

*Comprehensive Annual Financial Report • For One Year Ended*  
*Popular Annual Financial Report For The Year End*  
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*City of Canton*  
*2002 • City of*  
*2002 • City of*

# Popular Annual Financial Report

*For The Year Ended December 31, 2002*

*City of Canton, Ohio*



*Legends of the game ...*



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

## Message from the Auditor

It is with great pleasure and a desire to make our finances easier to understand, that we present the City of Canton Popular Annual Financial Report (PAFR) for the year ending December 31, 2002. I would like to thank the Citizens of Canton for allowing me the opportunity to provide these services for them.

Over the course of my tenure as City Auditor, one of the biggest issues facing me has been my attempt to explain financial operations to our citizens. This has become even more critical over the past four years as Canton has seen a dismal and distinct trend of increasing expenses as revenues decline. As I look into the future I feel this (PAFR) will provide City Council, administrators, employees and our citizens the tools necessary to effectively communicate in order to solve our financial conditions as we move forward.

The Popular Annual Financial Report is a project for which we encourage and ask for your continued support. Any individual questions, comments and/or suggestions regarding this report is encourage to contact my office at (330) 489-3226 Website: [www.cantontcityauditor.com](http://www.cantontcityauditor.com)

Thank you



Kim R. Perez  
Auditor, City of Canton

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**June 30, 2003**

## **Citizens of the City of Canton, Ohio**

We are pleased to present the City of Canton, Ohio's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2002. This report provides an analysis of the financial position of the City, where the revenues come from to operate the City and where those same dollars are spent. Above all else, our goal is to better communicate the results of financial operations from the City in a more easily understandable report.

The PAFR is intended to summarize the financial activities of the City of Canton and was drawn from the financial information appearing in the 2002 Comprehensive Annual Financial Report (CAFR) utilizing the new reporting model established in GASB Statements No. 33 and 34. The financial statements appearing in the CAFR were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by the State Auditor Betty Montgomery's office receiving an unqualified (or clean) opinion. The numbers within the CAFR were arrived at by employing accrual and modified accrual accounting techniques as prescribed by the Governmental Accounting Standards Board (GASB).

Canton's PAFR is un-audited and presented on a GAAP basis consistent with the rules defined by GASB Statement No. 33 and 34. The major differences between GAAP and non-GAAP reporting deals with the presentation of segregated funds as well as full disclosure of all material financial and non-financial events in notes to the financial statements. Since the amounts in the PAFR are drawn from the larger CAFR, the method of accounting employed is the same except where noted within the report. The statements contained on pages nine and ten, as well as references to the individual amounts on all intervening pages, contain all funds used by the City to account for its financial affairs as well as comparative statements from 2002 unless otherwise noted within the report. Citizens who desire to review audited GAAP basis, full disclosure financial statements, or information on the City's component unit (which is not included in this document) should refer to the City's audited financial statements, which is contained in the CAFR and available from the City's Auditor's Office.

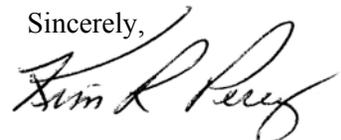
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Canton for its Popular Annual Financial Report for the fiscal year ended December 31, 2001. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

The Popular Annual Financial Report of the City of Canton, Ohio is presented as a means of increasing public awareness of the operations for the City. Citizens deserve accountability for the use of their tax dollars and this report is designed to provide a vehicle for a better understanding of the City's finances. We are proud to serve the citizens of Canton and consider this report to be a notable achievement as we seek to increase the level of accountability offered to our taxpayers. We urge your support of this project and appreciate your taking the time to review its contents. Do not hesitate to contact us with any question or comments at (330) 489-3226 or at our website [www.cantontcityauditor.com](http://www.cantontcityauditor.com).

Sincerely,



Kim R. Perez  
City Auditor  
City of Canton, Ohio

# Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**CITY OF CANTON,  
OHIO**

**For the fiscal year ending  
December 31, 2001**



*William Patrick Voth*  
President

*Jeffrey L. Essler*  
Executive Director

## CITY BACKGROUND

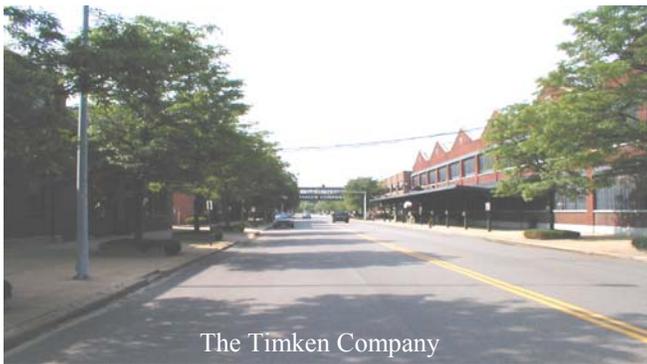
The City of Canton is located in, and is the County Seat of, Stark County in northeastern Ohio, approximately 58 miles southeast of Cleveland, 23 miles south of Akron, and 94 miles west of Pittsburgh, Pennsylvania. It was incorporated as village in 1828, and became a city in 1854. The City's 2000 population of 80,806 placed it as the largest city in the County and the ninth largest in the State.

The City provides its residents with police protection, fire protection, street maintenance and repairs, building inspection, and parks and recreation with revenue derived primarily from taxes and small amounts of revenue generated from user fees. The City owns and operates its own water, sewer, and sanitation departments, which are funded solely through user fees.

The City has portions of three school districts within its corporation limits, the largest of which being Canton City Schools. The Canton City School District is in the middle of a Design for the Future program that will replace nine elementary schools, one middle school, and renovate all other buildings. The \$176 million dollar program is being funded through state and local dollars. The City also has one four-year college, Malone College, located entirely within its corporate limits and has numerous colleges within commuting distance.

The City is home to numerous businesses, which have a large impact on the local economy, including the Timken Company, Detroit Diesel, and the M.K. Morse Company. The City is probably best known for being the home of the Professional Football Hall of Fame and the week-long celebration that goes on during the annual enshrinement ceremony.

The City is served by two acute care hospitals, Aultman Hospital with 682 beds and Mercy Medical Center with 523 beds. City residents also have access to one Interstate highway, two U.S. highways, four state routes, a regional bus service, and a regional airport is located within the county.



The Timken Company



Mercy Medical Center



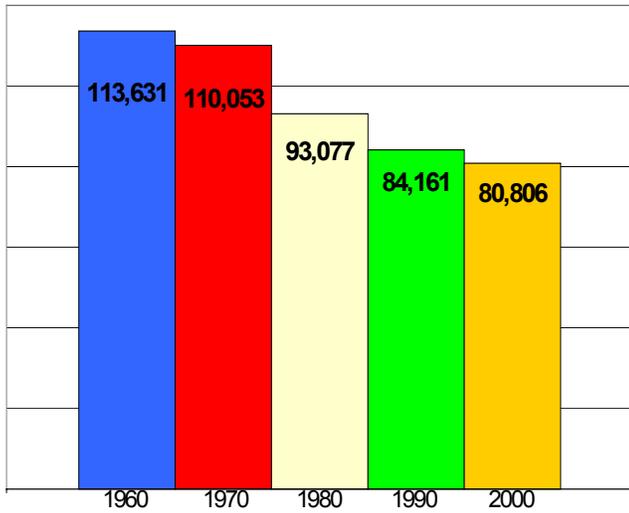
Aultman Hospital

# City of Canton

For the Year Ended December 31, 2002

## TOTAL POPULATION BY DECADE

Source: U.S. Census Bureau

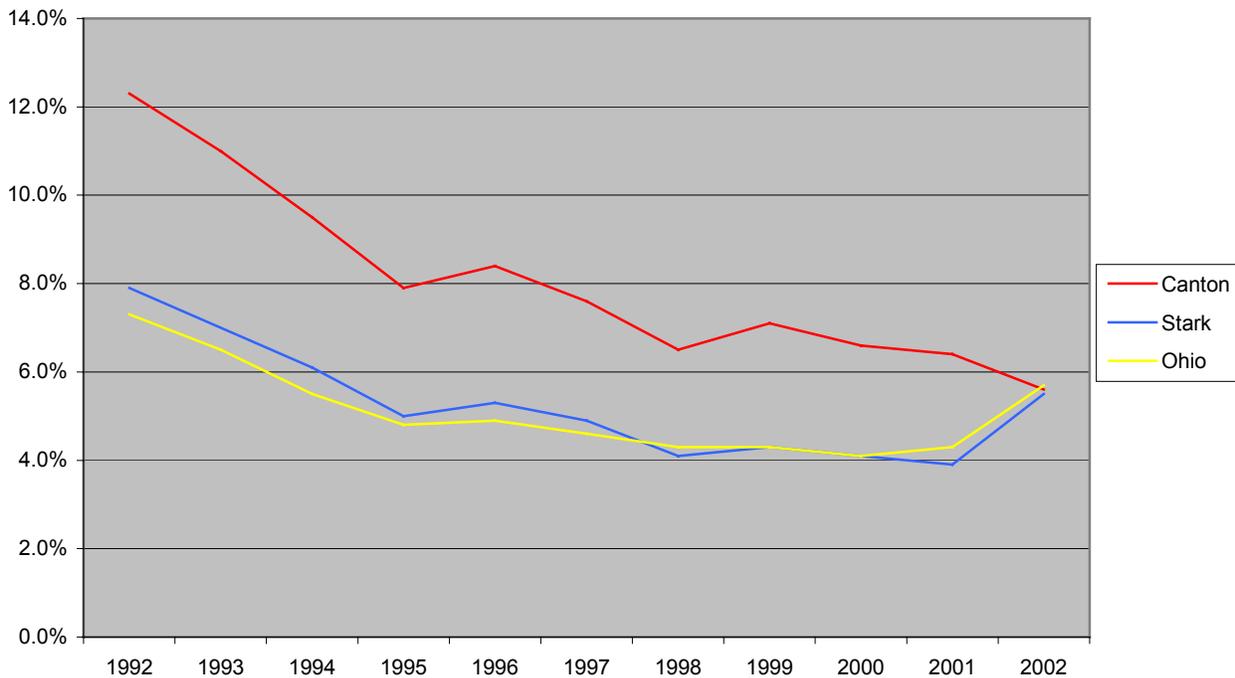


# City of Canton

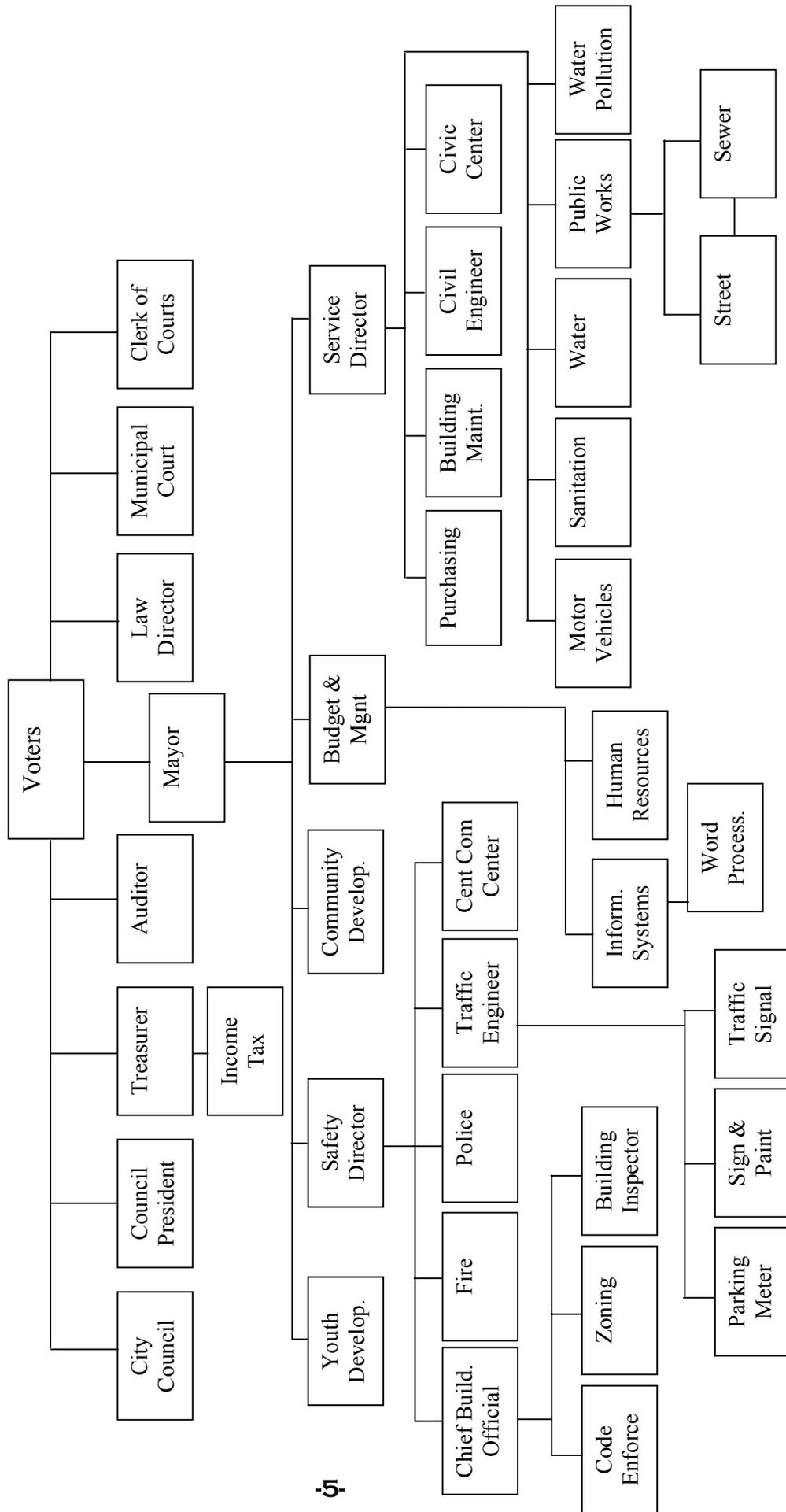
For the Year Ended December 31, 2002

## CITY, COUNTY, AND STATE AVERAGE UNEMPLOYMENT RATES

Source: U.S. Department of Labor



# City of Canton Organizational Chart



**Kim Perez**  
City Auditor

**BUDGET  
PERSONNEL**

**Gary Young**  
Deputy Auditor III  
18 Yrs of City Service  
Budget/Accounting  
Fiscal Management  
Annual Financial  
Reporting & Preparation  
Fixed Assets

**Susan Burton**  
Deputy Auditor I  
18 Yrs of City Service

**Donald Milbrodt**  
Deputy Auditor I  
15 Yrs of City Service

**Sharon Lendon**  
Deputy Auditor I  
12 Yrs of City Service

**Heather Locke**  
Deputy Auditor I  
8 Yrs of City Service

**Kimberly Baca**  
Deputy Auditor II  
5 Yrs of City Service

**PAYROLL  
PERSONNEL**

**Thurm Rohrer**  
Chief Deputy Auditor  
9 Yrs of City Service  
Payroll Management  
Personnel Management  
Office Management

**Mable Asberry**  
Deputy Auditor I  
28 Yrs of City Service

**Kelly Wackerly**  
Deputy Auditor I  
24 Yrs of City Service

**Cheryl Jacobsen**  
Deputy Auditor I  
18 Yrs of City Service

**Michael Frias**  
Deputy Auditor II  
2 Yr of City Service

**Anita Henderson**  
Deputy Auditor III  
16 Yrs of City Service  
Information System  
Management  
CIO  
Project Development  
Web Development

**Timothy Larson**  
Analyst  
2 Yr of City Service

**James Carman**  
Internal Auditor  
3 Yrs of City Service  
Annual Financial  
Statement Preparation  
Web Page Financials  
Grant Auditor

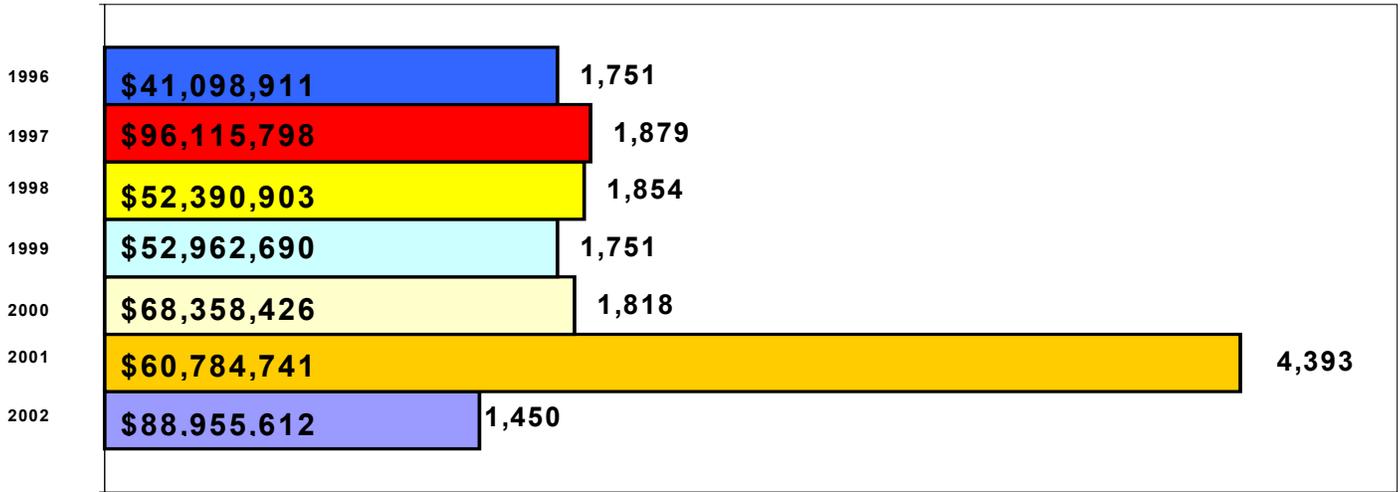
**INFORMATION  
SYSTEMS  
PERSONNEL**

# City of Canton

For the Year Ended December 31, 2002

## PROPERTY VALUES & CONSTRUCTION PERMITS

Source: City of Canton Building Dept. and Stark County Auditor's Office



**Number of Permits**

Represented in the graph above, is the total number of building permits issued since 1995, with the value of the projects for that year.

## PRIMARY REAL ESTATE

### TAXPAYERS

Source: Stark County Auditor's Office

|                               | Value of Property     |
|-------------------------------|-----------------------|
| The Timken Company **         | \$ 54,500,090         |
| Republic Technologies**       | 30,092,960            |
| Ohio Power Company            | 26,943,780            |
| Ohio Bell Telephone           | 14,738,830            |
| M.K. Morse Company            | 8,675,940             |
| Detroit Diesel Corporation    | 7,687,240             |
| Fresh Mark **                 | 7,630,710             |
| Phoenix Packaging Corporation | 5,845,380             |
| Ironrock Capital Incorporated | 5,794,650             |
| NASC 1994-MDI Canton Ctr      | 5,424,760             |
| <b>Total</b>                  | <b>\$ 167,334,340</b> |

\*\*Top ten income taxpayer

### ASSESSED PROPERTY VALUES WITH NET CHANGE

Source: Stark County Auditor's Office

|      | Total City Assessed Property Values | Percentage Change |
|------|-------------------------------------|-------------------|
| 1993 | \$ 700,454,807                      |                   |
| 1994 | \$ 700,185,130                      | -0.04%            |
| 1995 | \$ 710,381,241                      | 1.46%             |
| 1996 | \$ 715,831,568                      | 0.77%             |
| 1997 | \$ 746,392,008                      | 4.27%             |
| 1998 | \$ 848,227,745                      | 13.64%            |
| 1999 | \$ 863,986,216                      | 1.86%             |
| 2000 | \$ 865,265,725                      | 0.15%             |
| 2001 | \$ 999,241,496                      | 15.48%            |
| 2002 | \$ 973,144,447                      | -2.61%            |



New Gibbs Elementary School



New Lehman Middle School



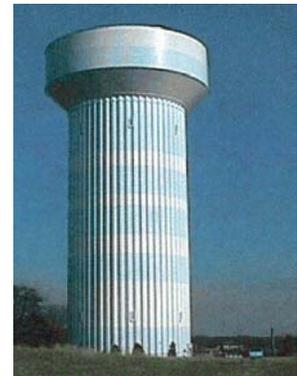
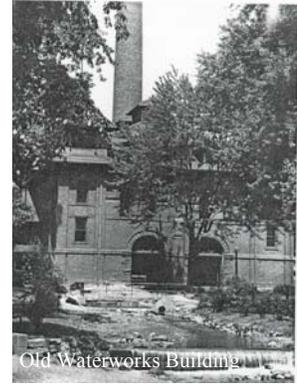
New Belden Elementary School

# City of Canton

For the Year Ended December 31, 2002

## UTILITY OPERATIONS

|  | <u>Water</u>      | <u>Sewer</u>        | <u>Refuse</u>     |
|--|-------------------|---------------------|-------------------|
| Operating Revenue                              | \$ 11,663,776     | \$ 11,245,738       | \$ 4,220,005      |
| Nonoperating Revenue                           | 217,197           | 160,354             | 114,023           |
| <b>Total Revenue</b>                           | <b>11,880,973</b> | <b>11,406,092</b>   | <b>4,334,028</b>  |
| Operating Expenses                             | 10,090,009        | 9,446,599           | 4,342,362         |
| Nonoperating Expenses                          | 856,814           | 748,284             | -                 |
| <b>Total Expenses</b>                          | <b>10,946,823</b> | <b>10,194,883</b>   | <b>4,342,362</b>  |
| <b>Net Revenues Over/<br/>(Under) Expenses</b> | <b>\$ 934,150</b> | <b>\$ 1,211,209</b> | <b>\$ (8,334)</b> |

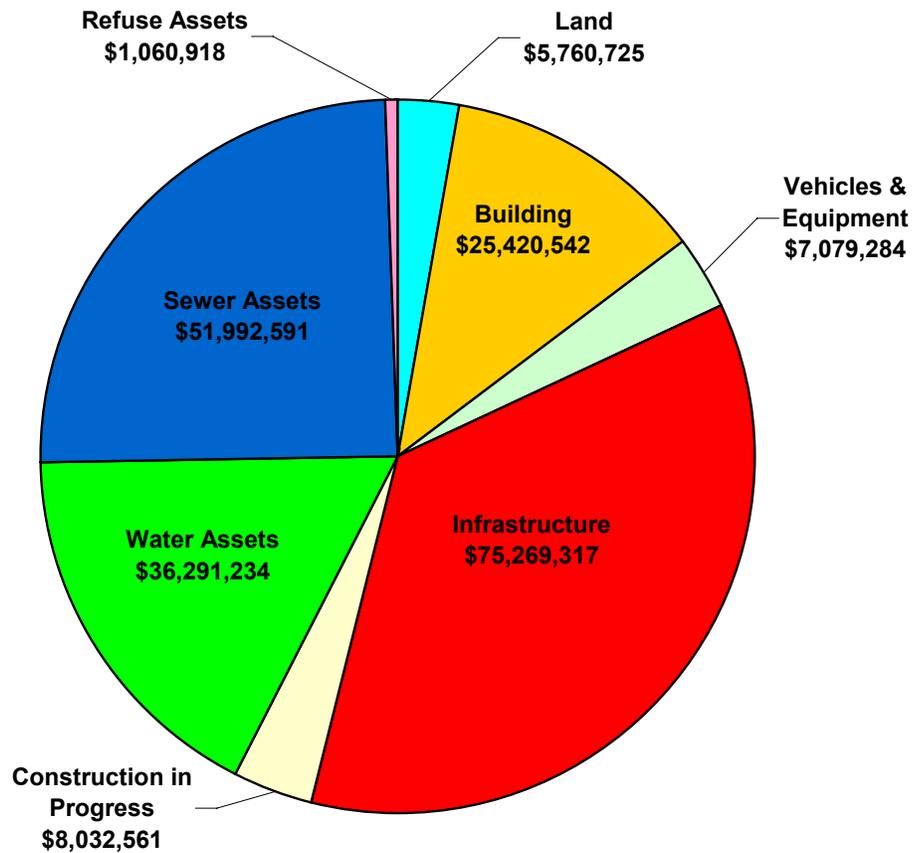


The operating results for the Water, Sewer, and Refuse Departments for the year ending December 31, 2002 are presented on a GAAP basis.

# City of Canton

For the Year Ended December 31, 2002

## TOTAL CAPITAL ASSETS (shown net of depreciation)



# City of Canton

For the Year Ended December 31, 2002

## STATEMENT OF NET ASSETS

(in millions)

|                               | Governmental Activities |                 |
|-------------------------------|-------------------------|-----------------|
|                               | 2002                    | 2001            |
| <b>Assets</b>                 |                         |                 |
| Cash                          | \$ 23.8                 | \$ 31.8         |
| Receivables                   | 30.0                    | 32.7            |
| Capital Assets, Net           | 121.6                   | 123.4           |
| <b>Total Assets</b>           | <b>\$ 175.4</b>         | <b>\$ 187.9</b> |
| <b>Liabilities</b>            |                         |                 |
| Current and Other Liabilities | \$ 9.8                  | \$ 9.7          |
| Long-Term Liabilities:        |                         |                 |
| Due Within One Year           | 4.3                     | 3.9             |
| Due Within More Than One Year | 34.6                    | 37.6            |
| <b>Total Liabilities</b>      | <b>48.7</b>             | <b>51.2</b>     |
| <b>Net Assets</b>             | <b>\$ 126.7</b>         | <b>\$ 136.7</b> |

*The Statement of Net Assets, also known as a "Balance Sheet", reports assets (items available to provide services) against liabilities (amounts for which the City must pay in the future) and equity (the net value of the City's assets after liabilities are subtracted).*

The Statement of Net Assets reflects only Governmental Activities not Business-Type Activities (Water, Sewer, and Refuse) or the City's component unit. All numbers are reported on a full GAAP accounting basis and are compliant with GASB Statement No. 34 standards with one exception. Unrestricted and Restricted Net Assets were combined into one category called "Net Assets" in order to make the statement easier to read. The amounts shown employ the same method of accounting as and were summarized in the audited financial statements within the 2002 CAFR

### Assets

Cash – Cash represents how much actual cash the City has in its bank accounts at year-end.

Receivables – Receivables are the amounts of money owed to the City from outside entities, whether they are businesses or other governments. Receivables are expected to be collected within the following year.

Capital Assets – Capital Assets are items that can be used for several years. This category includes things such as vehicles, buildings, land, traffic lights, roads, and storm sewers.

### Liabilities

Current and Other Liabilities – This amount represents what the City owes to other entities. Portions are owed to businesses, other governments, and the City's own employees. This amount is expected to be paid off within a year.

Long-Term Liabilities – Long-Term Liabilities is the amount of money the city has borrowed by issuing tax-exempt bonds for various construction projects and now must pay back over time. The portion labeled Due Within One Year will be paid off next year. The remaining portion (Due Within More Than One Year) will be paid off over several years. Refer to page 15 for more details about debt.

### Net Assets

Net Assets – Net Assets are basically what you would have left if you had to use all of your assorted assets to payoff your liabilities.



Downtown Hotdog Stand



Members of Canton's Fire Dept at 9/11 Memorial

# City of Canton

For the Year Ended December 31, 2002

## STATEMENT OF ACTIVITIES

(in millions)

|  | Governmental Activities |                 |
|--|-------------------------|-----------------|
|  | 2002                    | 2001            |
| <b>Revenues</b>  |                         |                 |
| Program Revenues:                                      |                         |                 |
| Charges for Services                                   | \$ 10.9                 | \$ 10.2         |
| Operating Grants and Contributions                     | 6.3                     | 10.0            |
| Capital Grants and Contributions                       | 1.2                     | -               |
| Total Program Revenues                                 | 18.4                    | 20.2            |
| General Revenues:                                      |                         |                 |
| City Income Taxes                                      | 37.7                    | 40.1            |
| Property Taxes   | 2.4                     | 4.1             |
| Intergovernmental                                      | 9.8                     | 10.3            |
| Grants and Contributions                               | 0.4                     | 0.5             |
| Interest and Investment Earnings                       | 0.9                     | 2.5             |
| Charges for Services not Restricted to Program Revenue | 0.2                     | 0.7             |
| Other  | 2.0                     | 2.4             |
| Total General Revenues                                 | 53.4                    | 60.6            |
| <b>Total Revenues</b>                                  | <b>\$ 71.8</b>          | <b>\$ 80.8</b>  |
| <b>Expenses</b>  |                         |                 |
| Program Expenses:                                      |                         |                 |
| General Government                                     | \$ 17.0                 | \$ 18.6         |
| Security of Persons and Property                       | 32.7                    | 34.6            |
| Public Health  | 4.5                     | 4.6             |
| Transportation   | 16.8                    | 17.6            |
| Community Development                                  | 6.5                     | 7.5             |
| Leisure Time Activities                                | 2.7                     | 2.9             |
| Interest on Long-Term Debt                             | 1.4                     | 1.3             |
| <b>Total Program Expenses</b>                          | <b>81.6</b>             | <b>87.1</b>     |
| <b>(Decrease) in Net Assets</b>                        | <b>\$ (9.8)</b>         | <b>\$ (6.3)</b> |

*The Statement of Activities, also known as an "Income Statement", reflects how much money the city collected (revenue) versus how much it spent (expenses). In 2002, the City spent \$9.8 million more than it collected.*

The Statement of Activities reflects only Governmental Activities not Business-Type Activities (Water, Sewer, and Refuse) or the City's component unit. All numbers are reported on a full GAAP accounting basis and are compliant with GASB Statement No. 34 standards. The amounts shown employ the same method of accounting as and were summarized in the audited financial statements within the 2002 CAFR

### Revenues

(For a description of what program revenue and non-program revenue is see page 11.)

City Income Taxes – Represents how much money the City collects its 2% income tax on the gross wages of individuals living in or working within its corporate limits. The same 2% is imposed upon the net profits earned by businesses within the City.

Property Taxes – This is how much money the City collect during the year through taxes placed on properties located within the City.

Intergovernmental – This is how much money the City received from other governments like the county, state, or federal government. The largest intergovernmental revenue is "Local Government" money, which is the City's share of state taxes.

Grants and Contributions – This is money given to the City that is to be used for a specific purpose. The City receives grant money from the state government, federal government, and even private citizens. In order to receive the money, the City must agree to spend the money according to whatever guidelines the contributors setup.

Interest and Investment Earnings – This is the amount of interest the City receives on money it has in its various bank accounts.

Charges for Services not Restricted to Program Revenue – This is money the City receives through fees it charges, but does not meet the criteria of program revenue.

Other – This accounts for miscellaneous receipts and reimbursements the City receives throughout the year.

### Expenses

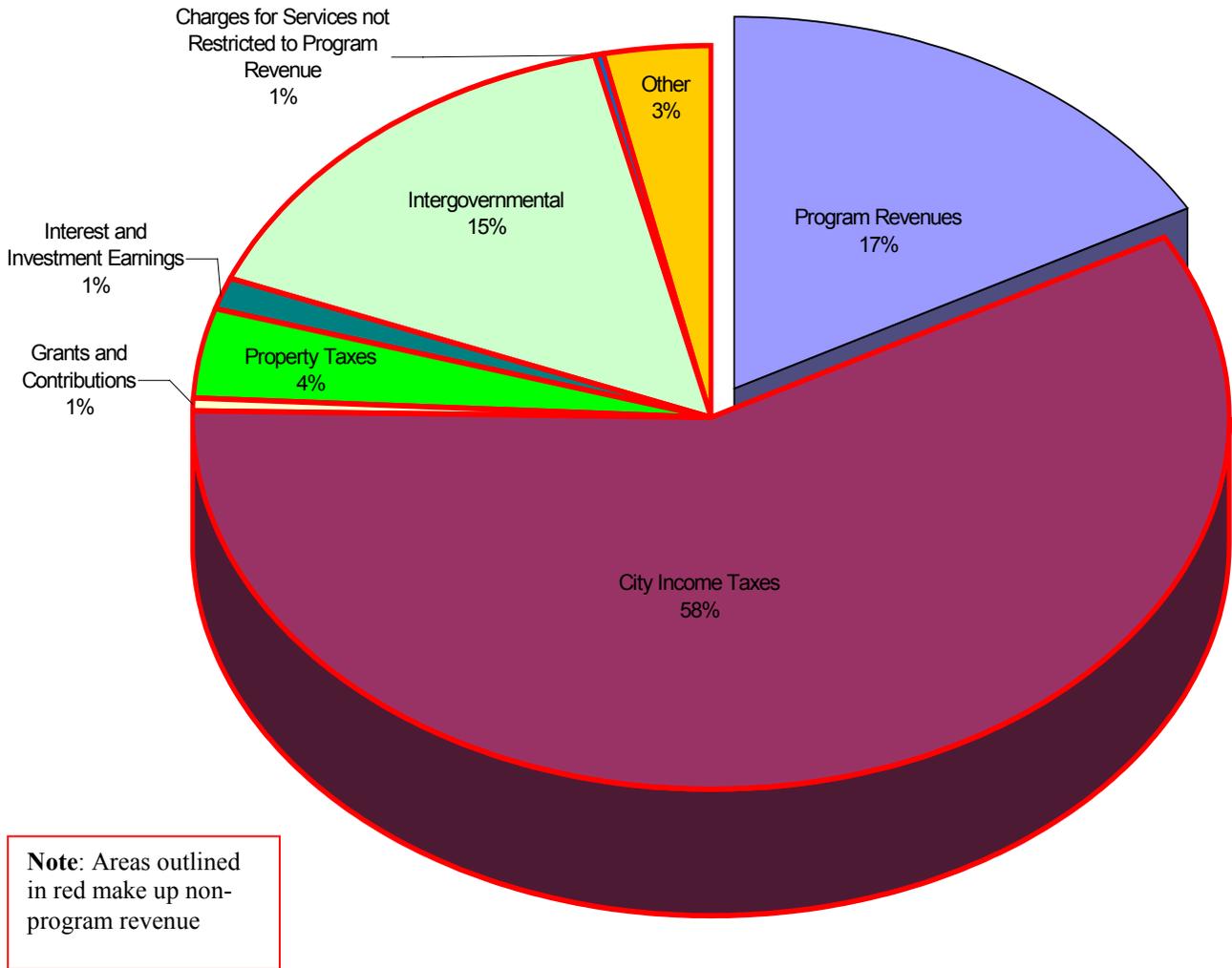
For an explanation of what makes up the expense line items see page 12.

# City of Canton

For the Year Ended December 31, 2002

## REVENUE BREAKDOWN

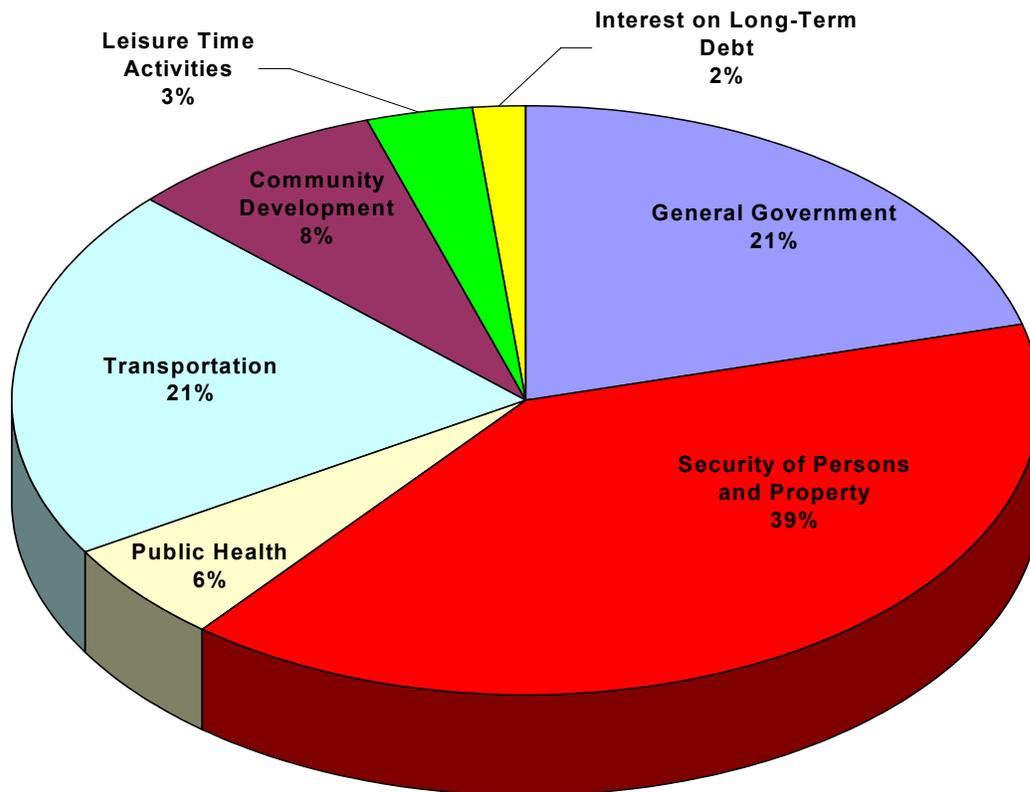
New accounting rules have changed how governments report income or revenue. All income that a government brings in is broken into two categories, program revenue and non-program revenue. Program revenues are any monies a government earns as a charge for a direct service it provides. For example, the City of Canton operates several parking lots and two parking decks. The City charges a flat fee to park in city owned parking facilities. Non-program revenues are monies that the city receives without providing the person paying the money with a direct service. An example of non-program revenues would be the City's 2% percent income tax. Monies the City receive, from the tax, funds several services including Police and Fire Protection, but there is not a direct charge for a direct service relationship. Notice that only 17% of the City's revenue can be labeled program revenue with the rest being non-program revenue, and that over half the City's total revenue comes from income taxes.



# City of Canton

For the Year Ended December 31, 2002

## EXPENSE BREAKDOWN



## EXPENSE CATEGORY DESCRIPTION

The following departments make up the expense categories listed above:

General Government – Included in this category are expenditures for the Mayor’s Office, Service Director, Budget Director, Human Resources, Word Processing, Youth Development, Civil Service Board, Zoning Board, Building Maintenance, Motor Vehicle Department, Management Information Services Department, City Council, Municipal Court Judges, Clerk of Courts Office, Auditor’s Office, Law Department, Treasurer’s Office, and Income Tax Office.

Security of Persons and Property – Included in this category are expenditures for the Safety Director, Code Enforcement, School Crossing Guards, 911 Dispatch Center, Traffic Engineers and Parking Meters, Police Department, and Fire Department.

Public Health – Included in this category are expenditures for the Health Department, which includes nurses, labs, and environmental health administration.

Transportation – Included in this category are expenditures for the Civil Engineers and Street Department.

Community Development – Included in this category are expenditures for the Community and Economic Development Department.

Leisure Time Activities – Included in this category are expenditures for the Park Department, Munson Baseball Stadium and the Civic Center.

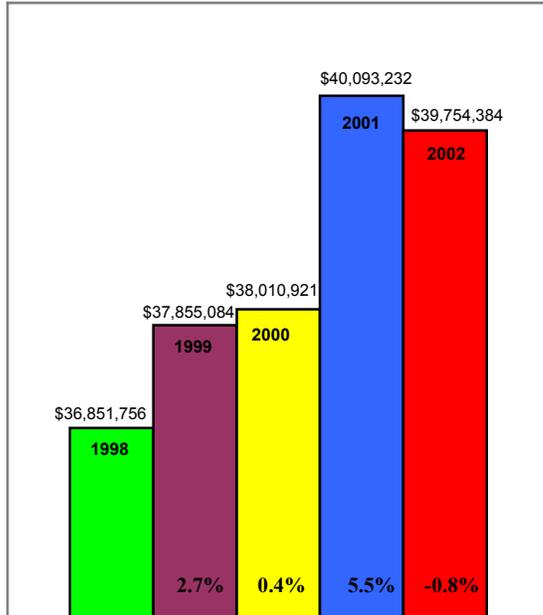
Interest on Long Term Debt – Included in this category are interest payments on the City’s outstanding debt.

## City of Canton

For the Year Ended December 31, 2002

### INCOME TAX COLLECTION ANALYSIS

(Numbers presented on a cash basis)



Percentages denote of change from one year to the next

The City of Canton Income Tax is the City's primary source of revenue. City voters approved a tax increase in 1984 to 2%. Currently anyone living or working within the City limits is subject to this tax. The City allows credit for taxes paid to other municipalities. Revenue generated from the City's income tax goes to one of four funds. The first fund, the City Income Tax Fund, gets just enough money to cover the cost of operating the City Income Tax Dept. and to cover the cost of refunds. The amount of money left after the Income Tax Fund gets its share is split three ways with the General Fund getting 75%, the Capital Projects Fund getting 20%, and the Motor Vehicle Fund getting 5%. Each of these funds, as with all City funds, has an expressed purpose and any money in these funds can only be spent according to that purpose. The General Fund has the broadest purpose of all City funds. The General Fund pays for the majority of the City's basic operating expenses. General Fund monies is what enables the City to provide its residents with safety forces, service workers, parks and recreation, and many other basic services its citizens rely on. Consequently, the General Fund's primary expense is employee salaries. Roughly 88% of General

Fund expenses are for salaries for everyone from the Mayor to the average police officer on the street. The Capital Projects Fund pays for construction projects, major building renovations, and some pieces of equipment. Arguably the single most visible use of Capital Project dollars is street improvement projects. The Capital Project Fund pays for the materials, contractor costs, and the salaries of City employees associated with such projects. The Motor Vehicle Fund can be used to acquire, make lease payments on, or maintain City vehicles and radio communication equipment. The chart below as well as the two charts and graph on the facing page illustrate how the cash balance of three of the four funds most directly affected by the City's income tax have changed over the last five years.

## City of Canton

For the Year Ended December 31, 2002

### GENERAL FUND OPERATIONS ANALYSIS

(Numbers presented on a cash basis)

| General Fund            | 1998         | 1999         | 2000         | 2001         | 2002         |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Beginning Cash          | \$ 3,704,735 | \$ 3,923,665 | \$ 2,076,245 | \$ 2,857,572 | \$ 2,218,149 |
| Revenue                 | 43,875,206   | 44,738,350   | 46,405,394   | 48,642,567   | 45,859,227   |
| Expenditures            | 43,656,276   | 46,585,770   | 46,933,833   | 50,387,247   | 49,589,487   |
| Gain (Loss)             | 218,930      | (1,847,420)  | (528,439)    | (1,744,680)  | (3,730,260)  |
| Other Financing Sources | -            | -            | 1,309,766    | 1,105,257    | 3,088,004    |
| Ending Cash             | \$ 3,923,665 | \$ 2,076,245 | \$ 2,857,572 | \$ 2,218,149 | \$ 1,575,893 |

## City of Canton

For the Year Ended December 31, 2002

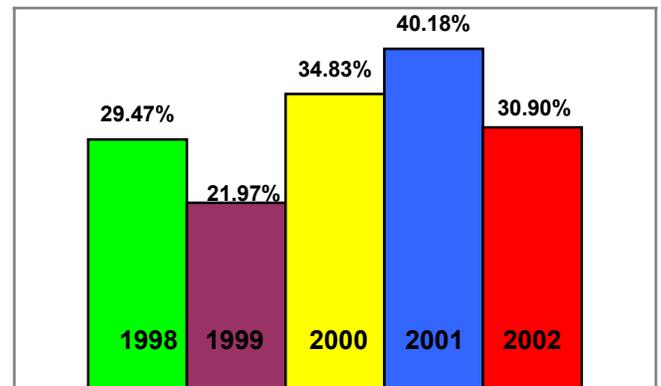
# CAPITAL PROJECTS FUND OPERATIONS ANALYSIS

(Numbers presented on a cash basis)

| Capital Projects Fund                                   | 1998                | 1999                | 2000                | 2001                | 2002                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Cash  | \$ 2,306,150        | \$ 4,199,715        | \$ 2,912,791        | \$ 2,272,695        | \$ 3,321,869        |
| Revenue   | 7,936,099           | 7,324,618           | 7,361,534           | 9,141,377           | 9,001,092           |
| Debt Expenses   | 1,780,818           | 1,891,762           | 2,786,718           | 3,251,126           | 2,731,149           |
| Capital Expenses  | 4,261,716           | 6,719,780           | 5,214,912           | 4,841,077           | 6,108,676           |
| Total Expenses  | 6,042,534           | 8,611,542           | 8,001,630           | 8,092,203           | 8,839,825           |
| Gain (Loss)   | 1,893,565           | (1,286,924)         | (640,096)           | 1,049,174           | 161,267             |
| Ending Cash   | <u>\$ 4,199,715</u> | <u>\$ 2,912,791</u> | <u>\$ 2,272,695</u> | <u>\$ 3,321,869</u> | <u>\$ 3,483,136</u> |
| Percentage of Debt Burdens<br>To Total Capital Expenses | 29.47%              | 21.97%              | 34.83%              | 40.18%              | 30.90% *            |

When the City cannot afford to completely pay for a project up front, it takes out debt to finance it. Since the Capital Project Fund is supposed to pay for such projects, it takes on the responsibility of making debt payments when a project is financed. That is why you see the expense item labeled "Debt Expense" in the chart to the left. For a complete explanation of the types of debt the City can take out and what debt it has, see page 15.

## CAPITAL PROJECT FUND DEBT BURDEN ANALYSIS



## City of Canton

For the Year Ended December 31, 2002

# MOTOR VEHICLE FUND OPERATIONS ANALYSIS

(Numbers presented on a cash basis)

|   | 1998         | 1999         | 2000         | 2001         | 2002         |
|---|--------------|--------------|--------------|--------------|--------------|
| Beginning Cash                                  | \$ 1,144,836 | \$ 1,592,100 | \$ 1,458,880 | \$ 1,189,222 | \$ 1,180,821 |
| Revenue   | 1,733,806    | 1,763,750    | 1,787,658    | 1,906,559    | 1,898,632    |
| Debt Expenses                                   | -            | -            | -            | -            | 665,562      |
| Capital Expenses                                | 1,286,542    | 1,896,970    | 2,057,316    | 1,914,960    | 1,948,877    |
| Total Expenses                                  | 1,286,542    | 1,896,970    | 2,057,316    | 1,914,960    | 2,614,439    |
| Gain (Loss)                                     | 447,264      | (133,220)    | (269,658)    | (8,401)      | (715,807)    |
| Ending Cash                                     | \$ 1,592,100 | \$ 1,458,880 | \$ 1,189,222 | \$ 1,180,821 | \$ 465,014   |
| Percentage of Debt Burdens<br>To Total Expenses | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 25.46% *     |

\* = In 2002, the Motor Vehicle Fund was responsible for the debt paid on the City's Radio Communication Bond issued in 2001. In 2001, the Capital Projects Fund paid the first debt payment. Both funds are legally able to pay for this debt. The change allowed the percentage of debt payments made in the Capital Projects Fund to **drop by 10%**.

# City of Canton

For the Year Ended December 31, 2002

## SUMMARY OF DEBT TYPES

General Obligation Bonds – General Obligation Bonds are long-term debts which are repaid from the City’s available resources and for which the City pledges its full faith and credit.

Loans – The City has the ability to take out low interest loans from entities like the State Infrastructure Bank and the Federal Housing and Urban Development Department for various projects in the City. The HUD, SIB, and Urban Redevelopment loans are three such loans. The HUD loan was used to build the Cornerstone Parking Deck, the SIB loan was for Market Avenue Streetscape, and the Redevelopment Loan was used to build the Millennium Parking deck.

OWDA & OPWC – OWDA and OPWC loans are low interest loans made to the City for Water and/or Sewer projects only by the Ohio Water Development Authority and Ohio Public Works Commission. Payments are due every six months.

Compensated Absences – The accumulated cost associated with authorized employee fringes, including accumulated sick time, unused compensatory time, unused perfect attendance days, banked vacation, and unused vacation. Sick time is calculated based on probability of payout consistent with the terms of retirement.

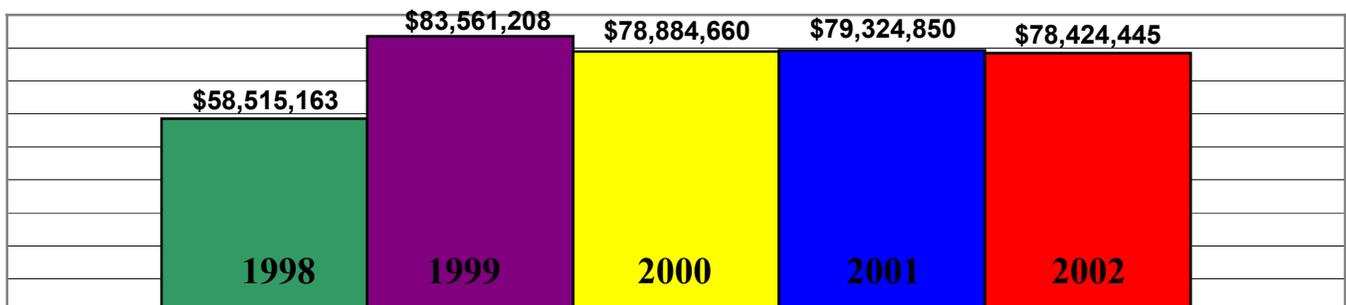
For the Year Ended December 31, 2002

## DEBT ACTIVITIES

|                                       | Balance<br>12/31/01 | Adds<br>(Issued) | Deletes<br>(Retired) | Balance<br>12/31/2002 | Due Within<br>One Year |
|---------------------------------------|---------------------|------------------|----------------------|-----------------------|------------------------|
| <i>Governmental Activities</i>        |                     |                  |                      |                       |                        |
| General Obligation Bonds              | 24,700,000          | -                | 2,120,000            | 22,580,000            | 2,160,000              |
| HUD Loan                              | 2,655,000           | -                | 335,000              | 2,320,000             | 335,000                |
| SIB Loan                              | 1,227,513           | -                | 48,482               | 1,179,031             | 50,565                 |
| Urban Redevelopment Loan              | 1,784,249           | -                | 133,333              | 1,650,916             | 133,333                |
| Compensated Absences                  | 10,755,342          | 1,264,686        | 1,200,701            | 10,819,327            | 1,560,767              |
| <b>Total Governmental Activities</b>  | <b>41,122,104</b>   | <b>1,264,686</b> | <b>3,837,516</b>     | <b>38,549,274</b>     | <b>4,239,665</b>       |
| <i>Business-Type Activities</i>       |                     |                  |                      |                       |                        |
| OPWC Loan                             | 350,512             | -                | 46,735               | 303,777               | 46,736                 |
| OWDA Loan                             | 16,085,252          | 4,589,625        | 1,038,474            | 19,636,403            | 1,489,006              |
| General Obligation Bonds              | 20,430,000          | -                | 1,860,000            | 18,570,000            | 2,015,000              |
| Compensated Absences                  | 1,336,982           | 166,370          | 138,361              | 1,364,991             | 283,329                |
| <b>Total Business-Type Activities</b> | <b>38,202,746</b>   | <b>4,755,995</b> | <b>3,083,570</b>     | <b>39,875,171</b>     | <b>3,834,071</b>       |
| <b>Total Debt</b>                     | <b>79,324,850</b>   | <b>6,020,681</b> | <b>6,921,086</b>     | <b>78,424,445</b>     | <b>8,073,736</b>       |

For the Year Ended December 31, 2002

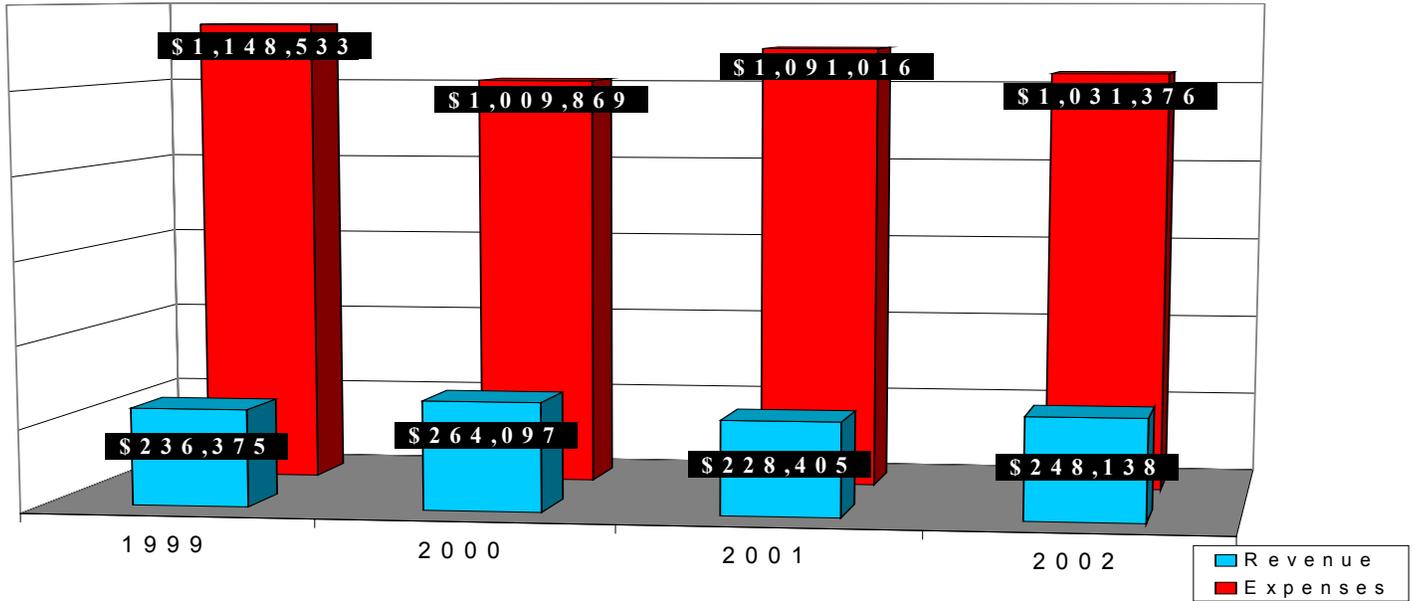
## HISTORICAL TOTAL DEBT COMPARISON



# City of Canton

For the Year Ended December 31, 2002

## CIVIC CENTER OPERATIONAL COMPARISON

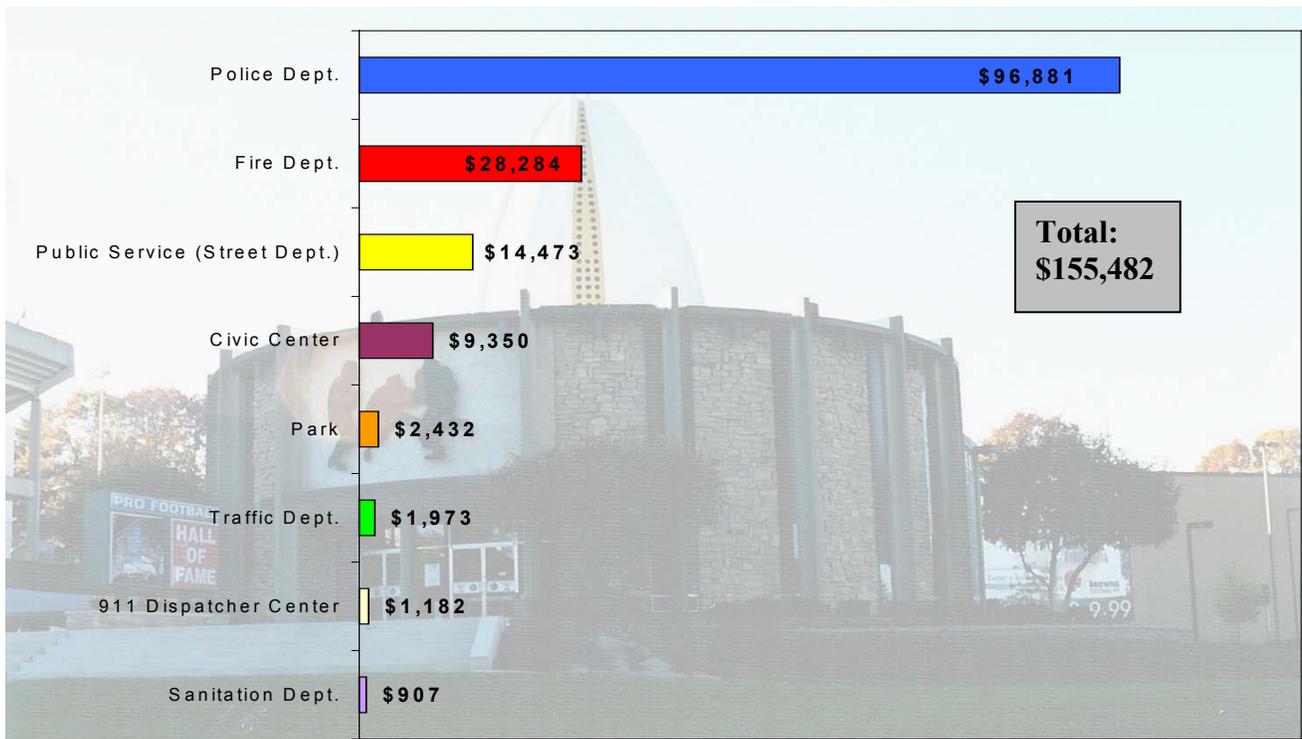


The above graph displays operational revenues for the Civic Center against operational expenses.

# City of Canton

For the Year Ended December 31, 2002

## HALL OF FAME FESTIVAL COST



This chart shows additional personnel cost the City incurs during the Hall of Fame Festival, including overtime costs and premium rates. Not reflected in this chart is the cost of having city workers doing Hall of Fame preparation work during normal work shifts.

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# 2002 City of Canton Financial Report

