3,250,300</u>	<u>\$ 113,648,872</u>	<u>\$ 7,857,661</u>

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

(2,112,283)
<u>\$ 76,116,721</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, 2004

	Business-Type Activities			Total	Governmental
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service Fund
Operating Revenues					
Charges for Services	\$ 11,455,842	\$ 10,043,657	\$ 4,158,393	\$ 25,657,892	\$ 10,795,198
Operating Grants and Contributions	-	-	24,830	24,830	-
Rentals	16,500	15,175	-	31,675	-
Other	118,597	1,105,848	45	1,224,490	127,838
Total Operating Revenues	<u>11,590,939</u>	<u>11,164,680</u>	<u>4,183,268</u>	<u>26,938,887</u>	<u>10,923,036</u>
Operating Expenses					
Personal Services	4,675,372	3,690,816	2,506,665	10,872,853	107,951
Contractual Services	928,533	2,623,473	1,265,334	4,817,340	1,036,230
Materials and Supplies	916,921	422,902	79,536	1,419,359	2,029
Insurance Claims and Expenses	50,751	17,402	5,781	73,934	8,350,440
Benefit Claim Expenses	-	-	-	-	2,848,765
Depreciation	1,273,182	2,233,725	187,549	3,694,456	-
Other	141,388	126,413	89,285	357,086	899
Total Operating Expenses	<u>7,986,147</u>	<u>9,114,731</u>	<u>4,134,150</u>	<u>21,235,028</u>	<u>12,346,314</u>
<i>Operating Income (Loss)</i>	<u>3,604,792</u>	<u>2,049,949</u>	<u>49,118</u>	<u>5,703,859</u>	<u>(1,423,278)</u>
Nonoperating Revenues (Expenses)					
Gain on Disposal of Capital Assets	400	-	9,225	9,625	-
Intergovernmental	16,583	1,409	-	17,992	-
Capital Grants and Contributions	95,808	-	-	95,808	-
Interest	5,656	1,608	-	7,264	4,893
Benefit Claim Expenses	-	-	-	-	(9,010,300)
Interest Expense	(934,984)	(617,994)	-	(1,552,978)	-
Other Expenses	(35,278)	-	-	(35,278)	-
Total Nonoperating Revenue (Expenses)	<u>(851,815)</u>	<u>(614,977)</u>	<u>9,225</u>	<u>(1,457,567)</u>	<u>(9,005,407)</u>
Change in Net Assets	2,752,977	1,434,972	58,343	4,246,292	(10,428,685)
<i>Total Net Assets at Beginning of Year</i>	<u>28,062,390</u>	<u>42,967,732</u>	<u>2,952,590</u>		<u>4,356,030</u>
<i>Total Net Assets at End of Year</i>	<u>\$ 30,815,367</u>	<u>\$ 44,402,704</u>	<u>\$ 3,010,933</u>		<u>\$ (6,072,655)</u>

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

Change in net assets of business-type activities (2,112,283)
\$ 2,134,009

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2004

	Business-Type Activities			Total	Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund		Internal Service
Cash Flows From Operating Activities					
Receipts from Customers	\$ 11,514,529	\$ 10,203,597	\$ 4,143,648	\$ 25,861,774	\$ 10,807,411
Other Cash Receipts	157,278	1,121,023	24,875	1,303,176	118,287
Payments to Suppliers	(1,665,597)	(3,190,586)	(1,282,251)	(6,138,434)	(508,619)
Payments to Employees	(5,219,192)	(4,197,209)	(2,681,107)	(12,097,508)	(125,476)
Claims Paid	(50,751)	(17,402)	(5,781)	(73,934)	(10,016,516)
Other Cash Payments	(75,095)	(35,552)	(85,337)	(195,984)	(1,169)
Internal Activity - Expense to Other Funds	-	-	-	-	(2,300,000)
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>4,661,172</u>	<u>3,883,871</u>	<u>114,047</u>	<u>8,659,090</u>	<u>(2,026,082)</u>
Cash Flows From Capital and Related Financing Activities					
Proceeds from Capital Debt	249,651	-	-	249,651	-
Proceeds from Sale of Capital Assets	400	-	9,225	9,625	-
Purchases of Capital Assets	(1,275,774)	(934,858)	(12,206)	(2,222,838)	-
Principal Paid on Capital Debt	(1,441,007)	(2,357,545)	-	(3,798,552)	-
Interest Paid on Capital Debt	(934,984)	(617,994)	-	(1,552,978)	-
<i>Net Cash Provided (Used) by Capital and Related Financing Activities</i>	<u>(3,401,714)</u>	<u>(3,910,397)</u>	<u>(2,981)</u>	<u>(7,315,092)</u>	<u>-</u>
Cash Flows From Investing Activities					
Interest and Dividends	3,891	-	-	3,891	4,588
<i>Net Cash Provided by Investing Activities</i>	<u>3,891</u>	<u>-</u>	<u>-</u>	<u>3,891</u>	<u>4,588</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,263,349	(26,526)	111,066	1,347,889	(2,021,494)
Balance - Beginning of the Year	5,980,211	9,347,402	958,322	16,285,935	7,515,553
Balance - End of the Year	<u>7,243,560</u>	<u>9,320,876</u>	<u>1,069,388</u>	<u>17,633,824</u>	<u>5,494,059</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	3,604,792	2,049,949	49,118	5,703,859	(1,423,278)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation Expense	1,273,182	2,233,725	187,549	3,694,456	-
Change in Assets and Liabilities:					
Accounts Receivables, net	80,868	159,939	(14,745)	226,062	(33,445)
Inventories	(16,984)	(159,609)	-	(176,593)	-
Prepaid Expenses	63,986	63,986	-	127,972	-
Due From Other Funds	-	-	-	-	(2,263,893)
Accounts Payables	199,148	76,697	66,567	342,412	529,370
Accrued Wages Payable	23,478	36,309	23,480	83,267	(17,671)
Intergovernmental Payable	2,230	1,641	2,231	6,102	8,718
Retainage Payable	-	(34,423)	-	(34,423)	-
Compensated Absences Payable	(569,528)	(544,343)	(200,153)	(1,314,024)	774,548
Claims Payable	-	-	-	-	399,569
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>\$ 4,661,172</u>	<u>\$ 3,883,871</u>	<u>\$ 114,047</u>	<u>\$ 8,659,090</u>	<u>\$ (2,026,082)</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004

	Private Purpose Trust	
	Hartford Houtz	Agency Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,352,750
Cash and Cash Equivalents in Segregated Accounts	11,304	60,183
Investments in Segregated Accounts	124,514	-
Total Assets	\$ 135,818	\$ 1,412,933
Liabilities		
Due to Other Governments	\$ -	\$ 1,007,168
Undistributed Assets	-	102,793
Deposits Held and Due to Others	-	302,972
Total Liabilities	-	\$ 1,412,933
Net Assets - Held in Trust for Individuals		
Restricted for Endowments	102,384	
Unrestricted	33,434	
Total Liabilities and Net Assets	\$ 135,818	

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, 2004

	Private Purpose Trust
	<u>Hartford Houtz</u>
Additions	
Investment Earnings:	
Interest	\$ 5,334
Total Investment Earnings	<u>5,334</u>
Deductions	
Benefits	6,000
Administrative Expenses	<u>260</u>
Total Deductions	<u>6,260</u>
Change in Net Assets	(926)
<i>Net Assets-Beginning of Year</i>	<u>136,744</u>
<i>Net Assets-End of Year</i>	<u><u>\$ 135,818</u></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, 2004

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 12, 13 and 14.

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, 2004

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, 2004

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

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

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

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, compensated absences, 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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end. Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from 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 5). 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, 2004, but which were levied to finance year 2005 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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

action of Council, as new information becomes available, provided that total fund appropriations do not 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. There were two significant supplemental appropriations in 2004. The first occurred in March 2004 when City Council authorized the establishment of the compensate absences internal service fund. The supplement included both the appropriations to fund this internal service fund and the budgetary adjustments affecting personal service expenses that were impacted as a result of this new fund. The second significant supplemental occurred in June 2004 when City Council adopted its 2004 capital improvement budget. 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 principal, 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 agent."

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

During 2004, 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, 2004.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2004 amounted to \$507,254, which includes \$20,453, assigned from other city funds.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2004, 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, 2004

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.

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, 2004

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, sewer 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, 2004

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 2004.

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, 2004

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	\$ (91,589)	\$ (506,275)
Net Adjustment for Revenue Accruals	(554,297)	2,166,666
Net Adjustment for Expenditure		
Accruals	96,657	148,613
Encumbrances	(496,118)	(1,783,259)
Budget Basis	\$ (1,045,347)	\$ 25,745

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Interim monies may be invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreements must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (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 \$311,322 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, 2004

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

At year end, the carrying amount of the City's deposits was \$29,196,850 and the bank balance was \$33,265,616. Of the bank balance:

1. \$716,652 was covered by federal depository insurance.
2. \$32,548,964 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	-	1,050,000	1,050,000
Repurchase Agreements	4,143,941	4,143,941	4,143,941
STAR Ohio	-	7,514,900	7,514,900
Total Investments	\$ 4,143,941	\$ 12,708,841	\$ 12,708,841

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, 2004

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

	Cash and Cash	
	<u>Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 42,093,499	\$ 124,514
Investments of the cash management pool:		
Money Market	(1,050,000)	1,050,000
Repurchase Agreements	(4,143,941)	4,143,941
STAROhio	(7,514,900)	7,514,900
Petty Cash	(1,000)	-
Cash on Hand/Unrecorded Cash	(311,322)	-
Investments with maturity of greater than 3 months	124,514	(124,514)
GASB Statement No. 3	<u>\$ 29,196,850</u>	<u>\$ 12,708,841</u>

NOTE 5 - RECEIVABLES

Receivables at December 31, 2004, 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 \$21,744 in the Debt Service Fund, and \$455,679 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 2004 for real and public utility property taxes represents collections of the 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) is for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 25 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. 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, 2004

NOTE 5 - RECEIVABLES (Continued)

The assessed value upon which the 2004 taxes were collected was \$1,018,434,116. Real estate represented 79.31 percent (\$807,690,020) of this total, public utility tangible personal property represented 4.47 percent (\$45,543,340) and general tangible personal property represented 16.22 percent (\$165,200,756). The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2004, 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, 2004. 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 2004 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, 2004

NOTE 5 - RECEIVABLES (Continued)

Due From Other Governments

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government and Local Government	
Revenue Assistance	\$ 3,483,353
Charges for Service	434,115
Courts	69,818
Gasoline and Excise Tax	677,290
Motor Vehicle Tax	68,328
Grants	<u>10,010,423</u>
Total:	<u>\$ 14,743,327</u>

Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$3,223,374. 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 6 - 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 2004 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 2004, 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, 2004

NOTE 6 - RISK MANAGEMENT (Continued)

The claims liability of \$2,885,168 reported in the internal service fund at December 31, 2004, 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
2003	\$ 2,465,990	\$ 427,489	\$ 611,395	\$ 2,282,084
2004	2,282,084	1,538,259	935,175	2,885,168

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 for commercial property coverage, which has a \$354,162,901 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'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 Benefit Services Inc., 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, 2004

NOTE 6 - RISK MANAGEMENT (Continued)

The claims liability of \$621,229 reported in the self-insurance fund at December 31, 2004, 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 Payments	Balance End of Year
2003	\$ 711,603	\$ 6,532,212	\$ 6,328,831	\$ 914,984
2004	914,984	6,812,181	7,105,936	621,229

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004, was as follows:

	Balance 12/31/03	Additions	Deductions	Balance 12/31/04
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 6,120,549	\$ 657,662	\$ (29,333)	\$ 6,748,878
Construction in Progress	2,035,575	2,612,836	(707,584)	3,940,827
Total Capital Assets, not being Depreciated	8,156,124	3,270,498	(736,917)	10,689,705
Capital Assets, being Depreciated				
Buildings and Structures	39,438,775	159,959	(710,910)	38,887,824
Vehicles and Equipment	24,802,554	685,654	(606,094)	24,882,114
Infrastructure	322,771,697	2,821,938	(79,759)	325,513,876
Total Capital Assets, being Depreciated	387,013,026	3,667,551	(1,396,763)	389,283,814

(Continued)

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 7 - CAPITAL ASSETS (Continued)

	Balance 12/31/03	Additions	Deductions	Balance 12/31/04
Less Accumulated Depreciation				
Buildings and Structures	\$ (13,218,718)	\$ (1,063,807)	\$ 215,277	\$ (14,067,248)
Vehicles and Equipment	(12,749,376)	(1,807,302)	574,175	(13,982,503)
Infrastructure	(258,448,048)	(12,556,712)	60,126	(270,944,634)
Total Accumulated Depreciation	<u>(284,416,142)</u>	<u>(15,427,821)</u> *	<u>849,578</u>	<u>(298,994,385)</u>
Total Capital Assets, being Depreciated, net Governmental Activities	<u>102,596,884</u>	<u>(11,760,270)</u>	<u>(547,185)</u>	<u>90,289,429</u>
Capital Assets, net	<u>\$ 110,753,008</u>	<u>\$ (8,489,772)</u>	<u>\$ (1,284,102)</u>	<u>\$ 100,979,134</u>
 Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 2,404,179	\$ 121,335	\$ -	\$ 2,525,514
Construction in Progress	2,325,295	799,173	(2,484,277)	640,191
Total Capital Assets, not being Depreciated	<u>4,729,474</u>	<u>920,508</u>	<u>(2,484,277)</u>	<u>3,165,705</u>
Capital Assets, being Depreciated				
Buildings and Structures	87,522,609	2,117,211	-	89,639,820
Vehicles and Equipment	9,877,573	195,770	(171,712)	9,901,631
Infrastructure	145,344,492	1,473,625	-	146,818,117
Total Capital Assets, being Depreciated	<u>242,744,674</u>	<u>3,786,606</u>	<u>(171,712)</u>	<u>246,359,568</u>
Less Accumulated Depreciation				
Buildings and Structures	(40,793,894)	(1,845,138)		(42,639,032)
Vehicles and Equipment	(7,646,826)	(462,186)	171,712	(7,937,300)
Infrastructure	(108,929,171)	(1,387,133)	-	(110,316,304)
Total Accumulated Depreciation	<u>(157,369,891)</u>	<u>(3,694,457)</u>	<u>171,712</u>	<u>(160,892,636)</u>
Total Capital Assets, being Depreciated, net Business-Type Activities	<u>85,374,783</u>	<u>92,149</u>	<u>-</u>	<u>85,466,932</u>
Capital Assets, net	<u>\$ 90,104,257</u>	<u>\$ 1,012,657</u>	<u>\$ (2,484,277)</u>	<u>\$ 88,632,637</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 7 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

General Government	\$ 582,920
Security of Persons and Property	1,270,411
Public Health	77,268
Transportation	12,946,789
Community Environment	14,432
Leisure Time Activities	536,001
Total Depreciation Expense	<u>\$ 15,427,821</u>

NOTE 8 - COMPENSATED ABSENCES

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

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

Employees earn sick leave at the rate 4.6 hours per 80 hours worked. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid 100 percent to a maximum of 150 days 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 3,400 hours of unused sick time at retirement in order to receive the same 1,500 hours severance as noted above.

In 2004 the City establish a Compensated Absence Claim Fund for the purpose of depositing sick expense premiums from the employees labor fund distribution to pay both current and previous unfunded compensated absences. The expense associated with current and future obligations is being charged as a direct claim against the Compensated Absences Claim Fund. The premium supporting the fund is included in the personal service charge for each fund. The premium is equal to 125% of the total cost of the sick leave accrued on biweekly payrolls.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2004

Note 9 – LONG-TERM OBLIGATIONS

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds 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>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	1,290,000	481,025	720,000	349,520
2010-2014	5,250,000	1,616,903	4,270,000	1,072,423
2015-2019	3,910,000	488,125	1,010,000	59,085
Total	<u>\$ 18,120,000</u>	<u>\$ 5,250,293</u>	<u>\$ 14,480,000</u>	<u>\$ 3,953,981</u>

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2004

NOTE 9 - 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 an original outstanding balance of \$2,320,000. In 2004, the City chose to refinance the outstanding balance of the Housing and Urban Development loan resulting in a savings in interest payments. The balance refinanced was \$1,650,000 with an interest rate of 2.31% for the first payment rising incrementally to 5.19% for the final payment. 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 an original 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 an original 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	
Year Ending	Governmental Activities		December 31	Principal	Interest
December 31	Principal	Interest			
2005	335,000	61,918	2005	55,002	45,140
2006	335,000	49,271	2006	57,364	42,778
2007	335,000	38,919	2007	59,828	40,314
2008	335,000	26,792	2008	62,398	37,744
2009	310,000	13,392	2009	65,078	35,064
Total	\$ 1,650,000	\$ 190,292	2010-2014	369,796	130,913
			2015-2019	406,263	44,376
			Total	\$ 1,075,729	\$ 376,329

Urban Redevelopment Loan		
Year Ending	Governmental Activities	
December 31	Principal	Interest
2005	133,333	-
2006	133,334	56,666
2007	133,333	51,000
2008	133,333	45,333
2009	133,333	39,667
2010-2014	717,584	113,333
Total	\$ 1,384,250	\$305,999

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2004

NOTE 9 - 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. The following is a list of outstanding debt with the Ohio Public Works Commission.

<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
Market Ave North Sewer Replacement	0.00%	54,389
		<u>\$ 1,083,978</u>

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

Year Ending December 31	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	25,387	-	52,130	-
2006	25,387	-	52,130	-
2007	25,387	-	52,130	-
2008	25,387	-	52,130	-
2009	25,387	-	28,762	-
2010-2014	126,940	-	26,975	-
2015-2019	101,550	-	26,975	-
2020-2024	-	-	18,883	-
Total	<u>\$ 355,425</u>	<u>\$ -</u>	<u>\$ 310,115</u>	<u>\$ -</u>

Note: The difference of \$54,389 between the above Governmental Activities schedule and the primary debt schedule on page 53 is due to additional debt proceeds accrued during the City's available period. The debt is associated with a new loan agreement the City has recently entered into. As of year end, no debt schedule was available for the loan nor could a reasonable estimate be made as to when loan repayments would begin based on the limited information available.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 9 - 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%	527,230
Perry Township Water Extension	4.65%	1,459,754
Lake Local School Waterline	4.64%	1,980,974
Lawrence Chester Water Main Extension	5.01%	250,606
Incinerator Rehabilitation	4.56%	2,908,585
Water Pollution System	2.64%	14,230,181
Discharge Line (J.L.)	4.56%	835,606
Odor Corrosion	3.20%	1,954,886
		<u>\$ 26,392,952</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>
2005	1,783,998	636,537
2006	1,480,493	574,622
2007	1,532,158	522,957
2008	1,156,167	472,745
2009	1,197,967	430,946
2010-2014	5,655,656	1,541,386
2015-2019	5,659,852	666,940
2020-2024	726,387	56,796
Total	<u>\$ 19,192,678</u>	<u>\$ 4,902,929</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2004, were as follows:

	Outstanding 12/31/03	Additions	Reductions	Outstanding 12/31/04	Due Within One Year
<i>Business Type Activities</i>					
OPWC Loan:					
Sewer Fund:					
Water Pollution Control					
Center 0%	\$ 257,042	-	(46,735)	\$ 210,307	\$ 46,735
2003 Harmont Lift Station 0%	102,505	-	(2,697)	99,808	5,395
Total OPWC Loans	<u>359,547</u>	<u>-</u>	<u>(49,432)</u>	<u>310,115</u>	<u>52,130</u>
OWDA Loans:					
Water Fund:					
2001 Water Main Extension (Norwood Hills) 4.55%					
	439,860	-	(46,723)	393,137	48,873
2000 Steiner Heights Water Line Extension 6.39%					
	425,286	-	(54,664)	370,622	58,212
2001 Plain Township Water Line Ext. (55th St) 4.74%					
	1,575,909	-	(54,811)	1,521,098	57,440
2002 Perry Twshp Water Extension 4.65%					
	1,342,084	-	(123,205)	1,218,879	129,001
2002 Lake Schl Water 4.64%					
	1,916,608	-	(61,798)	1,854,810	67,820
2003 Lawrence Water Main Extension 5.01%					
	955	249,651	(9,806)	240,800	20,354
Sewer Fund:					
2002 Odor Corrosion 3.20% 1997 Incinerator Rehabilitation 4.56%					
	1,587,158	-	(377,739)	1,209,419	390,584
	691,033	-	(337,741)	353,292	353,292
1997 Water Pollution System 2.64%					
	11,954,788	-	(607,634)	11,347,154	623,989
1999 Discharge Line (J.L.) 4.56%					
	683,467	-	-	683,467	34,433
Total OWDA Loans	<u>20,617,148</u>	<u>249,651</u>	<u>(1,674,121)</u>	<u>19,192,678</u>	<u>1,783,998</u>
Bonds:					
Water Fund:					
1995 Water Works System 4.6%-5.85%					
	9,055,000	-	(545,000)	8,510,000	575,000
1998 Utility System 4.1%-5%					
	2,977,500	-	(545,000)	2,432,500	567,500
Sewer Fund:					
1998 Utility System 4.1%-5%					
	2,977,500	-	(545,000)	2,432,500	567,500
1993 Various Purpose Refunding 2.5%-5.375%					
	1,545,000	-	(440,000)	1,105,000	435,000
Total Bonds	<u>16,555,000</u>	<u>-</u>	<u>(2,075,000)</u>	<u>14,480,000</u>	<u>2,145,000</u>
Compensated Absences	1,314,023	133,126	(114,794)	1,332,355	132,771
<i>Total Business Type Activities</i>	<u>\$ 38,845,718</u>	<u>\$ 382,777</u>	<u>\$ (3,913,347)</u>	<u>* \$ 35,315,148</u>	<u>* \$ 4,113,899</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

	Outstanding 12/31/03	Additions	Reductions	Outstanding 12/31/04	Due Within One Year
<i>Governmental Activities</i>					
1993 Various Purpose Refunding Bonds 2.5%-5.375%	\$ 4,140,000	\$ -	\$ (1,200,000)	\$ 2,940,000	\$ 1,295,000
1998 Pension Refunding Bonds 3.15%-1.75%	5,560,000	-	(275,000)	5,285,000	285,000
1999 Various Purpose Bonds 3.50%	6,075,000	-	(300,000)	5,775,000	300,000
2001 Radio Communication Bonds 4.0%-2.25%	4,645,000	-	(525,000)	4,120,000	530,000
Total Bonds	<u>20,420,000</u>	<u>-</u>	<u>(2,300,000)</u>	<u>18,120,000</u>	<u>2,410,000</u>
1995 HUD Loan 7.71%-8.77%	1,985,000	-	(335,000)	1,650,000	335,000
1999 SIB Loan	1,128,466	-	(52,737)	1,075,729	55,002
2000 Legal Claims	259,900	-	(27,600)	232,300	27,600
2000 Millenium Parking Deck Loan 4%	1,517,583	-	(133,333)	1,384,250	133,333
OPWC Loan:					
2003 35th St NE Storm Sewer 0%	197,266	183,546	(25,387)	355,425	25,387
2004 Market Ave Sewer 0%	-	54,389	-	54,389	-
Total OPWC Loans	<u>197,266</u>	<u>237,935</u>	<u>(25,387)</u>	<u>409,814</u>	<u>25,387</u>
Compensated Absences	<u>10,186,974</u>	<u>1,145,236</u>	<u>(2,879,717)</u>	<u>8,452,493</u>	<u>641,777</u>
Total Governmental Activities	<u>35,695,189</u>	<u>1,383,171</u>	<u>(5,753,774) *</u>	<u>31,324,586 *</u>	<u>3,628,099</u>
Totals	<u>\$ 74,540,907</u>	<u>\$ 1,765,948</u>	<u>\$ (9,667,121)</u>	<u>\$ 66,639,734</u>	<u>\$ 7,741,998</u>

*Note: 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 \$6,426 in the water enterprise fund and \$6,426 in the sewer enterprise fund. Also, the above schedule of long-term debt obligations would differ from the government wide statement of net assets as a result of the compensated absences payable associated with business activities being included with the long-term liabilities of the governmental activities. The internal service Compensated Absence Claim Fund is responsible for the payment of both the governmental and business type compensated absence liabilities. Since governmental activities are the primary user of the internal service funds, GAAP requires the internal service funds to be reported with the governmental activities. The result is a discrepancy of \$1,332,355 between the debt reflected in the above schedule for governmental and business type activities and the debt numbers reflected in the Due in More Than One Year line item on the Statement of Net Assets on page 13. A similar discrepancy of \$132,771 results for the Due Within One Year line item. The City's overall legal debt margin was \$94,100,582 and an unvoted debt margin of \$43,178,876 at December 31, 2004.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employee Retirement System

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

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 13.55 percent for the year 2004. 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, 2004, 2003, and 2002 were \$3,204,912, \$3,275,288, and \$3,549,389, respectively. The full amount has been contributed for 2003 and 2002. 93.95 percent has been contributed for 2004 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 2004 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 \$1,698,203 and \$1,981,171 for the year ending December 31, 2004, \$1,735,243 and \$1,998,274 for the year ended December 31, 2003, \$1,872,704 and \$2,077,467 for the year ended December 31, 2002. The full amount has been contributed for 2003 and 2002 72.61 and 71.47 percent, respectively, have been contributed for 2004 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

NOTE 11 - 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

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

aside for the funding of postretirement health care based on the authority granted by State statute. The 2004 employer contribution rate was 13.55 percent of covered payroll for employees; 4.0 percent was the portion that was used to fund health care for 2004.

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, 2003 (the latest information available), the net assets available for future OPEB payments were \$10.5 billion. The City's actual contributions for 2003, which were used to fund OPEB, were \$946,090.

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 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 2004 that were used to fund postemployment benefits were \$674,866 for police and \$639,720 for fire. OP&F's total health care expenses for the year ended December 31, 2003 (the latest information available) were \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 12 - 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, which would cause additional financial benefit or burden to the City. Canton Tomorrow's funding comes from a grant given by the City to the Canton Regional Chamber of Commerce. In 2004 the grant was for \$175,000 and the Chamber of Commerce is responsible for dividing it up amongst its various agencies like Canton Tomorrow. Complete financial statements can be obtained from Canton Tomorrow, Inc.

Downtown Canton Special Improvement District

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 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 2004, the City contributed \$84,531 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

NOTE 13 – 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 2004. Complete financial statements can be obtained from the Canton Recreation Department.

NOTE 14 - 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 2004. Complete financial statements may be obtained from the Stark Area Regional Transit Authority.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2004

NOTE 14 - JOINTLY GOVERNED ORGANIZATION (Continued)

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 \$654,497 from the General Fund for 2004 for the operation of SCOG, which represents 48.5 percent of total contributions. Complete financial statements may be obtained from the Stark Council of Governments.

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the State. The commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 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 2004, the City contributed \$101,688 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

NOTE 15 – 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.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2004

NOTE 16 - CONTRACTUAL COMMITMENTS

As of December 31, 2004, the City had significant contractual commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Remaining On Contract</u>
Canton City Schools/CIC	Bus Garage Relocation	\$ 800,000
Canton Regional Chamber of Commerce	Mill Road Industrial Park	400,000
Eslich Wrecking	Kresge Abatement (Clean Ohio Revitalization)	227,950
Central Allied	Market Ave. Sanitary Sewer	1,473,814

NOTE 17 – 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 rental costs for such leases were \$161,290 for the year ended December 31, 2004. The minimum rental commitments under all such non-cancelable leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2005	\$ 200,079
2006	189,649
2007	85,609
2008	69,776
2009	64,741
Total	<u>\$ 609,854</u>

NOTE 18 - 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.

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2004

NOTE 18 - CONTINGENT LIABILITIES(Continued)

Litigation

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>
2005	\$ 27,600
2006	27,600
2007	27,600
2008	27,600
2009	27,600
2010-2014	94,300
Total	<u><u>\$ 232,300</u></u>

The City is a party to various other legal proceedings. The City management is of the opinion that ultimate disposition of those subsequent pending claims and legal proceedings will 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 19 - NOTES PAYABLE

GASB Statement No. 38 requires that short-term debt activity during the year be disclosed, even if no short-term debt is outstanding at year-end. Details are to include a schedule of changes in short-term debt, disclosing beginning and end of year balances, increases and decreases and the purpose for which the short-term debt was issued. The City had no short debt obligations for 2004.

NOTE 20 - INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the year ended December 31, 2004, consisted of the following:

<u>Transfer to</u>	<u>Transfer From</u>	
	<u>General Fund</u>	<u>Total</u>
Nonmajor		
Special Revenue	\$ 78,377	\$ 78,377
<i>Total</i>	<u><u>\$ 78,377</u></u>	<u><u>\$ 78,377</u></u>

City of Canton
 Stark County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2004

NOTE 20 - INTERFUND BALANCES AND TRANSFERS (Continued)

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

At December 31, 2004, the Community and Economic Development Fund had an interfund due to balance of \$2,327,304. The General Fund and Nonmajor Internal Service Funds had interfunds due from for \$27,304 and \$2,300,000 respectively. The interfund obligations between the General Fund and Nonmajor Special Revenue Funds represent the advance funding necessary to provide adequate cash reserves to meet the Health Funds payroll. The obligation between the Nonmajor Internal Service Funds and the Community and Economic Development Fund represents the advance funding need to fund a federal project. These obligations will be satisfied using the appropriate grant and program revenues associated with each fund.

	Due from		
Due to	Community and Economic Development	Nonmajor Special Revenue	Total
General Fund	\$ -	\$ 27,304	\$ 27,304
Nonmajor Internal Service	2,300,000	-	2,300,000
<i>Total</i>	\$2,300,000	\$ 27,304	\$2,327,304

**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 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.

Fire Donation Fund To account for the receipts and expenditures associated with donations given to the City's Fire Department.

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

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
Bryne Memorial Mediation 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
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.

Market Avenue Sanitary Sewer Fund To account for the improvement of a portion of Market Avenue's Sanitary Sewer 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.

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.

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 5,199,020	\$ -	\$ 1,666,758	\$ 6,865,778
Cash and Cash Equivalents with Fiscal Agents	-	3,019	-	3,019
Taxes Receivable	-	21,744	-	21,744
Accounts Receivable	16,827	-	54,389	71,216
Due From Other Governments	4,113,878	-	-	4,113,878
Inventories	40,349	-	-	40,349
Total Assets	<u>\$ 9,370,074</u>	<u>\$ 24,763</u>	<u>\$ 1,721,147</u>	<u>\$ 11,115,984</u>
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ 295,605	\$ -	\$ 117,882	\$ 413,487
Accrued Wages and Benefits	150,895	-	-	150,895
Due to Other Funds	27,304	-	-	27,304
Due to Other Governments	159,426	-	-	159,426
Deferred Revenue	2,909,678	21,744	-	2,931,422
Total Liabilities	<u>3,542,908</u>	<u>21,744</u>	<u>117,882</u>	<u>3,682,534</u>
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Inventories	40,349	-	-	40,349
Encumbrances	844,842	-	2,024,417	2,869,259
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds	4,941,975	-	-	4,941,975
Debt Service Funds	-	3,019	-	3,019
Capital Projects Funds (Deficit)	-	-	(421,152)	(421,152)
Total Fund Balances	<u>5,827,166</u>	<u>3,019</u>	<u>1,603,265</u>	<u>7,433,450</u>
Total Liabilities and Fund Balances	<u>\$ 9,370,074</u>	<u>\$ 24,763</u>	<u>\$ 1,721,147</u>	<u>\$ 11,115,984</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	Police and Fire Pension	Street Maintenance	State Highway	Municipal Road
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 102,129	\$ 493,680	\$ 60,422	\$ 633,196
Accounts Receivable	-	163	-	-
Due From Other Governments	-	745,222	55,982	60,971
Inventories	-	40,349	-	-
Total Assets	\$ 102,129	\$ 1,279,414	\$ 116,404	\$ 694,167
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ -	\$ 26,855	\$ 8,454	\$ -
Accrued Wages and Benefits	-	65,514	3,402	-
Due to Other Funds	-	-	-	-
Due to Other Governments	-	9,882	323	-
Deferred Revenue	-	322,011	26,109	-
Total Liabilities	-	424,262	38,288	-
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Inventories	-	40,349	-	-
Encumbrances	-	64,425	7,071	193,465
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds (Deficit)	102,129	750,378	71,045	500,702
<i>Total Fund Balances</i>	<u>102,129</u>	<u>855,152</u>	<u>78,116</u>	<u>694,167</u>
Total Liabilities and Fund Balances	\$ 102,129	\$ 1,279,414	\$ 116,404	\$ 694,167

Cornerstone Parking Deck	Health Service	Court	Canton Rail Station	Court Computer	Law Department Dispute Resolution	Recycle Ohio	Youth Development
\$ 637,997	\$ 1,788,530	\$ 81,529	\$ 1,460	\$ 24,791	\$ 3,730	\$ 26,146	\$ 16,043
-	13,688	-	-	-	-	-	-
-	1,744,705	10,748	-	13,650	-	5,563	-
-	-	-	-	-	-	-	-
<u>\$ 637,997</u>	<u>\$ 3,546,923</u>	<u>\$ 92,277</u>	<u>\$ 1,460</u>	<u>\$ 38,441</u>	<u>\$ 3,730</u>	<u>\$ 31,709</u>	<u>\$ 16,043</u>
\$ 45,413	\$ 80,414	\$ 20,197	\$ -	\$ 248	\$ -	\$ -	\$ -
-	64,751	4,719	-	5,181	-	-	-
-	27,304	-	-	-	-	-	-
64,241	81,725	448	-	492	1,618	-	-
-	1,138,839	-	-	-	-	5,563	-
<u>109,654</u>	<u>1,393,033</u>	<u>25,364</u>	<u>-</u>	<u>5,921</u>	<u>1,618</u>	<u>5,563</u>	<u>-</u>
-	-	-	-	-	-	-	-
12,165	86,654	13,952	14,115	54,311	-	30,043	710
516,178	2,067,236	52,961	(12,655)	(21,791)	2,112	(3,897)	15,333
<u>528,343</u>	<u>2,153,890</u>	<u>66,913</u>	<u>1,460</u>	<u>32,520</u>	<u>2,112</u>	<u>26,146</u>	<u>16,043</u>
<u>\$ 637,997</u>	<u>\$ 3,546,923</u>	<u>\$ 92,277</u>	<u>\$ 1,460</u>	<u>\$ 38,441</u>	<u>\$ 3,730</u>	<u>\$ 31,709</u>	<u>\$ 16,043</u>

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services	Prisoner Housing	Fire Donation
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 1,431	\$ 157,242	\$ 111,254	\$ 138,604	\$ 21,442	\$ 1,455
Accounts Receivable	-	-	-	-	-	-
Due From Other Governments	37	1,278	8,172	11,127	613	-
Inventories	-	-	-	-	-	-
Total Assets	<u>\$ 1,468</u>	<u>\$ 158,520</u>	<u>\$ 119,426</u>	<u>\$ 149,731</u>	<u>\$ 22,055</u>	<u>\$ 1,455</u>
Liabilities and Fund Balances						
<i>Current</i>						
Accounts Payable	\$ -	\$ 8,333	\$ 1,425	\$ 5,819	\$ 3,000	\$ -
Accrued Wages and Benefits	-	-	-	5,166	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	-	-	-	491	-	-
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>8,333</u>	<u>1,425</u>	<u>11,476</u>	<u>3,000</u>	<u>-</u>
<i>Net Assets and Other Credits</i>						
<i>Fund Balances</i>						
Reserved for:						
Inventories	-	-	-	-	-	-
Encumbrances	-	-	4,735	125	40	-
Unreserved:						
Undesignated, Reported in :						
Special Revenue Funds (Deficit)	1,468	150,187	113,266	138,130	19,015	1,455
<i>Total Fund Balances</i>	<u>1,468</u>	<u>150,187</u>	<u>118,001</u>	<u>138,255</u>	<u>19,055</u>	<u>1,455</u>
Total Liabilities and Fund Balances	<u>\$ 1,468</u>	<u>\$ 158,520</u>	<u>\$ 119,426</u>	<u>\$ 149,731</u>	<u>\$ 22,055</u>	<u>\$ 1,455</u>

Clean Ohio	Supplementary Police Forces	Local Law Enforcement Block Grant	Other	Total Nonmajor Special Revenue Funds
\$ 32,390	\$ 4,496	\$ 140,847	\$ 720,206	\$ 5,199,020
-	-	-	2,976	16,827
1,395,614	-	275	59,921	4,113,878
-	-	-	-	40,349
<u>\$ 1,428,004</u>	<u>\$ 4,496</u>	<u>\$ 141,122</u>	<u>\$ 783,103</u>	<u>\$ 9,370,074</u>
\$ -	\$ 135	\$ 8,685	\$ 86,627	\$ 295,605
-	-	-	2,162	150,895
-	-	-	-	27,304
-	-	-	206	159,426
1,395,614	-	-	21,542	2,909,678
<u>1,395,614</u>	<u>135</u>	<u>8,685</u>	<u>110,537</u>	<u>3,542,908</u>
-	-	-	-	40,349
334,810	-	12,382	15,839	844,842
(302,420)	4,361	120,055	656,727	4,941,975
32,390	4,361	132,437	672,566	5,827,166
<u>\$ 1,428,004</u>	<u>\$ 4,496</u>	<u>\$ 141,122</u>	<u>\$ 783,103</u>	<u>\$ 9,370,074</u>

City of Canton, Ohio
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2004

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service
Assets			
Cash and Cash Equivalents with Fiscal Agents	\$ 3,019	\$ -	\$ 3,019
Taxes Receivable	-	21,744	21,744
Total Assets	\$ 3,019	\$ 21,744	\$ 24,763
Liabilities and Fund Balances			
<i>Current</i>			
Deferred Revenue	\$ -	\$ 21,744	\$ 21,744
Total Liabilities	-	21,744	21,744
<i>Net Assets and Other Credits</i>			
<i>Fund Balances</i>			
Unreserved:			
Undesignated, Reported in :			
Debt Service Funds	3,019	-	3,019
<i>Total Fund Balances</i>	3,019	-	3,019
Total Liabilities and Fund Balances	\$ 3,019	\$ 21,744	\$ 24,763

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004

	Radio Communication Systems	Market Avenue Sanitary Sewer	Harmount Sidewalk Improvement	Traffic Signalization
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 6,843	\$ -	\$ 12,324	\$ 1,397
Accounts Receivable	-	54,389	-	-
Total Assets	\$ 6,843	\$ 54,389	\$ 12,324	\$ 1,397
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ -	\$ 54,389	\$ -	\$ -
Total Liabilities	-	54,389	-	-
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Encumbrances	-	205,611	-	14,866
Unreserved:				
Undesignated, Reported in :				
Capital Projects Funds	6,843	(205,611)	12,324	(13,469)
<i>Total Fund Balances</i>	6,843	-	12,324	1,397
Total Liabilities and Fund Balances	\$ 6,843	\$ 54,389	\$ 12,324	\$ 1,397

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004

	Shorb & 4th Street Roadway Improvement	Street & Storm Sewer Improvement	OPWC	Civic Center Improvement	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 144,762	\$ 602,900	\$ 69,585	\$ 828,947	\$ 1,666,758
Accounts Receivable	-	-	-	-	54,389
Total Assets	\$ 144,762	\$ 602,900	\$ 69,585	\$ 828,947	\$ 1,721,147
Liabilities and Fund Balances					
<i>Current</i>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 63,493	\$ 117,882
Total Liabilities	-	-	-	63,493	117,882
<i>Net Assets and Other Credits</i>					
<i>Fund Balances</i>					
Reserved for:					
Encumbrances	385,466	1,361,195	-	57,279	2,024,417
Unreserved:					
Undesignated, Reported in :					
Capital Projects Funds	(240,704)	(758,295)	69,585	708,175	(421,152)
<i>Total Fund Balances</i>	144,762	602,900	69,585	765,454	1,603,265
Total Liabilities and Fund Balances	\$ 144,762	\$ 602,900	\$ 69,585	\$ 828,947	\$ 1,721,147

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Taxes	\$ 558,169	\$ -	\$ -	\$ 558,169
Charges for Services	849,231	-	-	849,231
Licenses, Permits, and Fees	228,426	-	-	228,426
Fines and forfeitures	393,600	-	-	393,600
Intergovernmental	3,264,687	-	-	3,264,687
Interest	10,263	-	10,581	20,844
Operating Grants and Contributions	3,201,883	-	-	3,201,883
Capital Grants and Contributions	565,030	-	566,650	1,131,680
Rentals	8,751	-	-	8,751
Other	35,124	-	-	35,124
Total Revenues	<u>9,115,164</u>	<u>-</u>	<u>577,231</u>	<u>9,692,395</u>
Expenditures				
Current				
General Government	1,062,370	-	-	1,062,370
Security of Persons and Property	1,822,570	-	-	1,822,570
Public Health	2,714,945	-	-	2,714,945
Transportation	1,606,082	-	-	1,606,082
Community Environment	549,491	-	-	549,491
Leisure Time Activities	8,183	-	-	8,183
Capital Outlay	-	-	1,275,127	1,275,127
Debt Service				
Principal	325,000	-	-	325,000
Interest and Fiscal Charges	248,508	18,521	-	267,029
Total Expenditures	<u>8,337,149</u>	<u>18,521</u>	<u>1,275,127</u>	<u>9,630,797</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>778,015</u>	<u>(18,521)</u>	<u>(697,896)</u>	<u>61,598</u>
Other Financing Sources				
Proceeds of from Debt Issues	-	-	54,389	54,389
Transfers In	78,377	-	-	78,377
Total Other Financing Sources	<u>78,377</u>	<u>-</u>	<u>54,389</u>	<u>132,766</u>
Net Change in Fund Balance	856,392	(18,521)	(643,507)	194,364
<i>Fund Balance at Beginning of Year</i>	5,141,845	21,540	2,246,772	7,410,157
<i>Increase (Decrease) in Reserve for Inventory</i>	(171,071)	-	-	(171,071)
<i>Fund Balance at End of Year</i>	<u>5,827,166</u>	<u>3,019</u>	<u>1,603,265</u>	<u>7,433,450</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended December 31, 2004

	Police and Fire Pension	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck
Revenues					
Property and Other Taxes	\$ 558,169	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	342,527
Licenses, Permits, and Fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	63,374	2,937,393	202,949	60,971	-
Interest	-	3,747	525	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	-	1,161
Other	-	3,127	-	-	-
Total Revenues	<u>621,543</u>	<u>2,944,267</u>	<u>203,474</u>	<u>60,971</u>	<u>343,688</u>
Expenditures					
Current					
General Government	-	-	-	-	385,874
Security of Persons and Property	-	1,280,854	36,236	-	-
Public Health	-	-	-	-	-
Transportation	-	1,390,083	141,387	67,963	6,649
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Debt Service					
Principal	275,000	-	-	-	50,000
Interest and Fiscal Charges	248,508	-	-	-	-
Total Expenditures	<u>523,508</u>	<u>2,670,937</u>	<u>177,623</u>	<u>67,963</u>	<u>442,523</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>98,035</u>	<u>273,330</u>	<u>25,851</u>	<u>(6,992)</u>	<u>(98,835)</u>
Other Financing Sources					
Transfers In	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	98,035	273,330	25,851	(6,992)	(98,835)
<i>Fund Balance at Beginning of Year</i>	4,094	752,893	52,265	701,159	627,178
<i>Increase (Decrease) in Reserve for Inventory</i>	-	(171,071)	-	-	-
Fund Balance at End of Year	<u>\$ 102,129</u>	<u>\$ 855,152</u>	<u>\$ 78,116</u>	<u>\$ 694,167</u>	<u>\$ 528,343</u>

Health Service	Court	Canton Rail Station	Court Computer	Law Department Dispute Resolution	Recycle Ohio	Youth Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	144,010	-	178,723	2,395	-	-
228,426	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,894,182	-	-	-	-	50,675	43,767
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,555	-	-	-	-	-	1,942
<u>3,141,216</u>	<u>144,010</u>	<u>-</u>	<u>178,723</u>	<u>2,395</u>	<u>50,675</u>	<u>45,709</u>
-	167,186	-	169,887	1,618	-	78,484
-	-	-	-	-	-	-
2,714,945	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	81,468	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,714,945</u>	<u>167,186</u>	<u>-</u>	<u>169,887</u>	<u>1,618</u>	<u>81,468</u>	<u>78,484</u>
<u>426,271</u>	<u>(23,176)</u>	<u>-</u>	<u>8,836</u>	<u>777</u>	<u>(30,793)</u>	<u>(32,775)</u>
<u>45,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,000</u>
<u>45,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,000</u>
471,648	(23,176)	-	8,836	777	(30,793)	225
1,682,242	90,089	1,460	23,684	1,335	56,939	15,818
-	-	-	-	-	-	-
<u>\$ 2,153,890</u>	<u>\$ 66,913</u>	<u>\$ 1,460</u>	<u>\$ 32,520</u>	<u>\$ 2,112</u>	<u>\$ 26,146</u>	<u>\$ 16,043</u>

(continued)

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended December 31, 2004

	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Municipal Probation Services	Prisoner Housing
Revenues					
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	181,523	-
Licenses, Permits, and Fees	-	-	-	-	-
Fines and forfeitures	800	42,439	94,066	-	11,605
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Operating Grants and Contributions	-	-	9,961	-	-
Capital Grants and Contributions	-	-	-	-	-
Rentals	-	-	-	-	-
Other	605	-	100	-	-
Total Revenues	<u>1,405</u>	<u>42,439</u>	<u>104,127</u>	<u>181,523</u>	<u>11,605</u>
Expenditures					
Current					
General Government	-	54,166	-	148,460	21,460
Security of Persons and Property	1,853	-	81,930	-	-
Public Health	-	-	-	-	-
Transportation	-	-	-	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>1,853</u>	<u>54,166</u>	<u>81,930</u>	<u>148,460</u>	<u>21,460</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(448)</u>	<u>(11,727)</u>	<u>22,197</u>	<u>33,063</u>	<u>(9,855)</u>
Other Financing Sources					
Transfers In	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(448)	(11,727)	22,197	33,063	(9,855)
<i>Fund Balance at Beginning of Year</i>	1,916	161,914	95,804	105,192	28,910
<i>Increase (Decrease) in Reserve for Inventory</i>	-	-	-	-	-
Fund Balance at End of Year	<u>\$ 1,468</u>	<u>\$ 150,187</u>	<u>\$ 118,001</u>	<u>\$ 138,255</u>	<u>\$ 19,055</u>

<u>Fire Donation</u>	<u>Clean Ohio</u>	<u>Supplementary Police Forces</u>	<u>Local Law Enforcement Block Grant</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 558,169
-	-	-	-	-	849,231
-	-	-	-	-	228,426
-	-	-	-	244,690	393,600
-	-	-	-	-	3,264,687
-	-	-	546	5,445	10,263
3,015	-	-	-	200,283	3,201,883
-	500,413	-	64,617	-	565,030
-	-	-	-	7,590	8,751
-	-	4,203	796	5,796	35,124
<u>3,015</u>	<u>500,413</u>	<u>4,203</u>	<u>65,959</u>	<u>463,804</u>	<u>9,115,164</u>
-	-	-	-	35,235	1,062,370
1,560	-	5,084	200,587	214,466	1,822,570
-	-	-	-	-	2,714,945
-	-	-	-	-	1,606,082
-	468,023	-	-	-	549,491
-	-	-	-	8,183	8,183
-	-	-	-	-	325,000
-	-	-	-	-	248,508
<u>1,560</u>	<u>468,023</u>	<u>5,084</u>	<u>200,587</u>	<u>257,884</u>	<u>8,337,149</u>
<u>1,455</u>	<u>32,390</u>	<u>(881)</u>	<u>(134,628)</u>	<u>205,920</u>	<u>778,015</u>
-	-	-	-	-	78,377
-	-	-	-	-	78,377
1,455	32,390	(881)	(134,628)	205,920	856,392
-	-	5,242	267,065	466,646	5,141,845
-	-	-	-	-	(171,071)
<u>\$ 1,455</u>	<u>\$ 32,390</u>	<u>\$ 4,361</u>	<u>\$ 132,437</u>	<u>\$ 672,566</u>	<u>\$ 5,827,166</u>

City of Canton, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Debt Service Funds
 For the year ended December 31, 2004

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues	\$ -	\$ -	\$ -
Expenditures			
Debt Service			
Interest and Fiscal Charges	18,521	-	18,521
<i>Excess Revenues Over (Under) Expenditures</i>	(18,521)	-	(18,521)
Net Change in Fund Balance	(18,521)	-	(18,521)
<i>Fund Balance at Beginning of Year</i>	21,540	-	21,540
<i>Fund Balance at End of Year</i>	\$ 3,019	\$ -	\$ 3,019

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the year ended December 31, 2004

	Radio Communication Systems	Market Avenue Sanitary Sewer	Harmount Sidewalk Improvement	Traffic Signalization
Revenues				
Interest	\$ -	\$ -	\$ 153	\$ 114
Capital Grants and Contributions	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>153</u>	<u>114</u>
Expenditures				
Current				
Capital Outlay	-	54,389	-	13,928
<i>Excess Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(54,389)</u>	<u>153</u>	<u>(13,814)</u>
Other Financing Sources				
Proceeds of from Debt Issues	-	54,389	-	-
Net Change in Fund Balance	-	-	153	(13,814)
<i>Fund Balance at Beginning of Year</i>	6,843	-	12,171	15,211
<i>Fund Balance at End of Year</i>	<u>\$ 6,843</u>	<u>\$ -</u>	<u>\$ 12,324</u>	<u>\$ 1,397</u>

(continued)

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the year ended December 31, 2004

	Shorb & 4th Street Roadway Improvement	Street & Storm Sewer Improvement	OPWC	Civic Center Improvement	Total Nonmajor Capital Projects Funds
Revenues					
Interest	\$ -	\$ -	\$ -	\$ 10,314	\$ 10,581
Capital Grants and Contributions	149,350	417,300	-	-	566,650
Total Revenues	<u>149,350</u>	<u>417,300</u>	<u>-</u>	<u>10,314</u>	<u>577,231</u>
Expenditures					
Current					
Capital Outlay	432,812	650,173	-	123,825	1,275,127
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(283,462)</u>	<u>(232,873)</u>	<u>-</u>	<u>(113,511)</u>	<u>(697,896)</u>
Other Financing Sources					
Proceeds of from Debt Issues	-	-	-	-	54,389
Net Change in Fund Balance	(283,462)	(232,873)	-	(113,511)	(643,507)
<i>Fund Balance at Beginning of Year</i>	428,224	835,773	69,585	878,965	2,246,772
<i>Fund Balance at End of Year</i>	<u>\$ 144,762</u>	<u>\$ 602,900</u>	<u>\$ 69,585</u>	<u>\$ 765,454</u>	<u>\$ 1,603,265</u>

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.

Compensated Absence Claim Fund To account for charges to the operating funds on a per employee basis for the claims associated with and mandated by local and state fringe benefit provisions including accumulated sick time, continuing disability, banked vacation, and termination pay.

City of Canton, Ohio
Combining Statement of Net Assets
Nonmajor Internal Service Funds
December 31, 2004

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 2,665,716	\$ 1,940,354	\$ 887,989	\$ 5,494,059
Accounts Receivable	135	63,467	-	63,602
Due From Other Funds	2,300,000	-	-	2,300,000
Total Assets	<u>\$ 4,965,851</u>	<u>\$ 2,003,821</u>	<u>\$ 887,989</u>	<u>\$ 7,857,661</u>
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 533,361	\$ 1,485	\$ -	\$ 534,846
Accrued Wages and Benefits	2,081	2,862	-	4,943
Due to Other Governments	198	272	8,572	9,042
Due Within One Year	-	-	774,548	774,548
Claims Payable - Current	2,885,168	621,229	90,240	3,596,637
<i>Total Current</i>	<u>3,420,808</u>	<u>625,848</u>	<u>873,360</u>	<u>4,920,016</u>
<i>Noncurrent</i>				
Due Within More Than One Year	-	-	9,010,300	9,010,300
Total Liabilities	<u>3,420,808</u>	<u>625,848</u>	<u>9,883,660</u>	<u>13,930,316</u>
<i>Net Assets</i>				
Unrestricted	1,545,043	1,377,973	(8,995,671)	(6,072,655)
Total Net Assets and Liabilities	<u>\$ 4,965,851</u>	<u>\$ 2,003,821</u>	<u>\$ 887,989</u>	<u>\$ 7,857,661</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Net Assets
Nonmajor Internal Service Funds
For the year ended December 31, 2004

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Revenues				
Charges for Services	\$ 881,371	\$ 7,050,433	\$ 2,863,394	\$ 10,795,198
Other	3,730	124,108	-	127,838
Total Revenue	<u>885,101</u>	<u>7,174,541</u>	<u>2,863,394</u>	<u>10,923,036</u>
Operating Expenses				
Personal Services	42,399	65,552	-	107,951
Contractual Services	626,330	409,900	-	1,036,230
Materials and Supplies	-	2,029	-	2,029
Insurance Claims and Expenses	1,538,259	6,812,181	-	8,350,440
Benefit Claim Expenses	-	-	2,848,765	2,848,765
Other	-	899	-	899
Total Operating Expenses	<u>2,206,988</u>	<u>7,290,561</u>	<u>2,848,765</u>	<u>12,346,314</u>
<i>Operating (Income) Loss</i>	<u>(1,321,887)</u>	<u>(116,020)</u>	<u>14,629</u>	<u>(1,423,278)</u>
Nonoperating Revenues (Expenses)				
Interest and Investment Revenue	-	4,893	-	4,893
Benefit Claim Expenses	-	-	(9,010,300)	(9,010,300)
Total Nonoperating Revenue (Expenses)	<u>-</u>	<u>4,893</u>	<u>(9,010,300)</u>	<u>(9,005,407)</u>
Change in Net Assets	(1,321,887)	(111,127)	(8,995,671)	(10,428,685)
<i>Total Net Assets at Beginning of Year</i>	2,866,930	1,489,100	-	4,356,030
<i>Total Net Assets at End of Year</i>	<u>\$ 1,545,043</u>	<u>\$ 1,377,973</u>	<u>\$ (8,995,671)</u>	<u>\$ (6,072,655)</u>

City of Canton, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2004

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total
Cash Flows From Operating Activities				
Receipts from Customers and Users	\$ 881,371	\$ 7,062,646	\$ 2,863,394	\$ 10,807,411
Other Cash Receipts	3,595	114,692	-	118,287
Payments to Suppliers	(92,969)	(415,650)	-	(508,619)
Payments to Employees	(48,836)	(76,640)	-	(125,476)
Claims Paid	(935,175)	(7,105,936)	(1,975,405)	(10,016,516)
Other Cash Payments	-	(1,169)	-	(1,169)
Internal Activity - Expense to Other Funds	(2,300,000)	-	-	(2,300,000)
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>(2,492,014)</u>	<u>(422,057)</u>	<u>887,989</u>	<u>(2,026,082)</u>
Cash Flows From Investing Activities				
Interest and Dividends	-	4,588	-	4,588
<i>Net Cash Provided (Used) by Investing Activities</i>	<u>-</u>	<u>4,588</u>	<u>-</u>	<u>4,588</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(2,492,014)	(417,469)	887,989	(2,021,494)
Balance - Beginning of the Year	5,157,730	2,357,823	-	7,515,553
Balance - End of the Year	<u>2,665,716</u>	<u>1,940,354</u>	<u>887,989</u>	<u>5,494,059</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(1,321,887)	(116,020)	14,629	(1,423,278)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Change in Assets and Liabilities:				
Accounts Receivables, net	(135)	(33,310)	-	(33,445)
Due From Other Funds	(2,300,000)	36,107	-	(2,263,893)
Accounts Payables	533,361	(3,991)	-	529,370
Accrued Wages Payable	(6,512)	(11,159)	-	(17,671)
Intergovernmental Payable	75	71	8,572	8,718
Compensated Absences Payable	-	-	774,548	774,548
Claims Payable	603,084	(293,755)	90,240	399,569
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,492,014)</u>	<u>\$ (422,057)</u>	<u>\$ 887,989</u>	<u>\$ (2,026,082)</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 and monies received from state assessments for the Building Department which are disbursed periodically.

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the Year Ended December 31, 2004

	Balance 01/01/04	Additions	Reductions	Balance 12/31/04
Building Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 97,107	\$ 87,594	\$ 71,714	\$ 112,987
Liabilities				
Deposits Held and Due to Others	\$ 97,107	\$ 87,594	\$ 71,714	\$ 112,987
Payroll Clearing				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,000,280	\$ 10,977,635	\$ 10,970,747	\$ 1,007,168
Liabilities				
Due to Other Governments	\$ 1,000,280	\$ 10,977,635	\$ 10,970,747	\$ 1,007,168
Employee Buyout Incentive				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 108,405	\$ 81,526	\$ 106,413	\$ 83,518
Liabilities				
Deposits Held and Due to Others	\$ 108,405	\$ 81,526	\$ 106,413	\$ 83,518
Auditors Transfer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 385,857	\$ 139,653	\$ 427,853	\$ 97,657
Cash and Cash Equivalents in Segregated Accounts	635	22,935	23,110	460
Total Assets	\$ 386,492	\$ 162,588	\$ 450,963	\$ 98,117
Liabilities				
Deposits Held and Due to Others	\$ 386,492	\$ 162,588	\$ 450,963	\$ 98,117
Municipal Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$ 63,027	\$ 6,406,648	\$ 6,409,952	\$ 59,723
Liabilities				
Undistributed Assets	\$ 63,027	\$ 6,406,648	\$ 6,409,952	\$ 59,723

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds (continued)
For the Year Ended December 31, 2004

	Balance 01/01/04	Additions	Reductions	Balance 12/31/04
<i>Ticketmaster</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,331	\$ 383,597	\$ 341,858	\$ 43,070
Liabilities				
Undistributed Assets	\$ 1,331	\$ 383,597	\$ 341,858	\$ 43,070
<i>Building Department State Assessment</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 10,872	\$ 2,522	\$ 8,350
Liabilities				
Deposits Held and Due to Others	\$ -	\$ 10,872	\$ 2,522	\$ 8,350
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,592,980	\$ 11,680,877	\$ 11,921,107	\$ 1,352,750
Cash and Cash Equivalents in Segregated Accounts	63,662	6,429,583	6,433,062	60,183
Total Assets	\$ 1,656,642	\$ 18,110,460	\$ 18,354,169	\$ 1,412,933
Liabilities				
Due to Other Governments	\$ 1,000,280	\$ 10,977,635	\$ 10,970,747	\$ 1,007,168
Undistributed Assets	64,358	6,790,245	6,751,810	102,793
Deposits Held and Due to Others	592,004	342,580	631,612	302,972
Total Liabilities	\$ 1,656,642	\$ 18,110,460	\$ 18,354,169	\$ 1,412,933

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

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 2,802,637	\$ 2,825,445	\$ 22,808
Municipal Income Tax	28,847,054	28,961,987	114,933
Charges for Services	7,845,055	8,048,097	203,042
Licenses, Permits and Fees	1,457,462	1,533,226	75,764
Fines and Forfeitures	281,000	292,468	11,468
Intergovernmental	6,823,968	6,903,628	79,660
Operating Grants	104,795	112,733	7,938
Interest	436,171	507,254	71,083
Rentals	177,522	214,974	37,452
Other	362,110	486,268	124,158
Total Revenue	<u>49,137,774</u>	<u>49,886,080</u>	<u>748,306</u>
Expenditures			
Current:			
General Governmental:			
<i>Service Director-Support Administration :</i>			
Personal Services	27,000	26,982	18
Materials and Supplies	13,645	13,252	393
Contractual Services	158,815	149,843	8,972
Other	79,505	79,198	307
<i>Total Service Director-Support Administration</i>	<u>278,965</u>	<u>269,275</u>	<u>9,690</u>
<i>Service Director-Service Director Administration:</i>			
Personal Services	68,372	68,049	323
Materials and Supplies	1,135	292	843
Contractual Services	21,574	12,973	8,601
Other	3,000	2,144	856
<i>Total Service Director-Service Director Admin</i>	<u>94,081</u>	<u>83,458</u>	<u>10,623</u>
<i>Service Director-Purchase Administration:</i>			
Personal Services	280,853	273,855	6,998
Materials and Supplies	222,484	213,750	8,734
Contractual Services	8,781	7,093	1,688
Other	850	695	155
<i>Total Service Director-Purchase Administration</i>	<u>512,968</u>	<u>495,393</u>	<u>17,575</u>
<i>Service Director-Annexation:</i>			
Personal Services	9,147	9,147	-
Materials and Supplies	1,072	1,072	-
Contractual Services	17,119	17,119	-
<i>Total Service Director-Annexation</i>	<u>27,338</u>	<u>27,338</u>	<u>-</u>
<i>Building and Maintenance-Other Building:</i>			
Personal Services	882,536	849,414	33,122
Materials and Supplies	56,549	55,115	1,434
Contractual Services	361,544	355,123	6,421
Capital Outlay	780	-	780
Other	2,719	2,680	39
<i>Total Building and Maintenance-Other Building</i>	<u>1,304,128</u>	<u>1,262,332</u>	<u>41,796</u>
<i>Total Income Tax-Income Tax Administration</i>			
Personal Services	907,847	893,204	14,643
Materials and Supplies	94,147	85,053	9,094
Contractual Services	86,449	70,296	16,153
Capital Outlay	1,386	-	1,386
Other	397,192	392,431	4,761
<i>Total Income Tax - Income Tax Administration</i>	<u>\$ 1,487,021</u>	<u>\$ 1,440,984</u>	<u>\$ 46,037</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Mayor - Administration</i>			
Personal Services	\$ 368,901	\$ 368,028	\$ 873
Materials and Supplies	1,180	878	302
Contractual Services	72,340	69,981	2,359
Other	243,333	73,535	169,798
<i>Total Mayor-Mayor Administration</i>	<u>685,754</u>	<u>512,422</u>	<u>173,332</u>
<i>Mayor-Human Resources Administration:</i>			
Personal Services	217,094	197,352	19,742
Materials and Supplies	685	451	234
Contractual Services	24,730	19,461	5,269
<i>Total Mayor-Human Resources Administration</i>	<u>242,509</u>	<u>217,264</u>	<u>25,245</u>
<i>Mayor-Word Processing Administration:</i>			
Personal Services	176,423	171,213	5,210
<i>Total Mayor-Word Processing Administration</i>	<u>176,423</u>	<u>171,213</u>	<u>5,210</u>
<i>Mayor-Youth Development Administration:</i>			
Personal Services	203,111	191,335	11,776
Materials and Supplies	1,034	994	40
Contractual Services	10,017	7,407	2,610
Other	50	-	50
<i>Total Mayor-Youth Development Administration</i>	<u>214,212</u>	<u>199,736</u>	<u>14,476</u>
<i>Council-Council Administration:</i>			
Personal Services	527,778	522,758	5,020
Materials and Supplies	1,262	1,117	145
Contractual Services	34,289	31,720	2,569
Other	4,866	153	4,713
<i>Total Council-Council Administration</i>	<u>568,195</u>	<u>555,748</u>	<u>12,447</u>
<i>Courts/Judge-Judge Administration:</i>			
Personal Services	1,455,082	1,454,819	263
Materials and Supplies	32,485	31,664	821
Contractual Services	31,528	31,186	342
Other	2,223	2,223	-
<i>Total Courts/Judge-Judge Administration</i>	<u>1,521,318</u>	<u>1,519,892</u>	<u>1,426</u>
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personal Services	1,140,360	1,140,327	33
Materials and Supplies	45,698	45,269	429
Contractual Services	37,137	34,640	2,497
Other	2,384	1,942	442
<i>Total Courts/Clerk-Clerk of Courts Admin</i>	<u>1,225,579</u>	<u>1,222,178</u>	<u>3,401</u>
<i>Law Director-Law Administration:</i>			
Personal Services	1,143,312	1,124,073	19,239
Materials and Supplies	11,070	9,597	1,473
Contractual Services	184,014	152,990	31,024
Other	260,726	192,139	68,587
<i>Total Law Director-Law Administration</i>	<u>1,599,122</u>	<u>1,478,799</u>	<u>120,323</u>
<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>

(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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Auditor-Auditor Administration:</i>			
Personal Services	\$ 864,793	\$ 863,464	\$ 1,329
Materials and Supplies	25,689	22,907	2,782
Contractual Services	726,651	723,326	3,325
Other	176,058	71,398	104,660
<i>Total Auditor-Auditor Administration</i>	<u>1,793,191</u>	<u>1,681,095</u>	<u>112,096</u>
<i>Treasurer- Administration & Operations:</i>			
Personal Services	199,313	195,974	3,339
Materials and Supplies	1,126	813	313
Contractual Services	8,480	2,378	6,102
Capital Outlay	130	-	130
Other	230	150	80
<i>Total Treasurer-Operations</i>	<u>209,279</u>	<u>199,315</u>	<u>9,964</u>
<i>Board of Commission-Civil Service:</i>			
Personal Services	198,445	197,615	830
Materials and Supplies	5,888	3,503	2,385
Contractual Services	34,942	20,410	14,532
Capital Outlay	290	-	290
Other	407	407	-
<i>Total Board of Commission-Civil Service</i>	<u>239,972</u>	<u>221,935</u>	<u>18,037</u>
<i>Board of Commission-Zoning Board:</i>			
Personal Services	8,466	8,466	-
<i>Total Board of Commission-Zoning Board</i>	<u>8,466</u>	<u>8,466</u>	<u>-</u>
<i>Motor Vehicle-Administration:</i>			
Personal Services	156,130	155,546	584
Materials and Supplies	1,600	1,507	93
Contractual Services	128,004	114,502	13,502
Other	50	46	4
<i>Total Motor Vehicle-Administration</i>	<u>285,784</u>	<u>271,601</u>	<u>14,183</u>
<i>Motor Vehicle-Service and Repair:</i>			
Personal Services	830,816	830,676	140
Materials and Supplies	1,042,444	1,025,919	16,525
Contractual Services	92,561	83,708	8,853
Capital Outlay	4,274	4,274	-
Other	9,038	8,958	80
<i>Total Motor Vehicle-Service and Repair</i>	<u>1,979,133</u>	<u>1,953,535</u>	<u>25,598</u>
<i>Management Information Systems:</i>			
Personal Services	968,655	967,065	1,590
Materials and Supplies	31,447	24,020	7,427
Contractual Services	410,841	354,601	56,240
Capital Outlay	6,500	5,010	1,490
Other	13,024	12,337	687
<i>Total Management Information Systems</i>	<u>1,430,467</u>	<u>1,363,033</u>	<u>67,434</u>
Total General Government	<u>15,911,505</u>	<u>15,182,612</u>	<u>728,893</u>
Security of Persons and Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personal Services	120,106	119,115	991
Materials and Supplies	60	-	60
Contractual Services	4,912	3,493	1,419
Other	2,573	235	2,338
<i>Total Safety Director-Safety Director Admin</i>	<u>\$ 127,651</u>	<u>\$ 122,843</u>	<u>\$ 4,808</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Safety Director-Code Enforcement Admin:</i>			
Personal Services	\$ 757,522	\$ 755,417	\$ 2,105
Materials and Supplies	25,208	21,671	3,537
Contractual Services	86,856	75,822	11,034
Other	10,080	4,014	6,066
<i>Total Safety Director-Code Enforcement Admin</i>	<u>879,666</u>	<u>856,924</u>	<u>22,742</u>
<i>Safety Director-School Police Administration:</i>			
Personal Services	351,180	326,179	25,001
Materials and Supplies	1,351	1,350	1
<i>Total Safety Director-School Police Admin</i>	<u>352,531</u>	<u>327,529</u>	<u>25,002</u>
<i>Safety Director-Central Communication Admin:</i>			
Salaries and Wages	826,189	816,387	9,802
Materials and Supplies	1,743	283	1,460
Contractual Services	64,990	45,732	19,258
Capital Outlay	990	-	990
Other	60	-	60
<i>Total Safety Director-Central Communication Admin</i>	<u>893,972</u>	<u>862,402</u>	<u>31,570</u>
<i>Police Administration:</i>			
Personal Services	14,058,370	13,818,621	239,749
Materials and Supplies	43,557	36,603	6,954
Contractual Services	432,812	384,282	48,530
Other	7,177	4,814	2,363
<i>Total Police Administration</i>	<u>14,541,916</u>	<u>14,244,320</u>	<u>297,596</u>
<i>Fire Administration:</i>			
Personal Services	13,144,986	13,024,109	120,877
Materials and Supplies	134,751	129,589	5,162
Contractual Services	284,272	265,157	19,115
Capital Outlay	30	-	30
Other	39,647	23,885	15,762
<i>Total Fire Administration</i>	<u>13,603,686</u>	<u>13,442,740</u>	<u>160,946</u>
<i>Traffic Divisions-Fire Alarm Maintenance:</i>			
Materials and Supplies	810	-	810
<i>Total Traffic Divisions-Fire Alarm Maintenance</i>	<u>810</u>	<u>-</u>	<u>810</u>
<i>Traffic Divisions-Traffic Engineer/Parking Meter:</i>			
Personal Services	135,359	134,739	620
Materials and Supplies	11,123	9,686	1,437
Contractual Services	4,255	4,195	60
Other	1,052	821	231
<i>Total Traffic Divisions-Traffic Engineer/Parking Meter</i>	<u>151,789</u>	<u>149,441</u>	<u>2,348</u>
Total Security of Persons and Property	<u>30,552,021</u>	<u>30,006,199</u>	<u>545,822</u>
Public Health:			
<i>Health Administration:</i>			
Personal Services	334,360	333,568	792
Materials and Supplies	10,358	8,185	2,173
Contractual Services	129,203	124,140	5,063
Capital Outlay	1,040	-	1,040
Other	226,340	225,255	1,085
<i>Total Health Administration</i>	<u>\$ 701,301</u>	<u>\$ 691,148</u>	<u>\$ 10,153</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Health-Nurses:</i>			
Personal Services	\$ 644,569	\$ 643,980	\$ 589
Materials and Supplies	18,391	12,425	5,966
Contractual Services	2,832	2,116	716
Other	2,352	2,141	211
Total Health-Nurses	668,144	660,662	7,482
<i>Health-Lab:</i>			
Personal Services	154,733	147,538	7,195
Materials and Supplies	28,054	24,655	3,399
Contractual Services	10,002	4,401	5,601
Capital Outlay	360	-	360
Other	870	60	810
Total Health-Lab	194,019	176,654	17,365
<i>Health-Environmental Health Administration:</i>			
Personal Services	631,650	587,534	44,116
Materials and Supplies	9,222	6,393	2,829
Contractual Services	4,130	436	3,694
Other	1,480	650	830
Total Health-Environmental Health Administration	646,482	595,013	51,469
Total Public Health	2,209,946	2,123,477	86,469
Transportation:			
<i>Engineering-Administration:</i>			
Personal Services	1,929	1,582	347
Total Engineering-Administration:	1,929	1,582	347
<i>Engineering-Daily Operations:</i>			
Personal Services	90,781	84,313	6,468
Materials and Supplies	150	35	115
Contractual and Services	2,202	2,200	2
Total Engineering-Daily Operations	93,133	86,548	6,585
<i>Street-Maintenance:</i>			
Personal Services	447,191	433,716	13,475
Materials and Supplies	268,220	259,243	8,977
Contractual Services	811,588	794,628	16,960
Other	5,617	5,498	119
Total Street-Maintenance	1,532,616	1,493,085	39,531
Total Transportation	1,627,678	1,581,215	46,463
Leisure Time Activities:			
<i>Park Division-Park Administration:</i>			
Personal Services	947,986	940,787	7,199
Materials and Supplies	31,879	26,539	5,340
Contractual Services	49,574	45,870	3,704
Other	8,004	5,986	2,018
Total Park Division-Park Administration	1,037,443	1,019,182	18,261
<i>Mayor-Baseball:</i>			
Personal Services	18,964	13,204	5,760
Materials and Supplies	6,946	6,649	297
Contractual Services	35,987	35,641	346
Other	825	788	37
Total Mayor-Baseball	\$ 62,722	\$ 56,282	\$ 6,440

(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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
<i>Civic Center-Civic Center Administration:</i>			
Personal Services	\$ 489,909	\$ 442,346	\$ 47,563
Materials and Supplies	90,078	87,097	2,981
Contractual Services	383,759	334,526	49,233
Other	7,831	6,997	834
<i>Total Civic Center-Civic Center Administration</i>	<u>971,577</u>	<u>870,966</u>	<u>100,611</u>
Total Leisure Time Activities	<u>2,071,742</u>	<u>1,946,430</u>	<u>125,312</u>
Total Expenditures	52,372,892	50,839,933	1,532,959
Excess of Revenues Over (Under) Expenditures	<u>(3,235,118)</u>	<u>(953,853)</u>	<u>2,281,265</u>
<i>Other Financing Sources (Uses)</i>			
Sale of Capital Assets	-	1	1
Advances Out	(13,623)	(13,118)	505
Transfers In	60,000	-	(60,000)
Transfers Out	(78,377)	(78,377)	-
<i>Total Other Financing Sources</i>	<u>(32,000)</u>	<u>(91,494)</u>	<u>(59,494)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,267,118)	(1,045,347)	2,221,771
<i>Fund Balances Beginning of Year</i>	3,978,774	3,978,774	-
Unexpended Prior Year Encumbrances	279,761	279,761	-
<i>Fund Balances End of Year</i>	<u>\$ 991,417</u>	<u>\$ 3,213,188</u>	<u>\$ 2,221,771</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, 2004*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 100,000	\$ 74,849	\$ (25,151)
Operating Grants	12,215,000	4,966,462	(7,248,538)
Interest	3,000	2,814	(186)
Other	490,000	755,988	265,988
<i>Total Revenues</i>	<u>12,808,000</u>	<u>5,800,113</u>	<u>(7,007,887)</u>
Expenditures			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Personnel Costs	1,463,099	1,203,853	259,246
Materials and Supplies	40,984	14,603	26,381
Contractual Services	4,174,170	3,309,442	864,728
Capital Outlay	2,639,206	676,223	1,962,983
Other	6,723,447	2,498,862	4,224,585
<i>Total Community Development Administration</i>	<u>15,040,906</u>	<u>7,702,983</u>	<u>7,337,923</u>
<i>Community Development Planning:</i>			
Contractual Services	12,002	4,235	7,767
<i>Total Community Environment</i>	<u>15,052,908</u>	<u>7,707,218</u>	<u>7,345,690</u>
Debt Service:			
Principal Retirement	335,000	335,000	-
Interest and Fiscal Charges	169,026	91,218	77,808
<i>Total Debt Service</i>	<u>504,026</u>	<u>426,218</u>	<u>77,808</u>
<i>Total Expenditures</i>	<u>15,556,934</u>	<u>8,133,436</u>	<u>7,423,498</u>
Excess of Revenues (Under) Expenditures	(2,748,934)	(2,333,323)	415,611
Other Financing Sources (Uses)			
Sale of Capital Assets	-	59,068	59,068
Advances In	2,300,000	2,300,000	-
Advances Out	(3,556,433)	-	3,556,433
Transfers In	5,710,000	-	(5,710,000)
<i>Total Other Financing Sources</i>	<u>4,453,567</u>	<u>2,359,068</u>	<u>(2,094,499)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	1,704,633	25,745	(1,678,888)
<i>Fund Balance (Deficit) Beginning of Year</i>	(2,571,788)	(2,571,788)	-
Unexpended Prior Year Encumbrances	1,332,681	1,332,681	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 465,526</u>	<u>\$ (1,213,362)</u>	<u>\$ (1,678,888)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Capital Projects Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 7,356,000	\$ 7,314,476	\$ (41,524)
Other	5,536	17,294	11,758
Proceeds of Loans	279,684	183,546	(96,138)
<i>Total Revenues</i>	<u>7,641,220</u>	<u>7,515,316</u>	<u>(125,904)</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Safety Director Administration	3,500	2,822	678
Central Communication Administration	2,400	1,335	1,065
Police Department-Police Administration	87,136	27,616	59,520
Fire Department-Fire Administration	282,569	207,107	75,462
Traffic Divisions:			
Traffic Divisions-Engineer Administration	160,590	155,012	5,578
Traffic Sign and Paint	90	-	90
Traffic Signal	2,105	-	2,105
Service Director:			
General Government-Support Administration	90,358	71,381	18,977
Service Director Administration	530,736	484,668	46,068
Purchasing Administration	11,600	11,501	99
Engineering Administration	2,653,830	2,368,320	285,510
Engineering - 12th St./13th St. NW Connector	11,057	11,057	-
Engineering - 1051 35th St. Reconstruction	3,200	3,200	-
Engineering - Guilford Ave NW Bridge Improvement	4,654	4,654	-
Engineering - Steese Area Drainage Project	131,774	131,774	-
Engineering - 49th St. & Gardendale	77,500	77,500	-
Engineering - 30th St. NE Trunk Sewer & Improvement	161,654	161,654	-
Street Administration	35,792	33,061	2,731
Street Paving	1,631,534	1,517,406	114,128
Civic Center Administration	146	-	146
Building Maintenance Administration	37,892	26,995	10,897
Health:			
Health Administration	44,400	24,633	19,767
Park Division:			
Park Administration	262,956	161,428	101,528
Mayor:			
Youth Development Administration	22,082	1,500	20,582
Management Information Systems:			
Systems	145,111	112,266	\$ 32,845

(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, 2004*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Judges:			
Judge Administration	33,557	33,557	-
Auditor:			
Auditor Administration	208,817	208,712	105
Income Tax:			
Income Tax Administration	75,000	43,536	31,464
<i>Total Capital Outlay</i>	<u>6,712,040</u>	<u>5,882,695</u>	<u>829,345</u>
Debt Service:			
Principal Retirement	1,674,151	1,661,457	12,694
Interest and Fiscal Charges	536,037	535,693	344
<i>Total Debt Service</i>	<u>2,210,188</u>	<u>2,197,150</u>	<u>13,038</u>
<i>Total Expenditures</i>	<u>8,922,228</u>	<u>8,079,845</u>	<u>842,383</u>
Excess of Revenues (Under) Expenditures	(1,281,008)	(564,529)	716,479
<i>Fund Balance Beginning of Year</i>	757,735	757,735	-
Unexpended Prior Year Encumbrances	554,668	554,668	-
<i>Fund Balance End of Year</i>	<u>\$ 31,395</u>	<u>\$ 747,874</u>	<u>\$ 716,479</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Motor Vehicle Purchase Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 1,821,162	\$ 1,828,619	\$ 7,457
Rentals	11,145	15,177	4,032
<i>Total Revenues</i>	<u>1,832,307</u>	<u>1,843,796</u>	<u>11,489</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Code Enforcement Administration	39,579	32,187	7,392
Central Communication Administration	170,000	167,439	2,561
Police Department-Police Administration	418,523	417,258	1,265
Fire Department-Fire Administration	453,465	450,378	3,087
Traffic Divisions-Engineer Administration	1,706	1,650	56
Traffic Divisions-Traffic Sign & Paint	34,127	8,041	26,086
Traffic Divisions-Traffic Signal	2,274	-	2,274
Traffic Divisions-Engineer/Parking Meter	1,137	-	1,137
Service Director:			
Engineering Administration	2,843	-	2,843
Street Administration	227,373	78,064	149,309
Maintenance	60,412	7,916	52,496
Motor Vehicle Administration	18,257	17,040	1,217
Health:			
Health Administration	4,549	-	4,549
Park Division:			
Park Administration	100,529	84,921	15,608
Park Police	853	-	853
Mayor:			
Youth Development Administration	4,315	4,315	-
Management Information Systems:			
MIS Administration	7,589	7,589	-
Judges:			
Judge Administration	49,210	9,504	39,706
<i>Total Capital Outlay</i>	<u>1,596,741</u>	<u>1,286,302</u>	<u>310,439</u>
Debt Service:			
Principal Retirement	525,000	525,000	-
Interest and Fiscal Charges	162,305	162,305	-
<i>Total Debt Service</i>	<u>687,305</u>	<u>687,305</u>	<u>-</u>
<i>Total Expenditures</i>	<u>\$ 2,284,046</u>	<u>\$ 1,973,607</u>	<u>\$ 310,439</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, 2004*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Excess of Revenues (Under) Expenditures	\$ (451,739)	\$ (129,811)	\$ 321,928
Other Financing Sources			
Sale of Capital Assets	252,261	305,245	52,984
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(199,478)</u>	<u>175,434</u>	<u>374,912</u>
<i>Fund Balance Beginning of Year</i>	195,598	195,598	-
Unexpended Prior Year Encumbrances	5,058	5,058	-
<i>Fund Balance End of Year</i>	<u>\$ 1,178</u>	<u>\$ 376,090</u>	<u>\$ 374,912</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 11,049,727	\$ 11,528,977	\$ 479,250
Intergovernmental	271,278	-	(271,278)
Interest	-	3,891	3,891
Proceeds of Loans	272,835	244,776	(28,059)
Rentals	-	42,028	42,028
Other	180,203	120,125	(60,078)
<i>Total Revenues</i>	<u>11,774,043</u>	<u>11,939,797</u>	<u>165,754</u>
Expenses			
Personnel Costs	5,442,145	5,219,192	222,953
Material and Supplies	1,229,209	1,015,635	213,574
Contractual Services	2,292,376	1,865,037	427,339
Capital Outlay	611,831	341,354	270,477
Claims	91,128	50,713	40,415
Other	95,549	78,845	16,704
Debt Service:			
Principal Retirement	1,441,201	1,441,007	194
Interest and Fiscal Charges	953,760	934,984	18,776
<i>Total Expenses</i>	<u>12,157,199</u>	<u>10,946,767</u>	<u>1,210,432</u>
Excess of Revenues Over (Under) Expenses	(383,156)	993,030	1,376,186
Other Financing Sources (Uses)			
Sale of Capital Assets	-	400	400
Transfers In	100,531	-	(100,531)
Transfers Out	(78,494)	-	78,494
<i>Total Other Financing Sources</i>	<u>22,037</u>	<u>400</u>	<u>(21,637)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(361,119)	993,430	1,354,549
<i>Fund Equity Beginning of Year</i>	5,198,881	5,198,881	-
Unexpended Prior Year Encumbrances	227,658	227,658	-
<i>Fund Equity End of Year</i>	<u>\$ 5,065,420</u>	<u>\$ 6,419,969</u>	<u>\$ 1,354,549</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 10,085,825	\$ 10,190,579	\$ 104,754
Rentals	14,175	15,175	1,000
Other	750,000	1,105,848	355,848
<i>Total Revenues</i>	<u>10,850,000</u>	<u>11,311,602</u>	<u>461,602</u>
Expenses			
Personnel Costs	4,437,106	4,197,009	240,097
Material and Supplies	1,067,971	632,519	435,452
Contractual Services	3,294,458	2,554,405	740,053
Capital Outlay	3,244,332	1,731,922	1,512,410
Claims	58,000	15,663	42,337
Other	108,530	39,186	69,344
Debt Service:			
Principal Retirement	2,420,823	2,357,545	63,278
Interest and Fiscal Charges	653,840	617,994	35,846
<i>Total Expenses</i>	<u>15,285,060</u>	<u>12,146,243</u>	<u>3,138,817</u>
Excess of Revenues (Under) Expenses	(4,435,060)	(834,641)	3,600,419
Other Financing Sources (Uses)			
Transfers In	229,483	-	(229,483)
Transfers Out	(182,180)	-	182,180
<i>Total Other Financing Sources</i>	<u>47,303</u>	<u>-</u>	<u>(47,303)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(4,387,757)	(834,641)	3,553,116
<i>Fund Equity Beginning of Year</i>	8,069,261	8,069,261	-
Unexpended Prior Year Encumbrances	323,255	323,255	-
<i>Fund Equity End of Year</i>	<u>\$ 4,004,759</u>	<u>\$ 7,557,875</u>	<u>\$ 3,553,116</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 4,225,000	\$ 4,137,874	\$ (87,126)
Operating Grants	-	24,830	24,830
Other	-	45	45
<i>Total Revenues</i>	<u>4,225,000</u>	<u>4,162,749</u>	<u>(62,251)</u>
Expenses			
Personnel Costs	2,698,775	2,681,107	17,668
Material and Supplies	90,760	76,443	14,317
Contractual Services	1,308,058	1,262,862	45,196
Capital Outlay	270,422	166,762	103,660
Claims	9,900	5,623	4,277
Other	28,257	15,848	12,409
<i>Total Expenses</i>	<u>4,406,172</u>	<u>4,208,645</u>	<u>197,527</u>
Excess of Revenues (Under) Expenses	(181,172)	(45,896)	135,276
Other Financing Sources			
Sale of Capital Assets	-	9,225	9,225
Excess of Revenues and Other Financing Sources (Under) Expenditures	(181,172)	(36,671)	144,501
<i>Fund Equity Beginning of Year</i>	808,525	808,525	-
Unexpended Prior Year Encumbrances	21,805	21,805	-
<i>Fund Equity End of Year</i>	<u>\$ 649,158</u>	<u>\$ 793,659</u>	<u>\$ 144,501</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 500,000	\$ 562,263	\$ 62,263
Intergovernmental	58,000	63,374	5,374
<i>Total Revenues</i>	<u>558,000</u>	<u>625,637</u>	<u>67,637</u>
Expenditures			
Debt Service:			
Principal Retirement	275,000	275,000	-
Interest and Fiscal Charges	248,508	248,508	-
<i>Total Debt Service</i>	<u>523,508</u>	<u>523,508</u>	<u>-</u>
<i>Total Expenditures</i>	<u>523,508</u>	<u>523,508</u>	<u>-</u>
Excess of Revenues Over Expenditures	34,492	102,129	67,637
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 34,492</u>	<u>\$ 102,129</u>	<u>\$ 67,637</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 2,575,000	\$ 2,837,504	\$ 262,504
Interest	3,000	3,747	747
Other	-	2,964	2,964
<i>Total Revenues</i>	<u>2,578,000</u>	<u>2,844,215</u>	<u>266,215</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Engineer Administration:</i>			
Personnel Costs	271,078	271,014	64
Materials and Supplies	15,876	15,667	209
Contractual Services	45,959	44,224	1,735
Capital Outlay	9,418	9,418	-
<i>Total Traffic Divisions-Traffic Engineer Administration</i>	<u>342,331</u>	<u>340,323</u>	<u>2,008</u>
<i>Traffic Divisions-Traffic Sign and Paint:</i>			
Personnel Costs	233,506	231,795	1,711
Materials and Supplies	50,192	47,505	2,687
Contractual Services	55,774	48,288	7,486
Capital Outlay	5,176	5,056	120
Other	2,722	1,000	1,722
<i>Total Traffic Divisions-Traffic Sign and Paint</i>	<u>347,370</u>	<u>333,644</u>	<u>13,726</u>
<i>Traffic Divisions-Traffic Signal:</i>			
Personnel Costs	381,173	347,988	33,185
Materials and Supplies	37,452	25,775	11,677
Contractual Services	277,236	261,022	16,214
Capital Outlay	4,500	4,272	228
Other	380	300	80
<i>Total Traffic Divisions-Traffic Signal</i>	<u>700,741</u>	<u>639,357</u>	<u>61,384</u>
<i>Total Security Persons and Property</i>	<u>1,390,442</u>	<u>1,313,324</u>	<u>77,118</u>
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	883,996	847,913	36,083
Materials and Supplies	205,574	192,411	13,163
Contractual Services	286,054	278,134	7,920
Capital Outlay	1,092	1,092	-
Other	9,944	8,062	1,882
<i>Total Transportation</i>	<u>1,386,660</u>	<u>1,327,612</u>	<u>59,048</u>
<i>Total Expenditures</i>	<u>2,777,102</u>	<u>2,640,936</u>	<u>136,166</u>
Excess of Revenues Over (Under) Expenditures	(199,102)	203,279	402,381
<i>Fund Balance Beginning of Year</i>	161,515	161,515	-
Unexpended Prior Year Encumbrances	46,209	46,209	-
<i>Fund Balance End of Year</i>	<u>\$ 8,622</u>	<u>\$ 411,003</u>	<u>\$ 402,381</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 183,250	\$ 201,019	\$ 17,769
Interest	300	525	225
<i>Total Revenues</i>	<u>183,550</u>	<u>201,544</u>	<u>17,994</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Signal:</i>			
Contractual Services	44,966	40,000	4,966
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	76,108	75,431	677
Materials and Supplies	42,509	42,382	127
Contractual Services	25,675	25,288	387
<i>Total Transportation</i>	<u>144,292</u>	<u>143,101</u>	<u>1,191</u>
<i>Total Expenditures</i>	<u>189,258</u>	<u>183,101</u>	<u>6,157</u>
Excess of Revenues Over (Under) Expenditures	(5,708)	18,443	24,151
<i>Fund Balance Beginning of Year</i>	21,988	21,988	-
Unexpended Prior Year Encumbrances	4,966	4,966	-
<i>Fund Balance End of Year</i>	<u>\$ 21,246</u>	<u>\$ 45,397</u>	<u>\$ 24,151</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 622,122	\$ 89,250	\$ (532,872)
Expenditures			
Current:			
Transportation:			
<i>Engineering-Engineering Administration:</i>			
Materials and Supplies	1,138,975	193,466	945,509
Excess of Revenues (Under) Expenditures	(516,853)	(104,216)	412,637
<i>Fund Balance Beginning of Year</i>	350,479	350,479	-
Unexpended Prior Year Encumbrances	193,465	193,465	-
<i>Fund Balance End of Year</i>	\$ 27,091	\$ 439,728	\$ 412,637

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 402,900	\$ 342,513	\$ (60,387)
Rentals	-	1,161	1,161
<i>Total Revenues</i>	<u>402,900</u>	<u>343,674</u>	<u>(59,226)</u>
Expenditures			
Current:			
General Government:			
<i>Service Director-Service Director Administration:</i>			
Contractual Services	<u>430,650</u>	<u>391,444</u>	<u>39,206</u>
Debt Service:			
Principal Retirement	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<i>Total Expenditures</i>	<u>480,650</u>	<u>441,444</u>	<u>39,206</u>
Excess of Revenues (Under) Expenditures	(77,750)	(97,770)	(20,020)
<i>Fund Balance Beginning of Year</i>	687,125	687,125	-
Unexpended Prior Year Encumbrances	14,650	14,650	-
<i>Fund Balance End of Year</i>	<u>\$ 624,025</u>	<u>\$ 604,005</u>	<u>\$ (20,020)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Health Services Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Licenses, Permits and Fees	\$ 214,700	\$ 214,727	\$ 27
Operating Grants	2,643,478	2,706,826	63,348
Other	-	21,015	21,015
<i>Total Revenues</i>	<u>2,858,178</u>	<u>2,942,568</u>	<u>84,390</u>
Expenditures			
Current:			
Public Health:			
<i>Health Administration:</i>			
Personnel Costs	2,176,211	1,602,983	573,228
Materials and Supplies	417,026	87,363	329,663
Contractual Services	352,412	164,029	188,383
Capital Outlay	138,771	52,525	86,246
Other	1,140,236	841,114	299,122
<i>Total Expenditures</i>	<u>4,224,656</u>	<u>2,748,014</u>	<u>1,476,642</u>
Excess of Revenues Over (Under) Expenditures	(1,366,478)	194,554	1,561,032
Other Financing Sources (Uses)			
Advances In	-	13,118	13,118
Advances Out	(20,000)	-	20,000
Transfers In	5,377	45,377	40,000
<i>Total Other Financing Sources (Uses)</i>	<u>(14,623)</u>	<u>58,495</u>	<u>73,118</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,381,101)	253,049	1,634,150
<i>Fund Balance Beginning of Year</i>	1,360,180	1,360,180	-
Unexpended Prior Year Encumbrances	32,055	32,055	-
<i>Fund Balance End of Year</i>	<u>\$ 11,134</u>	<u>\$ 1,645,284</u>	<u>\$ 1,634,150</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 87,655	\$ -	\$ (87,655)
Expenditures			
Current:			
Community Environment:			
<i>Community Development Planning:</i>			
Capital Outlay	89,115	14,115	75,000
<i>Total Expenditures</i>	89,115	14,115	75,000
Excess of Revenues (Under) Expenditures	(1,460)	(14,115)	(12,655)
<i>Fund Balance (Deficit) Beginning of Year</i>	(12,655)	(12,655)	-
Unexpended Prior Year Encumbrances	14,115	14,115	-
<i>Fund Balance (Deficit) End of Year</i>	\$ -	\$ (12,655)	\$ (12,655)

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 210,000	\$ 176,527	\$ (33,473)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	127,594	127,087	507
Materials and Supplies	12,566	10,623	1,943
Contractual Services	67,515	67,369	146
Capital Outlay	9,200	9,103	97
Other	812	559	253
<i>Total Expenditures</i>	<u>217,687</u>	<u>214,741</u>	<u>2,946</u>
Excess of Revenues (Under) Expenditures	(7,687)	(38,214)	(30,527)
<i>Fund Balance Beginning of Year</i>	1,156	1,156	-
Unexpended Prior Year Encumbrances	7,293	7,293	-
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 762</u></u>	<u><u>\$ (29,765)</u></u>	<u><u>\$ (30,527)</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Recycle Ohio Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 75,000	\$ 50,675	\$ (24,325)
Expenditures			
Current:			
Community Environment:			
Community Development Planning:			
Materials and Supplies	6,000	6,000	-
Contractual Services	122,540	105,511	17,029
<i>Total Expenditures</i>	128,540	111,511	17,029
Excess of Revenues (Under) Expenditures	(53,540)	(60,836)	(7,296)
<i>Fund Balance Beginning of Year</i>	54,998	54,998	-
Unexpended Prior Year Encumbrances	1,940	1,940	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,398</u>	<u>\$ (3,898)</u>	<u>\$ (7,296)</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 32,000	\$ 31,754	\$ (246)
Contributions and Donations	10,000	12,013	2,013
Other	11,000	1,942	(9,058)
<i>Total Revenues</i>	<u>53,000</u>	<u>45,709</u>	<u>(7,291)</u>
Expenditures			
Current:			
General Government:			
<i>Youth Development Administration:</i>			
Personnel Costs	30,516	29,046	1,470
Materials and Supplies	39,217	28,643	10,574
Contractual Services	31,105	23,194	7,911
<i>Total Expenditures</i>	<u>100,838</u>	<u>80,883</u>	<u>19,955</u>
Excess of Revenues (Under) Expenditures	(47,838)	(35,174)	12,664
Other Financing Sources			
Transfers In	33,000	33,000	-
Excess of Revenues and Other Financing Sources (Under) Expenditures	(14,838)	(2,174)	12,664
<i>Fund Balance Beginning of Year</i>	14,170	14,170	-
Unexpended Prior Year Encumbrances	3,338	3,338	-
<i>Fund Balance End of Year</i>	<u>\$ 2,670</u>	<u>\$ 15,334</u>	<u>\$ 12,664</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 3,200	\$ 943	\$ (2,257)
Other	-	605	605
<i>Total Revenues</i>	3,200	1,548	(1,652)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Personnel Costs	2,460	1,853	607
Materials and Supplies	967	-	967
<i>Total Expenditures</i>	3,427	1,853	1,574
Excess of Revenues (Under) Expenditures	(227)	(305)	(78)
<i>Fund Balance Beginning of Year</i>	1,736	1,736	-
<i>Fund Balance End of Year</i>	\$ 1,509	\$ 1,431	\$ (78)

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 50,000	\$ 85,293	\$ 35,293
Operating Grants	-	9,961	9,961
Other	-	100	100
<i>Total Revenues</i>	<u>50,000</u>	<u>95,354</u>	<u>45,354</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Personnel Costs	2,000	768	1,232
Materials and Supplies	21,751	17,491	4,260
Contractual Services	9,956	8,514	1,442
Capital Outlay	28,174	27,070	1,104
Other	41,210	31,870	9,340
<i>Total Expenditures</i>	<u>103,091</u>	<u>85,713</u>	<u>17,378</u>
Excess of Revenues Over (Under) Expenditures	(53,091)	9,641	62,732
<i>Fund Balance Beginning of Year</i>	91,880	91,880	-
Unexpended Prior Year Encumbrances	3,091	3,091	-
<i>Fund Balance End of Year</i>	<u>\$ 41,880</u>	<u>\$ 104,612</u>	<u>\$ 62,732</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 52,000	\$ 43,319	\$ (8,681)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	134,000	50,000	84,000
Excess of Revenues (Under) Expenditures	(82,000)	(6,681)	75,319
<i>Fund Balance Beginning of Year</i>	159,755	159,755	-
<i>Fund Balance End of Year</i>	\$ 77,755	\$ 153,074	\$ 75,319

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 166,000	\$ 185,093	\$ 19,093
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	175,799	133,814	41,985
Materials and Supplies	5,247	3,614	1,633
Contractual Services	60,808	2,750	58,058
Capital Outlay	4,763	4,000	763
Other	10,000	2,763	7,237
<i>Total Expenditures</i>	<u>256,617</u>	<u>146,941</u>	<u>109,676</u>
Excess of Revenues Over (Under) Expenditures	(90,617)	38,152	128,769
<i>Fund Balance Beginning of Year</i>	95,083	95,083	-
Unexpended Prior Year Encumbrances	10	10	-
<i>Fund Balance End of Year</i>	<u><u>\$ 4,476</u></u>	<u><u>\$ 133,245</u></u>	<u><u>\$ 128,769</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ -	\$ 64,342	\$ 64,342
Interest	5,768	665	(5,103)
Other	18,432	796	(17,636)
<i>Total Revenues</i>	<u>24,200</u>	<u>65,803</u>	<u>41,603</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	30,844	25,101	5,743
Contractual Services	35,098	33,898	1,200
Capital Outlay	208,564	138,676	69,888
Other	16,000	14,234	1,766
<i>Total Expenditures</i>	<u>290,506</u>	<u>211,909</u>	<u>78,597</u>
Excess of Revenues (Under) Expenditures	(266,306)	(146,106)	120,200
<i>Fund Balance Beginning of Year</i>	265,712	265,712	-
Unexpended Prior Year Encumbrances	1,234	1,234	-
<i>Fund Balance End of Year</i>	<u>\$ 640</u>	<u>\$ 120,840</u>	<u>\$ 120,200</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, 2004

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	<u>370</u>	<u>197</u>	<u>173</u>
Excess of Revenues (Under) Expenditures	(370)	(197)	173
<i>Fund Balance Beginning of Year</i>	370	370	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 173</u>	<u>\$ 173</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
D.A.R.E. Program Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	9,879	-	9,879
Contractual Services	9,000	-	9,000
Other	2,500	-	2,500
<hr/>			
Total Expenditures	21,379	-	21,379
Excess of Revenues Over (Under) Expenditures	(21,379)	-	21,379
<i>Fund Balance Beginning of Year</i>	21,379	21,379	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 21,379</u>	<u>\$ 21,379</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, 2004

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

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Southeast Community Center Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
<i>Southeast Community Center Maintenance:</i>			
Capital Outlay	426	-	426
Excess of Revenues Over (Under) Expenditures	(426)	-	426
<i>Fund Balance Beginning of Year</i>	437	437	-
Unexpended Prior Year Encumbrances	426	426	-
<i>Fund Balance End of Year</i>	<u>\$ 437</u>	<u>\$ 863</u>	<u>\$ 426</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenue			
Contributions and Donations	\$ 2,000	\$ 2,900	\$ 900
Rentals	8,000	7,590	(410)
<i>Total Revenues</i>	<u>10,000</u>	<u>10,490</u>	<u>490</u>
Expenditures			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and Supplies	32,746	4,776	27,970
Contractual Services	6,421	1,000	5,421
Capital Outlay	687	-	687
Other	300	-	300
<i>Total Expenditures</i>	<u>40,154</u>	<u>5,776</u>	<u>34,378</u>
Excess of Revenues Over (Under) Expenditures	(30,154)	4,714	34,868
<i>Fund Balance Beginning of Year</i>	43,847	43,847	-
Unexpended Prior Year Encumbrances	2,032	2,032	-
<i>Fund Balance End of Year</i>	<u>\$ 15,725</u>	<u>\$ 50,593</u>	<u>\$ 34,868</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 5,500	\$ 18,348	\$ 12,848
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	3,666	3,258	408
Other	2,588	1,830	758
<i>Total Expenditures</i>	6,254	5,088	1,166
Excess of Revenues Over (Under) Expenditures	(754)	13,260	14,014
<i>Fund Balance Beginning of Year</i>	5,566	5,566	-
Unexpended Prior Year Encumbrances	254	254	-
<i>Fund Balance End of Year</i>	\$ 5,066	\$ 19,080	\$ 14,014

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, 2004*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 58,529	\$ 62,179	\$ 3,650
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	70,571	51,442	19,129
Materials and Supplies	600	246	354
Contractual Services	1,642	1,245	397
Capital Outlay	665	665	-
<i>Total Courts/Judge-Judge Administration</i>	73,478	53,598	19,880
Excess of Revenues Over (Under) Expenditures	(14,949)	8,581	23,530
<i>Fund Balance Beginning of Year</i>	14,949	14,949	-
<i>Fund Balance End of Year</i>	\$ -	\$ 23,530	\$ 23,530

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 33,000	\$ 11,924	\$ (21,076)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	60,000	19,500	40,500
Excess of Revenues (Under) Expenditures	(27,000)	(7,576)	19,424
<i>Fund Balance Beginning of Year</i>	27,978	27,978	-
<i>Fund Balance End of Year</i>	<u>\$ 978</u>	<u>\$ 20,402</u>	<u>\$ 19,424</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, 2004

	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, 2004

	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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 18,683	\$ 7,792	\$ (10,891)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	18,731	5,250	13,481
Contractual Services	950	950	-
<i>Total Expenditures</i>	19,681	6,200	13,481
Excess of Revenues Over (Under) Expenditures	(998)	1,592	2,590
<i>Fund Balance Beginning of Year</i>	3,152	3,152	-
Unexpended Prior Year Encumbrances	75	75	-
<i>Fund Balance End of Year</i>	\$ 2,229	\$ 4,819	\$ 2,590

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 160,000	\$ 206,411	\$ 46,411
Interest	-	4,629	4,629
Other	-	5,796	5,796
<i>Total Revenues</i>	<u>160,000</u>	<u>216,836</u>	<u>56,836</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	15,518	14,515	1,003
Contractual Services	3,800	-	3,800
Capital Outlay	480,483	69,642	410,841
Other	7,000	700	6,300
<i>Total Expenditures</i>	<u>506,801</u>	<u>84,857</u>	<u>421,944</u>
Excess of Revenues Over (Under) Expenditures	(346,801)	131,979	478,780
<i>Fund Balance Beginning of Year</i>	352,702	352,702	-
<i>Fund Balance End of Year</i>	<u>\$ 5,901</u>	<u>\$ 484,681</u>	<u>\$ 478,780</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	\$ 500	\$ -	\$ (500)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	6,675	931	5,744
Capital Outlay	13,000	9,000	4,000
<i>Total Expenditures</i>	19,675	9,931	9,744
Excess of Revenues (Under) Expenditures	(19,175)	(9,931)	9,244
<i>Fund Balance Beginning of Year</i>	19,175	19,175	-
<i>Fund Balance End of Year</i>	\$ -	\$ 9,244	\$ 9,244

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 157,000	\$ 137,410	\$ (19,590)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	134,050	106,535	27,515
Materials and Supplies	22,500	20,504	1,996
Contractual Services	28,594	3,643	24,951
Capital Outlay	24,710	19,442	5,268
Other	11,008	7,046	3,962
<i>Total Expenditures</i>	220,862	157,170	63,692
Excess of Revenues (Under) Expenditures	(63,862)	(19,760)	44,102
<i>Fund Balance Beginning of Year</i>	64,255	64,255	-
Unexpended Prior Year Encumbrances	370	370	-
<i>Fund Balance End of Year</i>	\$ 763	\$ 44,865	\$ 44,102

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, 2004*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 214,084	\$ 121,071	\$ (93,013)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	116,253	72,318	43,935
Capital Outlay	97,881	49,553	48,328
 <i>Total Expenditures</i>	 214,134	 121,871	 92,263
Excess of Revenues (Under) Expenditures	(50)	(800)	(750)
<i>Fund Balance Beginning of Year</i>	50	50	-
<i>Fund Balance (Deficit) End of Year</i>	\$ -	\$ (750)	\$ (750)

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 2,000	\$ 830	\$ (1,170)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	25	25	-
Contractual Services	2,976	2,092	884
<i>Total Expenditures</i>	3,001	2,117	884
Excess of Revenues (Under) Expenditures	(1,001)	(1,287)	(286)
<i>Fund Balance Beginning of Year</i>	1,294	1,294	-
<i>Fund Balance End of Year</i>	<u>\$ 293</u>	<u>\$ 7</u>	<u>\$ (286)</u>

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 1,000	\$ 3,373	\$ 2,373
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Contractual Services	5,000	3,127	1,873
Excess of Revenues Over (Under) Expenditures	(4,000)	246	4,246
<i>Fund Balance Beginning of Year</i>	4,243	4,243	-
<i>Fund Balance End of Year</i>	\$ 243	\$ 4,489	\$ 4,246

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 36,000	\$ 9,007	\$ (26,993)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	15,506	9,144	6,362
Materials and Supplies	8,316	3,514	4,802
Contractual Services	9,178	763	8,415
Capital Outlay	12,000	6,772	5,228
<i>Total Expenditures</i>	45,000	20,193	24,807
Excess of Revenues (Under) Expenditures	(9,000)	(11,186)	(2,186)
<i>Fund Balance Beginning of Year</i>	13,702	13,702	-
<i>Fund Balance End of Year</i>	\$ 4,702	\$ 2,516	\$ (2,186)

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 2,000	\$ 2,395	\$ 395
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Capital Outlay	3,000	1,618	1,382
<i>Total Expenditures</i>	3,000	1,618	1,382
Excess of Revenues Over (Under) Expenditures	(1,000)	777	1,777
<i>Fund Balance Beginning of Year</i>	1,335	1,335	-
<i>Fund Balance End of Year</i>	<u>\$ 335</u>	<u>\$ 2,112</u>	<u>\$ 1,777</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Fire Donation Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	\$ 2,995	\$ 3,015	\$ 20
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	2,995	1,560	1,435
Excess of Revenues Over (Under) Expenditures	-	1,455	1,455
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ 1,455	\$ 1,455

City of Canton, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balances -Budget (Non-GAAP Basis) and Actual
 Clean Ohio Revitalization Fund
 For the Year Ended December 31, 2004*

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 2,892,054	\$ 500,413	\$ (2,391,641)
Expenditures			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Capital Outlay	3,792,054	802,833	2,989,221
Excess of Revenues (Under) Expenditures	(900,000)	(302,420)	597,580
Other Financing Sources			
Transfers In	900,000	-	(900,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	-	(302,420)	(302,420)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance (Deficit) End of Year</i>	\$ -	\$ (302,420)	\$ (302,420)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Byrne Memorial Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 37,090	\$ -	\$ (37,090)
Expenditures			
Current:			
General Government:			
<i>Mayor Administration:</i>			
Contractual Services	37,090	-	37,090
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ -

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			-
Debt Service:			
<i>Interest and Fiscal Charges:</i>			
General Obligation Various Improvement Bonds	18,523	18,523	-
Excess of Revenues (Under) Expenditures	(18,523)	(18,523)	-
<i>Fund Balance Beginning of Year</i>	18,523	18,523	-
<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
Radio Communication Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Safety Director:			
Radio Communication System Bond	284	-	284
Excess of Revenues Over (Under) Expenditures	(284)	-	284
<i>Fund Balance Beginning of Year</i>	6,559	6,559	-
Unexpended Prior Year Encumbrance	284	284	-
<i>Fund Balance End of Year</i>	<u>\$ 6,559</u>	<u>\$ 6,843</u>	<u>\$ 284</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Market Avenue Sanitary Sewer Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Proceeds of Loan	\$ 300,000	\$ -	\$ (300,000)
Expenditures			
Capital Outlay:			
Engineering Administration	300,000	260,000	40,000
Excess of Revenues Over (Under) Expenditures	-	(260,000)	(260,000)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ (260,000)	\$ (260,000)

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ -	\$ 143	\$ 143
Expenditures	-	-	-
Excess of Revenues Over Expenditures	-	143	143
<i>Fund Balance Beginning of Year</i>	12,161	12,161	-
<i>Fund Balance End of Year</i>	<u>\$ 12,161</u>	<u>\$ 12,304</u>	<u>\$ 143</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ -	\$ 127	\$ 127
Expenditures			
Capital Outlay:			
Safety Director:			
Traffic Divisions:			
Traffic Divisions-			
Engineering Administration	469	469	-
Excess of Revenues (Under) Expenditures	(469)	(342)	127
<i>Fund Balance Beginning of Year</i>	800	800	-
Unexpended Prior Year Encumbrances	469	469	-
<i>Fund Balance End of Year</i>	\$ 800	\$ 927	\$ 127

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 608,100	\$ 254,953	\$ (353,147)
Expenditures			
Capital Outlay:			
Engineering Administration	558,876	446,433	112,443
Excess of Revenues Over (Under) Expenditures	49,224	(191,480)	(240,704)
<i>Fund Balance Beginning of Year</i>	(418,100)	(418,100)	-
Unexpended Prior Year Encumbrances	368,876	368,876	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ (240,704)</u>	<u>\$ (240,704)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
OPWC Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	69,583	69,583	-
<i>Fund Balance End of Year</i>	<u>\$ 69,583</u>	<u>\$ 69,583</u>	<u>\$ -</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	1,787,857	417,300	(1,370,557)
Other	100,000	-	(100,000)
<i>Total Revenues</i>	<u>1,887,857</u>	<u>417,300</u>	<u>(1,470,557)</u>
Expenditures			
Capital Outlay:			
Engineering Administration	<u>1,960,504</u>	<u>1,464,304</u>	<u>496,200</u>
Excess of Revenues (Under) Expenditures	(72,647)	(1,047,004)	(974,357)
<i>Fund Balance Beginning of Year</i>	49,682	49,682	-
Unexpended Prior Year Encumbrance	239,027	239,027	-
<i>Fund Balance End of Year</i>	<u>\$ 216,062</u>	<u>\$ (758,295)</u>	<u>\$ (974,357)</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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 4,000	\$ 9,778	\$ 5,778
Expenditures			
Capital Outlay:			
Service Director:			
Civic Center Administration	650,716	153,336	497,380
Excess of Revenues (Under) Expenditures	(646,716)	(143,558)	503,158
<i>Fund Balance Beginning of Year</i>	846,386	846,386	-
Unexpended Prior Year Encumbrance	4,040	4,040	-
<i>Fund Balance End of Year</i>	\$ 203,710	\$ 706,868	\$ 503,158

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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ -	\$ 881,371	\$ 881,371
Other	-	3,595	3,595
<i>Total Revenues</i>	<u>-</u>	<u>884,966</u>	<u>884,966</u>
Expenses			
Personnel Costs	51,129	48,836	2,293
Contractual Services	108,731	94,299	14,432
Claims	935,175	935,175	-
<i>Total Expenses</i>	<u>1,095,035</u>	<u>1,078,310</u>	<u>16,725</u>
Excess of Revenues (Under) Expenses	(1,095,035)	(193,344)	901,691
Other Financing (Uses)			
Advances Out	(2,300,000)	(2,300,000)	-
Excess of Revenues (Under) Expenses and Other Financing (Uses)	(3,395,035)	(2,493,344)	901,691
<i>Fund Equity Beginning of Year</i>	5,157,549	5,157,549	-
Unexpended Prior Year Encumbrances	<u>180</u>	<u>180</u>	<u>-</u>
<i>Fund Equity End of Year</i>	<u><u>\$ 1,762,694</u></u>	<u><u>\$ 2,664,385</u></u>	<u><u>\$ 901,691</u></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, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 6,980,000	\$ 7,062,341	\$ 82,341
Interest	-	4,588	4,588
Other	-	114,692	114,692
<i>Total Revenues</i>	<u>6,980,000</u>	<u>7,181,621</u>	<u>201,621</u>
Expenses			
Personnel Costs	106,691	76,640	30,051
Materials and Supplies	2,029	2,029	-
Contractual Services	438,857	419,229	19,628
Claims	7,490,726	7,402,246	88,480
Other	4,977	1,169	3,808
<i>Total Expenses</i>	<u>8,043,280</u>	<u>7,901,313</u>	<u>141,967</u>
Excess of Revenues (Under) Expenses	(1,063,280)	(719,692)	343,588
<i>Fund Equity Beginning of Year</i>	2,350,652	2,350,652	-
Unexpended Prior Year Encumbrances	5,686	5,686	-
<i>Fund Equity End of Year</i>	<u>\$ 1,293,058</u>	<u>\$ 1,636,646</u>	<u>\$ 343,588</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Compensated Absences Claim Fund
For the Year Ended December 31, 2004

	Revised Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 2,000,000	\$ 2,863,394	\$ 863,394
Expenses			
Contractual Services	2,000	2,000	-
Benefit Claim Expense	1,998,000	1,975,405	22,595
<i>Total Expenses</i>	<u>2,000,000</u>	<u>1,977,405</u>	<u>22,595</u>
Excess of Revenues Over (Under) Expenses	-	885,989	885,989
<i>Fund Equity Beginning of Year</i>	-	-	-
<i>Fund Equity End of Year</i>	<u>\$ -</u>	<u>\$ 885,989</u>	<u>\$ 885,989</u>

Statistical Section

STATISTICAL SECTION

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

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

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
General Government	\$ 15,863,178	\$ 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
Security of Persons and Property	31,834,597	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
Public Health	4,834,353	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
Transportation	3,190,067	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
Community Environment	6,537,550	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
Leisure Time Activities	1,945,545	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
Capital Outlay	7,546,563	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
Debt Service	3,987,215	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
Total	\$ 75,739,068	\$ 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

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

	2004 (4)	2003 (4)	2002 (4)	2001 (4)	2000	1999	1998	1997	1996	1995
Taxes (2)	\$ 42,777,759	\$ 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
Charges for Services (3)	8,912,605	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
Licenses, Permits and Fees	1,763,050	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
Fines and Forfeitures (3)	684,146	865,628	640,344	563,440	583,792	674,756	689,129	653,787	-	-
Intergovernmental	9,917,733	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
Interest	527,075	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
Contributions and Donations (3)	9,550,492	-	-	34,300	168,162	57,133	6,450	15,412	-	-
Rental (3)	240,364	197,605	172,880	310,190	157,555	147,685	253,281	144,067	-	-
Others (3)	1,308,413	1,468,410	1,891,633	2,046,065	768,959	246,703	141,770	116,069	5,783,889	5,290,839
Totals	\$ 75,681,637	\$ 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

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
			Current Collections	Percent of Levy Collected			Total Collections	Percent of Total Collections To Tax Levy		
2004	\$ 2,110,284	\$ 2,009,171	95.21 %	\$ 91,990	2,101,161	99.57 %	\$ 226,257	10.72 %		
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		

Source: Stark County, Ohio; County Auditor

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

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

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

Year (1)	Real Property		Public Utility Property		Tangible Personal Property		Total	Ratio	
	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)			Assessed Value
2004 (2)	\$ 807,690,020	\$ 2,307,685,771	\$ 45,543,340	\$ 51,753,795	\$ 165,200,756	\$ 660,803,024	\$ 1,018,434,116	\$ 3,020,242,591	33.72 %
2003 (2)	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

Source: Stark County, Ohio ; County Auditor

(1) The year represents collection year.

(2) This amount is calculated based on the following percentages for 2002 and every year there after:

Real property is assessed at 35 percent of actual value.

Public utility is assessed at 25 percent of actual value.

Tangible personal is assessed at 25 percent of actual value.

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

Year	City of Canton		City of Canton		Stark County	Canton		Plain Local		Canton		Stark County		Stark County		Stark County	
	District 2	District 3	District 4	District 4		City School District	Local School District	City School District	Local School District	Joint Recreational district	County District Library	RTA	County Parks				
2004	3.40	2.00	2.60	11.50	58.20	57.70	46.20	1.00	0.00	0.00	0.50						
2003	3.40	2.00	2.60	9.60	58.20	57.70	46.20	1.00	0.00	0.00	0.50						
2002	3.40	2.00	2.60	9.60	58.20	52.60	46.20	1.00	0.00	0.00	0.50						
2001	3.40	2.00	2.60	9.60	59.20	52.60	46.80	1.00	0.70	0.00	0.50						
2000	3.40	2.00	2.60	9.60	59.20	52.60	47.40	1.00	0.75	0.00	0.50						
1999	3.40	2.00	2.60	9.60	59.20	52.60	47.40	1.00	0.75	0.00	0.50						
1998	3.40	2.00	2.60	9.60	54.70	52.60	49.10	1.00	0.75	0.00	0.50						
1997	3.40	2.00	2.60	9.60	54.70	52.60	49.10	1.00	0.00	3.90	0.20						
1996	3.40	2.00	2.60	10.10	54.70	45.70	39.30	0.75	0.00	3.90	0.20						
1995	3.40	2.00	2.60	8.20	52.20	45.70	39.30	0.75	0.00	3.90	0.20						

Source: Stark County, Ohio; County Auditor

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

<u>Year</u>	<u>Amount</u>
2004	\$ 491,807
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

Source: Stark County, Ohio; County Auditor

City of Canton, Ohio
Special Assessment Collections

During 1998, 1999, 2000, 2001, 2002, 2003, and 2004 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
2004	79,255	\$ 18,120,000	\$1,018,434,116	1.78%	\$228.63
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

Source: Stark County, Ohio: County Auditor

(1) Population figures 1995 through 1996 and 2000 through 2004 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 Seven Years *

Fund	Year	Operating Revenue **	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirement ****			Coverage
					Principal	Interest	Total	
Water	2004	\$ 11,590,939	\$ 141,388	\$ 11,449,551	\$ 1,441,007	-	\$ 1,441,007	7.95
	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
	1998	8,627,332	6,654,822	1,972,510	405,000	818,772	1,223,772	1.61
Sewer	2004	11,164,680	126,413	11,038,267	2,357,546	-	2,357,546	4.68
	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
	1998	8,347,781	7,633,167	714,614	235,000	319,842	554,842	1.29

Source: City financial records

* 1998 is the oldest year information is available for

** Includes operating revenue

**** 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, 2004

Total Assessed Property Value	\$1,018,434,116
	<hr style="border-top: 3px double #000;"/>
Overall Debt Limitation (10 1/2 % of Assessed Valuation)	\$ 106,935,582
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Gross Indebtedness	56,622,586
Less: Enterprise Funds' Bonds	(14,480,000)
Pension Refunding Bonds	(5,285,000)
OWDA Loans	(19,192,678)
OPWC Loan	(719,929)
HUD Loan	(1,650,000)
SIB Loan	(1,075,729)
Millennium Parking Deck	(1,384,250)
Debt. Service Fund Balance	-
Net Debt Within 10 1/2 % Limitations	12,835,000
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Legal Debt Margin Within 10 1/2 % Limitations	\$ 94,100,582
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Unvoted Debt Limitation (5 1/2 % of Assessed Valuation)	\$ 56,013,876
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Gross Indebtedness	56,622,586
Less: Enterprise Funds' Bonds	(14,480,000)
Pension Refunding Bonds	(5,285,000)
OWDA Loans	(19,192,678)
OPWC Loan	(719,929)
HUD Loan	(1,650,000)
SIB Loan	(1,075,729)
Millennium Parking Deck	(1,384,250)
Debt. Service Fund Balance	-
Net Debt Within 5 1/2 % Limitations	12,835,000
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Legal Debt Margin Within 5 1/2 % Limitations	\$ 43,178,876
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Source: Stark County, Ohio: County Auditor

City of Canton, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2004

	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	\$ 18,120,000	100.00%	\$ 18,120,000
Stark County	-	14.58	-
Plain Local Schools	63,731,849	19.07	12,153,664
Canton City Schools	46,529,000	93.32	<u>43,420,863</u>
			<u><u>\$73,694,526</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
2004	\$ 2,846,457	\$ 1,140,758	\$ 3,987,215	\$ 75,739,068	5.26%
2003	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

Source: City financial records

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	
2004	\$ 1,018,434,116	5,207	\$ 41,370,225	208	\$ 80,634,391	\$ 2,081,380
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

Source: City building permits reports
 Federal Reserve Bank of Cleveland
 Stark County, Ohio; County Auditor

- (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, 2004

Taxpayer	Type of Business	Real Estate	Public Utility		Tangible Personal	Total Assessed Valuation	Percent of Assessed Value
			Personal	Personal			
Timken Company	Manufacturing	\$ 6,041,790	\$ -	\$ 39,076,860	\$ 45,118,650	4.43%	
Ohio Power Company	Public Utility	2,031,290	28,294,110	-	30,325,400	2.98	
Ohio Bell Telephone	Public Utility	1,171,010	13,678,470	-	14,849,480	1.46	
M K Morse Co.	Business	1,237,180	-	8,224,800	9,461,980	0.93	
Fresh Mark Inc.	Business	1,938,890	-	7,220,810	9,159,700	0.90	
Republic Engineered Products	Manufacturing	5,114,070	-	2,871,210	7,985,280	0.78	
Sonoco Phoenix Inc.	Business	832,380	-	4,478,130	5,310,510	0.52	
Marathon Ashland Petroleum	Manufacturing	932,160	-	4,226,840	5,159,000	0.51	
Ironrock Capital Inc.	Business	2,302,000	-	2,848,560	5,150,560	0.51	
Republic Storage	Business	1,368,820	-	3,776,750	5,145,570	0.51	
Totals		\$ 22,969,590	\$ 41,972,580	\$ 72,723,960	\$ 137,666,130	13.52%	
Total All Assessed Valuations					1,018,434,116		

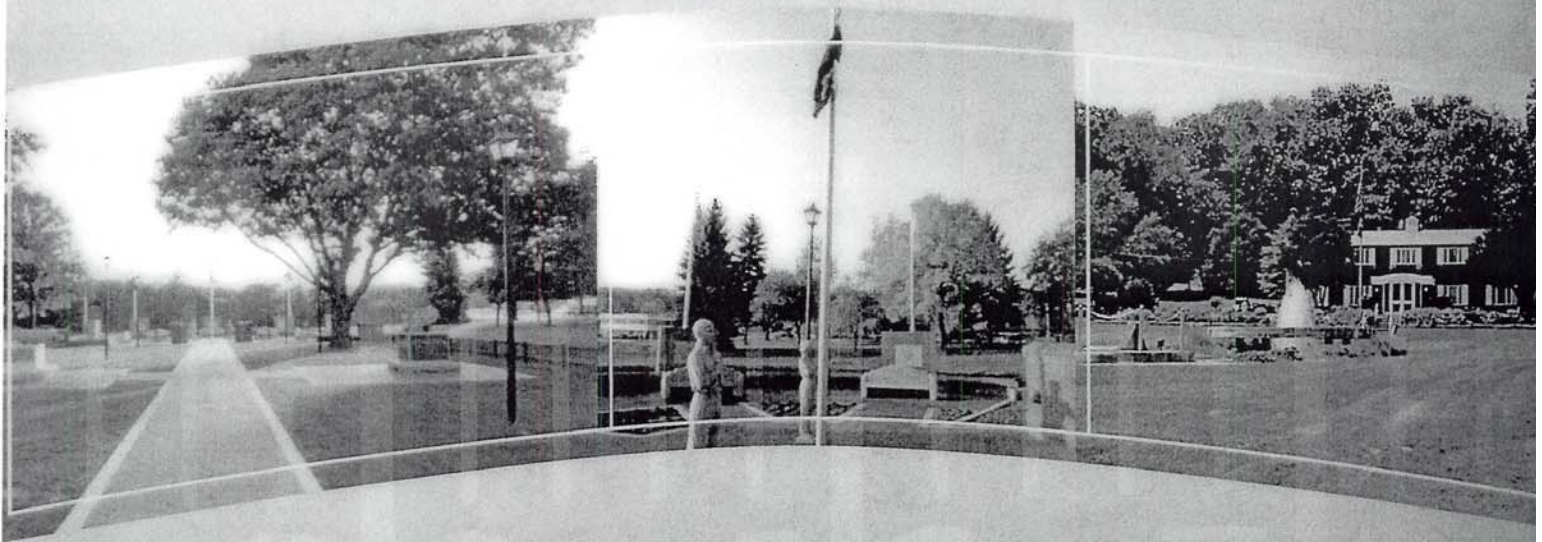
Source: Stark County Auditor

City of Canton, Ohio
Miscellaneous Statistics
December 31, 2004

Date of Incorporation	1854
Form of Government	Mayor/Council
Area	23.94 Square Miles
Miles of Streets	409.5
Number of Intersections with Traffic Lights	196
Fire Protection:	
Number of Stations	8
Number of Fire Personnel and Officers	161
Number of Calls Answered	14,467
Number of Inspections Conducted	6,070
Police Protection:	
Number of Stations	4
Number of Police Personnel and Officers	167
Number of Patrol Units	124
Number of Law Violations:	
Physical Arrests	4,758
Traffic Violations	7,287
Parking Violations	19,282
Culture and Recreation:	
Community Centers	6
Number of Parks	60
Park Acreage	700
Swimming Pools	1
Tennis Courts	8
Water System:	
Miles of Water Mains	646.27
Number of Service Connections	43,285
Number of Fire Hydrants	3,094
Daily Average Consumption in Gallons	22.151 Million
Maximum Daily Capacity of Plant in Gallons	39 Million
Sewerage System:	
Miles of Sanitary Sewers	357.08
Miles of Storm Sewers	209.40
Number of Treatment Plants	1
Number of Service Connections	28,241
Daily Average Consumption in Gallons	33.29 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	16
Number of Secondary Schools	6
Number of School Instructors	883
Hospitals	
Number of Hospitals	2
Number of Patient Beds	1,158

Source: City Records

2004 Financial Report



Logo Art Provided by Pro Football Hall Of Fame Festival
Photography by James Carman



**Auditor of State
Betty Montgomery**

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CITY OF CANTON

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 29, 2005**