

City of Akron, Ohio

Single Audit Report

Year Ended December 31, 2002



**Auditor of State
Betty Montgomery**

Honorable Mayor and
Members of City Council
City of Akron
205 Municipal Building
166 South High Street
Akron, Ohio 44308

We have reviewed the Independent Auditor's Report of the City of Akron, Summit County, prepared by Deloitte & Touche LLP, for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Akron is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

September 19, 2003

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CITY OF AKRON, OHIO

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Catherine G. Watson
Director of Finance

Diane L. Miller-Dawson
Deputy Director of Finance



Donna M. Urdiales
Executive Assistant

Donald L. Plusquellic
Mayor

DEPARTMENT OF FINANCE

205 Municipal Building / 166 South High Street / Akron, Ohio 44308
(330) 375-2316 FAX: (330) 375-2291

June 23, 2003

Dear Users of the City of Akron's
Basic Financial Statements:

The accompanying basic financial statements of the City of Akron as of and for the year ended December 31, 2002 include the financial statements and notes required under accounting principles generally accepted in the United States of America that are essential to fair presentation of the City's financial position and results of operations and of the cash flows of the City's proprietary fund types. Additional information regarding the City's financial activities for 2002 is available in the City's separately issued Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2002. Copies of the CAFR can be obtained by contacting the Treasury Division at:

City of Akron, Ohio
161 South High Street
Suite 200
Akron, Ohio 44308
(330)-375-2330

Sincerely,

A handwritten signature in cursive script that reads 'Catherine G. Watson'.

Catherine G. Watson
Director of Finance

CGW/CMD/dmu

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor Donald L. Plusquellic
and Members of the City Council of
the City of Akron, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Ohio (the "City") as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison information on pages 5 through 18 and pages 77 through 80, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the City. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

June 23, 2003

CITY OF AKRON, OHIO MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of the City of Akron, Ohio financial performance provides an overview of Akron's financial activities for the fiscal year ended December 31, 2002. Please read it in conjunction with the City's financial statements, which begin on page 20.

FINANCIAL HIGHLIGHTS

- The assets of the City of Akron, Ohio exceeded its liabilities at December 31, 2002 by \$632,001,898 (net assets). Of this amount \$47,727,842 is restricted for debt service.
- The governmental activities' total net assets decreased \$13,700,592 and the business-type activities' total net assets increased \$20,657,776, for a net increase in the City's total net assets of \$6,957,184.
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$54,408,999, a decrease of \$1,099,659 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,753,973, or 6.52% of total general fund expenditures, and a 4.4% increase compared to the prior year.
- The City of Akron's total debt increased by \$34,468,950 (8.24%) during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Akron's basic financial statements. The City of Akron's basic financial statements are comprised of the following: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Akron's finances in a manner similar to a private sector business.

The statement of net assets presents information on all of the City of Akron's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Akron is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon

as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Akron that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the City of Akron include general government, public service, public safety, community environment, public health and recreation and parks. The business-type activities of the City of Akron include water, sewer, oil and gas, golf, airport and off-street parking operations.

The government-wide financial statements can be found on pages 20 – 21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Akron, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Akron can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Akron maintains 98 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Special Assessment Bond Payment Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated

presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Akron adopts an annual appropriated budget for its General Fund, and for some special revenue, debt service, enterprise and internal service funds. The General Fund budgetary schedule (non-GAAP budgetary basis) has been provided as Required Supplementary Information (RSI) to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary funds. The City of Akron maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Akron uses enterprise funds to account for its water, sewer, oil and gas, golf, airport, and off-street parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Akron's various functions. The City of Akron uses internal service funds to account for its vehicle maintenance, medical self-insurance, workers' compensation self-insurance, other self-insurance costs, storeroom (providing City-wide copy center, mailing operation and central storeroom), management information systems (responsible for all data processing and computer operations of the City), telephone system (with outside cable plant consisting of underground and aerial wires and telephone cables), graphics operations (providing City-wide printing, art, and photographic services), and engineering bureau (responsible for design and construction for city streets, sidewalks, sewer and water utilities, bridges, and city facilities). Because most of the internal services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operations, both of which are considered to be major funds of the City of Akron. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise and the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 26 – 31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Akron's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 32 – 33 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City of Akron's General Fund budgetary comparison. Required Supplementary Information (RSI) can be found on pages 77-80 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Akron, assets exceeded liabilities by \$632,001,898 at the close of the most recent fiscal year.

By far the largest portion of the City of Akron's net assets (96%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Akron uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City of Akron's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Akron's net assets (8%) is restricted for the payment of debt service.

The City's net assets increased by \$7,000,000 during the current year. The net assets of the governmental activities decreased \$13,700,000 and business-type activities increased \$20,700,000.

Summary Statement of Net Assets
as of December 31, 2001 and 2002
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
Assets:						
Current and other assets	\$ 151,977	\$ 156,371	\$ 38,660	\$ 42,974	\$ 190,637	\$ 199,345
Capital assets	582,517	621,964	429,778	439,580	1,012,295	1,061,544
Total assets	\$ 734,494	\$ 778,335	\$ 468,438	\$ 482,554	\$ 1,202,932	\$ 1,260,889
Liabilities:						
Long-term liabilities	309,528	351,014	153,896	147,705	463,424	498,719
Other liabilities	93,838	109,894	20,625	20,274	114,463	130,168
Total liabilities	\$ 403,366	\$ 460,908	\$ 174,521	\$ 167,979	\$ 577,887	\$ 628,887
Net assets:						
Invested in capital assets						
net of related debt	330,405	322,484	268,152	285,013	598,557	607,497
Restricted	37,540	39,710	8,038	8,017	45,578	47,727
Unrestricted	(36,817)	(44,767)	17,727	21,545	(19,090)	(23,222)
Total net assets	\$ 331,128	\$ 317,427	\$ 293,917	\$ 314,575	\$ 625,045	\$ 632,002

Governmental activities. The majority of the decrease in governmental activities for the City of Akron's net assets, \$8,400,000, is due primarily from transfers made to business-type activities. Transfers were made from the JEDD fund to the Water and Sewer funds to offset costs of installing new water and sewer lines in the JEDD districts.

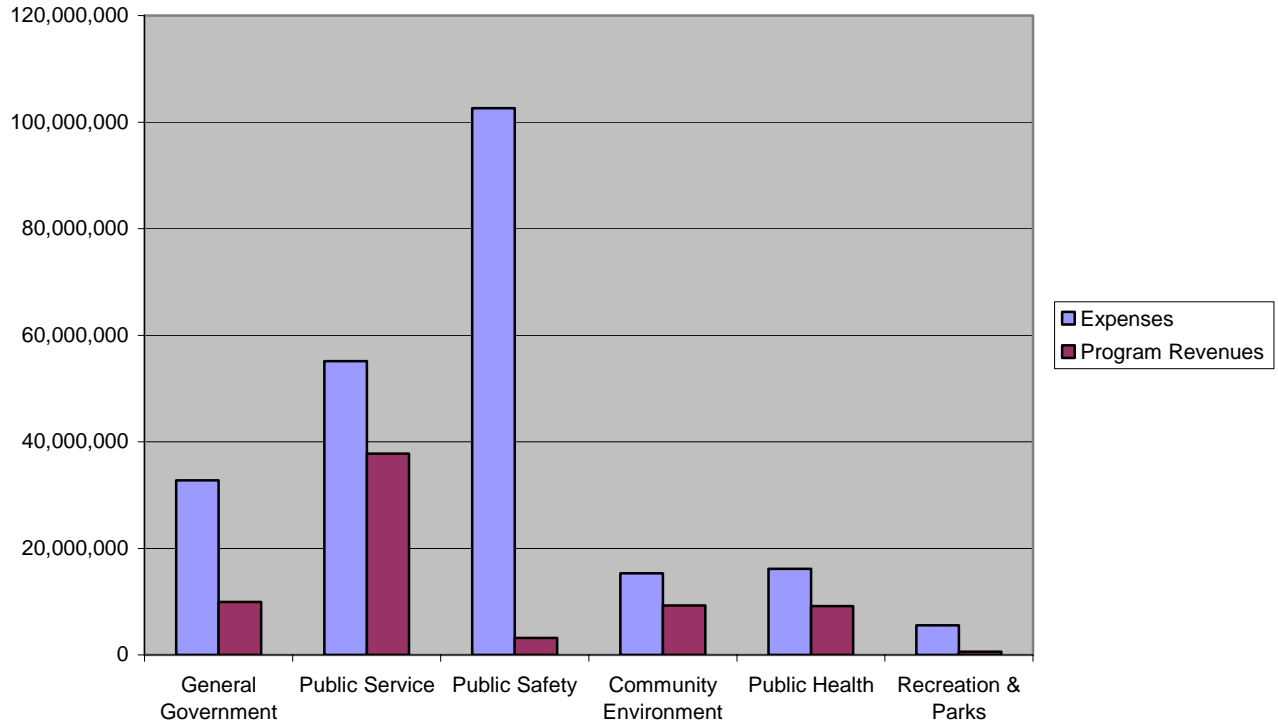
For the governmental activities the unrestricted deficit results from having insufficient assets set side for long-term obligations such as compensated absences. The City finances such obligations on a year-to-year basis as they come due and must be paid.

The following table shows total revenues for 2002 were \$9,145,000 lower than the prior year. Revenues decreased \$4,900,000 in charges for services and \$2,400,000 in shared revenues. Expenses for 2002 were \$7,900,000 higher than 2001. The higher expenses were primarily in public safety and interest expense.

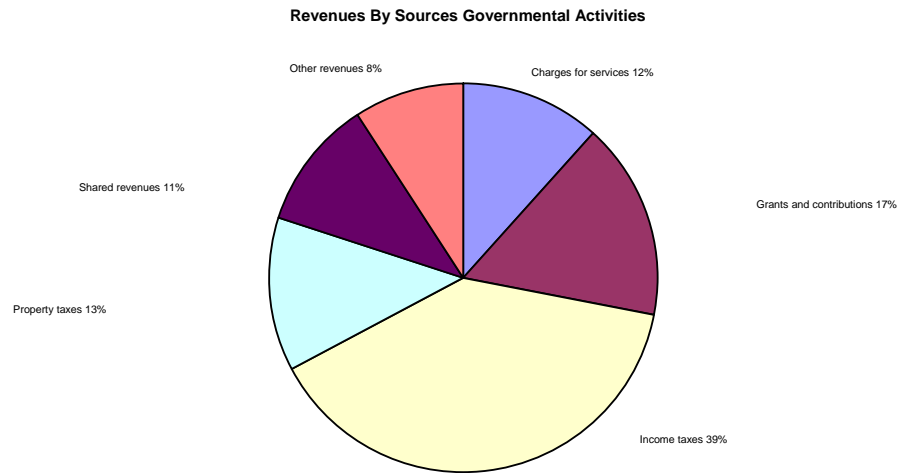
Changes in Net Assets
For Fiscal Year Ended December 31, 2001 and 2002
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
Revenues:						
Program revenues:						
Charges for services	\$ 33,728	\$ 28,745	\$ 69,629	\$ 74,097	\$ 103,357	\$ 102,842
Operating grants and contributions	18,173	16,280	-	-	18,173	16,280
Capital grants and contributions	24,937	24,866	17,586	8,379	42,523	33,245
General revenues:						
Income taxes	97,366	97,067	-	-	97,366	97,067
Property taxes	26,511	31,443	-	-	26,511	31,443
JEDD revenues	14,773	13,946	-	-	14,773	13,946
Investment earnings	3,835	1,625	379	153	4,214	1,778
Shared revenues	29,655	27,289	-	-	29,655	27,289
Miscellaneous	8,541	7,113	819	875	9,360	7,988
Total revenues	\$ 257,519	\$ 248,374	\$ 88,413	\$ 83,504	\$ 345,932	\$ 331,878
Expenses:						
General government	\$ 38,768	\$ 35,443	\$ -	\$ -	\$ 38,768	\$ 35,443
Public service	55,687	55,103	-	-	55,687	55,103
Public safety	93,140	102,588	-	-	93,140	102,588
Community environment	16,739	15,285	-	-	16,739	15,285
Public health	14,907	16,170	-	-	14,907	16,170
Recreation and parks	4,860	5,570	-	-	4,860	5,570
Interest on debt	14,205	15,452	-	-	14,205	15,452
Unallocated depreciation	8,330	8,988	-	-	8,330	8,988
Water	-	-	30,038	30,783	30,038	30,783
Sewer	-	-	30,547	34,227	30,547	34,227
Oil & gas	-	-	323	289	323	289
Golf course	-	-	860	909	860	909
Airport	-	-	619	696	619	696
Off-street parking	-	-	4,223	4,298	4,223	4,298
Total expenses	246,636	254,599	66,610	71,202	313,246	325,801
Changes in net assets before special items and transfers	10,883	(6,225)	21,803	12,302	32,686	6,077
Gain (loss) on sale of capital assets	(240)	885	(14)	(5)	(254)	880
Special items	(6,250)	-	-	-	(6,250)	-
Transfers	791	(8,361)	(791)	8,361	-	-
Changes in net assets	\$ 5,184	\$ (13,701)	\$ 20,998	\$ 20,658	\$ 26,182	\$ 6,957
Net assets - beginning	325,944	331,128	272,919	293,917	598,863	625,045
Net assets - ending	\$ 331,128	\$ 317,427	\$ 293,917	\$ 314,575	\$ 625,045	\$ 632,002

Expenses and Program Revenues - Governmental Activities



This chart shows the revenue generated by the various programs of the City of Akron and the expenses relating to each program. The majority of the revenue that funds these programs is reported in the financial statements as general revenues (e.g., income and property taxes).



Business-type activities. Business-type activities increased the City of Akron’s net assets by \$20,658,000. Transfers from the governmental activities of \$8,361,000 accounted for a substantial portion of this increase. In 2002, the capital contributions declined approximately \$3.3 million and \$6 million, respectively, in the Water and Off-Street Parking Funds. The Sewer Fund experienced a \$3 million increase in direct expenses with the majority of the increase attributable to the contractual agreement for the daily operations of the Compost Plant located at the Water Pollution Control Station.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the City of Akron uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Akron’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Akron’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Akron’s governmental funds reported combined ending fund balances of \$54,408,999, a decrease of \$1,099,659 in comparison with the prior year. The unreserved fund balance at the end of the current year is a deficit

of \$2,020,918. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$48,854,618) and (2) to reserve for loans receivable (\$7,575,299).

The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,753,973, while the total fund balance is \$11,807,827. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.52% of total General Fund expenditures, while total fund balance represents 8.80% of that same amount.

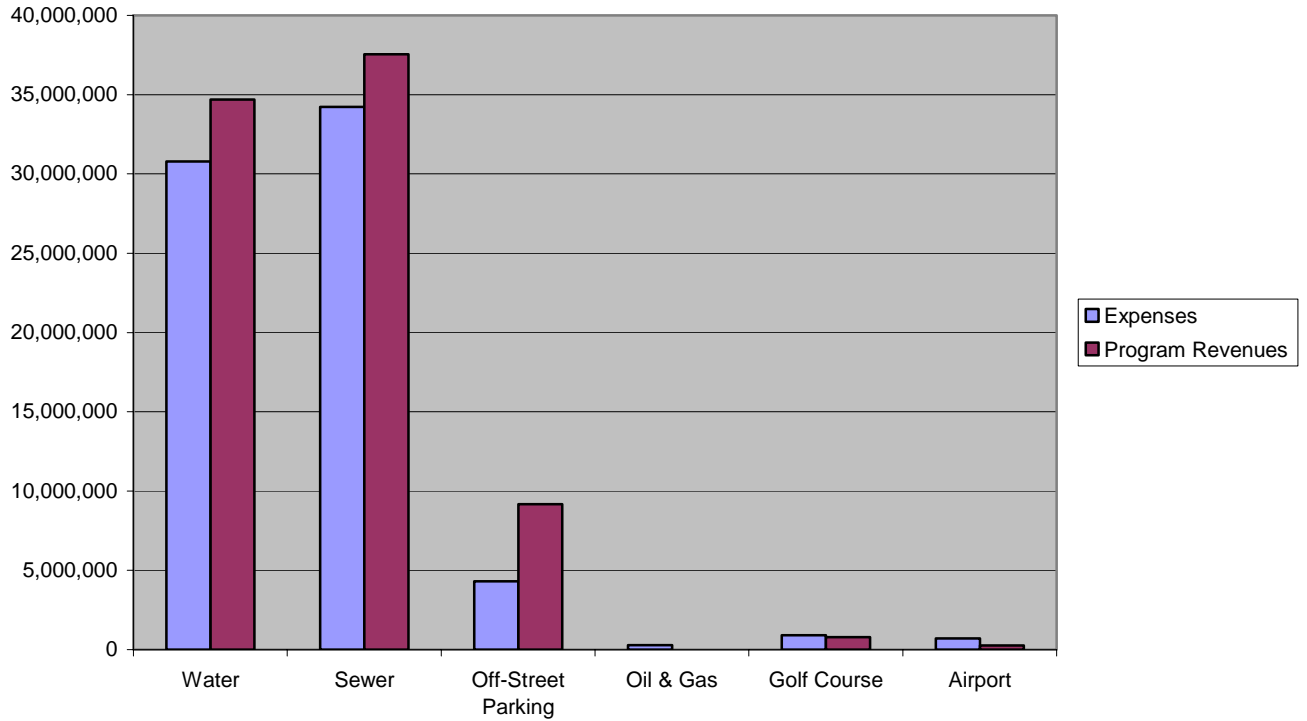
The fund balance of the City of Akron's General Fund increased by \$891,098 during the current fiscal year. Key factors in this increase are as follows:

- Revenues as a whole increased moderately, \$14,834, over the prior year.
- Expenditures increased \$2,048,917 (1.55%) during the current year.
- For the year, General Fund expenditures were greater than revenues by \$5,163,845.
- Transfers-in from other funds were greater than transfers-out to other funds by \$6,054,943. The majority of the transfers-in in the General Fund were transfers-out from the JEDD Fund. Transfers are not revenues or expenditures but either increases in sources of funds (transfer-in) or decreases in funds (transfers-out).

The Special Assessment Bond Payment Fund has a total fund balance of \$3,010,759. The net decrease in the Special Assessment Bond Payment Fund from the prior year was \$100,216. The decrease in fund balance is due mainly to the following:

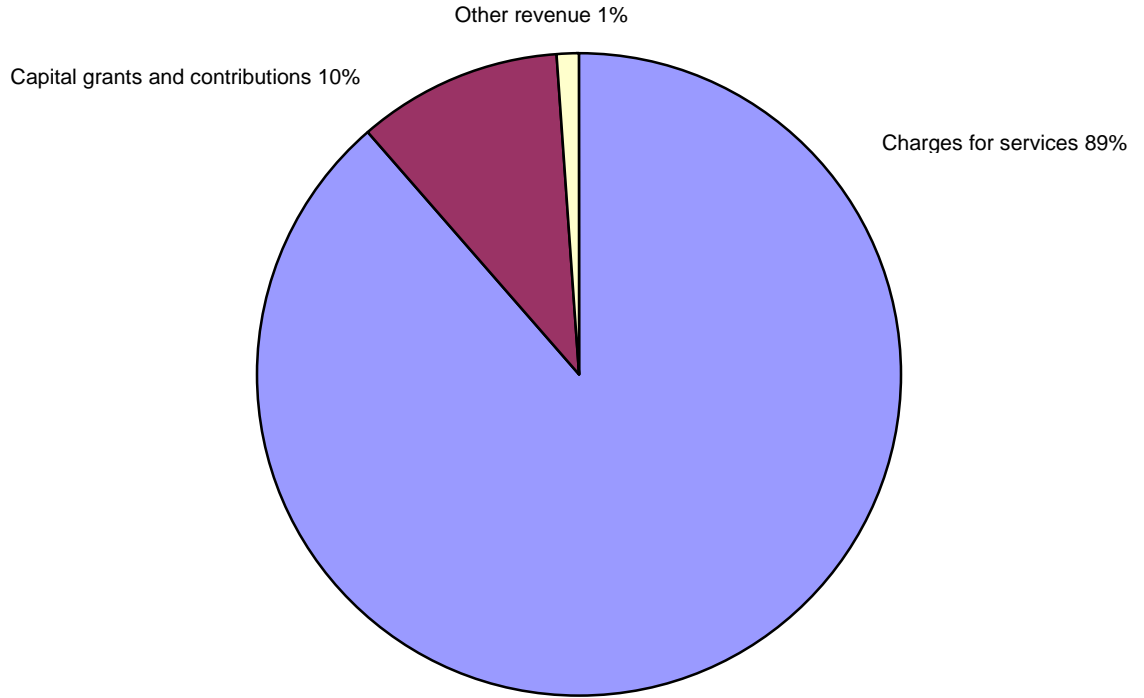
- Special assessment revenue was lower than the previous year by \$7,476,321.
- Debt service principal and interest payments were higher than the previous year by \$2,490,622.
- Bond proceeds of \$2,040,000 were received in the current year. For the prior year, no bond proceeds were received.
- Transfers to other funds for the prior year were \$4,444,515. For the current year, there was no transfer-out.

Expenses and Program Revenues - Business-type Activities



This chart shows the revenue generated by the various business-type activities of the City of Akron and the expenses relating to each activity. The majority of the revenue that funds these activities is reported in the financial statements as charges for services.

Revenues by Sources - Business-type Activities



Proprietary funds. The City of Akron’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water fund at the end of the year amounted to \$10,826,831; for the Sewer fund, \$10,861,257; and for the Off-Street Parking fund, \$10,977. Net income for the Water, Sewer and Off-Street Parking funds was \$9,109,205, \$7,024,488 and \$4,476,285, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Akron’s business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

In total, there was no change between the original budget and the final amended budget. The actual amount of expenditures and other uses was \$2,309,797 (1.62%) less than the final amended budget.

During the year, revenues and other sources did not meet budgetary estimates by \$890,728 (0.64%). The major budgetary revenue shortfall was Inheritance Tax (shared revenue).

In public service, the expense increase in the other category was due to the increase in tipping fees (the fee paid by the City for waste disposal). This increase was offset by savings in wages and benefits within the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City of Akron’s investment in capital assets for its government and business-type activities as of December 31, 2002, amounts to \$1,061,543,646 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the City of Akron’s investment in capital assets for the current fiscal year was 4.87% (a 6.77% increase for governmental activities and a 2.28% increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Construction of the Mud Run Golf Course, which totaled \$4,074,985.
- Continued development of the North Turkeyfoot Industrial Park. During the current year the City spent \$1,725,719 in improvement costs.
- Continued infrastructure improvements in the Massillon Road Industrial Park.
- Land acquisition in the Ascot Industrial Park for the wetlands mitigation and continued infrastructure improvements.

City of Akron Capital Assets (net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
Land	\$128,966,000	\$138,287,186	\$24,262,503	\$24,538,411	\$153,228,503	\$162,825,597
Construction in progress	53,437,303	67,905,562	36,147,625	34,959,510	89,584,928	102,865,072
Buildings	121,447,444	122,434,757	61,335,034	62,797,703	182,782,478	185,232,460
Improvements	65,921,012	66,792,926	252,166,284	245,075,928	318,087,296	311,868,854
Equipment	12,840,143	13,938,792	5,201,922	6,208,773	18,042,065	20,147,565
Infrastructure	199,905,451	212,604,180	50,664,227	65,999,918	250,569,678	278,604,098
	<u>\$582,517,353</u>	<u>\$621,963,403</u>	<u>\$429,777,595</u>	<u>\$439,580,243</u>	<u>\$1,012,294,948</u>	<u>\$1,061,543,646</u>

Additional information on the City of Akron’s capital assets can be found in note 1. G. on page 40 and note 6 starting on page 48.

Long-term debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$452,997,411. All general obligation and special assessment bonds and notes are backed by the full faith and credit of the City. The remainder of the City of Akron's debt represents bonds secured solely by specified revenue sources.

	City of Akron Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
General Obligation Bonds	\$ 161,498,273	\$ 179,741,904	\$ 5,528,796	\$ 4,661,456	\$ 167,027,069	\$ 184,403,360
OPWC Loan	5,475,764	5,201,518	3,545,533	3,376,903	9,021,297	8,578,421
Ohio Department of Development Loan	565,793	517,467	-	-	565,793	517,467
Non-Tax Revenue Bonds	31,585,000	30,350,000	-	-	31,585,000	30,350,000
Income Tax Revenue Bonds	9,450,000	9,185,000	-	-	9,450,000	9,185,000
Special Revenue Bonds	27,285,000	51,945,000	-	-	27,285,000	51,945,000
Special Assessment Bonds and Notes	21,043,509	21,488,573	-	-	21,043,509	21,488,573
Mortgage Revenue Bonds	-	-	57,095,000	53,830,000	57,095,000	53,830,000
Revenue Bonds	-	-	47,840,000	45,690,000	47,840,000	45,690,000
OWDA Loan	-	-	47,615,793	47,009,590	47,615,793	47,009,590
	<u>\$ 256,903,339</u>	<u>\$ 298,429,462</u>	<u>\$ 161,625,122</u>	<u>\$ 154,567,949</u>	<u>\$ 418,528,461</u>	<u>\$ 452,997,411</u>

The City of Akron's total debt increased by \$34,468,950 (8.24%) during the current fiscal year. The net increase (new issues less redemptions) from 2001 to 2002 in general obligation bonds outstanding is \$17,376,291; special revenue bonds, \$24,660,000; and special assessment bonds and notes, \$445,064. The remaining debt outstanding decreased \$8,012,405 from the prior year.

The City of Akron issued general obligation bonds of \$33,695,000 for funding the cost of various capital improvements. Special revenue bonds (\$15,550,000 Waterworks System Special Revenue Bonds and \$10,000,000 Sanitary Sewer System Special Revenue Bonds) were issued for improvements in the Joint Economic Development Districts.

The City of Akron's General Obligation bond ratings are AA- from Fitch, A1 from Moody's, and AA- from Standard & Poor's. The insured Water and Sewer Revenue bonds are rated AAA from Fitch, Aaa from Moody's, and AAA from Standard & Poor's.

The Ohio Revised Code provides that the outstanding general obligation bonds less self supporting debt (e.g., income tax backed projects) of the municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all

property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of total assessed value of property. The City of Akron's total debt limit (10.5%) is \$342,458,025, and the total unvoted net debt limit (5.5%) is \$179,382,775.

Additional information on the City of Akron's long-term debt can be found in notes 9-11 on pages 55-68.

Economic Factors and Next Year's Budgets and Rates

- Akron's average annual unemployment rate at year end was 6.9%, compared to 6.4% in the prior year.
- The City of Akron budgeted a 2% increase in income tax collections for 2003; however through May 2003 the City experienced a 4.5% increase.

In the 2003 budget, the General Fund unencumbered fund balance is projecting only a \$183,290 decrease.

Request for Information

This financial report is designed to provide a general overview of the City of Akron's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Office of the Finance Director, Municipal Building, Room 205, 166 South High Street, Akron, Ohio 44308.

BASIC FINANCIAL STATEMENTS

City of Akron, Ohio
Statement of Net Assets
December 31, 2002

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 25,126,975	\$ 13,615,510	\$ 38,742,485
Restricted cash and investments	18,982,209	9,740,836	28,723,045
Receivables, net	79,728,782	12,159,494	91,888,276
Loans receivable	449,718	-	449,718
Due from other governments	9,843,004	4,304,058	14,147,062
Internal balances	824,889	(824,889)	-
Inventories, at cost	906,278	3,032,180	3,938,458
Total current assets	<u>135,861,855</u>	<u>42,027,189</u>	<u>177,889,044</u>
Noncurrent assets:			
Receivables, net	12,696,604	-	12,696,604
Loans receivable	7,125,581	-	7,125,581
Unamortized bond issue costs	687,964	946,781	1,634,745
Capital assets:			
Land and construction in progress	206,192,748	59,497,921	265,690,669
Other capital assets, net	415,770,655	380,082,322	795,852,977
Total noncurrent assets	<u>642,473,552</u>	<u>440,527,024</u>	<u>1,083,000,576</u>
Total assets	<u>778,335,407</u>	<u>482,554,213</u>	<u>1,260,889,620</u>
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	25,940,220	4,087,208	30,027,428
Customer deposits	452,860	569,851	1,022,711
Due to other governments	594,056	98,139	692,195
Deferred revenue	39,826,942	-	39,826,942
Matured bonds and interest payable	191,128	-	191,128
Accrued interest payable	1,799,179	2,603,102	4,402,281
Accrued wages	4,630,779	713,264	5,344,043
Accrued vacation and leave	10,969,854	1,541,840	12,511,694
Obligations under capital lease	1,310,119	-	1,310,119
Liability for unpaid claims	3,505,789	-	3,505,789
Bonds, notes and loans payable	20,673,702	10,660,815	31,334,517
Total current liabilities	<u>109,894,628</u>	<u>20,274,219</u>	<u>130,168,847</u>
Noncurrent liabilities:			
Obligations under capital lease	24,411,639	-	24,411,639
Liabilities due in more than one year	58,149,197	5,389,236	63,538,433
Deferred charges and other liabilities	1,702,151	(1,591,053)	111,098
Bonds, notes and loans payable due in more than one year	266,750,571	143,907,134	410,657,705
Total noncurrent liabilities	<u>351,013,558</u>	<u>147,705,317</u>	<u>498,718,875</u>
Total liabilities	<u>460,908,186</u>	<u>167,979,536</u>	<u>628,887,722</u>
Net Assets			
Invested in capital assets, net of related debt	322,483,517	285,012,294	607,495,811
Restricted for debt service	39,710,686	8,017,156	47,727,842
Unrestricted (deficit)	(44,766,982)	21,545,227	(23,221,755)
Total net assets	<u>\$ 317,427,221</u>	<u>\$ 314,574,677</u>	<u>\$ 632,001,898</u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
Statement of Activities
For the Year Ended December 31, 2002

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 35,442,919	\$ 9,724,962	\$ 203,114	\$ -	\$ (25,514,843)	\$ -	\$ (25,514,843)
Public service	55,103,262	12,758,526	185,593	24,865,553	(17,293,590)	-	(17,293,590)
Public safety	102,587,713	1,530,128	1,657,341	-	(99,400,244)	-	(99,400,244)
Community environment	15,284,636	109,080	9,147,218	-	(6,028,338)	-	(6,028,338)
Public health	16,170,030	4,051,803	5,086,924	-	(7,031,303)	-	(7,031,303)
Recreation and parks	5,570,393	570,920	-	-	(4,999,473)	-	(4,999,473)
Interest	15,452,328	-	-	-	(15,452,328)	-	(15,452,328)
Unallocated depreciation*	8,987,929	-	-	-	(8,987,929)	-	(8,987,929)
Total governmental activities	254,599,210	28,745,419	16,280,190	24,865,553	(184,708,048)	-	(184,708,048)
Business-type activities:							
Water	30,783,062	33,641,151	-	1,059,318	-	3,917,407	3,917,407
Sewer	34,227,439	35,249,456	-	2,287,702	-	3,309,719	3,309,719
Oil & gas	289,546	4,126	-	-	-	(285,420)	(285,420)
Golf course	908,845	792,900	-	-	-	(115,945)	(115,945)
Airport	696,180	156,507	-	105,474	-	(434,199)	(434,199)
Parking facilities	4,297,816	4,252,628	-	4,926,716	-	4,881,528	4,881,528
Total business-type activities	71,202,888	74,096,768	-	8,379,210	-	11,273,090	11,273,090
Total Government	\$ 325,802,098	\$ 102,842,187	\$ 16,280,190	\$ 33,244,763	\$ (184,708,048)	\$ 11,273,090	\$ (173,434,958)
General Revenues:							
Taxes:							
Income taxes					\$ 97,066,959	\$ -	\$ 97,066,959
Property taxes					31,443,342	-	31,443,342
JEDD revenues					13,945,913	-	13,945,913
Investment Earnings					1,625,475	153,364	1,778,839
Shared revenues					27,289,295	-	27,289,295
Miscellaneous					7,112,663	875,069	7,987,732
Gain (loss) on sale of capital assets					884,970	(4,908)	880,062
Transfers					(8,361,161)	8,361,161	-
Change in net assets					(13,700,592)	20,657,776	6,957,184
Net assets - beginning					331,127,813	293,916,901	625,044,714
Net assets - ending					\$ 317,427,221	\$ 314,574,677	\$ 632,001,898

* Excludes depreciation included in program expenses.

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Balance Sheet - Governmental Funds

December 31, 2002

	General	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 2,443,711	\$ -	\$ 22,315,633	\$ 24,759,344
Restricted cash and investments	-	1,010,759	14,956,963	15,967,722
Receivables, net of allowances for uncollectibles	45,460,816	21,506,145	22,710,581	89,677,542
Loans receivable	1,028,250	-	6,547,049	7,575,299
Due from other governments	5,440	-	8,841,532	8,846,972
Due from other funds	4,638,338	-	26,155,219	30,793,557
Due from others	-	-	2,710,675	2,710,675
Total assets	<u>\$ 53,576,555</u>	<u>\$ 22,516,904</u>	<u>\$ 104,237,652</u>	<u>\$ 180,331,111</u>
Liabilities				
Accounts payable	\$ 4,378,384	\$ -	\$ 8,441,307	\$ 12,819,691
Customer deposits	-	-	452,860	452,860
Due to other governments	-	-	1,588,239	1,588,239
Due to other funds	399,321	-	29,122,871	29,522,192
Due to others	-	-	202,306	202,306
Deferred grant revenue	-	-	1,147,074	1,147,074
Deferred revenue	31,397,088	19,506,145	15,806,275	66,709,508
Matured bonds payable	-	-	130,000	130,000
Matured interest payable	-	-	61,128	61,128
Accrued liabilities	-	-	5,867,482	5,867,482
Accrued wages	3,282,895	-	1,028,304	4,311,199
Accrued vacation and leave	2,311,040	-	799,393	3,110,433
Total liabilities	<u>41,768,728</u>	<u>19,506,145</u>	<u>64,647,239</u>	<u>125,922,112</u>
Fund balances				
Reserved for encumbrances	2,025,604	-	46,829,014	48,854,618
Reserved for loans receivable	1,028,250	-	6,547,049	7,575,299
Unreserved designated for pre-encumbrances	348,899	-	1,790,377	2,139,276
Unreserved reported in general fund	8,405,074	-	-	8,405,074
Unreserved reported in special revenue funds	-	-	26,611,581	26,611,581
Unreserved reported in debt service funds	-	3,010,759	12,376,111	15,386,870
Deficit reported in capital project funds	-	-	(54,563,719)	(54,563,719)
Total fund balances	<u>11,807,827</u>	<u>3,010,759</u>	<u>39,590,413</u>	<u>54,408,999</u>
Total liabilities and fund balances	<u>\$ 53,576,555</u>	<u>\$ 22,516,904</u>	<u>\$ 104,237,652</u>	<u>\$ 180,331,111</u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
Reconciliation of the Balance Sheet to the Statement of Net Assets - Governmental Funds

December 31, 2002

Total fund balances for governmental funds (Exhibit 3)		\$ 54,408,999
Total net assets reported for governmental activities in the statement of net assets is different because:		
Investments in City of Akron issued bonds and notes are eliminated in the government-wide statement of net assets.		(11,005,189)
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		617,826,766
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Income taxes	4,967,864	
JEDD revenues	805,870	
Special assessments	10,500,000	
Shared revenues	<u>11,755,906</u>	
		28,029,640
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		(3,615,247)
Long-term liabilities including bonds payable and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds.		
Accounts payable and other accrued liabilities	(7,636,772)	
Due to other governments	(8,520,000)	
Accrued interest payable	(1,774,149)	
Accrued vacation and leave	(44,378,109)	
Bonds, notes and loans payable	(281,080,974)	
Obligations under capital lease	(24,809,589)	
Unamortized bond premium	(1,702,151)	
Unamortized bond issue cost	<u>687,964</u>	
		(369,213,780)
OPWC loan funds not drawn down, therefore, receivable not reflected in the funds.		996,032
		<u>996,032</u>
Total net assets of governmental activities (Exhibit 1)		<u><u>\$ 317,427,221</u></u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended December 31, 2002

	General	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Revenues				
Income taxes	\$ 67,454,754	\$ -	\$ 29,611,827	\$ 97,066,581
Property taxes	18,570,648	-	12,872,694	31,443,342
JEDD revenues	-	-	13,780,721	13,780,721
Special assessments	511,223	3,331,737	7,940,770	11,783,730
Grants and subsidies:				
Community development	-	-	10,953,866	10,953,866
Other	126,314	-	18,081,833	18,208,147
Investment earnings	1,413,860	52,547	467,462	1,933,869
Shared revenues	18,788,218	-	8,023,789	26,812,007
Licenses, fees and fines	7,316,185	-	1,275,689	8,591,874
Charges for services	13,266,925	-	6,864,062	20,130,987
Miscellaneous	1,598,591	20,735	7,111,524	8,730,850
	<u>129,046,718</u>	<u>3,405,019</u>	<u>116,984,237</u>	<u>249,435,974</u>
Expenditures				
Current:				
General government	19,201,810	92,372	11,590,038	30,884,220
Public service	16,653,554	-	46,579,515	63,233,069
Public safety	86,633,574	-	13,207,316	99,840,890
Community environment	1,377,553	-	12,905,577	14,283,130
Public health	7,175,211	-	8,404,019	15,579,230
Recreation and parks	3,168,861	-	2,354,556	5,523,417
Capital outlay	-	-	43,234,027	43,234,027
Debt service:				
Principal retirement	-	5,023,236	16,799,807	21,823,043
Interest	-	1,105,519	14,686,452	15,791,971
Bond issuance expenditures	-	67,300	667,640	734,940
	<u>134,210,563</u>	<u>6,288,427</u>	<u>170,428,947</u>	<u>310,927,937</u>
Deficiency of revenues over expenditures	(5,163,845)	(2,883,408)	(53,444,710)	(61,491,963)
Other financing sources (uses)				
Proceeds of general obligation bonds	-	2,040,000	59,245,000	61,285,000
Proceeds of general obligation notes	-	-	3,428,300	3,428,300
Premium on G.O. Debt	-	-	1,824,130	1,824,130
Transfers-in	9,244,478	743,192	44,046,165	54,033,835
Transfers-out	(3,189,535)	-	(56,989,426)	(60,178,961)
	<u>6,054,943</u>	<u>2,783,192</u>	<u>51,554,169</u>	<u>60,392,304</u>
Net change in fund balance	891,098	(100,216)	(1,890,541)	(1,099,659)
Fund balances, January 1, 2002	<u>10,916,729</u>	<u>3,110,975</u>	<u>41,480,954</u>	<u>55,508,658</u>
Fund balances, December 31, 2002	<u>\$ 11,807,827</u>	<u>\$ 3,010,759</u>	<u>\$ 39,590,413</u>	<u>\$ 54,408,999</u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
 to the Statement of Activities

For the Year Ended December 31, 2002

Decrease in fund balances - total governmental funds (Exhibit 4)	\$ (1,099,659)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$56,496,807) exceeded depreciation (\$17,161,366) in the current period.	39,335,441
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The net effect of selling capital assets increased net assets.	(733,217)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	842,858
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.	(43,979,447)
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Some of the expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(3,420,678)
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Certain net revenues (expenses) of the internal service funds are reported with governmental activities in the statement of activities.	(4,645,890)
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Decrease in net assets of governmental activities (Exhibit 2)	\$ (13,700,592)
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The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2002

	Water	Sewer	Off-Street Parking	Other Enterprise Funds
Assets				
Current assets				
Pooled cash and investments	\$ 7,409,778	\$ 5,607,447	\$ 396,421	\$ 201,864
Restricted cash and investments	3,376,062	6,364,774	-	-
Receivables, net of allowances for uncollectibles	5,561,053	6,546,789	44,816	6,836
Due from other governments	3,035,485	1,255,387	-	13,186
Due from other funds	180,995	53,905	-	4,126
Inventories, at cost	1,785,894	1,208,577	-	37,709
Noncurrent assets				
Unamortized bond issue costs	434,504	512,277	-	-
Property, plant and equipment, net of accumulated depreciation	136,272,028	237,442,783	55,484,220	10,381,212
Total assets	158,055,799	258,991,939	55,925,457	10,644,933
Liabilities				
Current liabilities				
Accounts payable	1,586,430	697,734	389,763	61,768
Customer deposits	569,851	-	-	-
Due to other governments	-	98,139	-	-
Due to other funds	404,423	684,706	46,674	7,149
Accrued interest payable	1,276,475	1,307,979	15,777	2,871
Accrued liabilities	1,054,603	270,491	-	26,419
Accrued wages	435,319	250,983	-	26,962
Accrued vacation and leave	944,254	539,320	-	58,266
Obligations under capital lease	-	-	-	-
Liability for unpaid claims	-	-	-	-
Debt:				
General obligation bonds	295,524	76,467	483,768	42,500
Mortgage revenue bonds	3,425,000	-	-	-
Revenue bonds	-	2,225,000	-	-
OWDA loans	828,446	3,091,729	-	-
OPWC loans	95,958	96,423	-	-
Noncurrent liabilities				
Obligations under capital lease	-	-	-	-
Due in more than one year	2,864,969	2,233,060	-	291,207
Deferred charges and other liabilities	(1,463,133)	(127,920)	-	-
Bonds, notes, and loans	65,260,313	76,214,337	1,794,984	637,500
Total liabilities	77,578,432	87,658,448	2,730,966	1,154,642
Net assets				
Invested in capital assets net of related debt	66,366,787	155,738,827	53,205,468	9,701,212
Restricted for debt service	3,283,749	4,733,407	-	-
Unrestricted (deficit)	10,826,831	10,861,257	(10,977)	(210,921)
Total net assets	\$ 80,477,367	\$ 171,333,491	\$ 53,194,491	\$ 9,490,291

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:

Net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2002

	Governmental Activities- Internal Service Funds	
Total		
\$	13,615,510	\$ 11,372,820
	9,740,836	3,014,487
	12,159,494	37,169
	4,304,058	-
	239,026	767,986
	3,032,180	906,278
	946,781	-
	<u>439,580,243</u>	<u>4,136,637</u>
	<u>483,618,128</u>	<u>20,235,377</u>
	2,735,695	916,423
	569,851	-
	98,139	-
	1,142,952	1,135,425
	2,603,102	25,030
	1,351,513	1,203,546
	713,264	319,580
	1,541,840	599,921
	-	167,495
	-	3,505,789
	898,259	2,311,264
	3,425,000	-
	2,225,000	-
	3,920,175	-
	192,381	-
	-	744,674
	5,389,236	8,810,405
	(1,591,053)	-
	<u>143,907,134</u>	<u>4,032,035</u>
	<u>169,122,488</u>	<u>23,771,587</u>
	285,012,294	(375,704)
	8,017,156	-
	<u>21,466,190</u>	<u>(3,160,506)</u>
	<u>\$ (3,536,210)</u>	
	79,037	
\$	<u>314,574,677</u>	

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City of Akron, Ohio

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds

For the Year Ended December 31, 2002

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Operating revenues						
Charges for services	\$ 33,641,151	\$ 35,249,456	\$ 4,252,628	\$ 933,533	\$ 74,096,768	\$ 37,387,254
Other	550,729	46,341	21,456	256,543	875,069	270,967
	<u>34,191,880</u>	<u>35,295,797</u>	<u>4,274,084</u>	<u>1,210,076</u>	<u>74,971,837</u>	<u>37,658,221</u>
Operating expenses						
Personal services	13,568,511	7,117,086	-	991,832	21,677,429	9,428,202
Direct expenses	7,505,349	13,014,980	2,382,512	460,742	23,363,583	11,063,968
Claims	-	-	-	-	-	18,484,535
Rentals and lease	212,074	4,106	-	56,407	272,587	135,894
Utilities	1,334,317	1,875,756	568,333	65,437	3,843,843	242,411
Insurance	174,988	402,500	54,881	24,300	656,669	24,831
Depreciation, depletion and amortization	3,737,327	6,824,622	1,011,415	235,271	11,808,635	687,726
Other	674,662	43,929	100,423	14,669	833,683	-
	<u>27,207,228</u>	<u>29,282,979</u>	<u>4,117,564</u>	<u>1,848,658</u>	<u>62,456,429</u>	<u>40,067,567</u>
Operating income (loss)	<u>6,984,652</u>	<u>6,012,818</u>	<u>156,520</u>	<u>(638,582)</u>	<u>12,515,408</u>	<u>(2,409,346)</u>
Non-operating revenues (expenses)						
Interest income	32,504	118,803	-	2,057	153,364	180,704
Interest expense	(3,474,125)	(4,864,664)	(183,538)	(36,122)	(8,558,449)	(389,223)
Capital contributions	1,059,318	2,287,702	4,926,716	105,474	8,379,210	-
Loss on disposal of capital assets	(4,908)	-	-	-	(4,908)	-
	<u>(2,387,211)</u>	<u>(2,458,159)</u>	<u>4,743,178</u>	<u>71,409</u>	<u>(30,783)</u>	<u>(208,519)</u>
Income (loss) before operating transfers	<u>4,597,441</u>	<u>3,554,659</u>	<u>4,899,698</u>	<u>(567,173)</u>	<u>12,484,625</u>	<u>(2,617,865)</u>
Transfers-in	4,820,693	4,482,831	-	833,088	10,136,612	972,781
Transfers-out	(308,929)	(1,013,002)	(423,413)	(30,107)	(1,775,451)	(3,188,816)
	<u>4,511,764</u>	<u>3,469,829</u>	<u>(423,413)</u>	<u>802,981</u>	<u>8,361,161</u>	<u>(2,216,035)</u>
Net income (loss)	<u>9,109,205</u>	<u>7,024,488</u>	<u>4,476,285</u>	<u>235,808</u>	<u>20,845,786</u>	<u>(4,833,900)</u>
Net assets, January 1, 2002	<u>71,368,162</u>	<u>164,309,003</u>	<u>48,718,206</u>	<u>9,254,483</u>		<u>1,297,690</u>
Net assets, December 31, 2002	<u>\$ 80,477,367</u>	<u>\$ 171,333,491</u>	<u>\$ 53,194,491</u>	<u>\$ 9,490,291</u>		<u>\$ (3,536,210)</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net assets of business-type activities

(188,010)
\$ 20,657,776

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2002

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating activities						
Cash received from customers	\$ 31,437,845	\$ 32,960,341	\$ 4,260,743	\$ 960,405	\$ 69,619,334	\$ 37,514,031
Cash payments to suppliers for goods and services	(8,871,624)	(13,954,940)	(3,042,564)	(580,636)	(26,449,764)	(7,924,804)
Cash paid for salaries and employee benefits	(13,756,943)	(6,915,107)	-	(944,037)	(21,616,087)	(30,117,748)
Other revenues	550,729	46,341	21,456	256,543	875,069	270,967
Other expenses	(674,662)	(43,929)	(100,423)	(14,669)	(833,683)	-
Net cash provided by (used for) operating activities	8,685,345	12,092,706	1,139,212	(322,394)	21,594,869	(257,554)
Non-capital financing activities						
Transfers from other funds	4,820,693	4,482,831	-	833,088	10,136,612	972,781
Transfers in for negative cash balances	-	-	-	-	-	1,037,532
Transfers out for negative cash balances	-	-	-	(316,470)	(316,470)	(1,191,047)
Principal paid on bonds and loans	-	-	-	-	-	(168,611)
Interest paid on bonds and loans	-	-	-	-	-	(153,883)
Transfers to other funds	(308,929)	(1,013,002)	(423,413)	(30,107)	(1,775,451)	(3,188,816)
Net cash provided by (used for) non-capital financing activities	4,511,764	3,469,829	(423,413)	486,511	8,044,691	(2,692,044)
Capital and related financing activities						
Proceeds from bonds and loans	-	-	669,128	-	669,128	-
Principal paid on bonds and loans	(4,143,241)	(5,207,113)	(1,125,504)	(42,500)	(10,518,358)	(2,081,322)
Interest paid on bonds and loans	(3,534,107)	(4,968,291)	(188,103)	(36,274)	(8,726,775)	(243,419)
Acquisition and construction of capital assets	(8,950,182)	(5,503,930)	(5,011,161)	(129,247)	(19,594,520)	(651,189)
Capital contributions	1,059,318	2,287,702	4,926,716	105,474	8,379,210	-
Net cash used for capital and related financing activities	(15,568,212)	(13,391,632)	(728,924)	(102,547)	(29,791,315)	(2,973,930)
Investing activities						
Purchase of investment securities	(8,061,914)	(32,664,325)	-	-	(40,726,239)	-
Proceeds from sales and maturities of investment securities	8,061,914	32,664,325	-	-	40,726,239	-
Interest on investments	32,504	118,803	-	2,057	153,364	180,704
Net cash provided by investing activities	32,504	118,803	-	2,057	153,364	180,704
Net increase (decrease) in cash and cash equivalents	(2,338,599)	2,289,706	(13,125)	63,627	1,609	(5,744,824)
Cash and cash equivalents, January 1, 2002	13,124,439	9,682,515	409,546	138,237	23,354,737	20,132,131
Cash and cash equivalents, December 31, 2002	\$ 10,785,840	\$ 11,972,221	\$ 396,421	\$ 201,864	\$ 23,356,346	\$ 14,387,307

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
 Statement of Cash Flows - Proprietary Funds
 For the Year Ended December 31, 2002
 (continued)

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating income (loss)	\$ 6,984,652	\$ 6,012,818	\$ 156,520	\$ (638,582)	\$ 12,515,408	\$ (2,409,346)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	3,737,327	6,824,622	1,011,415	235,271	11,808,635	687,726
(Increase) decrease in operating assets:						
Receivables	(2,195,993)	(2,275,664)	8,115	(170)	(4,463,712)	2,958
Due from other funds	(7,313)	(13,451)	-	7,042	(13,722)	123,819
Inventories	(18,253)	267,641	-	4,307	253,695	84,096
Increase (decrease) in operating liabilities:						
Accounts payable	(43,393)	(59,107)	(77,936)	21,537	(158,899)	357,670
Due to other funds	361,760	511,965	41,098	406	915,229	83,020
Due to other governments	-	621,903	-	-	621,903	-
Accrued liabilities	64,452	3,977	-	2,758	71,187	3,282
Accrued wages	18,705	41,252	-	5,487	65,444	41,262
Accrued vacation and leave	(216,599)	156,750	-	39,550	(20,299)	273,390
Estimated liability for unpaid claims	-	-	-	-	-	494,569
Net cash provided by (used for) operating activities	\$ 8,685,345	\$ 12,092,706	\$ 1,139,212	\$ (322,394)	\$ 21,594,869	\$ (257,554)

Non-cash capital and investing activities:						
Due from other governments	\$ 2,792,057	\$ -	\$ -	\$ -	\$ 2,792,057	\$ -
Amortization bond issue, discount, and premium	(64,392)	(45,223)	-	-	(109,615)	-
Unamortization charge refunding bond	-	(48,360)	-	-	(48,360)	-
Amortization deferred loss	(153,276)	-	-	-	(153,276)	-
Accounts payable for property, plant and equipment	145,729	(300,846)	-	-	(155,117)	-
Contract retainer	41,793	(117)	-	-	41,676	-
OWDA bonds	2,792,057	-	-	-	2,792,057	-

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Net Assets
Fiduciary Funds

December 31, 2002

	Private Purpose Trust Funds	Agency Funds
	<hr/>	<hr/>
Assets		
Cash and investments	\$ 5,665	\$ 682,802
	<hr/>	<hr/>
Total assets	5,665	\$ 682,802
	<hr/>	<hr/>
Liabilities		
Due to other governments	-	682,802
	<hr/>	<hr/>
Total liabilities	-	682,802
	<hr/>	<hr/>
Net assets	<u>\$ 5,665</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Changes in Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2002

	Private Purpose Trust Funds
Additions	
Contributions	\$ 10,013
	<u>10,013</u>
Deductions	
Education and awareness	6,753
	<u>6,753</u>
Change in net assets	<u>3,260</u>
Net assets, January 1, 2002	<u>2,405</u>
Net assets, December 31, 2002	<u><u>\$ 5,665</u></u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Notes to the Financial Statements

Year Ended December 31, 2002

1. Summary of Significant Accounting Policies

The City of Akron (the City) was incorporated in 1836 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services as authorized by its Charter: public safety, public service, public health, recreation and development. The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include those activities and functions for which the City is accountable. The City has no component units as defined by GASB 14.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

The following is a summary of the more significant policies followed during the preparation of the accompanying financial statements.

A. *Government-wide and fund financial statements*

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* establishes requirements and a reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. Financial information of the City is presented in the following format:

Basic Financial Statements:

1. *Government-wide financial statements* consist of a statement of net assets and a statement of activities.

These statements report all of the assets, liabilities, revenues, expenses, and gains and losses of the City. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining. Fiduciary funds of the City are not included in these government-wide financial statements.

Interfund receivables and payables, and bonds and notes issued by the City and held by the City as investments, within governmental and business-type activities have been eliminated in the government-wide statement of net assets. Related interest amounts are eliminated in the government-wide statement of activities. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column.

1. Summary of Significant Accounting Policies (Continued)

Internal service fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown in the governmental activities statement of activities.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. *Fund financial statements* consist of a series of statements focusing on information about the City's major governmental and enterprise funds. Separate statements are presented for the governmental, proprietary, and fiduciary funds.

The City's major governmental funds are the General Fund and the Special Assessment Bond Payment fund. Of the City's business-type activities, the Water, Sewer, and Off-Street Parking funds are considered major funds.

The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. Its revenues consist primarily of income and property taxes, investment earnings, shared revenues, charges for services, and licenses, fees, and fines.

General fund expenditures represent costs of general government, public service (including sanitation and recycling collection), public safety (including police and fire), community environment, public health, and recreation and parks. General Fund resources are also transferred annually to support other services which are accounted for in other separate funds.

The Special Assessment Bond Payment fund is required by state statute and is used to account for the accumulation of resources for, and the payment of, special assessment debt principal and interest and related costs. Revenues consist primarily of special assessment collections.

The Water enterprise fund accounts for the financial activity related to operating the City's water supply, treatment and distribution system. In addition to over 90,000 customers in the City, the Water enterprise fund also serves five other municipalities and parts of six adjacent townships. Revenues consist primarily of charges for services.

1. Summary of Significant Accounting Policies (Continued)

The Sewer enterprise fund accounts for the financial activity related to operating the City's wastewater collection and treatment system that serves the City and twelve other subdivisions. Revenues consist primarily of charges for services.

The Off-Street Parking fund accounts for the financial activity related to operating the City's parking facilities located throughout the downtown area. Revenues consist almost exclusively of charges for services.

While not considered major funds, the City maintains internal service funds used to account for the financing of goods or services provided by one department or division to another department or division of the government, generally on a cost-reimbursement basis. The three largest of these funds account for the motor equipment, engineering, and management information systems services. In addition, the City also maintains internal service funds to account for the financial activity relating to self-insurance. The three largest of these funds account for workers' compensation, medical, and judgment and claims self-insurance activity.

3. Notes to the financial statements provide information that is essential to a user's understanding of the basic financial statements.

Required Supplementary Information:

Required supplementary information such as management's discussion and analysis and budgetary comparison schedules are also required by GASB Statement No.34.

B. *Financial reporting presentation*

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance (equity), revenues, and expenditures (expenses). The fund types and classifications that the City reports are as follows:

GOVERNMENTAL FUNDS

1. **General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
2. **Special Revenue Funds** – Special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinances or federal or state statutes.
3. **Debt Service Funds** – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

1. Summary of Significant Accounting Policies (Continued)

4. **Capital Projects Funds** - The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital projects (other than those financed by proprietary funds).
5. **Permanent Funds** – Permanent funds are for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government’s programs. The City, however, does not utilize permanent funds at this time.

PROPRIETARY FUNDS

1. **Enterprise Funds** - The enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
2. **Internal Service Funds** - The internal service funds are used to account for the financing of goods or services provided by one department to other departments or to other governments on a cost-reimbursement basis.

FIDUCIARY FUNDS

1. **Private-purpose Trust Funds** – Private-purpose trust funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds.
2. **Agency Funds** – Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. For accounting measurement purposes, the agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
3. **Other Fiduciary funds** – Other fiduciary funds include pension trust funds and investment trust funds. The City does not utilize any such trust funds.

Fiduciary Funds are not included in the government-wide statements.

1. Summary of Significant Accounting Policies (Continued)

C. *Measurement focus and basis of accounting*

Except for budgetary purposes, the basis of accounting used by the City conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, property taxes, grants, shared revenue, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the taxpayer's liability occurs and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The City generally considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are generally recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

In applying the susceptible-to-accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within sixty days after year-end and available to pay obligations of the current period). These include income taxes, JEDD revenues, investment earnings, shared revenues, and a portion of special assessments. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made or, when received in advance, deferred until expenditures are made. Property taxes and the balance of special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and the balance of special assessment receivables are recorded and deferred until they become available. Other revenues, including licenses, fees and fines, and charges for services are recorded as revenue when received in cash because they are generally not measurable until actually received.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the City follows GASB guidance as applicable to its governmental and business-type activities, and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements. The City applies all applicable and effective pronouncements issued by the GASB.

1. Summary of Significant Accounting Policies (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as rental revenue, royalties, and connection fees, result from ancillary activities. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

D. *Budgetary Procedures*

The City Council follows these procedures in establishing the budgetary data.

- (1) The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) According to state law, the budget must be enacted through passage of an ordinance by April 1.
- (4) The City Finance Director is authorized by City Council to transfer funds already appropriated within departments within any fund or category of expenditures; however, any revisions that alter the total appropriation of said department must be individually approved by the City Council. During 2002, supplemental appropriations were passed by City Council. The effects of these supplemental appropriations were not material in relation to the original appropriations.
- (5) Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Unencumbered appropriations lapse at year-end.

E. *Cash, Cash Equivalents, and Investments*

Cash balances of the individual funds are combined to form a pool of cash held by the City Treasurer and invested in authorized investments (see Note 2). Earnings from these investments are credited to the General Fund in accordance with the City Charter except where the terms of a grant or regulation specify otherwise. Certain cash balances are held on behalf of the City by outside agents (see Note 2). Earnings from these investments are credited to the respective funds.

Investments are stated at fair value. Changes in fair value are recorded as a component of investment earnings.

For purposes of the Statement of Cash Flows, equity in pooled cash and investments, as well as segregated investments with original maturities of three months or less at the time they are purchased by the City, are considered to be cash equivalents. Investments with maturities of more than three months are not considered to be cash equivalents.

1. Summary of Significant Accounting Policies (Continued)

F. *Inventories* – Inventories are valued at cost (first-in, first-out) and adjusted to annual physical counts which are then maintained on a perpetual basis until the end of the year.

G. *Capital Assets* – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City’s capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of five years and an individual cost of more than \$5,000 for land; \$10,000 for equipment and vehicles; \$25,000 for land improvements, buildings, and improvements other than buildings; and \$100,000 for infrastructure. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed fixed assets are recorded at their estimated fair market value at the date contributed.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets.

Costs for maintenance and repairs are expensed when incurred. However, costs for repairs and upgradings that materially add to the value or life of an asset and meet the above criteria are capitalized.

The City depreciates capital assets on a straight-line basis, half-year convention, using the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings, bridges, and storm sewers	50
Improvements, skywalks, and paving	40
Sewer and water mains	40
Sidewalks, curbs, electrical and lighting	30
Traffic control system and bridge repairs	25
Land improvements	20
Equipment	5-20

1. Summary of Significant Accounting Policies (Continued)

- H. **Compensated Absences** – The City accrues for compensated absences such as vacation, paid leave, sick leave and compensatory time. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "accrued vacation and leave" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds. In the government-wide financial statements and for proprietary funds, the entire amount of compensated absences (current and noncurrent) is reported as a liability.
- I. **Fund Balances** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Reservations include amounts for open encumbrances and loans receivable. Designations of fund balance represent tentative management plans that are subject to change. These designations include reservations of fund equity for pre-encumbrances, that is, purchase requisitions that have not yet been processed into purchase orders.
- J. **Interfund Transactions** – During the course of normal operations, the City records numerous transactions between funds including expenditures and transfers of resources to provide services, subsidize operations, and service debt. The City has the following types of transactions among funds:
- (1) Reciprocal interfund services provided and used – Purchases and sales of goods and services between funds for a price approximating their external exchange value.
 - (2) Nonreciprocal interfund transfers – Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. This includes operating transfers to subsidize various funds.
 - (3) Nonreciprocal interfund reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

The City's interfund receivables and payables at December 31, 2002 are presented in Note 5. Interfund transfers are presented in Note 18.

- K. **Post-retirement Benefits** – In addition to the post-retirement benefits provided by the Police and Firemen's Disability and Pension Fund of Ohio and the Public Employees Retirement System of Ohio (see Note 8), the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Currently, 1,847 retirees meet those eligibility requirements. The City pays 100% of the cost of health care and life insurance benefits. These benefits are financed on a pay-as-you go basis; as such, the cost of retiree health care and life insurance benefits is recognized as expenditure/expense as claims are incurred. For 2002, those costs totaled \$2,658,513.

1. Summary of Significant Accounting Policies (Continued)

- L. ***Debt Issuance Costs, Premiums, Discounts, and Losses on Refundings*** – Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Losses on advance refundings are deferred and amortized over the life of the new debt, or the life of the advance refunded debt, whichever is shorter.
- M. ***New Accounting Standards*** – During May 2002, the GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which clarifies existing accounting guidance and provides greater consistency in accounting for organizations that are closely related to a primary government. The standard, which is effective for fiscal years beginning after June 15, 2003, provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with a state or local government. The City has not completed an analysis of the impact of this statement on its reported financial condition and results of operations.

During March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*. This statement amends Statement No. 3 and addresses additional cash and investment risks to which governments are exposed. Generally, this statement requires that state and local governments communicate key information about such risks in four principle areas: investment credit risks, including credit quality information issued by rating agencies; interest rate disclosures that include investment maturity information; interest rate sensitivity for investments that are highly sensitive to changes in interest rates; and foreign exchange exposures that would indicate the foreign investment's denomination. The provisions of this statement are effective for financial statements for the year ending December 31, 2005. The City has not determined the impact, if any, that this statement will have on its financial statement disclosures.

2. Pooled Cash and Investments

City ordinances require that all cash, with the exception of certain debt service cash and cash held by fiscal agents, be deposited with the City Treasurer. Each fund's portion of these funds is displayed on the statements of net assets or balance sheets as "pooled cash and investments." Earnings on these investments are allocated to the various funds based on City statutes, grant agreements and various bond agreement requirements. Investments are also held separately by the special revenue, debt service, enterprise, and internal service funds. City ordinances further authorize and direct the permitted types of deposits and investments.

Deposits:

City ordinances require that all deposits be secured by collateral securities pledged at market value in an amount equal to at least 100% of the deposit, less any amount covered by federal deposit insurance.

At December 31, 2002, the carrying amount of the City's deposits was \$9,150,959 (including certificates of deposit of \$4,000,000), and the bank balance was \$14,230,552. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$500,000 was covered by federal depository insurance, \$13,397,112 was uninsured but collateralized with unregistered securities held by the pledging financial institution's trust department in the City's name, and \$333,440 was uninsured and uncollateralized as defined by the GASB (securities are pledged with the pledging financial institution's trust department or agent, but not in the City's name).

2. Pooled Cash and Investments (Continued)

Total cash and investments are reported as follows:

Balance Sheet - Governmental Funds:	
Pooled cash and investments	\$ 24,759,344
Restricted cash and investments	15,967,722
Statement of Net Assets - Proprietary Funds:	
Enterprise Funds	
Pooled cash and investments	13,615,510
Restricted cash and investments	9,740,836
Internal Service Funds	
Pooled cash and investments	11,372,820
Restricted cash and investments	3,014,487
Statement Net Assets - Fiduciary Funds:	<u>688,467</u>
Total	<u>\$ 79,159,186</u>

Investments in City of Akron bonds and notes amounting to \$11,005,189 are eliminated in the government-wide statement of net assets at December 31, 2002.

Investments:

The City records all of its investments at fair value under the guidance set forth by Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Under the fair value method of recording investments, the City is required to report realized and unrealized gains and losses arising from market fluctuations as well as the sale and maturity of various investments above or below their beginning-of-the-year fair value or their purchase price, when purchased during the current fiscal year. The net effect of these realized and unrealized gains and losses (\$63,532 of net losses in 2002) is reflected in the investment income on the operating statement of the appropriate fund.

City ordinances authorize the Treasurer to invest in obligations of the United States Treasury, agencies and instrumentalities and direct obligations of the State of Ohio, including any subdivisions of the state.

The City invests funds in the State Treasury Asset Reserve of Ohio (STAROhio). 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 the investment could be sold for on December 31, 2002.

The City's investments are categorized to give an indication of the level of credit 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 or unregistered investments for which the securities are held by the counterparty's trust department or agent, but not in the City's name.

2. Pooled Cash and Investments (Continued)

	Category			Carrying/ Fair Value
	1	2	3	
U.S. government securities	\$ 3,995,200	\$ -	\$ -	\$ 3,995,200
Repurchase agreements	13,400,000	-	-	13,400,000
City of Akron bonds and notes	11,005,189	-	-	11,005,189
Increment bonds	3,547,719	-	-	3,547,719
Investments held by bond trustees (primarily U.S. government securities)	<u>19,658,163</u>	<u>-</u>	<u>-</u>	<u>19,658,163</u>
	<u>\$ 51,606,271</u>	<u>\$ -</u>	<u>\$ -</u>	51,606,271
Uncategorized investments:				
STAROhio				<u>18,401,956</u>
Total investments				<u>\$ 70,008,227</u>

Investments in STAROhio are unclassified investments since STAROhio represents an investment pool managed by another governmental unit and investments therein are not evidenced by securities that exist in physical or book entry form.

At December 31, 2002, \$28,723,045 of cash and investments was restricted for the following purposes: \$4,053,419 was restricted for project costs for Canal Park Stadium; \$21,655,139 was restricted solely for retirement of City obligations; and the balance of \$3,014,487 represents a deposit with an escrow agent as part of a loan guarantee for a developer (see Note 10).

3. Receivables

Receivables, including water and sewer unbilled charges for services, of approximately \$3,782,000 and \$482,000, respectively, consist of the following at December 31, 2002:

	Taxes	Customer Charges, Special Assessments, and Others	Accrued Interest	Gross Receivables	Allowance for Uncollectibles	Net
Governmental Activities:						
Governmental Funds:						
General Fund	\$ 32,430,909	\$ 13,599,133	\$ 259,984	\$ 46,290,026	\$ (829,210)	\$ 45,460,816
Special Assessment Bond Payment	-	25,196,604	-	25,196,604	(3,690,459)	21,506,145
Other Governmental Funds	<u>15,164,846</u>	<u>10,253,935</u>	<u>2,475</u>	<u>25,421,256</u>	<u>-</u>	<u>25,421,256</u>
Total Governmental Funds	47,595,755	49,049,672	262,459	96,907,886	(4,519,669)	92,388,217
Internal Service Funds	<u>-</u>	<u>37,169</u>	<u>-</u>	<u>37,169</u>	<u>-</u>	<u>37,169</u>
Total Governmental Activities	47,595,755	49,086,841	262,459	96,945,055	(4,519,669)	92,425,386
Business-type Activities:						
Enterprise Funds:						
Water	-	11,777,231	-	11,777,231	(6,216,178)	5,561,053
Sewer	-	11,311,236	-	11,311,236	(4,764,447)	6,546,789
Off-Street Parking	-	44,816	-	44,816	-	44,816
Other Enterprise Funds	<u>-</u>	<u>6,836</u>	<u>-</u>	<u>6,836</u>	<u>-</u>	<u>6,836</u>
Total Enterprise Funds/ Business-type Activities	-	23,140,119	-	23,140,119	(10,980,625)	12,159,494
Total Receivables	<u>\$ 47,595,755</u>	<u>\$ 72,226,960</u>	<u>\$ 262,459</u>	<u>\$ 120,085,174</u>	<u>\$ (15,500,294)</u>	<u>\$ 104,584,880</u>

Delinquent special assessment receivables amounted to \$3,690,459 at December 31, 2002 and were fully reserved for in the allowance for uncollectibles in the Special Assessment Bond Payment fund.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Governmental Activities:	
General Fund	
Property Tax Receivable	\$ 19,530,137
Shared Revenue	8,240,410
Income Tax Receivable	<u>3,626,541</u>
	31,397,088
Special Assessment Bond Payment Fund	
Special Assessments Receivable	<u>19,506,145</u>
	19,506,145
Other Governmental Activities	
Property Tax Receivable	10,143,586
Shared Revenue	3,515,496
JEDD Receivable	<u>2,147,193</u>
	15,806,275
	<u>\$ 66,709,508</u>

4. Due From/To Other Governments

Amounts due from other governments at December 31, 2002 primarily represent amounts related to grant activity and consist of the following:

	Federal	State	Total
Governmental Activities:			
Governmental Funds:			
General Fund	\$ -	\$ 5,440	\$ 5,440
Other Governmental Funds	<u>7,105,292</u>	<u>1,736,240</u>	<u>8,841,532</u>
Total Governmental Funds	7,105,292	1,741,680	8,846,972
The following amounts are also included in the government-wide statement of net assets- OPWC loan funds receivable:			
	<u>-</u>	<u>996,032</u>	<u>996,032</u>
Total Governmental Activities	<u>\$ 7,105,292</u>	<u>\$ 2,737,712</u>	<u>\$ 9,843,004</u>
Business-type Activities:			
Enterprise Funds:			
Water	\$ -	\$ 3,035,485	\$ 3,035,485
Sewer	-	1,255,387	1,255,387
Other Business-type Activities	<u>2,994</u>	<u>10,192</u>	<u>13,186</u>
Total Enterprise Funds/Business-type Activities	<u>\$ 2,994</u>	<u>\$ 4,301,064</u>	<u>\$ 4,304,058</u>

Amounts due to other governments at December 31, 2002 consist of the following:

	Federal	County	Local	Total
Governmental Activities:				
Other Governmental Funds	\$ 1,588,239	\$ -	\$ -	\$ 1,588,239
The following amounts are also included in the government-wide statement of net assets: liabilities due in more than one year (Note 13)				
	<u>-</u>	<u>4,870,000</u>	<u>3,650,000</u>	<u>8,520,000</u>
Total Governmental Activities	<u>\$ 1,588,239</u>	<u>\$ 4,870,000</u>	<u>\$ 3,650,000</u>	<u>\$ 10,108,239</u>
Business-type Activities:				
Enterprise Funds:				
Sewer	\$ -	\$ 98,139	\$ -	\$ 98,139
The following amounts are also included in the government-wide and proprietary statement of net assets: liabilities due in more than one year (Note 13)				
	<u>-</u>	<u>523,764</u>	<u>-</u>	<u>523,764</u>
Total Enterprise Funds/ Business-type Activities	<u>\$ -</u>	<u>\$ 621,903</u>	<u>\$ -</u>	<u>\$ 621,903</u>

The statement of fiduciary net assets also includes \$682,802 as due to other governments.

The Federal amount is comprised of two separate section 108 loans from the U.S. Department of Housing and Urban Development (HUD).

4. Due From/To Other Governments (Continued)

The County amount recorded in Governmental Activities relates to City reimbursements to Summit County for the debt service on debt issued by Summit County related directly to the cost of construction of additional jail space to house City inmates.

The local amount is related to the JEDD contract between the City, Bath Township, and the City of Fairlawn (see Note 17).

The County amount recorded in Business-type Activities relates a master meter sewer agreement in the Mud Brook service area.

5. Interfund Receivables and Payables

Interfund receivable and payable balances at December 31, 2002 consist of the following individual fund receivables and payables:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 4,638,338	\$ 399,321
Other Governmental Funds	<u>26,155,219</u>	<u>29,122,871</u>
	<u>\$ 30,793,557</u>	<u>\$ 29,522,192</u>
 Proprietary Funds:		
Enterprise Funds:		
Water	\$ 180,995	\$ 404,423
Sewer	53,905	684,706
Off-Street Parking	-	46,674
Other Enterprise Funds	<u>4,126</u>	<u>7,149</u>
	<u>\$ 239,026</u>	<u>\$ 1,142,952</u>
 Internal Service Funds	 <u>\$ 767,986</u>	 <u>\$ 1,135,425</u>

6. Capital Assets

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

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 128,966,000	\$ 10,250,988	\$ 929,802	\$ 138,287,186
Construction in progress	<u>53,437,303</u>	<u>24,804,299</u>	<u>10,336,040</u>	<u>67,905,562</u>
Total capital assets, not being depreciated	<u>182,403,303</u>	<u>35,055,287</u>	<u>11,265,842</u>	<u>206,192,748</u>
Capital assets, being depreciated:				
Buildings	164,299,173	4,985,299	408,918	168,875,554
Improvements other than buildings	78,232,855	2,947,372	-	81,180,227
Equipment	75,567,441	4,828,791	1,911,676	78,484,556
Infrastructure	<u>355,303,484</u>	<u>22,120,289</u>	<u>433,631</u>	<u>376,990,142</u>
Total capital assets, being depreciated	<u>673,402,953</u>	<u>34,881,751</u>	<u>2,754,225</u>	<u>705,530,479</u>
Less accumulated depreciation for:				
Buildings	42,851,729	3,616,968	27,900	46,440,797
Improvements other than buildings	12,311,843	2,075,458	-	14,387,301
Equipment	62,727,298	3,490,883	1,672,417	64,545,764
Infrastructure	<u>155,398,033</u>	<u>8,987,929</u>	<u>-</u>	<u>164,385,962</u>
Total accumulated depreciation	<u>273,288,903</u>	<u>18,171,238</u>	<u>1,700,317</u>	<u>289,759,824</u>
Total capital assets, being depreciated, net	<u>400,114,050</u>	<u>16,710,513</u>	<u>1,053,908</u>	<u>415,770,655</u>
Governmental activities capital assets, net	<u>\$ 582,517,353</u>	<u>\$ 51,765,800</u>	<u>\$ 12,319,750</u>	<u>\$ 621,963,403</u>

6. Capital Assets (Continued)

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 24,262,503	\$ 275,908	\$ -	\$ 24,538,411
Construction in progress	36,147,625	5,245,612	6,433,727	34,959,510
	<u>60,410,128</u>	<u>5,521,520</u>	<u>6,433,727</u>	<u>59,497,921</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	118,251,036	3,030,391	10,791	121,270,636
Improvements other than buildings	439,030,809	433,809	-	439,464,618
Equipment	25,431,772	2,326,468	432,212	27,326,028
Infrastructure	52,637,577	16,841,744	23,227	69,456,094
	<u>635,351,194</u>	<u>22,632,412</u>	<u>466,230</u>	<u>657,517,376</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	56,916,002	1,556,931	-	58,472,933
Improvements other than buildings	186,864,525	7,524,165	-	194,388,690
Equipment	20,229,850	1,244,713	357,308	21,117,255
Infrastructure	1,973,350	1,482,826	-	3,456,176
	<u>265,983,727.0</u>	<u>11,808,635</u>	<u>357,308</u>	<u>277,435,054</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>369,367,467</u>	<u>10,823,777</u>	<u>108,922</u>	<u>380,082,322</u>
Business-type activities capital assets, net	<u>\$ 429,777,595</u>	<u>\$ 16,345,297</u>	<u>\$ 6,542,649</u>	<u>\$ 439,580,243</u>

6. Capital Assets (Continued)

Depreciation expense was charged during 2002 to functions of the government as follows:

Governmental Activities:

General government	\$	2,338,690
Public service		959,790
Public safety		2,153,247
Community environment		2,706,770
Public health		337,086
Unallocated depreciation		8,987,929
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>687,726</u>
Total depreciation expense charged to governmental activities	\$	<u>18,171,238</u>

Business-type Activities:

Water	\$	3,737,327
Sewer		6,824,622
Off-Street Parking		1,011,415
Other Business-type activities		<u>235,271</u>
Total depreciation, deletion and amortization expense charged to business-type activities	\$	<u>11,808,635</u>

6. Capital Assets (Continued)

Construction in progress and remaining capital commitments (including capitalized interest of \$385,187, of which \$323,330 was capitalized in 2002) is comprised of the following:

	Project Authorization	Expended to December 31, 2002	Committed
Governmental Activities:			
Governmental	\$ 80,366,964	\$ 67,862,234	\$ 12,504,730
Internal Service	55,994	43,328	12,666
Business-type Activities:			
Water	30,511,440	12,497,501	18,013,939
Sewer	9,160,876	5,920,125	3,240,751
Off-Street Parking	30,530,921	16,541,884	13,989,037
	<u>\$ 150,626,195</u>	<u>\$ 102,865,072</u>	<u>\$ 47,761,123</u>

7. Accrued Vacation and Leave

GASB Statement No. 16, *Accounting for Compensated Absences*, requires a liability to be established for all compensated absences as earned by the employees.

Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to governmental fund types have been recorded as liabilities in the governmental funds to the extent currently available resources will pay such liabilities. The balance has been recorded on the statement of net assets. Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to proprietary fund types are expensed when earned and recorded as liabilities in the government-wide statement of net assets and in the proprietary fund statement of net assets.

Sick leave is earned by substantially all employees. Unused sick leave is accumulated up to 960 hours per employee and vests upon reaching certain age and service requirements. The vested portion of accumulated sick leave and amounts earned through December 31, 2002, and expected to vest in the future has been accrued in the government-wide statement of net assets for all City employees. Amounts related to the City’s proprietary fund operations are also accrued for in the proprietary fund statement of net assets due to the nature of these funds.

7. Accrued Vacation and Leave (Continued)

As of December 31, 2002, the accrued vacation, paid leave, sick leave, and compensatory time is recorded as a current liability in the Statement of Net Assets as follows:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Governmental Activities:				
Governmental Funds:				
General Fund	\$ 2,803,871	\$ 7,918,363	\$ (2,803,871)	\$ 7,918,363
Other Governmental Activities	797,011	2,451,570	(797,011)	2,451,570
Total Governmental Funds	3,600,882	10,369,933	(3,600,882)	10,369,933
Internal Service Funds	994,873	599,921	(994,873)	599,921
Total Governmental Activities	4,595,755	10,969,854	(4,595,755)	10,969,854
Business-type Activities:				
Enterprise Funds:				
Water	1,562,290	944,254	(1,562,290)	944,254
Sewer	803,175	539,320	(803,175)	539,320
Other Enterprise Funds	67,116	58,266	(67,116)	58,266
Total Enterprise Funds/ Business-type Activities	2,432,581	1,541,840	(2,432,581)	1,541,840
	<u>\$ 7,028,336</u>	<u>\$ 12,511,694</u>	<u>\$ (7,028,336)</u>	<u>\$ 12,511,694</u>

The following amounts are also included as long-term obligations in the government-wide statement of net assets (Note 13):

Governmental Activities:				
Other Governmental Activities	\$ 42,288,788	\$ 13,722,193	\$ (18,892,372)	\$ 37,118,609
Internal Service Funds	1,049,632	904,095	(235,753)	1,717,974
Total Governmental Activities	43,338,420	14,626,288	(19,128,125)	38,836,583
Business-type Activities:				
Water	2,463,532	1,256,914	(855,477)	2,864,969
Sewer	1,288,691	662,364	(241,759)	1,709,296
Other Business-type Activities	242,807	76,874	(28,474)	291,207
Total Business-type Activities	3,995,030	1,996,152	(1,125,710)	4,865,472
	<u>\$ 47,333,450</u>	<u>\$ 16,622,440</u>	<u>\$ (20,253,835)</u>	<u>\$ 43,702,055</u>

8. Pension and Other Post-Retirement Benefit Plans

Police officers and firefighters participate in the statewide Ohio Police and Fire Pension Fund (Police and Fire). Substantially all other City employees participate in the statewide Public Employees Retirement System of Ohio (PERS). Both Police and Fire and PERS are cost-sharing, multi-employer defined benefit public employee retirement systems.

PERS

PERS provides retirement and death benefits, disability benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employees of local governments are required to contribute 8.5% of their covered payroll to PERS. The 2002 and 2001 employer contribution rate for local government employer units was 13.55% of covered payroll including 5.0% and 4.3%, respectively, which is used to fund post-retirement health care benefits. The City's total contributions to PERS for pension benefits (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2002, 2001, and 2000 were \$6,031,715, \$6,159,206, and \$4,905,591, respectively, which were equal to 100% of the required employer contributions for each year. The employer contributions for 2000 reflects a one-year temporary employer contribution rate rollback of 20%.

In addition to the pension benefits, PERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. During 2002 and 2001, \$3,527,263 and \$2,862,628, respectively, of the City's total contribution to PERS was used for post-retirement benefits.

The assumptions and calculations below were based on PERS's latest actuarial review performed as of December 31, 2001. OPEB are advanced-funded using the entry age normal cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. Other significant actuarial assumptions include a rate of return on investments of 8.0%, a salary increase of 4.0% for inflation and between .50% and 6.3% based on seniority and merit, and a health care cost increase of 4.0% annually.

At December 31, 2001 (latest information available), the number of active contributing participants to PERS was approximately 402,041. Actuarial contribution requirements are determined for the retirement plan as a whole, not for the individual employers. Net assets available for payment of benefits at December 31, 2001 were approximately \$11.6 billion. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were approximately \$16.4 billion and \$4.8 billion, respectively.

8. Pension and Other Post-Retirement Benefit Plans (Continued)

Ohio Police and Fire Pension Fund

Police and Fire provides retirement and death benefits, disability benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. Police and Fire issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to Ohio Police and Fire Pension Fund at: 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary, while employers are required to contribute 19.5% and 24% respectively for police officers and firefighters. Required employer contributions to Police and Fire are equal to the amounts actually paid by the City each year. The City's total contributed amounts for Police (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2002, 2001, and 2000 were \$2,961,838, \$2,831,500, and \$2,937,318, respectively. The City's total contributed amounts for Fire (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2002, 2001, and 2000 were \$3,392,886, \$3,494,231, and \$3,407,084, respectively.

In addition to pension benefits, Police and Fire provides post-retirement 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 at least on a 2/3 basis. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the fund's Board of Trustees to provide health care coverage to all eligible individuals. The Ohio Revised Code provides that health care costs paid from the funds of Police and Fire shall be included in the employer's contribution rate (the board-defined allocations are 7.5% and 7.75% in 2001 and 2002 respectively, of covered payroll). Health care funding and accounting is on a pay-as-you-go basis. 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 total health care costs paid by the Police and Fire plan were \$122.3 million, which was net of member contributions of \$6.9 million, for the year ended December 31, 2001 (latest information available). For Police and Fire, the City's contributions for 2002 and 2001 used to pay post-retirement health care were \$1,949,999 and \$1,618,762, respectively. Eligible benefit recipients totaled 13,174 and 10,239 for uniformed police and fire personnel, respectively for 2002 and 2001 for the entire fund.

9. Notes Payable

The following is a summary of special assessment note transactions for the year ended December 31, 2002 reflected in governmental activities in the government-wide financial statements:

	<u>Governmental Activities</u> Special Assessment
Notes Payable at January 1, 2002	\$ 9,247,500
New notes issued	3,428,300
Notes retired	<u>(2,661,100)</u>
Notes Payable at December 31, 2002	<u>\$ 10,014,700</u>

9. Notes Payable (Continued)

Notes payable at December 31, 2002, are comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Special Assessment Notes:				
<u>Governmental Activities:</u>				
Paving Notes:				
March 13, 2000	6.00	1-00	March 13, 2005	\$ 1,050,200
October 19, 2000	6.00	4-00	October 19, 2005	617,200
March 15, 2001	6.00	2-01	March 15, 2006	626,800
April 18, 2001	6.00	4-01	April 18, 2006	580,400
June 1, 2001	6.00	5-01	June 1, 2006	1,260,900
July 25, 2001	6.00	6-01	July 25, 2006	419,900
July 25, 2001	6.00	7-01	July 25, 2006	205,400
July 25, 2001	6.00	9-01	July 25, 2006	110,000
September 14, 2001	6.00	10-01	September 14, 2006	260,900
September 14, 2001	6.00	11-01	September 14, 2006	92,100
September 14, 2001	6.00	13-01	September 14, 2006	535,700
November 20, 2001	6.00	14-01	November 20, 2006	461,300
November 20, 2001	6.00	16-01	November 20, 2006	216,700
December 14, 2001	6.00	17-01	December 14, 2006	39,800
December 14, 2001	6.00	18-01	December 14, 2006	109,100
February 20, 2002	5.00	1-02	February 20, 2007	159,400
April 15, 2002	5.00	2-02	April 15, 2007	31,100
April 15, 2002	5.00	4-02	April 15, 2007	93,700
July 8, 2002	5.00	5-02	July 8, 2007	53,000
July 8, 2002	5.00	6-02	July 8, 2007	70,100
November 18, 2002	5.00	7-02	November 18, 2007	27,500
November 18, 2002	5.00	9-02	November 18, 2007	134,600
November 18, 2002	5.00	10-02	November 18, 2007	456,100
November 18, 2002	5.00	11-02	November 18, 2007	595,100
November 18, 2002	5.00	12-02	November 18, 2007	603,700
November 18, 2002	5.00	13-02	November 18, 2007	1,036,000
Resurfacing Notes:				
November 18, 2002	5.00	11-02	November 18, 2007	117,500
Sidewalk Notes:				
April 15, 2002	5.00	3-02	April 15, 2007	50,500
Total Special Assessment Notes				<u>\$ 10,014,700</u>

All of these notes are backed by the full faith and credit of the City and generally mature within one to five years. The notes generally are issued in anticipation of long-term bond financing and are refinanced, if necessary, until such bonds are issued.

Special assessment notes are issued to finance the property owners' share of improvements. Upon completion of a project, owners may pay the assessments in full. Bonds are issued in the amount of any unpaid assessments and are repaid largely from levies on the property owners for principal and interest collected by the County Treasurer on behalf of the City.

The weighted average interest rates on special assessment notes at December 31, 2002 was 5.66%.

9. Notes Payable (Continued)

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2002 (in thousands):

Fiscal Year Ending December 31	Governmental Activities		Total
	Special Assessment Notes		
	Notes	Interest	
2003	\$ -	\$ 567	\$ 567
2004	-	567	567
2005	1,667	509	2,176
2006	4,919	328	5,247
2007	<u>3,428</u>	<u>170</u>	<u>3,598</u>
	<u>\$ 10,014</u>	<u>\$ 2,141</u>	<u>\$ 12,155</u>

10. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2002:

	Governmental Activities						
	General Obligation	OPWC Loans	Ohio Department of Development Loan	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment
Long-term debt payable at January 1, 2002	\$ 152,905,041	\$ 5,475,764	\$ 565,793	\$ 31,585,000	\$ 9,450,000	\$ 27,285,000	\$ 11,796,009
New Issues:							
Various Purpose							
Improvements	33,695,000	-	-	-	-	-	-
Street Improvements	-	-	-	-	-	-	2,040,000
Sewer System	-	-	-	-	-	10,000,000	-
Water System	-	-	-	-	-	15,550,000	-
Retirements	<u>(13,201,436)</u>	<u>(274,246)</u>	<u>(48,326)</u>	<u>(1,235,000)</u>	<u>(265,000)</u>	<u>(890,000)</u>	<u>(2,362,136)</u>
Long-term debt payable at December 31, 2002	<u>\$ 173,398,605</u>	<u>\$ 5,201,518</u>	<u>\$ 517,467</u>	<u>\$ 30,350,000</u>	<u>\$ 9,185,000</u>	<u>\$ 51,945,000</u>	<u>\$ 11,473,873</u>
	Governmental Activities			Business-type Activities			
	Internal Service General Obligation	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Total
Long-term debt payable at January 1, 2002	\$ 8,593,232	\$ 5,528,796	\$ 57,095,000	\$ 47,840,000	\$ 47,615,793	\$ 3,545,533	\$ 409,280,961
New Issues:							
Various Purpose							
Improvements	-	-	-	-	-	-	33,695,000
Street Improvements	-	-	-	-	-	-	2,040,000
Sewer System	-	-	-	-	-	-	10,000,000
Water System	-	-	-	-	2,811,813	-	18,361,813
Retirements	<u>(2,249,933)</u>	<u>(867,340)</u>	<u>(3,265,000)</u>	<u>(2,150,000)</u>	<u>(3,418,016)</u>	<u>(168,630)</u>	<u>(30,395,063)</u>
Long-term debt payable at December 31, 2002	<u>\$ 6,343,299</u>	<u>\$ 4,661,456</u>	<u>\$ 53,830,000</u>	<u>\$ 45,690,000</u>	<u>\$ 47,009,590</u>	<u>\$ 3,376,903</u>	<u>\$ 442,982,711</u>

Included in the Governmental Activities Special Assessment are three ten-year Special Assessment Resurfacing Projects Notes: Series 1996, in the amount of \$75,732; Series 1997, in the amount of \$41,804; and Series 1998, in the amount of \$135,670.

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2002 amounting to \$11,005,189 (see Note 2) are eliminated in the government-wide statement of net assets.

10. Long-Term Debt (Continued)

Long-term debt at December 31, 2002 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities:</u>				
<u>General Obligation Bonds:</u>				
Highway Improvement Bonds:				
June 1, 1979	6	No. 7	December 1, 2004	\$ 400,000
December 1, 1979	7.125	No. 8	December 1, 2005	1,200,000
Municipal Building Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	140,000
Municipal Garage Bonds:				
July 1, 1986	7.5	-	September 1, 2006	100,000
Parks Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	100,000
Pedestrian Walkway Bonds:				
July 1, 1986	7.5	-	September 1, 2006	220,000
Recycle Energy System Construction Bonds:				
November 1, 1982	10.375	1st Series	November 1, 2003	280,000
May 1, 1983	8.75	2nd Series	November 1, 2003	400,000
Solid Waste Storage Facility Bonds:				
July 1, 1986	7.5	-	September 1, 2006	480,000
Street Improvement Bonds:				
May 1, 1983	8.75	-	November 1, 2003	250,000
June 1, 1984	10.5	-	December 1, 2004	480,000
May 1, 1985	8.75	-	November 1, 2005	600,000
July 1, 1986	7.5	-	September 1, 2006	1,100,000
Urban Renewal Public Improvement Bonds:				
February 21, 1991	8	Series 1990	December 1, 2020	851,744
December 10, 1991	8	Series 1991	December 1, 2021	1,480,000

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities (Continued):</u>				
Various Purpose Improvement Bonds:				
October 15, 1993	.05 to 8	-	December 1, 2013	\$ 8,085,000
August 1, 1995	4.9 to 5.5	-	December 1, 2008	1,140,000
November 1, 1995	4.2 to 6	-	November 1, 2016	6,870,000
August 15, 1996	4.6 to 8	-	August 15, 2021	405,000
December 1, 1996	3.95 to 6.125	-	December 1, 2017	9,990,000
December 1, 1997	4.3 to 6	-	December 1, 2018	14,610,000
December 1, 1998	4.25 to 4.75	-	December 1, 2019	11,170,288
November 1, 1999	4.4 to 6.5	-	November 1, 2020	16,750,000
November 1, 2000	5.5 to 5.75	-	November 1, 2021	15,870,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	46,731,573
December 1, 2002	2.0 to 5.25	-	December 1, 2023	<u>33,695,000</u>
				<u>\$ 173,398,605</u>
<u>OPWC Loans:</u>				
July 1, 1993	6	R.E.S.	July 1, 2004	\$ 70,959
July 1, 1997	0	Boxwood Ave.	July 1, 2018	589,000
July 1, 1998	0	Lakeshore Blvd.	January 1, 2020	887,250
July 1, 1998	0	Tallmadge Ave.	July 1, 2021	666,909
July 1, 1999	0	Lakeshore Blvd.	July 1, 2022	232,557
July 1, 1999	0	Bye Street	July 1, 2022	270,563
July 1, 1999	0	Wooster/East Ave.	July 1, 2022	568,575
July 1, 2000	0	Bishop Street	July 1, 2022	118,950
July 1, 2000	0	NW Storm Outlets	July 1, 2022	477,500
July 1, 2000	0	N. Arlington Bridge	July 1, 2022	323,223
July 1, 2001	0	Darrow Road	July 1, 2023	<u>996,032</u>
				<u>\$ 5,201,518</u>
Ohio Department of Development Loan:				
November 26, 1996	3	1997	February 1, 2012	<u>\$ 517,467</u>
				<u>\$ 517,467</u>
<u>Non-Tax Revenue Bonds:</u>				
November 1, 1997	4 to 6	1997	December 1, 2018	<u>\$ 30,350,000</u>
				<u>\$ 30,350,000</u>
Income Tax Revenue:				
April 15, 1999	3.3 to 5.25	1999	December 1, 2023	<u>\$ 9,185,000</u>
				<u>\$ 9,185,000</u>
<u>Special Revenue:</u>				
July 1, 2000	4.55 to 5.625	2000	December 1, 2020	\$ 13,205,000
August 1, 2000	4.45 to 6	2000	December 1, 2020	13,190,000
September 1, 2002	2.0 to 5.25	2002	December 1, 2022	15,550,000
November 1, 2002	2.0 to 5.25	2002	December 1, 2022	<u>10,000,000</u>
				<u>\$ 51,945,000</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities (Continued):</u>				
<u>Special Assessment Obligations:</u>				
Resurfacing Notes:				
June 1, 1997	6	1997	December 1, 2006	\$ 75,732
May 1, 1998	6	1998	December 1, 2007	41,804
April 1, 1999	6	1998	December 1, 2008	135,670
Street Improvement Bonds:				
September 1, 1978	7.25	Rosemary Blvd.	September 1, 2014	36,000
October 15, 1993	4 to 8	1993	December 1, 2003	135,000
June 15, 1994	4.75 to 5.4	1994	December 1, 2004	270,000
August 1, 1995	4.9 to 5.25	1995	December 1, 2005	240,000
August 15, 1996	4.6 to 8	1996	December 1, 2021	1,000,000
August 15, 1997	4.65 to 5.15	1997	December 1, 2007	925,000
August 15, 1998	4.25 to 4.55	1998	December 1, 2008	1,730,000
August 15, 1999	4.1 to 5.5	1999	December 1, 2009	475,000
April 1, 2000	6	1999	December 1, 2009	211,719
August 15, 2000	4.375 to 4.875	2000	December 1, 2010	2,655,000
November 1, 2001	3.0 to 5.5	2001	December 1, 2022	1,013,384
December 1, 2001	6	2000	December 1, 2006	489,564
September 1, 2002	1.5 to 3.375	2002	December 1, 2012	<u>2,040,000</u>
				<u>\$ 11,473,873</u>
<u>Internal Service General Obligation Bonds:</u>				
Computer Equipment Bonds:				
December 1, 1997	4.3 to 6	-	December 1, 2018	\$ 990,000
December 1, 1998	4.25 to 4.75	-	December 1, 2019	2,288,991
Final Judgment Bonds:				
August 15, 1996	4.5 to 8	-	December 1, 2021	2,655,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	88,127
Municipal Facility Bonds:				
December 1, 1998	4.25 to 4.75	-	December 1, 2019	180,721
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	<u>140,460</u>
				<u>\$ 6,343,299</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities:</u>				
<u>Enterprise General Obligation Bonds:</u>				
Golf Course Clubhouse Bonds:				
December 1, 1997	4.3 to 6	-	December 1, 2018	\$ 680,000
Off-Street Parking Facility Bonds:				
June 1, 1984	10.5	Morley	December 1, 2004	330,000
May 1, 1985	8.75	-	November 1, 2005	480,000
December 1, 1997	4.3 to 6	-	December 1, 2018	400,000
November 1, 2001	3.0 to 5.5	Canal/Tell	December 1, 2022	856,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	212,752
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	502,704
Sewer System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	200,000
Water System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	<u>1,000,000</u>
				<u>\$ 4,661,456</u>
<u>Enterprise Mortgage Revenue Bonds:</u>				
Waterworks System Bonds:				
May 15, 1994	3.6 to 6	1994	March 1, 2014	\$ 22,125,000
January 15, 1996	3.5 to 4.875	1996	March 1, 2012	17,815,000
February 1, 1998	3.65 to 5	1998	March 1, 2018	<u>13,890,000</u>
				<u>\$ 53,830,000</u>
<u>Enterprise Revenue Bonds:</u>				
Sewer System Improvement Bonds:				
June 1, 1996	4.3 to 6.2	1996	December 1, 2016	\$ 18,305,000
January 1, 1997	3.75 to 5.55	1997	December 1, 2016	12,085,000
April 1, 1998	3.7 to 5.5	1998	December 1, 2017	<u>15,300,000</u>
				<u>\$ 45,690,000</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities (Continued):</u>				
<u>Enterprise OWDA Loans:</u>				
May 28, 1981	10.71	Water	July 1, 2006	\$ 1,088,566
December 31, 1981	10.71	Sewer	July 1, 2006	3,628,554
May 6, 1982	12	Sewer	January 1, 2010	4,584,124
June 4, 1984	10.54	Sewer	July 1, 2004	993,756
March 30, 1995	4.56	Sewer	July 1, 2015	11,442,963
April 27, 1995	4.56	Sewer	July 1, 2015	13,342,767
September 30, 1999	2.01	Water	July 1, 2019	1,065,588
May 25, 2000	4.64	Water	July 1, 2021	7,589,831
April 26, 2001	3.9	Water	July 1, 2011	461,628
July 26, 2002	3.89	Water	July 1, 2013	<u>2,811,813</u>
				<u>\$ 47,009,590</u>
<u>Enterprise OPWC Loans:</u>				
July 1, 1995	0	Water	July 1, 2016	\$ 844,929
December 1, 1995	0	Sewer	January 1, 2017	330,299
July 1, 1996	0	Sewer	July 1, 2017	771,175
July 1, 1997	0	Sewer	July 1, 2018	535,500
July 1, 2000	0	Water	July 1, 2021	<u>895,000</u>
				<u>\$ 3,376,903</u>

10. Long-Term Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2002 (in thousands):

Governmental Activities						
Fiscal Year Ending December 31	General Obligation Bonds		OPWC Loan		Ohio Department of Development Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 12,713	\$ 8,679	\$ 322	\$ 3	\$ 48	\$ 16
2004	14,090	7,985	300	1	52	14
2005	11,660	7,327	275	-	53	13
2006	10,972	6,746	275	-	55	11
2007	9,946	6,273	275	-	56	9
2008-2012	46,400	24,504	1,376	-	253	18
2013-2017	38,141	13,906	1,376	-	-	-
2018-2022	27,372	4,514	1,003	-	-	-
2023-2027	2,105	106	-	-	-	-
	<u>\$ 173,399</u>	<u>\$ 80,040</u>	<u>\$ 5,202</u>	<u>\$ 4</u>	<u>\$ 517</u>	<u>\$ 81</u>
Fiscal Year Ending December 31	Non-Tax Revenue Bonds		Income Tax Revenue		Special Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 1,285	\$ 1,550	\$ 275	\$ 434	\$ 1,685	\$ 2,613
2004	1,340	1,494	285	423	1,935	2,365
2005	1,400	1,435	295	412	2,010	2,300
2006	1,465	1,372	305	400	2,075	2,231
2007	1,530	1,304	320	388	2,150	2,156
2008-2012	8,940	5,238	1,810	1,721	12,160	9,384
2013-2017	11,690	2,486	2,285	1,243	15,210	6,274
2018-2022	2,700	134	2,935	595	14,720	1,971
2023-2027	-	-	675	31	-	-
	<u>\$ 30,350</u>	<u>\$ 15,013</u>	<u>\$ 9,185</u>	<u>\$ 5,647</u>	<u>\$ 51,945</u>	<u>\$ 29,294</u>
Fiscal Year Ending December 31	Special Assessment Bonds		Internal Service General Obligation Bonds		Governmental Activities Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 2,400	\$ 524	\$ 2,311	\$ 300	\$ 21,039	\$ 14,119
2004	1,755	401	1,293	201	21,050	12,884
2005	1,573	321	126	146	17,392	11,954
2006	1,541	250	132	140	16,820	11,150
2007	1,188	180	138	133	15,603	10,443
2008-2012	2,963	294	690	562	74,592	41,721
2013-2017	54	2	843	364	69,599	24,275
2018-2022	-	-	810	112	49,540	7,326
2023-2027	-	-	-	-	2,780	137
	<u>\$ 11,474</u>	<u>\$ 1,972</u>	<u>\$ 6,343</u>	<u>\$ 1,958</u>	<u>\$ 288,415</u>	<u>\$ 134,009</u>

10. Long-Term Debt (Continued)

Fiscal Year Ending December 31	Business-type Activities					
	General Obligation Bonds		Mortgage Revenue		Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 898	\$ 294	\$ 3,425	\$ 2,711	\$ 2,225	\$ 2,450
2004	906	228	3,590	2,535	2,330	2,344
2005	640	162	3,770	2,355	2,440	2,231
2006	485	117	3,950	2,170	2,565	2,105
2007	189	87	4,315	1,964	2,710	1,960
2008-2012	615	325	25,235	6,099	15,890	7,479
2013-2017	566	183	8,665	1,010	17,530	2,633
2018-2022	362	51	880	21	-	-
2023-2027	-	-	-	-	-	-
	<u>\$ 4,661</u>	<u>\$ 1,447</u>	<u>\$ 53,830</u>	<u>\$ 18,865</u>	<u>\$ 45,690</u>	<u>\$ 21,202</u>

Fiscal Year Ending December 31	Business-type Activities Total					
	OWDA Loans		OPWC Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 3,920	\$ 2,823	\$ 192	\$ -	\$ 10,660	\$ 8,278
2004	4,219	2,526	192	-	11,237	7,633
2005	3,968	2,202	192	-	11,010	6,950
2006	4,262	1,909	192	-	11,454	6,301
2007	3,071	1,590	192	-	10,477	5,601
2008-2012	15,792	5,101	962	-	58,494	19,004
2013-2017	9,821	1,582	962	-	37,544	5,408
2018-2022	1,957	151	493	-	3,692	223
2023-2027	-	-	-	-	-	-
	<u>\$ 47,010</u>	<u>\$ 17,884</u>	<u>\$ 3,377</u>	<u>\$ -</u>	<u>\$ 154,568</u>	<u>\$ 59,398</u>

All bonds and notes are backed by the full faith and credit of the City except revenue bonds. Water Mortgage Revenue Bonds are collateralized by the fixed assets of the Water System that had net carrying values of approximately \$136,272,000 at December 31, 2002. It is the City's policy to pay debt service of the Enterprise and Internal Service Funds from the receipts of those funds. Accordingly, such debt is reported in those funds. Any deficiency is paid from the City's Debt Service Fund. Revenue bonds and OWDA loans are retired entirely from the excess of operating revenues over operating expenses of the applicable enterprise activity. Therefore, the City is under no obligation to repay these long-term obligations from the City's General Fund.

10. Long-Term Debt (Continued)

Bond Indenture Agreements for the Waterworks System Mortgage Revenue Bond dated May 15, 1994, the Waterworks System Mortgage Revenue Improvement Bond dated January 15, 1996, the Sanitary Sewer System Revenue Bonds dated June 1, 1996, the Sanitary Sewer System Revenue Bonds dated January 1, 1997, the Sanitary Sewer System Improvement and Refunding Revenue Bond dated April 1, 1998, and the Waterworks System Mortgage Revenue Improvement Bonds dated February 1, 1998, require deposits to a Debt Service Fund based on a calculation of net operating revenues. The Sewer System Revenue Bond Indenture Agreement dated April 1, 1998 requires that a Debt Service Reserve Fund be created and maintained at a minimum of \$4,682,187 for the Series 1996 Bonds, the Series 1997 Bonds, and the Series 1998 Bonds. The balances in the Debt Service Reserve Fund and the Debt Service Fund at December 31, 2002 were as follows:

	Waterworks System 1994 Issue	Waterworks System 1996 Issue	Waterworks System 1998 Issue	Sewer System 1996, 1997, and 1998 Issues
Minimum balance of debt service reserve fund	\$ -	\$ -	\$ -	\$ 4,682,187
Actual balance of debt service reserve fund	<u>1,323,000</u>	<u>795,431</u>	<u>1,165,318</u>	<u>4,733,407</u>
Excess	<u>\$ 1,323,000</u>	<u>\$ 795,431</u>	<u>\$ 1,165,318</u>	<u>\$ 51,220</u>

The debt service and debt service reserve funds for Mortgage Revenue Bond issues are included in the applicable enterprise fund for reporting purposes.

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2002, the City's total net debt amounted to 3.2% of the total assessed value of all property within the City and unvoted net debt amounted to 3.2% of the total assessed value of all property within the City.

The City has defeased certain debt issues by placing investments in U.S. Government obligations in irrevocable escrow accounts. Such accounts will be used, together with interest earned thereon, to provide for the payment of all principal and interest on the defeased bonds on their scheduled due dates. Accordingly, the escrow accounts and the defeased bonds summarized below are not included in the accompanying financial statements at December 31, 2002:

Issue	Defeasance Date	<u>Original Amount</u>		Principal Outstanding at 12/31/02
		Defeased	Escrowed	
Waterworks System First Mortgage Revenue Bonds Series 1991	1996	\$ 19,090,000	\$ 20,726,104	\$ 16,285,000
Sewer System Improvement General Obligation Bonds	1998	7,800,000	8,317,677	4,800,000

10. Long-Term Debt (Continued)

Issue (Continued)	Defeasance Date	Original Amount		Principal Outstanding at 12/31/02
		Defeased	Escrowed	
Various Purpose Improvement Bonds, Series 1991	2001	\$ 1,265,000	\$ 1,330,320	\$ 1,035,000
Various Purpose Improvement Bonds, Series 1992	2001	10,785,000	11,869,971	8,920,000
Street Improvement Bonds, Series 1992	2001	1,940,000	2,135,164	980,000
Various Purpose Improvement Bonds, Series 1994	2001	15,825,000	18,761,930	<u>12,845,000</u>
				<u>\$ 44,865,000</u>

In July, 1995, the City entered into an agreement to guarantee \$3 million of bank loan financing for a developer. The total amount of financing obtained by such developer is \$15.5 million. As a part of this guarantee, the City must deposit in escrow \$3 million with the banks involved with the financing. As of December 31, 2002, the entire \$3 million has been placed in escrow and is reflected as restricted cash and investments in the statement of net assets.

During 2001, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Summit County Port Authority Revenue Bonds (Akron Civic Theatre Project), issued by the Summit County Port Authority. As of December 31, 2002, the principal amount outstanding was \$14,646,070. The City believes that the Summit County Port Authority is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2002.

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received by the bond trustees on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The bonds do not constitute a debt or pledge of the faith and credit of the City and, accordingly, have not been reported in the accompanying financial statements. As of December 31, 2002, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$830,000.

11. Obligations Under Capitalized Leases

In November, 1996, \$28.9 million Series 1996 Convertible Capital Appreciation Certificates of Participation (COPs) were issued by a bank to finance the costs of the construction of a professional baseball stadium (meeting class "AA" standards) within the City. In connection with the issuance of the Series 1996 COPs, the City entered into a capital lease agreement (as lessee) for the baseball stadium. The City will make lease payments during successive annual renewal periods through November 25, 2016, providing City Council appropriates funds each year for that purpose. If the lease is paid through November 25, 2016, the City will acquire title to the baseball stadium. The lease agreement also includes a purchase option during the years 2002 through 2016.

Future COPs payments are as follows as of December 31, 2002:

<u>Year</u>	<u>Payments</u>
2003	\$ 3,938,320
2004	3,940,620
2005	3,941,097
2006	3,943,010
2007	3,940,770
2008-2012	19,701,750
2013-2017	<u>15,759,296</u>
Total lease payments	55,164,863
Less amount representing interest	<u>30,355,274</u>
Present value of lease payments	<u>\$ 24,809,589</u>
 Net book value of leased assets	 <u>\$ 26,175,015</u> *

Unspent funds of approximately \$4 million provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying government-wide statement of net assets as of December 31, 2002. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

The City also has a capital lease for computer hardware, software and licenses. The cost of this lease agreement is \$928,919 and is included in the City's capital assets in the Management Information Systems Fund. The following is a schedule of future minimum lease payments under the capitalized lease together with the present value of the net minimum lease payments as of December 31, 2002.

<u>Year</u>	<u>Payments</u>
2003	\$ 201,006
2004	201,006
2005	201,006
2006	201,006
2007	<u>184,255</u>
Total lease payments	988,279
Less amount representing interest	<u>94,591</u>
Present value of lease payments	<u>\$ 893,688</u>
 Net book value of leased assets	 <u>\$ 836,027</u> *

*Amount represents the entire net book value of the capital lease recorded in the statement of net assets.

12. Self-Insurance Funds

The City is exposed to various risks of loss including employee health-care costs and accidents, torts and legal judgments, and damage or destruction of assets. The City purchases fire and extended coverage insurance on all buildings and contents up to \$100,000,000 per occurrence, with a variety of deductibles beginning at \$50,000. Coverage is purchased on 1,185 vehicles for combined single-limit liability of \$1,000,000. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

The City has a Medical Self-Insurance Fund. The purpose of this fund is to pay medical claims for City employees and their covered dependents and minimize the total cost of medical benefits of the City. The plan is internally managed and accounted for as an internal service fund. This internal service fund has been in existence since 1987.

The City has an internal service fund entitled "Workers' Compensation Reserve Fund" to account for self-insured workers' compensation claims. Workers' compensation is administered by the State of Ohio under a retrospective rating plan. The City reimburses the Ohio Bureau of Workers' Compensation for injured workers' claims subject to a maximum annual claim limit of \$300,000 for each worker's compensation claim. All funds of the City participate in the program and make payments to the internal service fund based on the experience premium that would normally be charged by the Ohio Bureau of Workers' Compensation. Future claims liabilities are actuarially determined.

The City has a Self-Insurance Settlement Fund. The purpose of this fund is to pay judgments and claims. Claims are accrued based upon estimates, past experience, and current claims outstanding. Actual claims experience may differ from the estimate.

12. Self-Insurance Funds (Continued)

The claims liabilities of \$2,229,620, \$7,781,751 and \$586,849 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2002, are in accordance with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These GASB statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities recorded include the estimated incremental expenses to be incurred to settle the claims, including legal fees. Claims liabilities are based on evaluations of individual claims and a review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The claims liabilities represent the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Estimated future recoveries on settled and unsettled claims, such as subrogations, if any, are evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Any adjustments resulting from the actual settlement of the claims are reflected in the financial statements at the time the adjustments are determined. Changes in the funds' claims liabilities (both current and long-term) amounts in fiscal 2001 and 2002 were:

	Beginning of Year Liability	Prior Year Claim Adjustments	Current Period Claims	Claim Payments	Balance at End of Year
<u>Medical Self-Insurance Fund</u>					
2001	\$ 2,392,685	\$ -	\$ 15,653,913	\$ (15,224,950)	\$ 2,821,648
2002	2,821,648	-	17,121,747	(17,713,775)	2,229,620
<u>Workers' Compensation Reserve Fund</u>					
2001	9,307,510	(2,368,039)	2,126,848	(1,900,414)	7,165,905
2002	7,165,905	-	1,069,486	(453,640)	7,781,751
<u>Self-Insurance Settlement Fund</u>					
2001	617,720	-	262,089	(136,104)	743,705
2002	743,705	-	293,302	(450,158)	586,849

13. Long-term Liabilities

The City reports the following amounts relating to the government's long-term liabilities for the year ended December 31, 2002:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Governmental Activities:				
Governmental Funds:				
Accrued vacation and leave (Note 7)	\$ 42,288,788	\$ 13,722,193	\$ (18,892,372)	\$ 37,118,609
Due to other governments (Note 4)	9,496,881	600,000	(582,698)	9,514,183
Due to others	-	2,706,000	-	2,706,000
Total Governmental Funds	51,785,669	17,028,193	(19,475,070)	49,338,792
Internal Service Funds:				
Accrued vacation and leave (Note 7)	1,049,632	904,095	(235,753)	1,717,974
Estimated liability for unpaid claims	6,567,017	1,069,486	(544,072)	7,092,431
Total Internal Service Funds	7,616,649	1,973,581	(779,825)	8,810,405
Total Governmental Activities	59,402,318	19,001,774	(20,254,895)	58,149,197
Business-type Activities:				
Enterprise Funds:				
Water				
Accrued vacation and leave (Note 7)	2,463,532	1,256,914	(855,477)	2,864,969
Sewer				
Accrued vacation and leave (Note 7)	1,288,691	662,364	(241,759)	1,709,296
Due to other governments (Note 4)	-	523,764	-	523,764
Other Business-type Activities				
Accrued vacation and leave (Note 7)	242,807	76,874	(28,474)	291,207
Total Enterprise Funds/ Business-type Activities	3,995,030	2,519,916	(1,125,710)	5,389,236
Total	\$ 63,397,348	\$ 21,521,690	\$ (21,380,605)	\$ 63,538,433

The above liabilities are generally liquidated by the various operating funds in which the liabilities exist.

See note 4 for detailed explanations for the amounts recorded as due to other governments.

14. Deficit Fund Balances

The following funds have significant fund balance deficits or retained earnings deficits at December 31, 2002:

Special Revenue Funds:	
Community Development	1,288,746
Health Grants	648,282
Capital Project Funds:	
Non-appropriated Capital Projects	835,857
Streets	7,017,265
Capital Projects with Private Funding	742,974
Information Technology and Improvements	295,398
Transportation	2,327,645
Parks and Recreation	2,392,291
Economic Development	6,505,427
Internal Service Funds:	
Medical Self-Insurance	1,340,320
Self-Insurance Settlement	3,882,395
Engineering Bureau	1,455,063
Management Information Systems	3,428,108

The special revenue funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed under federal or state grant agreements. The Community Development and Health Grants request draws based on actual cash basis expenditures.

The capital projects funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed from debt issuances and/or interfund transfers. The City carries out programs in its capital budget for which pooled cash is spent up front.

The internal service funds that have deficit retained earnings balances at year-end have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. The Medical Self-Insurance Fund has increased charges for services effective January 2003. The majority of the deficit in the Self-Insurance Settlement Fund is the lawsuit settlement with Ohio Water Development Authority (OWDA) regarding the Recycle Energy System (RES) in 1996. The remaining deficit is the estimated accrued liability for claims. The City’s policy is to transfer funds from the pertinent division’s operating budget for actual claim settlements to reimburse the Self-Insurance Settlement Fund. The Engineering Bureau will review its applied overhead rate charged to capital projects to address its deficit. The deficit in the Management Information Systems Fund is the result of issuing bonds to cover the costs of implementing new and updated technology, including the network infrastructure, mainframe, accounting system, and payroll and personnel systems. The bonds are being repaid with user fees charged to each division’s operating budget.

15. Income Taxes

The City levies a tax at the rate of 2% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income earned outside the City. However, a credit is allowed for income taxes paid to other municipalities.

The proceeds of income taxes, after payment of the expenses incurred from collection thereof, are allocated by the City Charter as follows: 27% to capital expenditures and 73% to the General Fund. The portion allocated to capital expenditures may be utilized for payment of debt service or capital expenditures of any City fund.

Employers within the City are required to withhold income tax on employee compensation and remit this tax to the City at least quarterly. Corporations and other individual taxpayers are required to file a declaration annually and pay their estimated tax quarterly.

16. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City.

Real property taxes are levied each October on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor at 35% of appraised market value. By law, a revaluation of all property based on current individual appraisals is required to be completed no less than every six years. The last revaluation was completed in tax year 2002 for collection in 2003. The next sexennial revaluation will be completed in 2008 for collection in 2009. In addition, the County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values.

Real estate and public utility taxes attach an enforceable lien on property as of December 31 in the year levied. Payments are scheduled in two installments in mid-February and mid-July of the succeeding year and are considered delinquent if unpaid as of December 31 of that year.

Generally, tangible personal property used in business (including certain public utilities) is currently assessed for ad valorem taxation purposes at 25% of true value (in general, the same as net book value).

The assessed value upon which the 2002 property tax was based aggregated \$2,928,995,000. The assessed value for 2002 (upon which the 2003 property tax will be based) is approximately \$3,261,505,000.

Under the current allocation method, the City's share was .909% (9.09 mills) of assessed value in 2002 for collection in 2003. The City's Charter limits the maximum total tax rate that could be levied without a vote of the electors to 1.05% (10.5 mills).

16. Property Taxes (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Akron. The County Auditor periodically remits to the City its portion of the taxes collected. Current real property and tangible personal property tax collections for the year ended December 31, 2002, including delinquencies from prior years, were 99.3% and 101.8%, respectively, of the current year tax levy.

Property taxes are allocated to the various funds based upon voter authorization.

17. JEDD Revenues

In an effort to promote regional growth and economic development, the City has entered into contracts with four surrounding townships and a bordering municipality to create Joint Economic Development Districts (JEDDs). The City entered into separate contracts with Copley, Coventry, and Springfield Townships to create JEDDs in 1994. Voters in each township approved the respective JEDD contracts in the November 1994 election, which became effective January 1, 1995. In accordance with state law, each of the Districts' Board of Trustees levied a 2% income tax effective January 1, 1995. The proceeds of that tax are allocated, in accordance with the contract, primarily to the City. The City has utilized these JEDD revenues, in part, to construct water and sewer lines so that the JEDDs have access to the City's water and sewer system and to encourage and promote economic development.

In 1998 the City entered into a JEDD contract with Bath Township (Bath) and the City of Fairlawn (Fairlawn). This contract was approved by voters in November 1998 and became effective on January 1, 1999. As in the other JEDDs, a 2% income tax has been levied by the District. In accordance with the contract, the net JEDD revenues are allocated to the City and Fairlawn, with the City providing water and sewer services. A payment representing 10% of the net revenues for six years commencing January 1, 2000 will be delivered to Bath Township on or before March 15, 2006. The amount for calendar years 2000, 2001 and 2002 has been estimated at \$1,900,000 and has been recorded in the statement of net assets as a noncurrent liability. In addition, Bath Township receives an annual payment of \$250,000 for ten years from the City. The City has recorded the \$1,750,000 remaining balance as of December 31, 2002 due to Bath Township on the financial statements with \$250,000 as a current liability and a noncurrent liability of \$1,500,000.

18. Transfers

For the year ended December 31, 2002, operating transfers presented in conformity with generally accepted accounting principles (GAAP) consisted of the following:

	Transfers Out	Transfers In						
		General Fund	Special Assessment Bond Payment	Other Governmental Funds	Water Fund	Sewer Fund	Other Enterprise Funds	Internal Service Funds
General Fund:								
Other Governmental Funds	\$ 2,766,479	\$ -	\$ -	\$ 2,766,479	\$ -	\$ -	\$ -	\$ -
Sewer	50,173	-	-	-	-	50,173	-	-
Other Enterprise Funds	270,001	-	-	-	-	-	270,001	-
Internal Service Funds	<u>102,882</u>	-	-	-	-	-	-	<u>102,882</u>
Total General Fund	\$ 3,189,535	\$ -	\$ -	\$ 2,766,479	\$ -	\$ 50,173	\$ 270,001	\$ 102,882
Water Fund:								
Other Governmental Funds	\$ 230,598	\$ -	\$ -	\$ 230,598	\$ -	\$ -	\$ -	\$ -
Sewer Fund	62,658	-	-	-	-	62,658	-	-
Internal Service Funds	<u>15,673</u>	-	-	-	-	-	-	<u>15,673</u>
Total Water Fund	\$ 308,929	\$ -	\$ -	\$ 230,598	\$ -	\$ 62,658	\$ -	\$ 15,673
Sewer Fund:								
Other Governmental Funds	\$ 562,309	\$ -	\$ -	\$ 562,309	\$ -	\$ -	\$ -	\$ -
Water Fund	<u>450,693</u>	-	-	-	<u>450,693</u>	-	-	-
Total Sewer Fund	\$ 1,013,002	\$ -	\$ -	\$ 562,309	\$ 450,693	\$ -	\$ -	\$ -
Off-Street Parking:								
Other Governmental Funds	\$ 423,413	\$ -	\$ -	\$ 423,413	\$ -	\$ -	\$ -	\$ -
Nonmajor Funds:								
Other Governmental Funds	\$ 56,989,426	\$ 6,888,698	\$ 743,192	\$ 39,200,223	\$ 4,370,000	\$ 4,370,000	\$ 563,087	\$ 854,226
Other Enterprise Funds	30,107	-	-	30,107	-	-	-	-
Internal Service Funds	<u>3,188,816</u>	<u>2,355,780</u>	<u>-</u>	<u>833,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonmajor Funds	\$ 60,208,349	\$ 9,244,478	\$ 743,192	\$ 40,063,366	\$ 4,370,000	\$ 4,370,000	\$ 563,087	\$ 854,226
Total	<u>\$ 65,143,228</u>	<u>\$ 9,244,478</u>	<u>\$ 743,192</u>	<u>\$ 44,046,165</u>	<u>\$ 4,820,693</u>	<u>\$ 4,482,831</u>	<u>\$ 833,088</u>	<u>\$ 972,781</u>

19. Contingencies

(1) Litigation

The City is a defendant in a number of lawsuits pertaining to matters that are incidental to performing routine governmental functions. The City Law Director is of the opinion that ultimate settlement of all outstanding litigation and claims will not result in a material adverse effect on the City's financial position.

19. Contingencies (Continued)

(2) Federal and State Grants

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grants. The City believes that such disallowances, if any, would not have a material adverse effect on the City's financial position.

20. Closure and Post-Closure Care Costs

On November 9, 1998, the City entered into an agreement to transfer control and operating responsibility of its Hardy Road Landfill (Landfill) to Akron Regional Landfill, Inc. (ARLI), a subsidiary of Waste Management of Ohio, Inc. The agreement required the City to eventually transfer the Landfill and certain real property immediately adjacent to the Landfill, known as the Greenfield Facility. Under the agreement, ARLI assumed full responsibility for all future costs for operation, permitting, groundwater monitoring, closure, and post-closure costs of the Landfill, which are currently expected to approximate \$10,000,000. No liability has been recorded in the accompanying financial statements for these estimated future costs because the responsibility for such costs has been transferred to ARLI. At a future date, ARLI was to purchase the Greenfield Facility upon completion of certain conditions per the agreement. One such condition was to obtain a permit to allow the Greenfield Facility to be used as a landfill. The City and ARLI requested the permit from the Ohio Environmental Protection Agency (Ohio EPA), and during 2001 the application was denied.

Pursuant to the Ohio EPA's ruling, the Hardy Road Landfill officially closed on June 30, 2002. The City has begun diverting its waste to Waste Management's American Landfill located in Stark County. Since the permit was not issued, ARLI will construct a transfer station within the City and will not become the owner of the Landfill or the Greenfield Facility. As part of the 1998 agreement, the City agreed to use ARLI-controlled landfill facilities for disposal of ninety percent of the refuse collected by the City's sanitation division.

During 2003, the City requested a proposed \$1.20 per ton increase in the waste generation fee by the Summit/Akron Solid Waste Management Authority (Authority). The Authority approved the increase and it now must be approved by the Ohio EPA. The proceeds of the additional generation fee will be used to fund the solid waste management operations of the City.

In an unrelated matter, during 2000, a civil penalty related to the Landfill amounting to \$750,000 was levied against the City. The civil penalty was accrued for during 2000, and \$459,081 remained as a liability at December 31, 2001. The remaining amounts were paid by the City during 2002.

21. Subsequent Event

On June 6, 2003, City Council passed Ordinance No. 283-2003 authorizing the issuance and sale of Waterworks System Mortgage Revenue Improvement and Refunding Bonds, Series 2003. The estimated \$29,385,000 in proceeds will be used for the purpose of paying costs of improving the municipal water supply, treatment and distribution system and providing the funds necessary to refund Waterworks System Mortgage Revenue Improvement Bonds, Series 1994. The City intends to issue the bonds in July.

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Property taxes	\$ 15,728,730	\$ 15,469,730	\$ 15,131,666
Investment earnings	3,300,000	2,100,000	2,200,000
Local government	15,553,000	15,553,000	14,648,868
State taxes	6,487,000	5,000,000	4,165,358
Other revenue	29,299,780	29,299,780	31,085,890
	<u>70,368,510</u>	<u>67,422,510</u>	<u>67,231,782</u>
Other sources:			
Income tax transfers in	68,826,390	68,000,000	67,300,000
Other transfers in	1,015,000	1,274,000	1,274,000
Previous year's encumbrances	2,912,318	2,912,318	2,912,318
	<u>72,753,708</u>	<u>72,186,318</u>	<u>71,486,318</u>
Total revenues and other sources	143,122,218	139,608,828	138,718,100
Expenditures and other uses			
Expenditures:			
General Governmental:			
Civil Service Commission:			
Wages/benefits	1,431,800	1,361,800	1,327,688
Other	133,677	238,677	226,867
	<u>1,565,477</u>	<u>1,600,477</u>	<u>1,554,555</u>
Finance:			
Administration:			
Wages/benefits	2,060,540	2,010,540	1,972,426
Other	4,538,643	4,135,643	4,090,949
	<u>6,599,183</u>	<u>6,146,183</u>	<u>6,063,375</u>
Law:			
Wages/benefits	2,814,150	2,694,150	2,654,206
Other	892,895	987,895	982,693
	<u>3,707,045</u>	<u>3,682,045</u>	<u>3,636,899</u>
Legislative:			
Wages/benefits	770,700	760,700	753,450
Other	339,971	357,971	298,463
Capital outlay	18,500	18,500	11,910
	<u>1,129,171</u>	<u>1,137,171</u>	<u>1,063,823</u>

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2002
(continued)

	Budgeted Amounts		
	Original	Final	Actual Amounts
Municipal Court - Clerk:			
Wages/benefits	\$ 2,430,390	\$ 2,350,390	\$ 2,334,925
Other	301,020	359,020	344,912
Capital outlay	-	-	(440)
	<u>2,731,410</u>	<u>2,709,410</u>	<u>2,679,397</u>
Municipal Court - Judges:			
Wages/benefits	2,775,560	2,695,560	2,654,812
Other	239,888	269,888	272,134
Capital outlay	350	350	-
	<u>3,015,798</u>	<u>2,965,798</u>	<u>2,926,946</u>
Office of the Mayor:			
Wages/benefits	2,388,300	2,338,300	2,335,899
Other	474,153	570,153	535,684
	<u>2,862,453</u>	<u>2,908,453</u>	<u>2,871,583</u>
Planning Administration:			
Wages/benefits	1,213,530	1,143,530	1,120,940
Other	117,640	147,640	143,014
	<u>1,331,170</u>	<u>1,291,170</u>	<u>1,263,954</u>
Public Health:			
Wages/benefits	5,958,930	6,003,930	5,994,773
Other	1,040,710	1,220,710	1,192,231
Capital outlay	2,101	2,101	-
	<u>7,001,741</u>	<u>7,226,741</u>	<u>7,187,004</u>
Public Safety:			
Wages/benefits	7,715,660	7,480,660	7,430,862
Other	10,306,340	10,515,040	10,295,241
Capital outlay	93,775	90,075	95,639
	<u>18,115,775</u>	<u>18,085,775</u>	<u>17,821,742</u>
Public Service:			
Wages/benefits	12,384,210	12,024,210	11,789,230
Other	10,431,976	12,021,976	11,872,939
Capital outlay	7,500	7,500	7,140
	<u>22,823,686</u>	<u>24,053,686</u>	<u>23,669,309</u>
Fire:			
Wages/benefits	25,411,110	25,117,110	24,214,013
Other	1,818,462	1,898,462	1,878,876
Capital outlay	25,410	25,410	25,281
	<u>27,254,982</u>	<u>27,040,982</u>	<u>26,118,170</u>

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2002
(continued)

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Police:			
Wages/benefits	\$ 37,796,300	\$ 37,696,300	\$ 37,414,515
Other	4,251,907	4,441,907	4,413,851
Capital outlay	39,551	39,551	30,729
	<u>42,087,758</u>	<u>42,177,758</u>	<u>41,859,095</u>
Total expenditures	140,225,649	141,025,649	138,715,852
Other uses:			
Transfer to Airport	320,000	270,000	270,000
Transfer to Highway Maintenance	2,400,000	1,650,000	1,650,000
	<u>2,720,000</u>	<u>1,920,000</u>	<u>1,920,000</u>
Total expenditures and other uses	<u>142,945,649</u>	<u>142,945,649</u>	<u>140,635,852</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	176,569	(3,336,821)	(1,917,752)
Fund balance, January 1, 2002	<u>5,638,391</u>	<u>5,638,391</u>	<u>5,638,391</u>
Fund balance, December 31, 2002	<u>\$ 5,814,960</u>	<u>\$ 2,301,570</u>	<u>\$ 3,720,639</u>

City of Akron, Ohio

Notes to the Budgetary Comparison Schedule – General Fund

For the Year Ended December 31, 2002

1. Budgetary Data

The City's budgetary process is based upon accounting for certain transactions on a basis other than on generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule – General Fund in accordance with the City's budgetary process (budget basis) to provide a meaningful comparison of actual results with the budget. The legal level of budgetary control is by category for each department within each fund. The categories are wages/benefits, other, and capital outlay. The only major governmental fund formally budgeted by the City is the general fund.

The major differences between budget basis and GAAP basis in the general fund are:

1. Revenues are recorded when received in cash (budget) as opposed to susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to reservation of fund balances (GAAP).

Recognition of certain revenues may be reclassified between funds to facilitate matching with the related expenditures. For example, income taxes under the budget basis are recorded in a special revenue fund and shown as transfers to the ultimate recipient fund while income taxes under the GAAP basis are recognized directly in the recipient fund.

	General Fund
Deficiency of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (1,917,752)
Adjustments:	
To adjust revenues for accruals	2,026,822
To adjust expenditures for accruals	861,035
To adjust for encumbrances	<u>(79,007)</u>
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	<u>\$ 891,098</u>

CITY OF AKRON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2002**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF AGRICULTURE		
From the Ohio Department of Health:		
Child Nutrition Cluster:		
Summer Food Service Program for Children	10.559	\$ 106,668
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	<u>1,332,179</u>
Total Department of Agriculture		<u>1,438,847</u>
ENVIRONMENTAL PROTECTION AGENCY		
From the Ohio EPA:		
Air Pollution Control Program Support	66.001	140,924
Study Brownfields Demonstration	66.811	142,701
Water Vulnerability Assessment	66.476	<u>10,000</u>
Total Environmental Protecting Agency		<u>293,625</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
From the Ohio Department of Health:		
Childhood Lead Poisoning Prevention	93.197	83,361
Immunization Action Plan	93.268	53,204
Refugee Health Screening	93.576	26,223
Community Based Care Grant	93.917	145,296
Ryan White Planning/Evaluation	93.917	<u>26,637</u>
Total CFDA No. 93.917		171,933
HRSA HIV Grant	93.918	231,557
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	144,622
AIDS Health Education	93.940	256,914
HIV-Ryan White Program	93.940	<u>11,412</u>
Total CFDA No. 93.940		268,326
Presentation and Treatment of Substance Abuse	93.959	149,294
Sexually Transmitted Disease Control	93.977	63,206
STD Diagnostic	93.977	<u>744</u>
Total CFDA No. 93.977		63,950
Cardiovascular Disease Risk Reduction	93.991	36,942
Injury Prevention	93.991	27,096
TB Screening	93.991	<u>8,561</u>
Total CFDA No. 93.991		72,599
Child and Family Health Services	93.994	491,915
Dental Sealant Program	93.994	<u>37,317</u>
Total CFDA No. 93.994		<u>529,232</u>
Total Department of Health and Human Services		<u>1,794,301</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs:		
Community Development Block Grants—Entitlement and (HUD-Administered) Small Cities Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	9,584,660
Emergency Shelter Grants Program	14.231	298,515
Home Investment Partnership Program	14.239	1,169,075
Lead-Based Paint:		
Lead Based Paint—Hazard Control in Privately Owned Housing	14.900	3,141
HUD Lead Hazard Control	14.900	<u>1,305,272</u>
Total CFDA No. 14.900		1,308,413
From the Ohio Department of Human Services:		
Empowerment Zones Program	14.244	<u>105,665</u>
Total Department of Housing and Urban Development		12,466,328

See notes to supplemental schedule of expenditures of federal awards.

(Continued)

CITY OF AKRON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2002**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF JUSTICE		
Direct Programs:		
Domestic Preparedness Grant	16.007	\$ 220,971
Local Law Enforcement Block Grants Program	16.592	763,933
Public Safety Partnership and Community Policing Grants:		
Universal Hiring II	16.710	119,651
Universal Hiring III	16.710	<u>713,640</u>
Total CFDA No. 16.710		833,291
From the Governor's Office of Criminal Justice Services:		
Executive Office for Weed and Seed	16.595	63,634
Juvenile Accountability Incentive Block Grant	16.523	<u>49,246</u>
Total Department of Justice		<u>1,931,075</u>
DEPARTMENT OF TRANSPORTATION		
From Federal Aviation Administration		
Airport Improvement Program	20.106	95,282
From Ohio Department of Highway Safety:		
Highway Safety Cluster:		
ODOT—Akron Metropolitan Transportation Study	20.505	23,339
Cops in Shops	20.600	24,496
DARE II	20.600	<u>47,115</u>
Total CFDA No. 20.600		71,611
Highway Planning and Construction:		
ODOT—Akron Metropolitan Transportation Study	20.205	919,316
ODOT—Archwood Ave. Curb Ramps	20.205	202,380
ODOT—Broadway Street	20.205	1,981,582
ODOT—Broadway Viaduct	20.205	304,236
ODOT—Darrow Road	20.205	152,820
ODOT—Mill Street	20.205	131,476
ODOT—North Portage Path	20.205	1,720,955
ODOT—Northside Railroad Station	20.205	191,000
ODOT—Vegetative Landscaping	20.205	350,000
ODOT—West Exchange Resurfacing	20.205	577,401
ODOT—West Market Street	20.205	344,441
ODOT—West Market Street Signalization	20.205	<u>788,000</u>
Total CFDA No. 20.205		<u>7,663,607</u>
Total Department of Transportation		<u>7,853,839</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 25,778,015</u>

See notes to supplemental schedule of expenditures of federal awards.

(Concluded)

CITY OF AKRON, OHIO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2002

1. BASIS OF PRESENTATION

The accompanying supplemental schedule of expenditures of federal awards includes the federal grant activity of the City of Akron, Ohio, and is presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUBRECIPIENTS

Of the federal expenditures presented in this schedule, the City of Akron, Ohio, provided federal awards to subrecipients as follows:

Program Title	Federal CFDA No.	Amount Provided to Subrecipients
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	\$ 446,402
CDBG—Entitlement and (HUD-Administered) Small Cities Cluster—Community Development Block Grant/Entitlement Grants	14.218	989,981
Emergency Shelter Grants Program	14.231	298,515
HOME Investment Partnership Program	14.239	220,000
HUD Lead Hazard Control	14.900	956,887
Juvenile Accountability Block Grant	16.523	2,805
Local Law Enforcement Block Grants	16.592	26,250
Weed & Seed 2000	16.595	9,249
Ryan White Planning/Evaluation	93.917	19,837
Community Based Care	93.917	145,067
HRSA—HIV Grant	93.918	142,479
HIV Prevention Activities	93.940	179,912
Child and Family Health Services	93.994	<u>119,050</u>
Total		<u>\$3,556,434</u>

3. LOANS OUTSTANDING

The City of Akron, Ohio, had the following loan balances outstanding at December 31, 2002, which had continuing compliance requirements.

Program Title	Federal CFDA No.	Balance Outstanding
Empowerment Zone Program	14.244	\$ 357,600
HOME Investment Partnership Program	14.239	1,472,444

* * * * *

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON THE AUDIT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor Donald L. Plusquellic
and Members of the City Council of
the City of Akron, Ohio:

We have audited the basic financial statements of the City of Akron, Ohio (the "City"), as of and for the year ended December 31, 2002, and have issued our report thereon dated June 23, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we did note certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 23, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 23, 2003.

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

Deloitte & Touche LLP

June 23, 2003



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM

The Honorable Mayor Donald L. Plusquellic
and Members of the City Council of
the City of Akron, Ohio:

Compliance

We have audited the compliance of the City of Akron, Ohio (the "City"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2002. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2002.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Deloitte & Touche LLP

June 23, 2003

CITY OF AKRON, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2002

PART I—SUMMARY OF AUDITORS' RESULTS

- The independent auditors' report on the financial statements expressed an unqualified opinion.
- Reportable conditions in internal control disclosed by the audit of the financial statements—N/A (None reported).
- Noncompliance noted that is material to the financial statements of the City—None.
- Reportable conditions in internal control over major federal financial assistance programs disclosed by the audit of the financial statements—N/A (None reported).
- The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
- The audit disclosed no findings required to be reported by OMB Circular A-133 (section .510(a)).
- The City's major federal award programs were:

Program Name	CFDA No.
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557
Community Development Block Grants/Entitlement Grants	14.218

- A threshold of \$773,340 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
- The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II—FINANCIAL STATEMENT FINDINGS SECTION

None

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

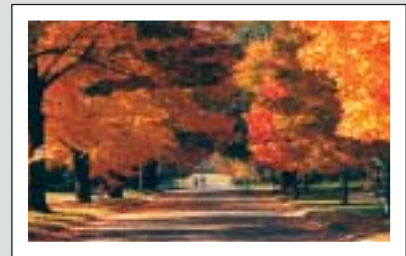
None

CITY OF AKRON, OHIO

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2002**

None

City of Akron, Ohio
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



For the Fiscal Year Ended December 31, 2002
Donald L. Plusquellic, Mayor

City of Akron, Ohio
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



For the Fiscal Year Ended December 31, 2002
Donald L. Plusquellic, Mayor

Issued by The Department of Finance
Catherine G. Watson, Director
Diane L. Miller-Dawson, Deputy Director

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**INTRODUCTORY
SECTION**



ELECTED AND APPOINTED OFFICIALS

MAYOR

Donald L. Plusquellic

COUNCIL MEMBERS

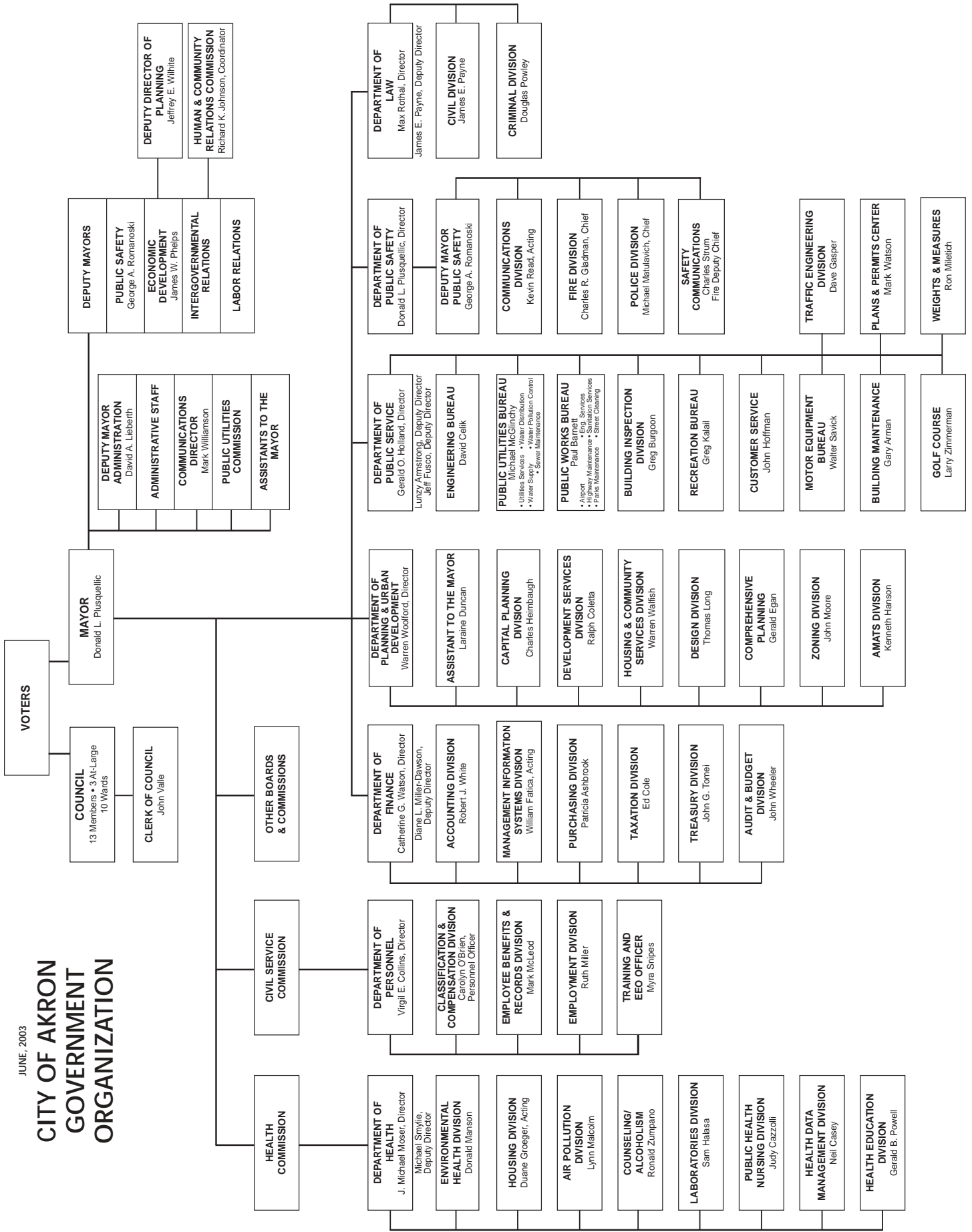
Daniel M. Horrigan	1st Ward
Joseph A. Finley	2nd Ward
Marco S. Sommerville, Council President	3rd Ward
Reneé L. Greene	4th Ward
James D. Shealey	5th Ward
Dr. Teresa H. Albanese	6th Ward
Mary Ellen McAvoy	7th Ward
Robert E. Keith	8th Ward
Michael N. Freeman	9th Ward
Garry L. Moneypenny	10th Ward
John R. Conti, President Pro-Tem	Councilman-at-Large
John R. Otterman, Council Vice President	Councilman-at-Large
Michael D. Williams	Councilman-at-Large

CABINET OF THE MAYOR

Catherine G. Watson	Director of Finance
Diane L. Miller-Dawson	Deputy Director of Finance
Max Rothal	Director of Law
James E. Payne	Deputy Director of Law
Gerald O. Holland	Director of Public Service
Lunzy O. Armstrong	Deputy Director of Public Service
Jeffrey C. Fusco	Deputy Director of Public Service
Warren L. Woolford	Director of Planning and Urban Development
Jeffrey E. Wilhite	Deputy Director of Planning and Urban Development
David A. Lieberth	Deputy Mayor for Administration
James W. Phelps	Deputy Mayor for Economic Development
George A. Romanoski	Deputy Mayor for Public Safety
Laraine A. Duncan	Assistant to the Mayor
Mark A. Williamson	Communications Director

JUNE, 2003

CITY OF AKRON GOVERNMENT ORGANIZATION



CITY OF AKRON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF AKRON, OHIO

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Catherine G. Watson
Director of Finance

Diane L. Miller-Dawson
Deputy Director of Finance



Donna M. Urdiales
Executive Assistant

Donald L. Plusquellic
Mayor

DEPARTMENT OF FINANCE

205 Municipal Building / 166 South High Street / Akron, Ohio 44308
(330) 375-2316 FAX: (330) 375-2291

June 23, 2003

The Honorable Donald L. Plusquellic
and Members of City Council
The City of Akron, Ohio

Dear Mayor Plusquellic and Council Members:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Akron for the year ended December 31, 2002. This report fully presents financial and operating information about the City's activities during 2002 that should be useful to citizens and taxpayers. The report, prepared by the Department of Finance, contains a comprehensive analysis of the City's financial position and activities for the year.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Akron. To the best of our knowledge and belief, the enclosed data is accurate in all material respects; it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of our various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

The department takes full responsibility for this report's content and accuracy. The Audit and Budget Division prepared all of the financial statements and assisted the external independent auditors in their performance of the annual audit. The Treasurer's Office of the Department of Finance drafted the statistical section.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Akron's MD&A can be found immediately following the Independent Auditors' Report. This CAFR is designed in a manner to assist and guide the reader in understanding its contents. The report consists of three sections:

- The Introductory Section, which includes this letter of transmittal, contains information pertinent to the City's management and organization. References in this section to Note 1, Note 2, etc. are to Notes to the Financial Statements contained in the Financial Section of this report.
- The Financial Section contains the Independent Auditors' Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information (RSI) and various other Statements and Schedules pertaining to the City's funds and activities.

- The Statistical Section contains numerous tables of financial and demographic information. Much of this information is shown with comparative data for the ten-year period from 1993 through 2002.

As background for the reader of this report, the City of Akron is a charter city. The City is the fifth largest Ohio municipality in terms of population based on the 2000 Census population of 217,074. The City's land area is approximately 62 square miles and is located in the northeastern region of the state in the County of Summit.

The City is directed by a mayor and council form of government. Legislative authority is vested in a 13-member Council, three members of which are elected at-large and ten by wards. The Council determines the compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriation and borrowing of money, licensing and regulating businesses and trades, and other municipal purposes.

The Mayor is elected for a four-year term and has the responsibility as the City's chief executive and administrative officer. The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council. The Director of Finance is appointed by the Mayor and serves as the City's chief financial officer and chief accounting officer. The Director of Finance has comprehensive responsibility for the City's fiscal activities, including budget preparation and control, payroll and general accounting, investment and debt management, purchasing, local income tax administration, data processing systems, and internal auditing.

The City provides the full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, planning, zoning, and other general government services. The City has management control of the following enterprise activities: water, sewer, oil and gas development, golf course, airport, and off-street parking.

The City contributes to two state-administered retirement plans covering various groups of City employees. The financial statements of these state-mandated plans are not included in the City's financial report as the plans are outside of our control and are independent of our financial resources or influence.

Economic Conditions and Outlook

Major revenue sources for the City continue to be the City's income tax, property taxes, local fees, service charges, and state shared local government revenue. Although many surrounding jurisdictions experienced a decrease in their income tax collections in 2002 due to the overall economy, the City's cash income tax collections increased by 1.4%. On a cash basis for 2002, property taxes in the general fund decreased by less than 1% and the state's local government revenue to the City decreased 5%. The strengths of the local economy are reflected by the growth over the past five years in the fields of medical and health services, legal and professional services, communications, public utilities, and finance and related service industries. Income tax receipts from the 12 largest economic sectors in the City have increased just over 11% since 1998, with receipts for the 9 fastest growing sectors having increased by more than 20%. While these 12 sectors combined account for 81% of total tax collections, no one sector makes up more than 17% of the total collected.

Although the number of building permits issued in 2002 decreased by approximately 11% over the number of permits issued in 2001, the estimated valuation of the building permits issued increased 47%. We anticipate substantial increases in property valuations over the next several years due to the major capital projects underway by the University of Akron, the Akron-Summit County Public Library, and the Summit County's Ohio Building Parking Deck expansion.

Despite the downturn in the economy in 2002, the City of Akron finds itself in a healthy financial state and continues to see steady economic growth while promoting operating efficiencies. Relative to many other U.S. cities, Akron's fiscal position is very good considering it is one of only a few mid- to large-sized cities that has not been forced to lay off employees. Although we only budgeted a 2% increase in income taxes in 2003, through May income taxes are up over 4.5% compared to the same time period last year. A voter-approved .25% municipal income tax increase in May designated for public school reconstruction should translate into an \$800 million plus economic boost for our city. Also, our assessed valuation on real and personal property increased by 11.35% for tax year 2002 (collection year 2003). There is an increase of over 14 percent in the first half real property tax collections this year compared to the first half collections in 2002. The revenue collected from our four Joint Economic Development Districts (JEDDs), approximately \$14 million in 2002, is an additional funding source to encourage and promote economic development and to secure a solid tax base.

Major Initiatives

We continue to focus most of our attention on neighborhoods and families. For over 25 years, the Community Development Block Grant (CDBG) program has assisted in the positive development of the City. Many neighborhoods have been stabilized through housing rehabilitation programs and capital improvement investments, keeping Akron's housing market one of the most affordable in the United States. The CDBG funds are important to the revitalization and stabilization of Akron and many other municipalities throughout the United States. The continuance of the program is vital to the growth of a community. The City of Akron was recognized at a ceremony by the U.S. Department of Housing and Urban Development (HUD) and received a "HUD Award of Excellence." The honor is for consistent and longstanding attention to providing local residents with the benefits of the CDBG Program in a timely and high-quality manner. The City's Neighborhood Development and Petition Areas witnessed the rehabilitation of 92 housing units. The City's Minor and Emergency Repair Program also participated in the rehabilitation of approximately 25 homes of elderly or disabled, low-income residents. The Citywide Minor Home Repair Program administered by the Housing Network repaired 21 houses, and other Home Repair Programs assisted 76 homeowners. CDBG funds were used to support the social needs as well as the physical improvement of Akron's neighborhoods. The City awarded \$547,500 to services benefiting youth, elderly, and family development. An example of the services included Crisis Intervention through Victims' Assistance, the Retired Senior Volunteer Program, and the Boys and Girls Club. The City also awarded \$329,000 in Emergency Shelter Grant funds from an entitlement to the City by HUD. The funds will be used for the rehabilitation activities to improve the safety and quality of the structures, the purchase of equipment and furnishings by the providers, and for operating costs and services to the homeless in the community. As a joint venture with East Akron Neighborhood Development Corporation and the NRP Group of Cleveland, the City actively participated in the development of well-constructed housing that is affordable to low and moderate income senior residents of the City. This project includes 40 units of two bedroom apartments with the City contributing \$300,000 of its federal entitlement HOME funds.

As further evidence of our commitment to the neighborhoods, the City is continuing for the fifth year the Neighborhood Partnership Program. Grants are awarded by the City to neighborhood-based organizations for activities such as cleaning up vacant lots, providing tutoring and after-school programs for children, and renovating playgrounds. The neighborhood groups must match the Neighborhood Partnership Program grants with in-kind volunteer services as well as cash contributions. The 2003 grant program for community revitalization projects is awarding 47 separate grants totaling \$245,926.

The City, under the strong leadership of Mayor Donald L. Plusquellic, received national recognition at the annual meeting of the U.S. Conference of Mayors held in Denver, Colorado in June 2003. Mayor Plusquellic was elected Vice-President of the U.S. Conference of Mayors and is in line to become Conference President in 2004. Mayor Plusquellic is also committed to regionalism, not only through the JEDDs but also by

developing strong ties with the mayor of Cleveland, Ohio—a major city that is approximately 35 miles north of Akron.

Our downtown has seen many renovations in the past few years. The City continues its commitment to the revitalization of downtown Akron as the largest single employment center in the region through the expansion and strengthening of the existing components including government, professional offices, utilities, education, culture, and entertainment through both public and private investment. The Akron-Summit County Public Library renovation and expansion is well under way and will double the existing usable square footage. The renovation of the Civic Theater was completed in 2002 and is being considered for designation as a City landmark. In addition to the projects in process, there were new businesses that opened during 2002 in the downtown area. Harry Buffalo is a new restaurant and night club that is located on the first floor of the Roetzel & Andress Building (formerly O'Neil's). Two new companies joined the Industrial Incubator in 2002. The City of Akron, along with a private developer (The Ferchill Group), announced plans now estimated at \$60 million to complete the Lock III development to bring retail, office and residential space to the area on Main Street between Bowery and State Streets. The City also announced a 26.2-mile world-class marathon, the Road Runner Akron Marathon, for October 11, 2003, with the race route passing several historical sites.

The City has proactively addressed the parking issue in the downtown area. With the extensive development downtown, the administration realized early the ultimate need would be parking facilities. The renovation of the northern half of the Opportunity Park Parking Deck is complete. The City also has under construction a new 625-space parking deck to serve the Akron-Summit County Public Library, United Building, and surrounding area and also participated in the new 440-space surface parking lot on the west bank of the canal with Advanced Elastomer Systems (AES). The City also constructed a 110-space parking lot to serve the Cuyahoga Valley Scenic Railroad station at Ridge Street.

Economic development continues to be another major initiative in the City of Akron. Our Economic Development Division is constantly working to attract new businesses to Akron and to assist existing ones in relocating for expansion purposes. The City was successful in attracting Coltene/Whaledent Inc. to relocate its corporate headquarters from New Jersey to Akron, which will result in 200 new jobs in Akron. The Swiss-based, multinational corporation makes products found in dental offices, dental laboratories and health care institutions in more than 115 countries. Many of its products are polymer-based and are used in applications in restorative dentistry, cosmetic dentistry, and orthodontics, a perfect complement to Akron's existing polymer industry base. The City entered into an agreement with H & H Machine for the construction of a 46,800 square foot expansion of its manufacturing center in the Morgan Urban Renewal Area. The City was also successful in obtaining a \$3 million grant from the Ohio Department of Development for cleanup and demolition of Beech Street Power Plant and a \$2.8 million grant for environmental remediation to an East Akron grocery store/retail shopping complex site.

Akron utilizes its industrial parks as a tool to create and retain jobs. Akron has invested in nine industrial redevelopment areas. These include four active industrial parks including the 32-acre North Turkeyfoot Industrial Park located in the Akron/Coventry Joint Economic Development District (JEDD) and the 116-acre Massillon Road Industrial Park in the Akron/Springfield JEDD. The City, in cooperation with Coventry Township, renovated the existing Vaughn Road Ballfields Clubhouse in 2002 located adjacent to Logan Field and North Turkeyfoot Industrial Park. The Massillon Road Industrial Park also shows great potential. Quality Mold, Inc., the world's largest independent tire mold manufacturer, completed construction of a \$4 million facility and relocated corporate machinery and equipment from Brantford, Ontario and Greenwich, Ohio facilities, consolidating jobs in the Akron area and employing approximately 160 people, increasing to 250 over the next five years. AESCO Electronics, Inc., a manufacturer of electronic components, moved 50 existing employees and envisions adding an additional 40 employees within five years of completion of their new \$3.4 million facility. Within the Ascot Industrial Park expansion area (46.4 acres) in 2002, an extensive grading plan, storm water management system, extension of Ascot Parkway and a temporary road are all

under construction. Another area deemed for economic development is the Highland Square Redevelopment Area. The City and the Highland Square Business Association partnered to fund two consultants, First Avenues and the Urban Design Center, to complete a Comprehensive Revitalization Plan for the business district. The City, as a member of the University Park Alliance, its steering committee and task force, is assisting efforts to upgrade and redevelop the commercial and residential district adjacent to the University of Akron.

The City applied for and received a Brownfields Assessment Demonstration Pilot Grant in the amount of \$250,000 from the United States Environmental Protection Agency (USEPA). These funds are being used to conduct environmental assessments, develop remedial alternatives, refuse analyses and risk assessments at six selected sites throughout the City. The City used Pilot funds for Phase II site assessment work and development of a conceptual remediation plan for the Beech Street Power Plant site. Alternative funding was used to complete a structural evaluation and asbestos survey of the power plant and to remove three vent stacks. The National Brownfields Program was created pursuant to the Small Business Liability Relief and Brownfields Revitalization Act. The City has submitted an application for \$200,000 in supplemental Brownfields Assessment Funds to be spent in a similar manner as the original Pilot Grant, i.e., to continue environmental site assessment at some of the Pilot sites and to initiate investigation at sites not yet identified.

These are just a few of the initiatives that, when taken together, contribute to the strength and diversity of the City's economy and make Akron one of the best places to live in America.

Reporting Standards

The City's accounts are organized as funds. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund balance/equity. Following are the titles of these fund types with a brief description.

Governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with government that are not required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City ordinances or federal or state statutes specify the uses and limitations of each Special Revenue Fund. During 2002 the City had 59 Special Revenue Funds.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2002 the City had eight Debt Service Funds.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2002 the City had 30 Capital Projects Funds.

Permanent Funds – Permanent funds are used for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting governments. The City does not have any permanent funds.

Proprietary funds:

Enterprise Funds – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in that the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has six separate enterprise funds.

Internal Service Funds – Internal service funds are used to account for the financing of goods or services provided by one division or agency to other divisions or agencies of the government, generally on a cost-reimbursement basis. The City has ten internal service funds.

Fiduciary funds:

Private Purpose Trust Funds – Private purpose trust funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. During 2002 the City had three Private Purpose Trust Funds.

Agency Funds – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The City had one Agency Fund during 2002.

Other Fiduciary Funds – Other fiduciary funds include pension trust funds and investment trust funds. The City does not utilize any such Other Fiduciary Funds.

Basis of Accounting:

Except for budgetary purposes, the basis of accounting used by the City conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units and is consistent with Governmental Accounting Standards Board (GASB) Cod. Sec. 1600, “Basis of Accounting”. All governmental funds are accounted for using a current financial resources-current assets and current liabilities measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual (both measurable and available). Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus on the City’s proprietary and fiduciary funds is on the flow of total economic resources (all assets and liabilities). The accrual basis of accounting (revenues are recognized when earned and expenses when incurred) is utilized by the City in its proprietary funds.

The City’s basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received rather than when susceptible to accrual (measurable and available), and encumbrances are included as expenditures rather than as reservations of fund balances.

For year ended December 31, 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. Effective January 1, 2001, the City also changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments* and GASB Statement No. 37, which amended GASB Statement No. 34. The government-wide financial statements, including governmental activities, in order to comply with GASB Statement No. 34, are presented on the full accrual basis of accounting. As part of the implementation of GASB Statement No. 34, the City has opted for early implementation of infrastructure reporting. In doing so, the historical cost of infrastructure assets (retroactive to 1979) is

included as part of the governmental capital assets reported in the government-wide financial statements. Thus, the depreciated value of construction costs for roads, curbs and gutters, streets and sidewalks, and drainage systems is reported. In conjunction with the implementation of GASB 34, the City has also opted for early implementation of GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, which rescinds some and modifies other financial statement disclosure requirements. Accounting policies are further explained in Note 1 to the basic financial statements.

Debt Administration

City debt is maintained at realistic levels in relation to the overall financial condition and to projected needs for public facilities and improvements. The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita, as shown below, are useful indicators of the City’s debt position.

NET BONDED DEBT

<u>Year</u>	<u>Net Bonded Debt Amount</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2002	\$ 189,187,333	5.80%	\$ 872

General obligation bonds are recorded in governmental activities in the government-wide financial statements except those applicable to water, sewer, golf, and off-street parking, which are recorded in the applicable enterprise funds in the fund financial statements and in business-type activities in the government-wide financial statements.

Outstanding general obligation bonds at December 31, 2002 totaled \$184,403,360. In addition, \$21,488,573 of special assessment bonds and notes were outstanding. Therefore, the City had a total of \$205,891,933 of long- and short-term general obligation debt at the end of 2002. The debt management plan of the City involves the issuance of bonds to convert eligible bond anticipation notes and the continuation of the self-imposed limitation on new note and bond issuance to a level that can be retired with capital budget funds without compromising the five-year investment program.

Cash Management

Effective cash management is recognized as essential to good fiscal management. The primary objectives of the City’s investment activities are the preservation of capital and the protection of investment principal. The Treasurer’s Office within the Department of Finance invests all cash, as followed by the City’s own investment ordinance, in various securities which consist of fixed-rate City bonds and notes, certificates of deposit, fully collateralized repurchase agreements, and U.S. government obligations. The City’s investment ordinance was modified in late 1986 to take advantage of State of Ohio investment opportunities. However, the local investment policy continues to be conservative with the highest priority given to safeguarding assets. For 2002, investment interest income averaged a yield of 3.07% compared to a yield of 5.05% in 2001. The interest earnings are maximized by investing to projected payment dates on a competitive bid basis and by investing bank balances daily. This resulted in an average book balance investment of 122.88%.

Risk Management

The City has been self-insured for liability coverage for non-auto-related incidents since 1985. This program was established in response to the dramatic rise in premiums in the mid-1980’s and the increases in exclusions written into standard insurance policies. Additionally, the City is primarily self-insured for employee medical benefits, including major medical, dental, and vision care. This has proven to be the most

cost-effective program for this type of coverage. The City also has in place reserve funds for workers' compensation and medical benefits. For other types of coverage, such as property insurance, airport liability, employee life, auto liability, and boiler and machinery coverage, the City has secured traditional insurance. The City is assisted in its insurance program by an independent consulting firm that writes no insurance but has expertise in the insurance industry. The City relies on the advice offered by the consultant in securing any insurance.

Independent Annual Audit

In 1998, Deloitte & Touche LLP was contracted to perform the audit of the City of Akron for a period of five years. We appreciate the cooperation of State Auditor Betty Montgomery and Deloitte & Touche LLP in completing the City's audit in a timely and highly professional manner.

Certificate of Achievement for Excellence in Financial Reporting

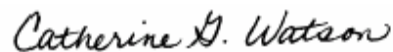
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Akron, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Akron, Ohio, has received Certificates of Achievement for the last 18 consecutive years (1984 through 2001). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The 2002 Comprehensive Annual Financial Report could not have been accomplished without the dedication of the professionals in the Audit and Budget Division of the Department of Finance. Special acknowledgment must go to John R. Wheeler, CPA, Audit and Budget Manager, and his staff for the many hours of quality service they have provided to the City in the formulation of this report. I further wish to thank you, Mayor, for continuing to provide to the department the necessary support and leadership required to enhance the City's overall fiscal position and its financial reporting practices. We trust that this timely, complete, and fully readable Comprehensive Annual Financial Report satisfies the needs of you and City Council for responsible financial planning and reporting.

Respectfully,



Catherine G. Watson
Director of Finance

CGW/dmu

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Akron,
Ohio

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

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



A handwritten signature in black ink, reading "William Patrick Vasta".

President

A handwritten signature in black ink, reading "Jeffrey R. Enos".

Executive Director

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**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

**The Honorable Mayor Donald L. Plusquellic
and Members of the City Council of
the City of Akron, Ohio:**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Ohio (the "City") as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison information on pages 19 through 32 and pages 91 through 94, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section on pages 1 through 16, combining and individual nonmajor fund financial statements on pages 95 through 162, and statistical tables on pages 163 through 182 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Deloitte + Touche LLP

June 23, 2003

CITY OF AKRON, OHIO MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of the City of Akron, Ohio financial performance provides an overview of Akron's financial activities for the fiscal year ended December 31, 2002. Please read it in conjunction with the transmittal letter on page 7 and the City's financial statements, which begin on page 33.

FINANCIAL HIGHLIGHTS

- The assets of the City of Akron, Ohio exceeded its liabilities at December 31, 2002 by \$632,001,898 (net assets). Of this amount \$47,727,842 is restricted for debt service.
- The governmental activities' total net assets decreased \$13,700,592 and the business-type activities' total net assets increased \$20,657,776, for a net increase in the City's total net assets of \$6,957,184.
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$54,408,999, a decrease of \$1,099,659 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,753,973, or 6.52% of total general fund expenditures, and a 4.4% increase compared to the prior year.
- The City of Akron's total debt increased by \$34,468,950 (8.24%) during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Akron's basic financial statements. The City of Akron's basic financial statements are comprised of the following: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Akron's finances in a manner similar to a private sector business.

The statement of net assets presents information on all of the City of Akron's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Akron is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon

as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Akron that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the City of Akron include general government, public service, public safety, community environment, public health and recreation and parks. The business-type activities of the City of Akron include water, sewer, oil and gas, golf, airport and off-street parking operations.

The government-wide financial statements can be found on pages 34 – 35 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Akron, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Akron can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Akron maintains 98 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Special Assessment Bond Payment Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated

presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Akron adopts an annual appropriated budget for its General Fund, and for some special revenue, debt service, enterprise and internal service funds. The General Fund budgetary schedule (non-GAAP budgetary basis) has been provided as Required Supplementary Information (RSI) to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 36-39 of this report.

Proprietary funds. The City of Akron maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Akron uses enterprise funds to account for its water, sewer, oil and gas, golf, airport, and off-street parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Akron's various functions. The City of Akron uses internal service funds to account for its vehicle maintenance, medical self-insurance, workers' compensation self-insurance, other self-insurance costs, storeroom (providing City-wide copy center, mailing operation and central storeroom), management information systems (responsible for all data processing and computer operations of the City), telephone system (with outside cable plant consisting of underground and aerial wires and telephone cables), graphics operations (providing City-wide printing, art, and photographic services), and engineering bureau (responsible for design and construction for city streets, sidewalks, sewer and water utilities, bridges, and city facilities). Because most of the internal services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operations, both of which are considered to be major funds of the City of Akron. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise and the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 40 – 45 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Akron's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 46 – 47 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-90 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City of Akron’s General Fund budgetary comparison. Required Supplementary Information (RSI) can be found on pages 91-94 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds and internal service funds are presented immediately following the Required Supplementary Information (RSI) and can be found on pages 95-158 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City of Akron, assets exceeded liabilities by \$632,001,898 at the close of the most recent fiscal year.

By far the largest portion of the City of Akron’s net assets (96%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Akron uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City of Akron’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Akron’s net assets (8%) is restricted for the payment of debt service.

The City’s net assets increased by \$7,000,000 during the current year. The net assets of the governmental activities decreased \$13,700,000 and business-type activities increased \$20,700,000.

Summary Statement of Net Assets
as of December 31, 2001 and 2002
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
Assets:						
Current and other assets	\$ 151,977	\$ 156,371	\$ 38,660	\$ 42,974	\$ 190,637	\$ 199,345
Capital assets	<u>582,517</u>	<u>621,964</u>	<u>429,778</u>	<u>439,580</u>	<u>1,012,295</u>	<u>1,061,544</u>
Total assets	\$ 734,494	\$ 778,335	\$ 468,438	\$ 482,554	\$ 1,202,932	\$ 1,260,889
Liabilities:						
Long-term liabilities	309,528	351,014	153,896	147,705	463,424	498,719
Other liabilities	<u>93,838</u>	<u>109,894</u>	<u>20,625</u>	<u>20,274</u>	<u>114,463</u>	<u>130,168</u>
Total liabilities	\$ 403,366	\$ 460,908	\$ 174,521	\$ 167,979	\$ 577,887	\$ 628,887
Net assets:						
Invested in capital assets						
net of related debt	330,405	322,484	268,152	285,013	598,557	607,497
Restricted	37,540	39,710	8,038	8,017	45,578	47,727
Unrestricted	<u>(36,817)</u>	<u>(44,767)</u>	<u>17,727</u>	<u>21,545</u>	<u>(19,090)</u>	<u>(23,222)</u>
Total net assets	<u>\$ 331,128</u>	<u>\$ 317,427</u>	<u>\$ 293,917</u>	<u>\$ 314,575</u>	<u>\$ 625,045</u>	<u>\$ 632,002</u>

Governmental activities. The majority of the decrease in governmental activities for the City of Akron's net assets, \$8,400,000, is due primarily from transfers made to business-type activities. Transfers were made from the JEDD fund to the Water and Sewer funds to offset costs of installing new water and sewer lines in the JEDD districts.

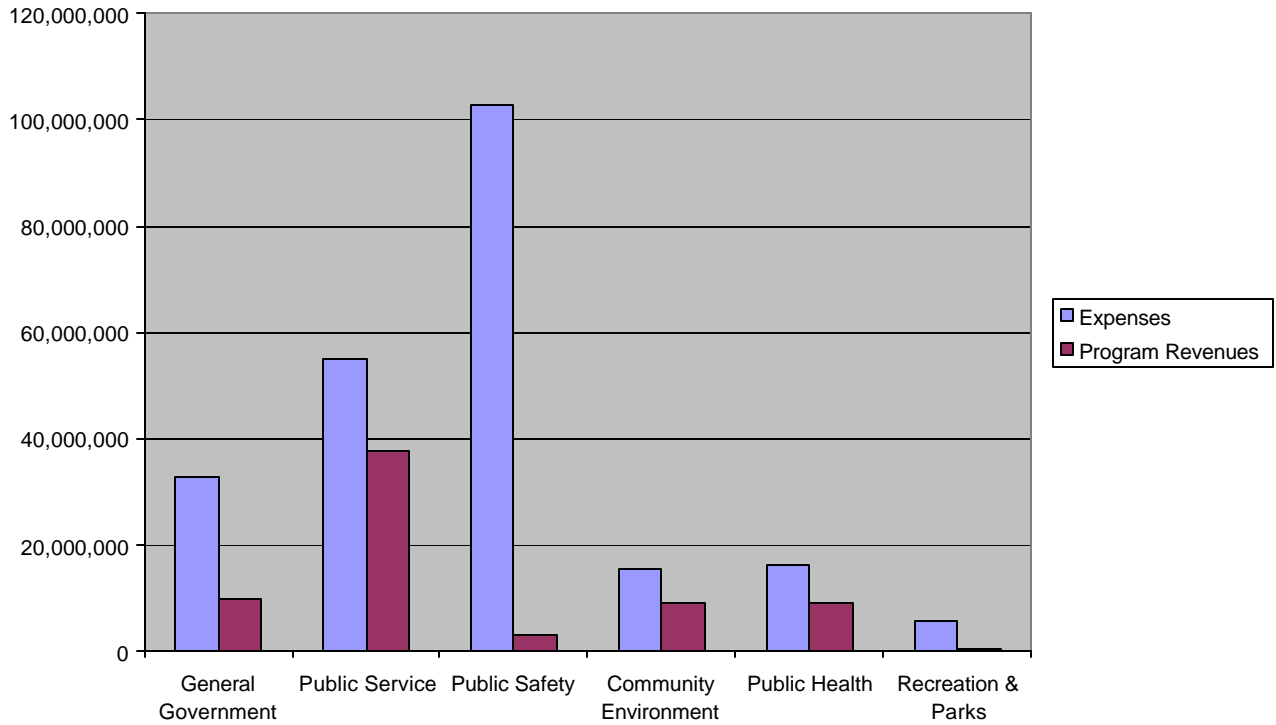
For the governmental activities the unrestricted deficit results from having insufficient assets set side for long-term obligations such as compensated absences. The City finances such obligations on a year-to-year basis as they come due and must be paid.

The following table shows total revenues for 2002 were \$9,145,000 lower than the prior year. Revenues decreased \$4,900,000 in charges for services and \$2,400,000 in shared revenues. Expenses for 2002 were \$7,900,000 higher than 2001. The higher expenses were primarily in public safety and interest expense.

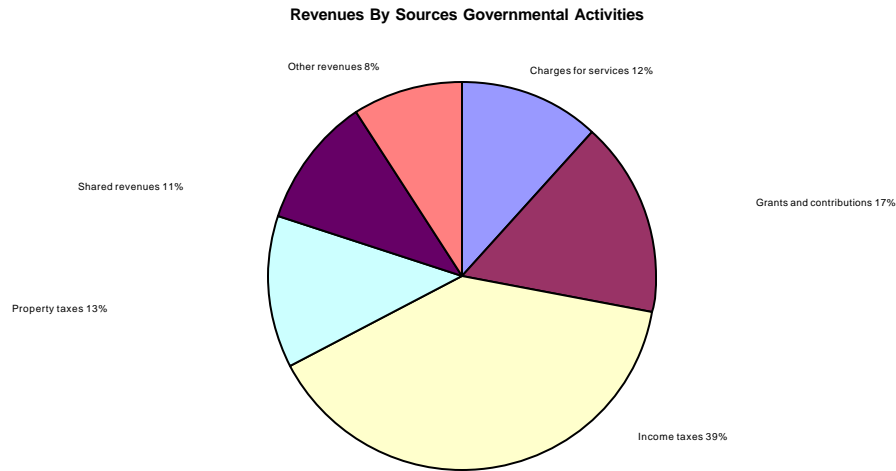
Changes in Net Assets
For Fiscal Year Ended December 31, 2001 and 2002
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
Revenues:						
Program revenues:						
Charges for services	\$ 33,728	\$ 28,745	\$ 69,629	\$ 74,097	\$ 103,357	\$ 102,842
Operating grants and contributions	18,173	16,280	-	-	18,173	16,280
Capital grants and contributions	24,937	24,866	17,586	8,379	42,523	33,245
General revenues:						
Income taxes	97,366	97,067	-	-	97,366	97,067
Property taxes	26,511	31,443	-	-	26,511	31,443
JEDD revenues	14,773	13,946	-	-	14,773	13,946
Investment earnings	3,835	1,625	379	153	4,214	1,778
Shared revenues	29,655	27,289	-	-	29,655	27,289
Miscellaneous	8,541	7,113	819	875	9,360	7,988
Total revenues	\$ 257,519	\$ 248,374	\$ 88,413	\$ 83,504	\$ 345,932	\$ 331,878
Expenses:						
General government	\$ 38,768	\$ 35,443	\$ -	\$ -	\$ 38,768	\$ 35,443
Public service	55,687	55,103	-	-	55,687	55,103
Public safety	93,140	102,588	-	-	93,140	102,588
Community environment	16,739	15,285	-	-	16,739	15,285
Public health	14,907	16,170	-	-	14,907	16,170
Recreation and parks	4,860	5,570	-	-	4,860	5,570
Interest on debt	14,205	15,452	-	-	14,205	15,452
Unallocated depreciation	8,330	8,988	-	-	8,330	8,988
Water	-	-	30,038	30,783	30,038	30,783
Sewer	-	-	30,547	34,227	30,547	34,227
Oil & gas	-	-	323	289	323	289
Golf course	-	-	860	909	860	909
Airport	-	-	619	696	619	696
Off-street parking	-	-	4,223	4,298	4,223	4,298
Total expenses	246,636	254,599	66,610	71,202	313,246	325,801
Changes in net assets before special items and transfers	10,883	(6,225)	21,803	12,302	32,686	6,077
Gain (loss) on sale of capital assets	(240)	885	(14)	(5)	(254)	880
Special items	(6,250)	-	-	-	(6,250)	-
Transfers	791	(8,361)	(791)	8,361	-	-
Changes in net assets	\$ 5,184	\$ (13,701)	\$ 20,998	\$ 20,658	\$ 26,182	\$ 6,957
Net assets - beginning	325,944	331,128	272,919	293,917	598,863	625,045
Net assets - ending	\$ 331,128	\$ 317,427	\$ 293,917	\$ 314,575	\$ 625,045	\$ 632,002

Expenses and Program Revenues - Governmental Activities



This chart shows the revenue generated by the various programs of the City of Akron and the expenses relating to each program. The majority of the revenue that funds these programs is reported in the financial statements as general revenues (e.g., income and property taxes).



Business-type activities. Business-type activities increased the City of Akron’s net assets by \$20,658,000. Transfers from the governmental activities of \$8,361,000 accounted for a substantial portion of this increase. In 2002, the capital contributions declined approximately \$3.3 million and \$6 million, respectively, in the Water and Off-Street Parking Funds. The Sewer Fund experienced a \$3 million increase in direct expenses with the majority of the increase attributable to the contractual agreement for the daily operations of the Compost Plant located at the Water Pollution Control Station.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the City of Akron uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Akron’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Akron’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Akron’s governmental funds reported combined ending fund balances of \$54,408,999, a decrease of \$1,099,659 in comparison with the prior year. The unreserved fund balance at the end of the current year is a deficit

of \$2,020,918. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$48,854,618) and (2) to reserve for loans receivable (\$7,575,299).

The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,753,973, while the total fund balance is \$11,807,827. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.52% of total General Fund expenditures, while total fund balance represents 8.80% of that same amount.

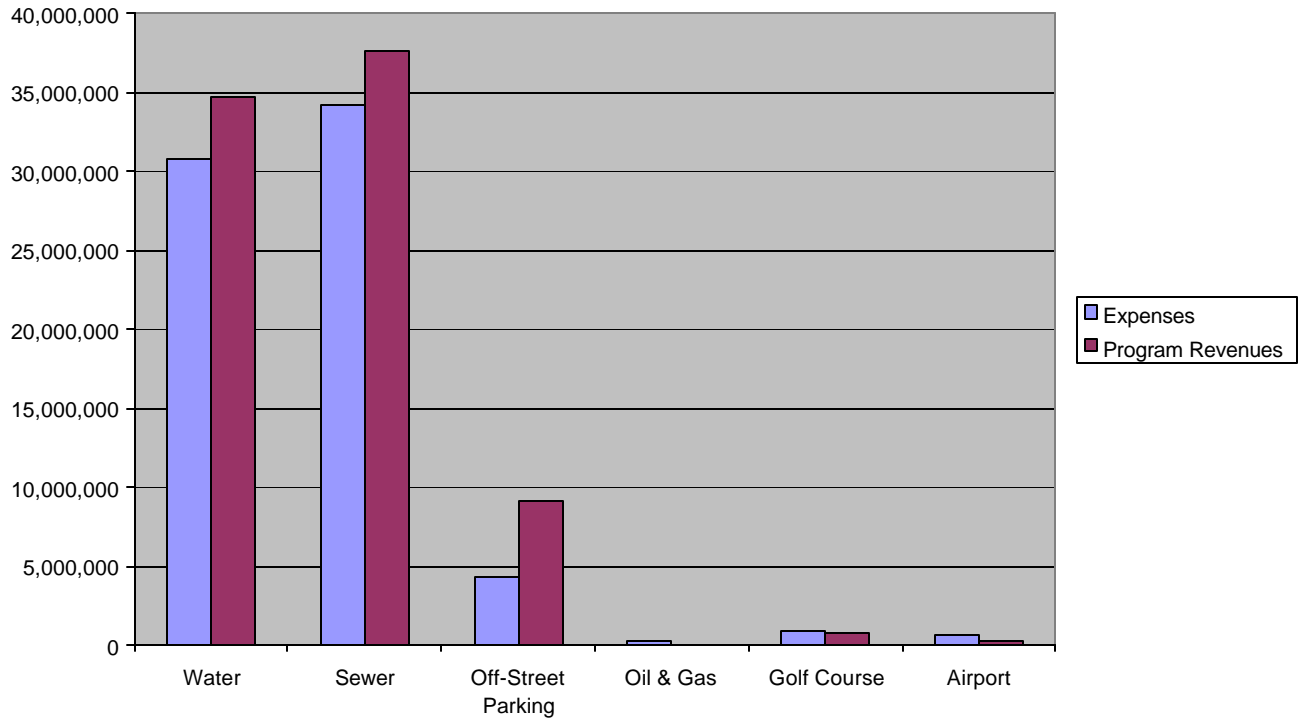
The fund balance of the City of Akron's General Fund increased by \$891,098 during the current fiscal year. Key factors in this increase are as follows:

- Revenues as a whole increased moderately, \$14,834, over the prior year.
- Expenditures increased \$2,048,917 (1.55%) during the current year.
- For the year, General Fund expenditures were greater than revenues by \$5,163,845.
- Transfers-in from other funds were greater than transfers-out to other funds by \$6,054,943. The majority of the transfers-in in the General Fund were transfers-out from the JEDD Fund. Transfers are not revenues or expenditures but either increases in sources of funds (transfer-in) or decreases in funds (transfers-out).

The Special Assessment Bond Payment Fund has a total fund balance of \$3,010,759. The net decrease in the Special Assessment Bond Payment Fund from the prior year was \$100,216. The decrease in fund balance is due mainly to the following:

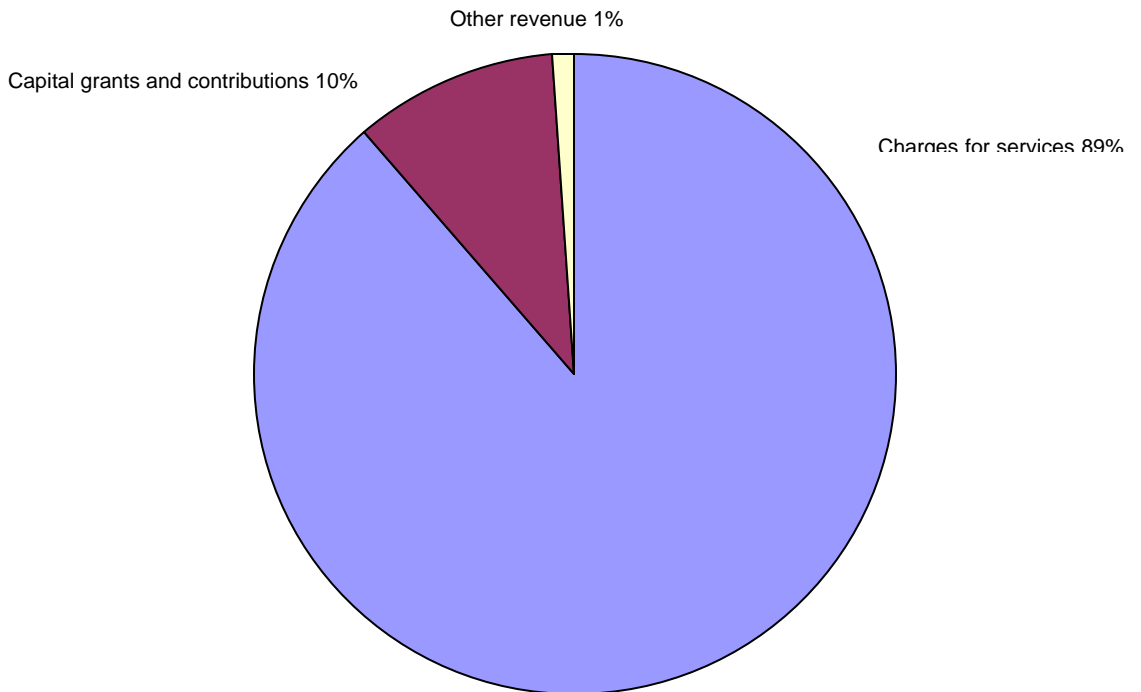
- Special assessment revenue was lower than the previous year by \$7,476,321.
- Debt service principal and interest payments were higher than the previous year by \$2,490,622.
- Bond proceeds of \$2,040,000 were received in the current year. For the prior year, no bond proceeds were received.
- Transfers to other funds for the prior year were \$4,444,515. For the current year, there was no transfer-out.

Expenses and Program Revenues - Business-type Activities



This chart shows the revenue generated by the various business-type activities of the City of Akron and the expenses relating to each activity. The majority of the revenue that funds these activities is reported in the financial statements as charges for services.

Revenues by Sources - Business-type Activities



Proprietary funds. The City of Akron’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water fund at the end of the year amounted to \$10,826,831; for the Sewer fund, \$10,861,257; and for the Off-Street Parking fund, \$10,977. Net income for the Water, Sewer and Off-Street Parking funds was \$9,109,205, \$7,024,488 and \$4,476,285, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Akron’s business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

In total, there was no change between the original budget and the final amended budget. The actual amount of expenditures and other uses was \$2,309,797 (1.62%) less than the final amended budget.

During the year, revenues and other sources did not meet budgetary estimates by \$890,728 (0.64%). The major budgetary revenue shortfall was Inheritance Tax (shared revenue).

In public service, the expense increase in the other category was due to the increase in tipping fees (the fee paid by the City for waste disposal). This increase was offset by savings in wages and benefits within the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City of Akron's investment in capital assets for its government and business-type activities as of December 31, 2002, amounts to \$1,061,543,646 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the City of Akron's investment in capital assets for the current fiscal year was 4.87% (a 6.77% increase for governmental activities and a 2.28% increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Construction of the Mud Run Golf Course, which totaled \$4,074,985.
- Continued development of the North Turkeyfoot Industrial Park. During the current year the City spent \$1,725,719 in improvement costs.
- Continued infrastructure improvements in the Massillon Road Industrial Park.
- Land acquisition in the Ascot Industrial Park for the wetlands mitigation and continued infrastructure improvements.

City of Akron
Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
Land	\$128,966,000	\$138,287,186	\$24,262,503	\$24,538,411	\$153,228,503	\$162,825,597
Construction in progress	53,437,303	67,905,562	36,147,625	34,959,510	89,584,928	102,865,072
Buildings	121,447,444	122,434,757	61,335,034	62,797,703	182,782,478	185,232,460
Improvements	65,921,012	66,792,926	252,166,284	245,075,928	318,087,296	311,868,854
Equipment	12,840,143	13,938,792	5,201,922	6,208,773	18,042,065	20,147,565
Infrastructure	199,905,451	212,604,180	50,664,227	65,999,918	250,569,678	278,604,098
	<u>\$582,517,353</u>	<u>\$621,963,403</u>	<u>\$429,777,595</u>	<u>\$439,580,243</u>	<u>\$1,012,294,948</u>	<u>\$1,061,543,646</u>

Additional information on the City of Akron's capital assets can be found in note 1. G. on page 54 and note 6 starting on page 62.

Long-term debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$452,997,411. All general obligation and special assessment bonds and notes are backed by the full faith and credit of the City. The remainder of the City of Akron's debt represents bonds secured solely by specified revenue sources.

	City of Akron Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
General Obligation Bonds	\$ 161,498,273	\$ 179,741,904	\$ 5,528,796	\$ 4,661,456	\$ 167,027,069	\$ 184,403,360
OPWC Loan	5,475,764	5,201,518	3,545,533	3,376,903	9,021,297	8,578,421
Ohio Department of Development Loan	565,793	517,467	-	-	565,793	517,467
Non-Tax Revenue Bonds	31,585,000	30,350,000	-	-	31,585,000	30,350,000
Income Tax Revenue Bonds	9,450,000	9,185,000	-	-	9,450,000	9,185,000
Special Revenue Bonds	27,285,000	51,945,000	-	-	27,285,000	51,945,000
Special Assessment Bonds and Notes	21,043,509	21,488,573	-	-	21,043,509	21,488,573
Mortgage Revenue Bonds	-	-	57,095,000	53,830,000	57,095,000	53,830,000
Revenue Bonds	-	-	47,840,000	45,690,000	47,840,000	45,690,000
OWDA Loan	-	-	47,615,793	47,009,590	47,615,793	47,009,590
	<u>\$ 256,903,339</u>	<u>\$ 298,429,462</u>	<u>\$ 161,625,122</u>	<u>\$ 154,567,949</u>	<u>\$ 418,528,461</u>	<u>\$ 452,997,411</u>

The City of Akron's total debt increased by \$34,468,950 (8.24%) during the current fiscal year. The net increase (new issues less redemptions) from 2001 to 2002 in general obligation bonds outstanding is \$17,376,291; special revenue bonds, \$24,660,000; and special assessment bonds and notes, \$445,064. The remaining debt outstanding decreased \$8,012,405 from the prior year.

The City of Akron issued general obligation bonds of \$33,695,000 for funding the cost of various capital improvements. Special revenue bonds (\$15,550,000 Waterworks System Special Revenue Bonds and \$10,000,000 Sanitary Sewer System Special Revenue Bonds) were issued for improvements in the Joint Economic Development Districts.

The City of Akron's General Obligation bond ratings are AA- from Fitch, A1 from Moody's, and AA- from Standard & Poor's. The insured Water and Sewer Revenue bonds are rated AAA from Fitch, Aaa from Moody's, and AAA from Standard & Poor's.

The Ohio Revised Code provides that the outstanding general obligation bonds less self supporting debt (e.g., income tax backed projects) of the municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all

property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of total assessed value of property. The City of Akron's total debt limit (10.5%) is \$342,458,025, and the total unvoted net debt limit (5.5%) is \$179,382,775.

Additional information on the City of Akron's long-term debt can be found in notes 9-11 on pages 69-82.

Economic Factors and Next Year's Budgets and Rates

- Akron's average annual unemployment rate at year end was 6.9%, compared to 6.4% in the prior year.
- The City of Akron budgeted a 2% increase in income tax collections for 2003; however through May 2003 the City experienced a 4.5% increase.

In the 2003 budget, the General Fund unencumbered fund balance is projecting only a \$183,290 decrease.

Request for Information

This financial report is designed to provide a general overview of the City of Akron's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Office of the Finance Director, Municipal Building, Room 205, 166 South High Street, Akron, Ohio 44308.

BASIC FINANCIAL STATEMENTS

City of Akron, Ohio
Statement of Net Assets
December 31, 2002

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 25,126,975	\$ 13,615,510	\$ 38,742,485
Restricted cash and investments	18,982,209	9,740,836	28,723,045
Receivables, net	79,728,782	12,159,494	91,888,276
Loans receivable	449,718	-	449,718
Due from other governments	9,843,004	4,304,058	14,147,062
Internal balances	824,889	(824,889)	-
Inventories, at cost	906,278	3,032,180	3,938,458
Total current assets	<u>135,861,855</u>	<u>42,027,189</u>	<u>177,889,044</u>
Noncurrent assets:			
Receivables, net	12,696,604	-	12,696,604
Loans receivable	7,125,581	-	7,125,581
Unamortized bond issue costs	687,964	946,781	1,634,745
Capital assets:			
Land and construction in progress	206,192,748	59,497,921	265,690,669
Other capital assets, net	415,770,655	380,082,322	795,852,977
Total noncurrent assets	<u>642,473,552</u>	<u>440,527,024</u>	<u>1,083,000,576</u>
Total assets	<u>778,335,407</u>	<u>482,554,213</u>	<u>1,260,889,620</u>
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	25,940,220	4,087,208	30,027,428
Customer deposits	452,860	569,851	1,022,711
Due to other governments	594,056	98,139	692,195
Deferred revenue	39,826,942	-	39,826,942
Matured bonds and interest payable	191,128	-	191,128
Accrued interest payable	1,799,179	2,603,102	4,402,281
Accrued wages	4,630,779	713,264	5,344,043
Accrued vacation and leave	10,969,854	1,541,840	12,511,694
Obligations under capital lease	1,310,119	-	1,310,119
Liability for unpaid claims	3,505,789	-	3,505,789
Bonds, notes and loans payable	20,673,702	10,660,815	31,334,517
Total current liabilities	<u>109,894,628</u>	<u>20,274,219</u>	<u>130,168,847</u>
Noncurrent liabilities:			
Obligations under capital lease	24,411,639	-	24,411,639
Liabilities due in more than one year	58,149,197	5,389,236	63,538,433
Deferred charges and other liabilities	1,702,151	(1,591,053)	111,098
Bonds, notes and loans payable due in more than one year	266,750,571	143,907,134	410,657,705
Total noncurrent liabilities	<u>351,013,558</u>	<u>147,705,317</u>	<u>498,718,875</u>
Total liabilities	<u>460,908,186</u>	<u>167,979,536</u>	<u>628,887,722</u>
Net Assets			
Invested in capital assets, net of related debt	322,483,517	285,012,294	607,495,811
Restricted for debt service	39,710,686	8,017,156	47,727,842
Unrestricted (deficit)	(44,766,982)	21,545,227	(23,221,755)
Total net assets	<u>\$ 317,427,221</u>	<u>\$ 314,574,677</u>	<u>\$ 632,001,898</u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
Statement of Activities
For the Year Ended December 31, 2002

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 35,442,919	\$ 9,724,962	\$ 203,114	\$ -	\$ (25,514,843)	\$ -	\$ (25,514,843)
Public service	55,103,262	12,758,526	185,593	24,865,553	(17,293,590)	-	(17,293,590)
Public safety	102,587,713	1,530,128	1,657,341	-	(99,400,244)	-	(99,400,244)
Community environment	15,284,636	109,080	9,147,218	-	(6,028,338)	-	(6,028,338)
Public health	16,170,030	4,051,803	5,086,924	-	(7,031,303)	-	(7,031,303)
Recreation and parks	5,570,393	570,920	-	-	(4,999,473)	-	(4,999,473)
Interest	15,452,328	-	-	-	(15,452,328)	-	(15,452,328)
Unallocated depreciation*	8,987,929	-	-	-	(8,987,929)	-	(8,987,929)
Total governmental activities	254,599,210	28,745,419	16,280,190	24,865,553	(184,708,048)	-	(184,708,048)
Business-type activities:							
Water	30,783,062	33,641,151	-	1,059,318	-	3,917,407	3,917,407
Sewer	34,227,439	35,249,456	-	2,287,702	-	3,309,719	3,309,719
Oil & gas	289,546	4,126	-	-	-	(285,420)	(285,420)
Golf course	908,845	792,900	-	-	-	(115,945)	(115,945)
Airport	696,180	156,507	-	105,474	-	(434,199)	(434,199)
Parking facilities	4,297,816	4,252,628	-	4,926,716	-	4,881,528	4,881,528
Total business-type activities	71,202,888	74,096,768	-	8,379,210	-	11,273,090	11,273,090
Total Government	\$ 325,802,098	\$ 102,842,187	\$ 16,280,190	\$ 33,244,763	\$ (184,708,048)	\$ 11,273,090	\$ (173,434,958)
General Revenues:							
Taxes:							
Income taxes					\$ 97,066,959	\$ -	\$ 97,066,959
Property taxes					31,443,342	-	31,443,342
JEDD revenues					13,945,913	-	13,945,913
Investment Earnings					1,625,475	153,364	1,778,839
Shared revenues					27,289,295	-	27,289,295
Miscellaneous					7,112,663	875,069	7,987,732
Gain (loss) on sale of capital assets					884,970	(4,908)	880,062
Transfers					(8,361,161)	8,361,161	-
Change in net assets					(13,700,592)	20,657,776	6,957,184
Net assets - beginning					331,127,813	293,916,901	625,044,714
Net assets - ending					\$ 317,427,221	\$ 314,574,677	\$ 632,001,898

* Excludes depreciation included in program expenses.

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Balance Sheet - Governmental Funds

December 31, 2002

	General	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 2,443,711	\$ -	\$ 22,315,633	\$ 24,759,344
Restricted cash and investments	-	1,010,759	14,956,963	15,967,722
Receivables, net of allowances for uncollectibles	45,460,816	21,506,145	22,710,581	89,677,542
Loans receivable	1,028,250	-	6,547,049	7,575,299
Due from other governments	5,440	-	8,841,532	8,846,972
Due from other funds	4,638,338	-	26,155,219	30,793,557
Due from others	-	-	2,710,675	2,710,675
Total assets	<u>\$ 53,576,555</u>	<u>\$ 22,516,904</u>	<u>\$ 104,237,652</u>	<u>\$ 180,331,111</u>
Liabilities				
Accounts payable	\$ 4,378,384	\$ -	\$ 8,441,307	\$ 12,819,691
Customer deposits	-	-	452,860	452,860
Due to other governments	-	-	1,588,239	1,588,239
Due to other funds	399,321	-	29,122,871	29,522,192
Due to others	-	-	202,306	202,306
Deferred grant revenue	-	-	1,147,074	1,147,074
Deferred revenue	31,397,088	19,506,145	15,806,275	66,709,508
Matured bonds payable	-	-	130,000	130,000
Matured interest payable	-	-	61,128	61,128
Accrued liabilities	-	-	5,867,482	5,867,482
Accrued wages	3,282,895	-	1,028,304	4,311,199
Accrued vacation and leave	2,311,040	-	799,393	3,110,433
Total liabilities	<u>41,768,728</u>	<u>19,506,145</u>	<u>64,647,239</u>	<u>125,922,112</u>
Fund balances				
Reserved for encumbrances	2,025,604	-	46,829,014	48,854,618
Reserved for loans receivable	1,028,250	-	6,547,049	7,575,299
Unreserved designated for pre-encumbrances	348,899	-	1,790,377	2,139,276
Unreserved reported in general fund	8,405,074	-	-	8,405,074
Unreserved reported in special revenue funds	-	-	26,611,581	26,611,581
Unreserved reported in debt service funds	-	3,010,759	12,376,111	15,386,870
Deficit reported in capital project funds	-	-	(54,563,719)	(54,563,719)
Total fund balances	<u>11,807,827</u>	<u>3,010,759</u>	<u>39,590,413</u>	<u>54,408,999</u>
Total liabilities and fund balances	<u>\$ 53,576,555</u>	<u>\$ 22,516,904</u>	<u>\$ 104,237,652</u>	<u>\$ 180,331,111</u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
Reconciliation of the Balance Sheet to the Statement of Net Assets - Governmental Funds

December 31, 2002

Total fund balances for governmental funds (Exhibit 3)		\$ 54,408,999
Total net assets reported for governmental activities in the statement of net assets is different because:		
Investments in City of Akron issued bonds and notes are eliminated in the government-wide statement of net assets.		(11,005,189)
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		617,826,766
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Income taxes	4,967,864	
JEDD revenues	805,870	
Special assessments	10,500,000	
Shared revenues	<u>11,755,906</u>	
		28,029,640
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		(3,615,247)
Long-term liabilities including bonds payable and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds.		
Accounts payable and other accrued liabilities	(7,636,772)	
Due to other governments	(8,520,000)	
Accrued interest payable	(1,774,149)	
Accrued vacation and leave	(44,378,109)	
Bonds, notes and loans payable	(281,080,974)	
Obligations under capital lease	(24,809,589)	
Unamortized bond premium	(1,702,151)	
Unamortized bond issue cost	<u>687,964</u>	
		(369,213,780)
OPWC loan funds not drawn down, therefore, receivable not reflected in the funds.		996,032
		<u>996,032</u>
Total net assets of governmental activities (Exhibit 1)		<u><u>\$ 317,427,221</u></u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended December 31, 2002

	General	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Revenues				
Income taxes	\$ 67,454,754	\$ -	\$ 29,611,827	\$ 97,066,581
Property taxes	18,570,648	-	12,872,694	31,443,342
JEDD revenues	-	-	13,780,721	13,780,721
Special assessments	511,223	3,331,737	7,940,770	11,783,730
Grants and subsidies:				
Community development	-	-	10,953,866	10,953,866
Other	126,314	-	18,081,833	18,208,147
Investment earnings	1,413,860	52,547	467,462	1,933,869
Shared revenues	18,788,218	-	8,023,789	26,812,007
Licenses, fees and fines	7,316,185	-	1,275,689	8,591,874
Charges for services	13,266,925	-	6,864,062	20,130,987
Miscellaneous	1,598,591	20,735	7,111,524	8,730,850
	<u>129,046,718</u>	<u>3,405,019</u>	<u>116,984,237</u>	<u>249,435,974</u>
Expenditures				
Current:				
General government	19,201,810	92,372	11,590,038	30,884,220
Public service	16,653,554	-	46,579,515	63,233,069
Public safety	86,633,574	-	13,207,316	99,840,890
Community environment	1,377,553	-	12,905,577	14,283,130
Public health	7,175,211	-	8,404,019	15,579,230
Recreation and parks	3,168,861	-	2,354,556	5,523,417
Capital outlay	-	-	43,234,027	43,234,027
Debt service:				
Principal retirement	-	5,023,236	16,799,807	21,823,043
Interest	-	1,105,519	14,686,452	15,791,971
Bond issuance expenditures	-	67,300	667,640	734,940
	<u>134,210,563</u>	<u>6,288,427</u>	<u>170,428,947</u>	<u>310,927,937</u>
Deficiency of revenues over expenditures	(5,163,845)	(2,883,408)	(53,444,710)	(61,491,963)
Other financing sources (uses)				
Proceeds of general obligation bonds	-	2,040,000	59,245,000	61,285,000
Proceeds of general obligation notes	-	-	3,428,300	3,428,300
Premium on G.O. Debt	-	-	1,824,130	1,824,130
Transfers-in	9,244,478	743,192	44,046,165	54,033,835
Transfers-out	(3,189,535)	-	(56,989,426)	(60,178,961)
	<u>6,054,943</u>	<u>2,783,192</u>	<u>51,554,169</u>	<u>60,392,304</u>
Net change in fund balance	891,098	(100,216)	(1,890,541)	(1,099,659)
Fund balances, January 1, 2002	<u>10,916,729</u>	<u>3,110,975</u>	<u>41,480,954</u>	<u>55,508,658</u>
Fund balances, December 31, 2002	<u>\$ 11,807,827</u>	<u>\$ 3,010,759</u>	<u>\$ 39,590,413</u>	<u>\$ 54,408,999</u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
 to the Statement of Activities

For the Year Ended December 31, 2002

Decrease in fund balances - total governmental funds (Exhibit 4)	\$ (1,099,659)
--	----------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$56,496,807) exceeded depreciation (\$17,161,366) in the current period.	39,335,441
--	------------

The net effect of selling capital assets increased net assets.	(733,217)
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	842,858
--	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.	(43,979,447)
--	--------------

Some of the expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(3,420,678)
--	-------------

Certain net revenues (expenses) of the internal service funds are reported with governmental activities in the statement of activities.	(4,645,890)
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Decrease in net assets of governmental activities (Exhibit 2)	\$ (13,700,592)
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The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2002

	Water	Sewer	Off-Street Parking	Other Enterprise Funds
Assets				
Current assets				
Pooled cash and investments	\$ 7,409,778	\$ 5,607,447	\$ 396,421	\$ 201,864
Restricted cash and investments	3,376,062	6,364,774	-	-
Receivables, net of allowances for uncollectibles	5,561,053	6,546,789	44,816	6,836
Due from other governments	3,035,485	1,255,387	-	13,186
Due from other funds	180,995	53,905	-	4,126
Inventories, at cost	1,785,894	1,208,577	-	37,709
Noncurrent assets				
Unamortized bond issue costs	434,504	512,277	-	-
Property, plant and equipment, net of accumulated depreciation	136,272,028	237,442,783	55,484,220	10,381,212
Total assets	158,055,799	258,991,939	55,925,457	10,644,933
Liabilities				
Current liabilities				
Accounts payable	1,586,430	697,734	389,763	61,768
Customer deposits	569,851	-	-	-
Due to other governments	-	98,139	-	-
Due to other funds	404,423	684,706	46,674	7,149
Accrued interest payable	1,276,475	1,307,979	15,777	2,871
Accrued liabilities	1,054,603	270,491	-	26,419
Accrued wages	435,319	250,983	-	26,962
Accrued vacation and leave	944,254	539,320	-	58,266
Obligations under capital lease	-	-	-	-
Liability for unpaid claims	-	-	-	-
Debt:				
General obligation bonds	295,524	76,467	483,768	42,500
Mortgage revenue bonds	3,425,000	-	-	-
Revenue bonds	-	2,225,000	-	-
OWDA loans	828,446	3,091,729	-	-
OPWC loans	95,958	96,423	-	-
Noncurrent liabilities				
Obligations under capital lease	-	-	-	-
Due in more than one year	2,864,969	2,233,060	-	291,207
Deferred charges and other liabilities	(1,463,133)	(127,920)	-	-
Bonds, notes, and loans	65,260,313	76,214,337	1,794,984	637,500
Total liabilities	77,578,432	87,658,448	2,730,966	1,154,642
Net assets				
Invested in capital assets net of related debt	66,366,787	155,738,827	53,205,468	9,701,212
Restricted for debt service	3,283,749	4,733,407	-	-
Unrestricted (deficit)	10,826,831	10,861,257	(10,977)	(210,921)
Total net assets	\$ 80,477,367	\$ 171,333,491	\$ 53,194,491	\$ 9,490,291

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:

Net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2002

<u>Total</u>	Governmental Activities- Internal Service Funds
\$ 13,615,510	\$ 11,372,820
9,740,836	3,014,487
12,159,494	37,169
4,304,058	-
239,026	767,986
3,032,180	906,278
946,781	-
<u>439,580,243</u>	<u>4,136,637</u>
<u>483,618,128</u>	<u>20,235,377</u>
2,735,695	916,423
569,851	-
98,139	-
1,142,952	1,135,425
2,603,102	25,030
1,351,513	1,203,546
713,264	319,580
1,541,840	599,921
-	167,495
-	3,505,789
898,259	2,311,264
3,425,000	-
2,225,000	-
3,920,175	-
192,381	-
-	744,674
5,389,236	8,810,405
(1,591,053)	-
<u>143,907,134</u>	<u>4,032,035</u>
<u>169,122,488</u>	<u>23,771,587</u>
285,012,294	(375,704)
8,017,156	-
<u>21,466,190</u>	<u>(3,160,506)</u>
	<u>\$ (3,536,210)</u>
79,037	
<u>\$ 314,574,677</u>	

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City of Akron, Ohio

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds

For the Year Ended December 31, 2002

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Operating revenues						
Charges for services	\$ 33,641,151	\$ 35,249,456	\$ 4,252,628	\$ 933,533	\$ 74,096,768	\$ 37,387,254
Other	550,729	46,341	21,456	256,543	875,069	270,967
	<u>34,191,880</u>	<u>35,295,797</u>	<u>4,274,084</u>	<u>1,210,076</u>	<u>74,971,837</u>	<u>37,658,221</u>
Operating expenses						
Personal services	13,568,511	7,117,086	-	991,832	21,677,429	9,428,202
Direct expenses	7,505,349	13,014,980	2,382,512	460,742	23,363,583	11,063,968
Claims	-	-	-	-	-	18,484,535
Rentals and lease	212,074	4,106	-	56,407	272,587	135,894
Utilities	1,334,317	1,875,756	568,333	65,437	3,843,843	242,411
Insurance	174,988	402,500	54,881	24,300	656,669	24,831
Depreciation, depletion and amortization	3,737,327	6,824,622	1,011,415	235,271	11,808,635	687,726
Other	674,662	43,929	100,423	14,669	833,683	-
	<u>27,207,228</u>	<u>29,282,979</u>	<u>4,117,564</u>	<u>1,848,658</u>	<u>62,456,429</u>	<u>40,067,567</u>
Operating income (loss)	<u>6,984,652</u>	<u>6,012,818</u>	<u>156,520</u>	<u>(638,582)</u>	<u>12,515,408</u>	<u>(2,409,346)</u>
Non-operating revenues (expenses)						
Interest income	32,504	118,803	-	2,057	153,364	180,704
Interest expense	(3,474,125)	(4,864,664)	(183,538)	(36,122)	(8,558,449)	(389,223)
Capital contributions	1,059,318	2,287,702	4,926,716	105,474	8,379,210	-
Loss on disposal of capital assets	(4,908)	-	-	-	(4,908)	-
	<u>(2,387,211)</u>	<u>(2,458,159)</u>	<u>4,743,178</u>	<u>71,409</u>	<u>(30,783)</u>	<u>(208,519)</u>
Income (loss) before operating transfers	<u>4,597,441</u>	<u>3,554,659</u>	<u>4,899,698</u>	<u>(567,173)</u>	<u>12,484,625</u>	<u>(2,617,865)</u>
Transfers-in	4,820,693	4,482,831	-	833,088	10,136,612	972,781
Transfers-out	(308,929)	(1,013,002)	(423,413)	(30,107)	(1,775,451)	(3,188,816)
	<u>4,511,764</u>	<u>3,469,829</u>	<u>(423,413)</u>	<u>802,981</u>	<u>8,361,161</u>	<u>(2,216,035)</u>
Net income (loss)	<u>9,109,205</u>	<u>7,024,488</u>	<u>4,476,285</u>	<u>235,808</u>	<u>20,845,786</u>	<u>(4,833,900)</u>
Net assets, January 1, 2002	<u>71,368,162</u>	<u>164,309,003</u>	<u>48,718,206</u>	<u>9,254,483</u>		<u>1,297,690</u>
Net assets, December 31, 2002	<u>\$ 80,477,367</u>	<u>\$ 171,333,491</u>	<u>\$ 53,194,491</u>	<u>\$ 9,490,291</u>	<u>\$</u>	<u>(3,536,210)</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net assets of business-type activities

(188,010)
\$ 20,657,776

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2002

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating activities						
Cash received from customers	\$ 31,437,845	\$ 32,960,341	\$ 4,260,743	\$ 960,405	\$ 69,619,334	\$ 37,514,031
Cash payments to suppliers for goods and services	(8,871,624)	(13,954,940)	(3,042,564)	(580,636)	(26,449,764)	(7,924,804)
Cash paid for salaries and employee benefits	(13,756,943)	(6,915,107)	-	(944,037)	(21,616,087)	(30,117,748)
Other revenues	550,729	46,341	21,456	256,543	875,069	270,967
Other expenses	(674,662)	(43,929)	(100,423)	(14,669)	(833,683)	-
Net cash provided by (used for) operating activities	8,685,345	12,092,706	1,139,212	(322,394)	21,594,869	(257,554)
Non-capital financing activities						
Transfers from other funds	4,820,693	4,482,831	-	833,088	10,136,612	972,781
Transfers in for negative cash balances	-	-	-	-	-	1,037,532
Transfers out for negative cash balances	-	-	-	(316,470)	(316,470)	(1,191,047)
Principal paid on bonds and loans	-	-	-	-	-	(168,611)
Interest paid on bonds and loans	-	-	-	-	-	(153,883)
Transfers to other funds	(308,929)	(1,013,002)	(423,413)	(30,107)	(1,775,451)	(3,188,816)
Net cash provided by (used for) non-capital financing activities	4,511,764	3,469,829	(423,413)	486,511	8,044,691	(2,692,044)
Capital and related financing activities						
Proceeds from bonds and loans	-	-	669,128	-	669,128	-
Principal paid on bonds and loans	(4,143,241)	(5,207,113)	(1,125,504)	(42,500)	(10,518,358)	(2,081,322)
Interest paid on bonds and loans	(3,534,107)	(4,968,291)	(188,103)	(36,274)	(8,726,775)	(243,419)
Acquisition and construction of capital assets	(8,950,182)	(5,503,930)	(5,011,161)	(129,247)	(19,594,520)	(651,189)
Capital contributions	1,059,318	2,287,702	4,926,716	105,474	8,379,210	-
Net cash used for capital and related financing activities	(15,568,212)	(13,391,632)	(728,924)	(102,547)	(29,791,315)	(2,973,930)
Investing activities						
Purchase of investment securities	(8,061,914)	(32,664,325)	-	-	(40,726,239)	-
Proceeds from sales and maturities of investment securities	8,061,914	32,664,325	-	-	40,726,239	-
Interest on investments	32,504	118,803	-	2,057	153,364	180,704
Net cash provided by investing activities	32,504	118,803	-	2,057	153,364	180,704
Net increase (decrease) in cash and cash equivalents	(2,338,599)	2,289,706	(13,125)	63,627	1,609	(5,744,824)
Cash and cash equivalents, January 1, 2002	13,124,439	9,682,515	409,546	138,237	23,354,737	20,132,131
Cash and cash equivalents, December 31, 2002	\$ 10,785,840	\$ 11,972,221	\$ 396,421	\$ 201,864	\$ 23,356,346	\$ 14,387,307

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2002
(continued)

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating income (loss)	\$ 6,984,652	\$ 6,012,818	\$ 156,520	\$ (638,582)	\$ 12,515,408	\$ (2,409,346)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	3,737,327	6,824,622	1,011,415	235,271	11,808,635	687,726
(Increase) decrease in operating assets:						
Receivables	(2,195,993)	(2,275,664)	8,115	(170)	(4,463,712)	2,958
Due from other funds	(7,313)	(13,451)	-	7,042	(13,722)	123,819
Inventories	(18,253)	267,641	-	4,307	253,695	84,096
Increase (decrease) in operating liabilities:						
Accounts payable	(43,393)	(59,107)	(77,936)	21,537	(158,899)	357,670
Due to other funds	361,760	511,965	41,098	406	915,229	83,020
Due to other governments	-	621,903	-	-	621,903	-
Accrued liabilities	64,452	3,977	-	2,758	71,187	3,282
Accrued wages	18,705	41,252	-	5,487	65,444	41,262
Accrued vacation and leave	(216,599)	156,750	-	39,550	(20,299)	273,390
Estimated liability for unpaid claims	-	-	-	-	-	494,569
Net cash provided by (used for) operating activities	\$ 8,685,345	\$ 12,092,706	\$ 1,139,212	\$ (322,394)	\$ 21,594,869	\$ (257,554)

Non-cash capital and investing activities:						
Due from other governments	\$ 2,792,057	\$ -	\$ -	\$ -	\$ 2,792,057	\$ -
Amortization bond issue, discount, and premium	(64,392)	(45,223)	-	-	(109,615)	-
Unamortization charge refunding bond	-	(48,360)	-	-	(48,360)	-
Amortization deferred loss	(153,276)	-	-	-	(153,276)	-
Accounts payable for property, plant and equipment	145,729	(300,846)	-	-	(155,117)	-
Contract retainer	41,793	(117)	-	-	41,676	-
OWDA bonds	2,792,057	-	-	-	2,792,057	-

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Net Assets
Fiduciary Funds

December 31, 2002

	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and investments	\$ 5,665	\$ 682,802
Total assets	<u>5,665</u>	<u>\$ 682,802</u>
Liabilities		
Due to other governments	<u>-</u>	<u>682,802</u>
Total liabilities	<u>-</u>	<u>682,802</u>
Net assets	<u><u>\$ 5,665</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Statement of Changes in Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2002

	Private Purpose Trust Funds
Additions	
Contributions	\$ 10,013
	<u>10,013</u>
Deductions	
Education and awareness	6,753
	<u>6,753</u>
Change in net assets	<u>3,260</u>
Net assets, January 1, 2002	<u>2,405</u>
Net assets, December 31, 2002	<u><u>\$ 5,665</u></u>

The notes to the financial statements are an integral part of this statement.

City of Akron, Ohio

Notes to the Financial Statements

Year Ended December 31, 2002

1. Summary of Significant Accounting Policies

The City of Akron (the City) was incorporated in 1836 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services as authorized by its Charter: public safety, public service, public health, recreation and development. The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include those activities and functions for which the City is accountable. The City has no component units as defined by GASB 14.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

The following is a summary of the more significant policies followed during the preparation of the accompanying financial statements.

A. *Government-wide and fund financial statements*

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* establishes requirements and a reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. Financial information of the City is presented in the following format:

Basic Financial Statements:

1. *Government-wide financial statements* consist of a statement of net assets and a statement of activities.

These statements report all of the assets, liabilities, revenues, expenses, and gains and losses of the City. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining. Fiduciary funds of the City are not included in these government-wide financial statements.

Interfund receivables and payables, and bonds and notes issued by the City and held by the City as investments, within governmental and business-type activities have been eliminated in the government-wide statement of net assets. Related interest amounts are eliminated in the government-wide statement of activities. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column.

1. Summary of Significant Accounting Policies (Continued)

Internal service fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown in the governmental activities statement of activities.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. *Fund financial statements* consist of a series of statements focusing on information about the City's major governmental and enterprise funds. Separate statements are presented for the governmental, proprietary, and fiduciary funds.

The City's major governmental funds are the General Fund and the Special Assessment Bond Payment fund. Of the City's business-type activities, the Water, Sewer, and Off-Street Parking funds are considered major funds.

The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. Its revenues consist primarily of income and property taxes, investment earnings, shared revenues, charges for services, and licenses, fees, and fines.

General fund expenditures represent costs of general government, public service (including sanitation and recycling collection), public safety (including police and fire), community environment, public health, and recreation and parks. General Fund resources are also transferred annually to support other services which are accounted for in other separate funds.

The Special Assessment Bond Payment fund is required by state statute and is used to account for the accumulation of resources for, and the payment of, special assessment debt principal and interest and related costs. Revenues consist primarily of special assessment collections.

The Water enterprise fund accounts for the financial activity related to operating the City's water supply, treatment and distribution system. In addition to over 90,000 customers in the City, the Water enterprise fund also serves five other municipalities and parts of six adjacent townships. Revenues consist primarily of charges for services.

1. Summary of Significant Accounting Policies (Continued)

The Sewer enterprise fund accounts for the financial activity related to operating the City's wastewater collection and treatment system that serves the City and twelve other subdivisions. Revenues consist primarily of charges for services.

The Off-Street Parking fund accounts for the financial activity related to operating the City's parking facilities located throughout the downtown area. Revenues consist almost exclusively of charges for services.

While not considered major funds, the City maintains internal service funds used to account for the financing of goods or services provided by one department or division to another department or division of the government, generally on a cost-reimbursement basis. The three largest of these funds account for the motor equipment, engineering, and management information systems services. In addition, the City also maintains internal service funds to account for the financial activity relating to self-insurance. The three largest of these funds account for workers' compensation, medical, and judgment and claims self-insurance activity.

3. Notes to the financial statements provide information that is essential to a user's understanding of the basic financial statements.

Required Supplementary Information:

Required supplementary information such as management's discussion and analysis and budgetary comparison schedules are also required by GASB Statement No.34.

B. *Financial reporting presentation*

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance (equity), revenues, and expenditures (expenses). The fund types and classifications that the City reports are as follows:

GOVERNMENTAL FUNDS

1. **General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
2. **Special Revenue Funds** – Special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinances or federal or state statutes.
3. **Debt Service Funds** – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

1. Summary of Significant Accounting Policies (Continued)

4. **Capital Projects Funds** - The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital projects (other than those financed by proprietary funds).
5. **Permanent Funds** – Permanent funds are for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government’s programs. The City, however, does not utilize permanent funds at this time.

PROPRIETARY FUNDS

1. **Enterprise Funds** - The enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
2. **Internal Service Funds** - The internal service funds are used to account for the financing of goods or services provided by one department to other departments or to other governments on a cost-reimbursement basis.

FIDUCIARY FUNDS

1. **Private-purpose Trust Funds** – Private-purpose trust funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds.
2. **Agency Funds** – Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. For accounting measurement purposes, the agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
3. **Other Fiduciary funds** – Other fiduciary funds include pension trust funds and investment trust funds. The City does not utilize any such trust funds.

Fiduciary Funds are not included in the government-wide statements.

1. Summary of Significant Accounting Policies (Continued)

C. *Measurement focus and basis of accounting*

Except for budgetary purposes, the basis of accounting used by the City conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, property taxes, grants, shared revenue, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the taxpayer's liability occurs and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The City generally considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are generally recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

In applying the susceptible-to-accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within sixty days after year-end and available to pay obligations of the current period). These include income taxes, JEDD revenues, investment earnings, shared revenues, and a portion of special assessments. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made or, when received in advance, deferred until expenditures are made. Property taxes and the balance of special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and the balance of special assessment receivables are recorded and deferred until they become available. Other revenues, including licenses, fees and fines, and charges for services are recorded as revenue when received in cash because they are generally not measurable until actually received.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the City follows GASB guidance as applicable to its governmental and business-type activities, and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements. The City applies all applicable and effective pronouncements issued by the GASB.

1. Summary of Significant Accounting Policies (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as rental revenue, royalties, and connection fees, result from ancillary activities. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

D. *Budgetary Procedures*

The City Council follows these procedures in establishing the budgetary data.

- (1) The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) According to state law, the budget must be enacted through passage of an ordinance by April 1.
- (4) The City Finance Director is authorized by City Council to transfer funds already appropriated within departments within any fund or category of expenditures; however, any revisions that alter the total appropriation of said department must be individually approved by the City Council. During 2002, supplemental appropriations were passed by City Council. The effects of these supplemental appropriations were not material in relation to the original appropriations.
- (5) Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Unencumbered appropriations lapse at year-end.

E. *Cash, Cash Equivalents, and Investments*

Cash balances of the individual funds are combined to form a pool of cash held by the City Treasurer and invested in authorized investments (see Note 2). Earnings from these investments are credited to the General Fund in accordance with the City Charter except where the terms of a grant or regulation specify otherwise. Certain cash balances are held on behalf of the City by outside agents (see Note 2). Earnings from these investments are credited to the respective funds.

Investments are stated at fair value. Changes in fair value are recorded as a component of investment earnings.

For purposes of the Statement of Cash Flows, equity in pooled cash and investments, as well as segregated investments with original maturities of three months or less at the time they are purchased by the City, are considered to be cash equivalents. Investments with maturities of more than three months are not considered to be cash equivalents.

1. Summary of Significant Accounting Policies (Continued)

F. *Inventories* – Inventories are valued at cost (first-in, first-out) and adjusted to annual physical counts which are then maintained on a perpetual basis until the end of the year.

G. *Capital Assets* – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City’s capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of five years and an individual cost of more than \$5,000 for land; \$10,000 for equipment and vehicles; \$25,000 for land improvements, buildings, and improvements other than buildings; and \$100,000 for infrastructure. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed fixed assets are recorded at their estimated fair market value at the date contributed.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets.

Costs for maintenance and repairs are expensed when incurred. However, costs for repairs and upgradings that materially add to the value or life of an asset and meet the above criteria are capitalized.

The City depreciates capital assets on a straight-line basis, half-year convention, using the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings, bridges, and storm sewers	50
Improvements, skywalks, and paving	40
Sewer and water mains	40
Sidewalks, curbs, electrical and lighting	30
Traffic control system and bridge repairs	25
Land improvements	20
Equipment	5-20

1. Summary of Significant Accounting Policies (Continued)

- H. ***Compensated Absences*** – The City accrues for compensated absences such as vacation, paid leave, sick leave and compensatory time. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "accrued vacation and leave" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds. In the government-wide financial statements and for proprietary funds, the entire amount of compensated absences (current and noncurrent) is reported as a liability.
- I. ***Fund Balances*** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Reservations include amounts for open encumbrances and loans receivable. Designations of fund balance represent tentative management plans that are subject to change. These designations include reservations of fund equity for pre-encumbrances, that is, purchase requisitions that have not yet been processed into purchase orders.
- J. ***Interfund Transactions*** – During the course of normal operations, the City records numerous transactions between funds including expenditures and transfers of resources to provide services, subsidize operations, and service debt. The City has the following types of transactions among funds:
- (1) Reciprocal interfund services provided and used – Purchases and sales of goods and services between funds for a price approximating their external exchange value.
 - (2) Nonreciprocal interfund transfers – Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. This includes operating transfers to subsidize various funds.
 - (3) Nonreciprocal interfund reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

The City's interfund receivables and payables at December 31, 2002 are presented in Note 5. Interfund transfers are presented in Note 18.

- K. ***Post-retirement Benefits*** – In addition to the post-retirement benefits provided by the Police and Firemen's Disability and Pension Fund of Ohio and the Public Employees Retirement System of Ohio (see Note 8), the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Currently, 1,847 retirees meet those eligibility requirements. The City pays 100% of the cost of health care and life insurance benefits. These benefits are financed on a pay-as-you go basis; as such, the cost of retiree health care and life insurance benefits is recognized as expenditure/expense as claims are incurred. For 2002, those costs totaled \$2,658,513.

1. Summary of Significant Accounting Policies (Continued)

- L. ***Debt Issuance Costs, Premiums, Discounts, and Losses on Refundings*** – Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Losses on advance refundings are deferred and amortized over the life of the new debt, or the life of the advance refunded debt, whichever is shorter.
- M. ***New Accounting Standards*** – During May 2002, the GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which clarifies existing accounting guidance and provides greater consistency in accounting for organizations that are closely related to a primary government. The standard, which is effective for fiscal years beginning after June 15, 2003, provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with a state or local government. The City has not completed an analysis of the impact of this statement on its reported financial condition and results of operations.

During March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*. This statement amends Statement No. 3 and addresses additional cash and investment risks to which governments are exposed. Generally, this statement requires that state and local governments communicate key information about such risks in four principle areas: investment credit risks, including credit quality information issued by rating agencies; interest rate disclosures that include investment maturity information; interest rate sensitivity for investments that are highly sensitive to changes in interest rates; and foreign exchange exposures that would indicate the foreign investment's denomination. The provisions of this statement are effective for financial statements for the year ending December 31, 2005. The City has not determined the impact, if any, that this statement will have on its financial statement disclosures.

2. Pooled Cash and Investments

City ordinances require that all cash, with the exception of certain debt service cash and cash held by fiscal agents, be deposited with the City Treasurer. Each fund's portion of these funds is displayed on the statements of net assets or balance sheets as "pooled cash and investments." Earnings on these investments are allocated to the various funds based on City statutes, grant agreements and various bond agreement requirements. Investments are also held separately by the special revenue, debt service, enterprise, and internal service funds. City ordinances further authorize and direct the permitted types of deposits and investments.

Deposits:

City ordinances require that all deposits be secured by collateral securities pledged at market value in an amount equal to at least 100% of the deposit, less any amount covered by federal deposit insurance.

At December 31, 2002, the carrying amount of the City's deposits was \$9,150,959 (including certificates of deposit of \$4,000,000), and the bank balance was \$14,230,552. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$500,000 was covered by federal depository insurance, \$13,397,112 was uninsured but collateralized with unregistered securities held by the pledging financial institution's trust department in the City's name, and \$333,440 was uninsured and uncollateralized as defined by the GASB (securities are pledged with the pledging financial institution's trust department or agent, but not in the City's name).

2. Pooled Cash and Investments (Continued)

Total cash and investments are reported as follows:

Balance Sheet - Governmental Funds:	
Pooled cash and investments	\$ 24,759,344
Restricted cash and investments	15,967,722
Statement of Net Assets - Proprietary Funds:	
Enterprise Funds	
Pooled cash and investments	13,615,510
Restricted cash and investments	9,740,836
Internal Service Funds	
Pooled cash and investments	11,372,820
Restricted cash and investments	3,014,487
Statement Net Assets - Fiduciary Funds:	<u>688,467</u>
Total	<u><u>\$ 79,159,186</u></u>

Investments in City of Akron bonds and notes amounting to \$11,005,189 are eliminated in the government-wide statement of net assets at December 31, 2002.

Investments:

The City records all of its investments at fair value under the guidance set forth by Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Under the fair value method of recording investments, the City is required to report realized and unrealized gains and losses arising from market fluctuations as well as the sale and maturity of various investments above or below their beginning-of-the-year fair value or their purchase price, when purchased during the current fiscal year. The net effect of these realized and unrealized gains and losses (\$63,532 of net losses in 2002) is reflected in the investment income on the operating statement of the appropriate fund.

City ordinances authorize the Treasurer to invest in obligations of the United States Treasury, agencies and instrumentalities and direct obligations of the State of Ohio, including any subdivisions of the state.

The City invests funds in the State Treasury Asset Reserve of Ohio (STAROhio). 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 the investment could be sold for on December 31, 2002.

The City’s investments are categorized to give an indication of the level of credit 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 or unregistered investments for which the securities are held by the counterparty’s trust department or agent, but not in the City’s name.

2. Pooled Cash and Investments (Continued)

	Category			Carrying/ Fair Value
	1	2	3	
U.S. government securities	\$ 3,995,200	\$ -	\$ -	\$ 3,995,200
Repurchase agreements	13,400,000	-	-	13,400,000
City of Akron bonds and notes	11,005,189	-	-	11,005,189
Increment bonds	3,547,719	-	-	3,547,719
Investments held by bond trustees (primarily U.S. government securities)	<u>19,658,163</u>	<u>-</u>	<u>-</u>	<u>19,658,163</u>
	<u>\$ 51,606,271</u>	<u>\$ -</u>	<u>\$ -</u>	51,606,271
Uncategorized investments:				
STAROhio				<u>18,401,956</u>
Total investments				<u>\$ 70,008,227</u>

Investments in STAROhio are unclassified investments since STAROhio represents an investment pool managed by another governmental unit and investments therein are not evidenced by securities that exist in physical or book entry form.

At December 31, 2002, \$28,723,045 of cash and investments was restricted for the following purposes: \$4,053,419 was restricted for project costs for Canal Park Stadium; \$21,655,139 was restricted solely for retirement of City obligations; and the balance of \$3,014,487 represents a deposit with an escrow agent as part of a loan guarantee for a developer (see Note 10).

3. Receivables

Receivables, including water and sewer unbilled charges for services, of approximately \$3,782,000 and \$482,000, respectively, consist of the following at December 31, 2002:

	Taxes	Customer Charges, Special Assessments, and Others	Accrued Interest	Gross Receivables	Allowance for Uncollectibles	Net
Governmental Activities:						
Governmental Funds:						
General Fund	\$ 32,430,909	\$ 13,599,133	\$ 259,984	\$ 46,290,026	\$ (829,210)	\$ 45,460,816
Special Assessment Bond Payment	-	25,196,604	-	25,196,604	(3,690,459)	21,506,145
Other Governmental Funds	<u>15,164,846</u>	<u>10,253,935</u>	<u>2,475</u>	<u>25,421,256</u>	<u>-</u>	<u>25,421,256</u>
Total Governmental Funds	47,595,755	49,049,672	262,459	96,907,886	(4,519,669)	92,388,217
Internal Service Funds	<u>-</u>	<u>37,169</u>	<u>-</u>	<u>37,169</u>	<u>-</u>	<u>37,169</u>
Total Governmental Activities	47,595,755	49,086,841	262,459	96,945,055	(4,519,669)	92,425,386
Business-type Activities:						
Enterprise Funds:						
Water	-	11,777,231	-	11,777,231	(6,216,178)	5,561,053
Sewer	-	11,311,236	-	11,311,236	(4,764,447)	6,546,789
Off-Street Parking	-	44,816	-	44,816	-	44,816
Other Enterprise Funds	<u>-</u>	<u>6,836</u>	<u>-</u>	<u>6,836</u>	<u>-</u>	<u>6,836</u>
Total Enterprise Funds/ Business-type Activities	-	23,140,119	-	23,140,119	(10,980,625)	12,159,494
Total Receivables	<u>\$ 47,595,755</u>	<u>\$ 72,226,960</u>	<u>\$ 262,459</u>	<u>\$ 120,085,174</u>	<u>\$ (15,500,294)</u>	<u>\$ 104,584,880</u>

Delinquent special assessment receivables amounted to \$3,690,459 at December 31, 2002 and were fully reserved for in the allowance for uncollectibles in the Special Assessment Bond Payment fund.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Governmental Activities:	
General Fund	
Property Tax Receivable	\$ 19,530,137
Shared Revenue	8,240,410
Income Tax Receivable	<u>3,626,541</u>
	31,397,088
Special Assessment Bond Payment Fund	
Special Assessments Receivable	<u>19,506,145</u>
	19,506,145
Other Governmental Activities	
Property Tax Receivable	10,143,586
Shared Revenue	3,515,496
JEDD Receivable	<u>2,147,193</u>
	15,806,275
	<u>\$ 66,709,508</u>

4. Due From/To Other Governments

Amounts due from other governments at December 31, 2002 primarily represent amounts related to grant activity and consist of the following:

	Federal	State	Total
Governmental Activities:			
Governmental Funds:			
General Fund	\$ -	\$ 5,440	\$ 5,440
Other Governmental Funds	<u>7,105,292</u>	<u>1,736,240</u>	<u>8,841,532</u>
Total Governmental Funds	7,105,292	1,741,680	8,846,972
The following amounts are also included in the government-wide statement of net assets- OPWC loan funds receivable:			
	<u>-</u>	<u>996,032</u>	<u>996,032</u>
Total Governmental Activities	<u>\$ 7,105,292</u>	<u>\$ 2,737,712</u>	<u>\$ 9,843,004</u>
Business-type Activities:			
Enterprise Funds:			
Water	\$ -	\$ 3,035,485	\$ 3,035,485
Sewer	-	1,255,387	1,255,387
Other Business-type Activities	<u>2,994</u>	<u>10,192</u>	<u>13,186</u>
Total Enterprise Funds/Business-type Activities	<u>\$ 2,994</u>	<u>\$ 4,301,064</u>	<u>\$ 4,304,058</u>

Amounts due to other governments at December 31, 2002 consist of the following:

	Federal	County	Local	Total
Governmental Activities:				
Other Governmental Funds	\$ 1,588,239	\$ -	\$ -	\$ 1,588,239
The following amounts are also included in the government-wide statement of net assets: liabilities due in more than one year (Note 13)				
	<u>-</u>	<u>4,870,000</u>	<u>3,650,000</u>	<u>8,520,000</u>
Total Governmental Activities	<u>\$ 1,588,239</u>	<u>\$ 4,870,000</u>	<u>\$ 3,650,000</u>	<u>\$ 10,108,239</u>
Business-type Activities:				
Enterprise Funds:				
Sewer	\$ -	\$ 98,139	\$ -	\$ 98,139
The following amounts are also included in the government-wide and proprietary statement of net assets: liabilities due in more than one year (Note 13)				
	<u>-</u>	<u>523,764</u>	<u>-</u>	<u>523,764</u>
Total Enterprise Funds/ Business-type Activities	<u>\$ -</u>	<u>\$ 621,903</u>	<u>\$ -</u>	<u>\$ 621,903</u>

The statement of fiduciary net assets also includes \$682,802 as due to other governments.

The Federal amount is comprised of two separate section 108 loans from the U.S. Department of Housing and Urban Development (HUD).

4. Due From/To Other Governments (Continued)

The County amount recorded in Governmental Activities relates to City reimbursements to Summit County for the debt service on debt issued by Summit County related directly to the cost of construction of additional jail space to house City inmates.

The local amount is related to the JEDD contract between the City, Bath Township, and the City of Fairlawn (see Note 17).

The County amount recorded in Business-type Activities relates a master meter sewer agreement in the Mud Brook service area.

5. Interfund Receivables and Payables

Interfund receivable and payable balances at December 31, 2002 consist of the following individual fund receivables and payables:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 4,638,338	\$ 399,321
Other Governmental Funds	<u>26,155,219</u>	<u>29,122,871</u>
	<u>\$ 30,793,557</u>	<u>\$ 29,522,192</u>
Proprietary Funds:		
Enterprise Funds:		
Water	\$ 180,995	\$ 404,423
Sewer	53,905	684,706
Off-Street Parking	-	46,674
Other Enterprise Funds	<u>4,126</u>	<u>7,149</u>
	<u>\$ 239,026</u>	<u>\$ 1,142,952</u>
Internal Service Funds	<u>\$ 767,986</u>	<u>\$ 1,135,425</u>

6. Capital Assets

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

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 128,966,000	\$ 10,250,988	\$ 929,802	\$ 138,287,186
Construction in progress	<u>53,437,303</u>	<u>24,804,299</u>	<u>10,336,040</u>	<u>67,905,562</u>
Total capital assets, not being depreciated	<u>182,403,303</u>	<u>35,055,287</u>	<u>11,265,842</u>	<u>206,192,748</u>
Capital assets, being depreciated:				
Buildings	164,299,173	4,985,299	408,918	168,875,554
Improvements other than buildings	78,232,855	2,947,372	-	81,180,227
Equipment	75,567,441	4,828,791	1,911,676	78,484,556
Infrastructure	<u>355,303,484</u>	<u>22,120,289</u>	<u>433,631</u>	<u>376,990,142</u>
Total capital assets, being depreciated	<u>673,402,953</u>	<u>34,881,751</u>	<u>2,754,225</u>	<u>705,530,479</u>
Less accumulated depreciation for:				
Buildings	42,851,729	3,616,968	27,900	46,440,797
Improvements other than buildings	12,311,843	2,075,458	-	14,387,301
Equipment	62,727,298	3,490,883	1,672,417	64,545,764
Infrastructure	<u>155,398,033</u>	<u>8,987,929</u>	<u>-</u>	<u>164,385,962</u>
Total accumulated depreciation	<u>273,288,903</u>	<u>18,171,238</u>	<u>1,700,317</u>	<u>289,759,824</u>
Total capital assets, being depreciated, net	<u>400,114,050</u>	<u>16,710,513</u>	<u>1,053,908</u>	<u>415,770,655</u>
Governmental activities capital assets, net	<u>\$ 582,517,353</u>	<u>\$ 51,765,800</u>	<u>\$ 12,319,750</u>	<u>\$ 621,963,403</u>

6. Capital Assets (Continued)

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 24,262,503	\$ 275,908	\$ -	\$ 24,538,411
Construction in progress	36,147,625	5,245,612	6,433,727	34,959,510
	<u>60,410,128</u>	<u>5,521,520</u>	<u>6,433,727</u>	<u>59,497,921</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	118,251,036	3,030,391	10,791	121,270,636
Improvements other than buildings	439,030,809	433,809	-	439,464,618
Equipment	25,431,772	2,326,468	432,212	27,326,028
Infrastructure	52,637,577	16,841,744	23,227	69,456,094
	<u>635,351,194</u>	<u>22,632,412</u>	<u>466,230</u>	<u>657,517,376</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	56,916,002	1,556,931	-	58,472,933
Improvements other than buildings	186,864,525	7,524,165	-	194,388,690
Equipment	20,229,850	1,244,713	357,308	21,117,255
Infrastructure	1,973,350	1,482,826	-	3,456,176
	<u>265,983,727.0</u>	<u>11,808,635</u>	<u>357,308</u>	<u>277,435,054</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>369,367,467</u>	<u>10,823,777</u>	<u>108,922</u>	<u>380,082,322</u>
Business-type activities capital assets, net	<u>\$ 429,777,595</u>	<u>\$ 16,345,297</u>	<u>\$ 6,542,649</u>	<u>\$ 439,580,243</u>

6. Capital Assets (Continued)

Depreciation expense was charged during 2002 to functions of the government as follows:

Governmental Activities:

General government	\$	2,338,690
Public service		959,790
Public safety		2,153,247
Community environment		2,706,770
Public health		337,086
Unallocated depreciation		8,987,929
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>687,726</u>
Total depreciation expense charged to governmental activities	\$	<u>18,171,238</u>

Business-type Activities:

Water	\$	3,737,327
Sewer		6,824,622
Off-Street Parking		1,011,415
Other Business-type activities		<u>235,271</u>
Total depreciation, deletion and amortization expense charged to business-type activities	\$	<u>11,808,635</u>

6. Capital Assets (Continued)

Construction in progress and remaining capital commitments (including capitalized interest of \$385,187, of which \$323,330 was capitalized in 2002) is comprised of the following:

	Project Authorization	Expended to December 31, 2002	Committed
Governmental Activities:			
Governmental	\$ 80,366,964	\$ 67,862,234	\$ 12,504,730
Internal Service	55,994	43,328	12,666
Business-type Activities:			
Water	30,511,440	12,497,501	18,013,939
Sewer	9,160,876	5,920,125	3,240,751
Off-Street Parking	30,530,921	16,541,884	13,989,037
	<u>\$ 150,626,195</u>	<u>\$ 102,865,072</u>	<u>\$ 47,761,123</u>

7. Accrued Vacation and Leave

GASB Statement No. 16, *Accounting for Compensated Absences*, requires a liability to be established for all compensated absences as earned by the employees.

Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to governmental fund types have been recorded as liabilities in the governmental funds to the extent currently available resources will pay such liabilities. The balance has been recorded on the statement of net assets. Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to proprietary fund types are expensed when earned and recorded as liabilities in the government-wide statement of net assets and in the proprietary fund statement of net assets.

Sick leave is earned by substantially all employees. Unused sick leave is accumulated up to 960 hours per employee and vests upon reaching certain age and service requirements. The vested portion of accumulated sick leave and amounts earned through December 31, 2002, and expected to vest in the future has been accrued in the government-wide statement of net assets for all City employees. Amounts related to the City’s proprietary fund operations are also accrued for in the proprietary fund statement of net assets due to the nature of these funds.

7. Accrued Vacation and Leave (Continued)

As of December 31, 2002, the accrued vacation, paid leave, sick leave, and compensatory time is recorded as a current liability in the Statement of Net Assets as follows:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Governmental Activities:				
Governmental Funds:				
General Fund	\$ 2,803,871	\$ 7,918,363	\$ (2,803,871)	\$ 7,918,363
Other Governmental Activities	797,011	2,451,570	(797,011)	2,451,570
Total Governmental Funds	3,600,882	10,369,933	(3,600,882)	10,369,933
Internal Service Funds	994,873	599,921	(994,873)	599,921
Total Governmental Activities	4,595,755	10,969,854	(4,595,755)	10,969,854
Business-type Activities:				
Enterprise Funds:				
Water	1,562,290	944,254	(1,562,290)	944,254
Sewer	803,175	539,320	(803,175)	539,320
Other Enterprise Funds	67,116	58,266	(67,116)	58,266
Total Enterprise Funds/ Business-type Activities	2,432,581	1,541,840	(2,432,581)	1,541,840
	<u>\$ 7,028,336</u>	<u>\$ 12,511,694</u>	<u>\$ (7,028,336)</u>	<u>\$ 12,511,694</u>

The following amounts are also included as long-term obligations in the government-wide statement of net assets (Note 13):

Governmental Activities:				
Other Governmental Activities	\$ 42,288,788	\$ 13,722,193	\$ (18,892,372)	\$ 37,118,609
Internal Service Funds	1,049,632	904,095	(235,753)	1,717,974
Total Governmental Activities	43,338,420	14,626,288	(19,128,125)	38,836,583
Business-type Activities:				
Water	2,463,532	1,256,914	(855,477)	2,864,969
Sewer	1,288,691	662,364	(241,759)	1,709,296
Other Business-type Activities	242,807	76,874	(28,474)	291,207
Total Business-type Activities	3,995,030	1,996,152	(1,125,710)	4,865,472
	<u>\$ 47,333,450</u>	<u>\$ 16,622,440</u>	<u>\$ (20,253,835)</u>	<u>\$ 43,702,055</u>

8. Pension and Other Post-Retirement Benefit Plans

Police officers and firefighters participate in the statewide Ohio Police and Fire Pension Fund (Police and Fire). Substantially all other City employees participate in the statewide Public Employees Retirement System of Ohio (PERS). Both Police and Fire and PERS are cost-sharing, multi-employer defined benefit public employee retirement systems.

PERS

PERS provides retirement and death benefits, disability benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employees of local governments are required to contribute 8.5% of their covered payroll to PERS. The 2002 and 2001 employer contribution rate for local government employer units was 13.55% of covered payroll including 5.0% and 4.3%, respectively, which is used to fund post-retirement health care benefits. The City's total contributions to PERS for pension benefits (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2002, 2001, and 2000 were \$6,031,715, \$6,159,206, and \$4,905,591, respectively, which were equal to 100% of the required employer contributions for each year. The employer contributions for 2000 reflects a one-year temporary employer contribution rate rollback of 20%.

In addition to the pension benefits, PERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. During 2002 and 2001, \$3,527,263 and \$2,862,628, respectively, of the City's total contribution to PERS was used for post-retirement benefits.

The assumptions and calculations below were based on PERS's latest actuarial review performed as of December 31, 2001. OPEB are advanced-funded using the entry age normal cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. Other significant actuarial assumptions include a rate of return on investments of 8.0%, a salary increase of 4.0% for inflation and between .50% and 6.3% based on seniority and merit, and a health care cost increase of 4.0% annually.

At December 31, 2001 (latest information available), the number of active contributing participants to PERS was approximately 402,041. Actuarial contribution requirements are determined for the retirement plan as a whole, not for the individual employers. Net assets available for payment of benefits at December 31, 2001 were approximately \$11.6 billion. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were approximately \$16.4 billion and \$4.8 billion, respectively.

8. Pension and Other Post-Retirement Benefit Plans (Continued)

Ohio Police and Fire Pension Fund

Police and Fire provides retirement and death benefits, disability benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. Police and Fire issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to Ohio Police and Fire Pension Fund at: 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary, while employers are required to contribute 19.5% and 24% respectively for police officers and firefighters. Required employer contributions to Police and Fire are equal to the amounts actually paid by the City each year. The City's total contributed amounts for Police (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2002, 2001, and 2000 were \$2,961,838, \$2,831,500, and \$2,937,318, respectively. The City's total contributed amounts for Fire (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2002, 2001, and 2000 were \$3,392,886, \$3,494,231, and \$3,407,084, respectively.

In addition to pension benefits, Police and Fire provides post-retirement 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 at least on a 2/3 basis. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the fund's Board of Trustees to provide health care coverage to all eligible individuals. The Ohio Revised Code provides that health care costs paid from the funds of Police and Fire shall be included in the employer's contribution rate (the board-defined allocations are 7.5% and 7.75% in 2001 and 2002 respectively, of covered payroll). Health care funding and accounting is on a pay-as-you-go basis. 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 total health care costs paid by the Police and Fire plan were \$122.3 million, which was net of member contributions of \$6.9 million, for the year ended December 31, 2001 (latest information available). For Police and Fire, the City's contributions for 2002 and 2001 used to pay post-retirement health care were \$1,949,999 and \$1,618,762, respectively. Eligible benefit recipients totaled 13,174 and 10,239 for uniformed police and fire personnel, respectively for 2002 and 2001 for the entire fund.

9. Notes Payable

The following is a summary of special assessment note transactions for the year ended December 31, 2002 reflected in governmental activities in the government-wide financial statements:

	<u>Governmental Activities</u> Special Assessment
Notes Payable at January 1, 2002	\$ 9,247,500
New notes issued	3,428,300
Notes retired	<u>(2,661,100)</u>
Notes Payable at December 31, 2002	<u>\$ 10,014,700</u>

9. Notes Payable (Continued)

Notes payable at December 31, 2002, are comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Special Assessment Notes:				
<u>Governmental Activities:</u>				
Paving Notes:				
March 13, 2000	6.00	1-00	March 13, 2005	\$ 1,050,200
October 19, 2000	6.00	4-00	October 19, 2005	617,200
March 15, 2001	6.00	2-01	March 15, 2006	626,800
April 18, 2001	6.00	4-01	April 18, 2006	580,400
June 1, 2001	6.00	5-01	June 1, 2006	1,260,900
July 25, 2001	6.00	6-01	July 25, 2006	419,900
July 25, 2001	6.00	7-01	July 25, 2006	205,400
July 25, 2001	6.00	9-01	July 25, 2006	110,000
September 14, 2001	6.00	10-01	September 14, 2006	260,900
September 14, 2001	6.00	11-01	September 14, 2006	92,100
September 14, 2001	6.00	13-01	September 14, 2006	535,700
November 20, 2001	6.00	14-01	November 20, 2006	461,300
November 20, 2001	6.00	16-01	November 20, 2006	216,700
December 14, 2001	6.00	17-01	December 14, 2006	39,800
December 14, 2001	6.00	18-01	December 14, 2006	109,100
February 20, 2002	5.00	1-02	February 20, 2007	159,400
April 15, 2002	5.00	2-02	April 15, 2007	31,100
April 15, 2002	5.00	4-02	April 15, 2007	93,700
July 8, 2002	5.00	5-02	July 8, 2007	53,000
July 8, 2002	5.00	6-02	July 8, 2007	70,100
November 18, 2002	5.00	7-02	November 18, 2007	27,500
November 18, 2002	5.00	9-02	November 18, 2007	134,600
November 18, 2002	5.00	10-02	November 18, 2007	456,100
November 18, 2002	5.00	11-02	November 18, 2007	595,100
November 18, 2002	5.00	12-02	November 18, 2007	603,700
November 18, 2002	5.00	13-02	November 18, 2007	1,036,000
Resurfacing Notes:				
November 18, 2002	5.00	11-02	November 18, 2007	117,500
Sidewalk Notes:				
April 15, 2002	5.00	3-02	April 15, 2007	50,500
Total Special Assessment Notes				<u>\$ 10,014,700</u>

All of these notes are backed by the full faith and credit of the City and generally mature within one to five years. The notes generally are issued in anticipation of long-term bond financing and are refinanced, if necessary, until such bonds are issued.

Special assessment notes are issued to finance the property owners' share of improvements. Upon completion of a project, owners may pay the assessments in full. Bonds are issued in the amount of any unpaid assessments and are repaid largely from levies on the property owners for principal and interest collected by the County Treasurer on behalf of the City.

The weighted average interest rates on special assessment notes at December 31, 2002 was 5.66%.

9. Notes Payable (Continued)

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2002 (in thousands):

Fiscal Year Ending December 31	Governmental Activities		Total
	Special Assessment Notes		
	Notes	Interest	
2003	\$ -	\$ 567	\$ 567
2004	-	567	567
2005	1,667	509	2,176
2006	4,919	328	5,247
2007	<u>3,428</u>	<u>170</u>	<u>3,598</u>
	<u>\$ 10,014</u>	<u>\$ 2,141</u>	<u>\$ 12,155</u>

10. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2002:

	Governmental Activities						
	General Obligation	OPWC Loans	Ohio Department of Development Loan	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment
Long-term debt payable at January 1, 2002	\$ 152,905,041	\$ 5,475,764	\$ 565,793	\$ 31,585,000	\$ 9,450,000	\$ 27,285,000	\$ 11,796,009
New Issues:							
Various Purpose Improvements	33,695,000	-	-	-	-	-	-
Street Improvements	-	-	-	-	-	-	2,040,000
Sewer System	-	-	-	-	-	10,000,000	-
Water System	-	-	-	-	-	15,550,000	-
Retirements	<u>(13,201,436)</u>	<u>(274,246)</u>	<u>(48,326)</u>	<u>(1,235,000)</u>	<u>(265,000)</u>	<u>(890,000)</u>	<u>(2,362,136)</u>
Long-term debt payable at December 31, 2002	<u>\$ 173,398,605</u>	<u>\$ 5,201,518</u>	<u>\$ 517,467</u>	<u>\$ 30,350,000</u>	<u>\$ 9,185,000</u>	<u>\$ 51,945,000</u>	<u>\$ 11,473,873</u>
	Governmental Activities			Business-type Activities			
	Internal Service General Obligation	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Total
Long-term debt payable at January 1, 2002	\$ 8,593,232	\$ 5,528,796	\$ 57,095,000	\$ 47,840,000	\$ 47,615,793	\$ 3,545,533	\$ 409,280,961
New Issues:							
Various Purpose Improvements	-	-	-	-	-	-	33,695,000
Street Improvements	-	-	-	-	-	-	2,040,000
Sewer System	-	-	-	-	-	-	10,000,000
Water System	-	-	-	-	2,811,813	-	18,361,813
Retirements	<u>(2,249,933)</u>	<u>(867,340)</u>	<u>(3,265,000)</u>	<u>(2,150,000)</u>	<u>(3,418,016)</u>	<u>(168,630)</u>	<u>(30,395,063)</u>
Long-term debt payable at December 31, 2002	<u>\$ 6,343,299</u>	<u>\$ 4,661,456</u>	<u>\$ 53,830,000</u>	<u>\$ 45,690,000</u>	<u>\$ 47,009,590</u>	<u>\$ 3,376,903</u>	<u>\$ 442,982,711</u>

Included in the Governmental Activities Special Assessment are three ten-year Special Assessment Resurfacing Projects Notes: Series 1996, in the amount of \$75,732; Series 1997, in the amount of \$41,804; and Series 1998, in the amount of \$135,670.

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2002 amounting to \$11,005,189 (see Note 2) are eliminated in the government-wide statement of net assets.

10. Long-Term Debt (Continued)

Long-term debt at December 31, 2002 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities:				
<u>General Obligation Bonds:</u>				
Highway Improvement Bonds:				
June 1, 1979	6	No. 7	December 1, 2004	\$ 400,000
December 1, 1979	7.125	No. 8	December 1, 2005	1,200,000
Municipal Building Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	140,000
Municipal Garage Bonds:				
July 1, 1986	7.5	-	September 1, 2006	100,000
Parks Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	100,000
Pedestrian Walkway Bonds:				
July 1, 1986	7.5	-	September 1, 2006	220,000
Recycle Energy System Construction Bonds:				
November 1, 1982	10.375	1st Series	November 1, 2003	280,000
May 1, 1983	8.75	2nd Series	November 1, 2003	400,000
Solid Waste Storage Facility Bonds:				
July 1, 1986	7.5	-	September 1, 2006	480,000
Street Improvement Bonds:				
May 1, 1983	8.75	-	November 1, 2003	250,000
June 1, 1984	10.5	-	December 1, 2004	480,000
May 1, 1985	8.75	-	November 1, 2005	600,000
July 1, 1986	7.5	-	September 1, 2006	1,100,000
Urban Renewal Public Improvement Bonds:				
February 21, 1991	8	Series 1990	December 1, 2020	851,744
December 10, 1991	8	Series 1991	December 1, 2021	1,480,000

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities (Continued):</u>				
Various Purpose Improvement Bonds:				
October 15, 1993	.05 to 8	-	December 1, 2013	\$ 8,085,000
August 1, 1995	4.9 to 5.5	-	December 1, 2008	1,140,000
November 1, 1995	4.2 to 6	-	November 1, 2016	6,870,000
August 15, 1996	4.6 to 8	-	August 15, 2021	405,000
December 1, 1996	3.95 to 6.125	-	December 1, 2017	9,990,000
December 1, 1997	4.3 to 6	-	December 1, 2018	14,610,000
December 1, 1998	4.25 to 4.75	-	December 1, 2019	11,170,288
November 1, 1999	4.4 to 6.5	-	November 1, 2020	16,750,000
November 1, 2000	5.5 to 5.75	-	November 1, 2021	15,870,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	46,731,573
December 1, 2002	2.0 to 5.25	-	December 1, 2023	<u>33,695,000</u>
				<u>\$ 173,398,605</u>
<u>OPWC Loans:</u>				
July 1, 1993	6	R.E.S.	July 1, 2004	\$ 70,959
July 1, 1997	0	Boxwood Ave.	July 1, 2018	589,000
July 1, 1998	0	Lakeshore Blvd.	January 1, 2020	887,250
July 1, 1998	0	Tallmadge Ave.	July 1, 2021	666,909
July 1, 1999	0	Lakeshore Blvd.	July 1, 2022	232,557
July 1, 1999	0	Bye Street	July 1, 2022	270,563
July 1, 1999	0	Wooster/East Ave.	July 1, 2022	568,575
July 1, 2000	0	Bishop Street	July 1, 2022	118,950
July 1, 2000	0	NW Storm Outlets	July 1, 2022	477,500
July 1, 2000	0	N. Arlington Bridge	July 1, 2022	323,223
July 1, 2001	0	Darrow Road	July 1, 2023	<u>996,032</u>
				<u>\$ 5,201,518</u>
Ohio Department of Development Loan:				
November 26, 1996	3	1997	February 1, 2012	<u>\$ 517,467</u>
				<u>\$ 517,467</u>
<u>Non-Tax Revenue Bonds:</u>				
November 1, 1997	4 to 6	1997	December 1, 2018	<u>\$ 30,350,000</u>
				<u>\$ 30,350,000</u>
Income Tax Revenue:				
April 15, 1999	3.3 to 5.25	1999	December 1, 2023	<u>\$ 9,185,000</u>
				<u>\$ 9,185,000</u>
<u>Special Revenue:</u>				
July 1, 2000	4.55 to 5.625	2000	December 1, 2020	\$ 13,205,000
August 1, 2000	4.45 to 6	2000	December 1, 2020	13,190,000
September 1, 2002	2.0 to 5.25	2002	December 1, 2022	15,550,000
November 1, 2002	2.0 to 5.25	2002	December 1, 2022	<u>10,000,000</u>
				<u>\$ 51,945,000</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities (Continued):</u>				
<u>Special Assessment Obligations:</u>				
Resurfacing Notes:				
June 1, 1997	6	1997	December 1, 2006	\$ 75,732
May 1, 1998	6	1998	December 1, 2007	41,804
April 1, 1999	6	1998	December 1, 2008	135,670
Street Improvement Bonds:				
September 1, 1978	7.25	Rosemary Blvd.	September 1, 2014	36,000
October 15, 1993	4 to 8	1993	December 1, 2003	135,000
June 15, 1994	4.75 to 5.4	1994	December 1, 2004	270,000
August 1, 1995	4.9 to 5.25	1995	December 1, 2005	240,000
August 15, 1996	4.6 to 8	1996	December 1, 2021	1,000,000
August 15, 1997	4.65 to 5.15	1997	December 1, 2007	925,000
August 15, 1998	4.25 to 4.55	1998	December 1, 2008	1,730,000
August 15, 1999	4.1 to 5.5	1999	December 1, 2009	475,000
April 1, 2000	6	1999	December 1, 2009	211,719
August 15, 2000	4.375 to 4.875	2000	December 1, 2010	2,655,000
November 1, 2001	3.0 to 5.5	2001	December 1, 2022	1,013,384
December 1, 2001	6	2000	December 1, 2006	489,564
September 1, 2002	1.5 to 3.375	2002	December 1, 2012	<u>2,040,000</u>
				<u>\$ 11,473,873</u>
<u>Internal Service General Obligation Bonds:</u>				
Computer Equipment Bonds:				
December 1, 1997	4.3 to 6	-	December 1, 2018	\$ 990,000
December 1, 1998	4.25 to 4.75	-	December 1, 2019	2,288,991
Final Judgment Bonds:				
August 15, 1996	4.5 to 8	-	December 1, 2021	2,655,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	88,127
Municipal Facility Bonds:				
December 1, 1998	4.25 to 4.75	-	December 1, 2019	180,721
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	<u>140,460</u>
				<u>\$ 6,343,299</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities:</u>				
<u>Enterprise General Obligation Bonds:</u>				
Golf Course Clubhouse Bonds:				
December 1, 1997	4.3 to 6	-	December 1, 2018	\$ 680,000
Off-Street Parking Facility Bonds:				
June 1, 1984	10.5	Morley	December 1, 2004	330,000
May 1, 1985	8.75	-	November 1, 2005	480,000
December 1, 1997	4.3 to 6	-	December 1, 2018	400,000
November 1, 2001	3.0 to 5.5	Canal/Tell	December 1, 2022	856,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	212,752
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	502,704
Sewer System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	200,000
Water System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	<u>1,000,000</u>
				<u>\$ 4,661,456</u>
<u>Enterprise Mortgage Revenue Bonds:</u>				
Waterworks System Bonds:				
May 15, 1994	3.6 to 6	1994	March 1, 2014	\$ 22,125,000
January 15, 1996	3.5 to 4.875	1996	March 1, 2012	17,815,000
February 1, 1998	3.65 to 5	1998	March 1, 2018	<u>13,890,000</u>
				<u>\$ 53,830,000</u>
<u>Enterprise Revenue Bonds:</u>				
Sewer System Improvement Bonds:				
June 1, 1996	4.3 to 6.2	1996	December 1, 2016	\$ 18,305,000
January 1, 1997	3.75 to 5.55	1997	December 1, 2016	12,085,000
April 1, 1998	3.7 to 5.5	1998	December 1, 2017	<u>15,300,000</u>
				<u>\$ 45,690,000</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities (Continued):</u>				
<u>Enterprise OWDA Loans:</u>				
May 28, 1981	10.71	Water	July 1, 2006	\$ 1,088,566
December 31, 1981	10.71	Sewer	July 1, 2006	3,628,554
May 6, 1982	12	Sewer	January 1, 2010	4,584,124
June 4, 1984	10.54	Sewer	July 1, 2004	993,756
March 30, 1995	4.56	Sewer	July 1, 2015	11,442,963
April 27, 1995	4.56	Sewer	July 1, 2015	13,342,767
September 30, 1999	2.01	Water	July 1, 2019	1,065,588
May 25, 2000	4.64	Water	July 1, 2021	7,589,831
April 26, 2001	3.9	Water	July 1, 2011	461,628
July 26, 2002	3.89	Water	July 1, 2013	<u>2,811,813</u>
				<u>\$ 47,009,590</u>
<u>Enterprise OPWC Loans:</u>				
July 1, 1995	0	Water	July 1, 2016	\$ 844,929
December 1, 1995	0	Sewer	January 1, 2017	330,299
July 1, 1996	0	Sewer	July 1, 2017	771,175
July 1, 1997	0	Sewer	July 1, 2018	535,500
July 1, 2000	0	Water	July 1, 2021	<u>895,000</u>
				<u>\$ 3,376,903</u>

10. Long-Term Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2002 (in thousands):

Governmental Activities						
Fiscal Year Ending December 31	General Obligation Bonds		OPWC Loan		Ohio Department of Development Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 12,713	\$ 8,679	\$ 322	\$ 3	\$ 48	\$ 16
2004	14,090	7,985	300	1	52	14
2005	11,660	7,327	275	-	53	13
2006	10,972	6,746	275	-	55	11
2007	9,946	6,273	275	-	56	9
2008-2012	46,400	24,504	1,376	-	253	18
2013-2017	38,141	13,906	1,376	-	-	-
2018-2022	27,372	4,514	1,003	-	-	-
2023-2027	2,105	106	-	-	-	-
	<u>\$ 173,399</u>	<u>\$ 80,040</u>	<u>\$ 5,202</u>	<u>\$ 4</u>	<u>\$ 517</u>	<u>\$ 81</u>

Fiscal Year Ending December 31	Non-Tax Revenue Bonds		Income Tax Revenue		Special Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 1,285	\$ 1,550	\$ 275	\$ 434	\$ 1,685	\$ 2,613
2004	1,340	1,494	285	423	1,935	2,365
2005	1,400	1,435	295	412	2,010	2,300
2006	1,465	1,372	305	400	2,075	2,231
2007	1,530	1,304	320	388	2,150	2,156
2008-2012	8,940	5,238	1,810	1,721	12,160	9,384
2013-2017	11,690	2,486	2,285	1,243	15,210	6,274
2018-2022	2,700	134	2,935	595	14,720	1,971
2023-2027	-	-	675	31	-	-
	<u>\$ 30,350</u>	<u>\$ 15,013</u>	<u>\$ 9,185</u>	<u>\$ 5,647</u>	<u>\$ 51,945</u>	<u>\$ 29,294</u>

Fiscal Year Ending December 31	Special Assessment Bonds		Internal Service General Obligation Bonds		Governmental Activities Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 2,400	\$ 524	\$ 2,311	\$ 300	\$ 21,039	\$ 14,119
2004	1,755	401	1,293	201	21,050	12,884
2005	1,573	321	126	146	17,392	11,954
2006	1,541	250	132	140	16,820	11,150
2007	1,188	180	138	133	15,603	10,443
2008-2012	2,963	294	690	562	74,592	41,721
2013-2017	54	2	843	364	69,599	24,275
2018-2022	-	-	810	112	49,540	7,326
2023-2027	-	-	-	-	2,780	137
	<u>\$ 11,474</u>	<u>\$ 1,972</u>	<u>\$ 6,343</u>	<u>\$ 1,958</u>	<u>\$ 288,415</u>	<u>\$ 134,009</u>

10. Long-Term Debt (Continued)

Fiscal Year Ending December 31	Business-type Activities					
	General Obligation Bonds		Mortgage Revenue		Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 898	\$ 294	\$ 3,425	\$ 2,711	\$ 2,225	\$ 2,450
2004	906	228	3,590	2,535	2,330	2,344
2005	640	162	3,770	2,355	2,440	2,231
2006	485	117	3,950	2,170	2,565	2,105
2007	189	87	4,315	1,964	2,710	1,960
2008-2012	615	325	25,235	6,099	15,890	7,479
2013-2017	566	183	8,665	1,010	17,530	2,633
2018-2022	362	51	880	21	-	-
2023-2027	-	-	-	-	-	-
	<u>\$ 4,661</u>	<u>\$ 1,447</u>	<u>\$ 53,830</u>	<u>\$ 18,865</u>	<u>\$ 45,690</u>	<u>\$ 21,202</u>

Fiscal Year Ending December 31	Business-type Activities Total					
	OWDA Loans		OPWC Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 3,920	\$ 2,823	\$ 192	\$ -	\$ 10,660	\$ 8,278
2004	4,219	2,526	192	-	11,237	7,633
2005	3,968	2,202	192	-	11,010	6,950
2006	4,262	1,909	192	-	11,454	6,301
2007	3,071	1,590	192	-	10,477	5,601
2008-2012	15,792	5,101	962	-	58,494	19,004
2013-2017	9,821	1,582	962	-	37,544	5,408
2018-2022	1,957	151	493	-	3,692	223
2023-2027	-	-	-	-	-	-
	<u>\$ 47,010</u>	<u>\$ 17,884</u>	<u>\$ 3,377</u>	<u>\$ -</u>	<u>\$ 154,568</u>	<u>\$ 59,398</u>

All bonds and notes are backed by the full faith and credit of the City except revenue bonds. Water Mortgage Revenue Bonds are collateralized by the fixed assets of the Water System that had net carrying values of approximately \$136,272,000 at December 31, 2002. It is the City's policy to pay debt service of the Enterprise and Internal Service Funds from the receipts of those funds. Accordingly, such debt is reported in those funds. Any deficiency is paid from the City's Debt Service Fund. Revenue bonds and OWDA loans are retired entirely from the excess of operating revenues over operating expenses of the applicable enterprise activity. Therefore, the City is under no obligation to repay these long-term obligations from the City's General Fund.

10. Long-Term Debt (Continued)

Bond Indenture Agreements for the Waterworks System Mortgage Revenue Bond dated May 15, 1994, the Waterworks System Mortgage Revenue Improvement Bond dated January 15, 1996, the Sanitary Sewer System Revenue Bonds dated June 1, 1996, the Sanitary Sewer System Revenue Bonds dated January 1, 1997, the Sanitary Sewer System Improvement and Refunding Revenue Bond dated April 1, 1998, and the Waterworks System Mortgage Revenue Improvement Bonds dated February 1, 1998, require deposits to a Debt Service Fund based on a calculation of net operating revenues. The Sewer System Revenue Bond Indenture Agreement dated April 1, 1998 requires that a Debt Service Reserve Fund be created and maintained at a minimum of \$4,682,187 for the Series 1996 Bonds, the Series 1997 Bonds, and the Series 1998 Bonds. The balances in the Debt Service Reserve Fund and the Debt Service Fund at December 31, 2002 were as follows:

	Waterworks System 1994 Issue	Waterworks System 1996 Issue	Waterworks System 1998 Issue	Sewer System 1996, 1997, and 1998 Issues
Minimum balance of debt service reserve fund	\$ -	\$ -	\$ -	\$ 4,682,187
Actual balance of debt service reserve fund	<u>1,323,000</u>	<u>795,431</u>	<u>1,165,318</u>	<u>4,733,407</u>
Excess	<u>\$ 1,323,000</u>	<u>\$ 795,431</u>	<u>\$ 1,165,318</u>	<u>\$ 51,220</u>

The debt service and debt service reserve funds for Mortgage Revenue Bond issues are included in the applicable enterprise fund for reporting purposes.

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2002, the City’s total net debt amounted to 3.2% of the total assessed value of all property within the City and unvoted net debt amounted to 3.2% of the total assessed value of all property within the City.

The City has defeased certain debt issues by placing investments in U.S. Government obligations in irrevocable escrow accounts. Such accounts will be used, together with interest earned thereon, to provide for the payment of all principal and interest on the defeased bonds on their scheduled due dates. Accordingly, the escrow accounts and the defeased bonds summarized below are not included in the accompanying financial statements at December 31, 2002:

Issue	Defeasance Date	<u>Original Amount</u>		Principal Outstanding at 12/31/02
		Defeased	Escrowed	
Waterworks System First Mortgage Revenue Bonds Series 1991	1996	\$ 19,090,000	\$ 20,726,104	\$ 16,285,000
Sewer System Improvement General Obligation Bonds	1998	7,800,000	8,317,677	4,800,000

10. Long-Term Debt (Continued)

Issue (Continued)	Defeasance Date	Original Amount		Principal Outstanding at 12/31/02
		Defeased	Escrowed	
Various Purpose Improvement Bonds, Series 1991	2001	\$ 1,265,000	\$ 1,330,320	\$ 1,035,000
Various Purpose Improvement Bonds, Series 1992	2001	10,785,000	11,869,971	8,920,000
Street Improvement Bonds, Series 1992	2001	1,940,000	2,135,164	980,000
Various Purpose Improvement Bonds, Series 1994	2001	15,825,000	18,761,930	<u>12,845,000</u>
				<u>\$ 44,865,000</u>

In July, 1995, the City entered into an agreement to guarantee \$3 million of bank loan financing for a developer. The total amount of financing obtained by such developer is \$15.5 million. As a part of this guarantee, the City must deposit in escrow \$3 million with the banks involved with the financing. As of December 31, 2002, the entire \$3 million has been placed in escrow and is reflected as restricted cash and investments in the statement of net assets.

During 2001, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Summit County Port Authority Revenue Bonds (Akron Civic Theatre Project), issued by the Summit County Port Authority. As of December 31, 2002, the principal amount outstanding was \$14,646,070. The City believes that the Summit County Port Authority is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2002.

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received by the bond trustees on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The bonds do not constitute a debt or pledge of the faith and credit of the City and, accordingly, have not been reported in the accompanying financial statements. As of December 31, 2002, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$830,000.

11. Obligations Under Capitalized Leases

In November, 1996, \$28.9 million Series 1996 Convertible Capital Appreciation Certificates of Participation (COPs) were issued by a bank to finance the costs of the construction of a professional baseball stadium (meeting class “AA” standards) within the City. In connection with the issuance of the Series 1996 COPs, the City entered into a capital lease agreement (as lessee) for the baseball stadium. The City will make lease payments during successive annual renewal periods through November 25, 2016, providing City Council appropriates funds each year for that purpose. If the lease is paid through November 25, 2016, the City will acquire title to the baseball stadium. The lease agreement also includes a purchase option during the years 2002 through 2016.

Future COPs payments are as follows as of December 31, 2002:

<u>Year</u>	<u>Payments</u>
2003	\$ 3,938,320
2004	3,940,620
2005	3,941,097
2006	3,943,010
2007	3,940,770
2008-2012	19,701,750
2013-2017	<u>15,759,296</u>
Total lease payments	55,164,863
Less amount representing interest	<u>30,355,274</u>
Present value of lease payments	<u>\$ 24,809,589</u>
Net book value of leased assets	<u>\$ 26,175,015</u> *

Unspent funds of approximately \$4 million provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying government-wide statement of net assets as of December 31, 2002. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

The City also has a capital lease for computer hardware, software and licenses. The cost of this lease agreement is \$928,919 and is included in the City’s capital assets in the Management Information Systems Fund. The following is a schedule of future minimum lease payments under the capitalized lease together with the present value of the net minimum lease payments as of December 31, 2002.

<u>Year</u>	<u>Payments</u>
2003	\$ 201,006
2004	201,006
2005	201,006
2006	201,006
2007	<u>184,255</u>
Total lease payments	988,279
Less amount representing interest	<u>94,591</u>
Present value of lease payments	<u>\$ 893,688</u>
Net book value of leased assets	<u>\$ 836,027</u> *

*Amount represents the entire net book value of the capital lease recorded in the statement of net assets.

12. Self-Insurance Funds

The City is exposed to various risks of loss including employee health-care costs and accidents, torts and legal judgments, and damage or destruction of assets. The City purchases fire and extended coverage insurance on all buildings and contents up to \$100,000,000 per occurrence, with a variety of deductibles beginning at \$50,000. Coverage is purchased on 1,185 vehicles for combined single-limit liability of \$1,000,000. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

The City has a Medical Self-Insurance Fund. The purpose of this fund is to pay medical claims for City employees and their covered dependents and minimize the total cost of medical benefits of the City. The plan is internally managed and accounted for as an internal service fund. This internal service fund has been in existence since 1987.

The City has an internal service fund entitled "Workers' Compensation Reserve Fund" to account for self-insured workers' compensation claims. Workers' compensation is administered by the State of Ohio under a retrospective rating plan. The City reimburses the Ohio Bureau of Workers' Compensation for injured workers' claims subject to a maximum annual claim limit of \$300,000 for each worker's compensation claim. All funds of the City participate in the program and make payments to the internal service fund based on the experience premium that would normally be charged by the Ohio Bureau of Workers' Compensation. Future claims liabilities are actuarially determined.

The City has a Self-Insurance Settlement Fund. The purpose of this fund is to pay judgments and claims. Claims are accrued based upon estimates, past experience, and current claims outstanding. Actual claims experience may differ from the estimate.

12. Self-Insurance Funds (Continued)

The claims liabilities of \$2,229,620, \$7,781,751 and \$586,849 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2002, are in accordance with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These GASB statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities recorded include the estimated incremental expenses to be incurred to settle the claims, including legal fees. Claims liabilities are based on evaluations of individual claims and a review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The claims liabilities represent the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Estimated future recoveries on settled and unsettled claims, such as subrogations, if any, are evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Any adjustments resulting from the actual settlement of the claims are reflected in the financial statements at the time the adjustments are determined. Changes in the funds' claims liabilities (both current and long-term) amounts in fiscal 2001 and 2002 were:

	Beginning of Year Liability	Prior Year Claim Adjustments	Current Period Claims	Claim Payments	Balance at End of Year
<u>Medical Self-Insurance Fund</u>					
2001	\$ 2,392,685	\$ -	\$ 15,653,913	\$ (15,224,950)	\$ 2,821,648
2002	2,821,648	-	17,121,747	(17,713,775)	2,229,620
<u>Workers' Compensation Reserve Fund</u>					
2001	9,307,510	(2,368,039)	2,126,848	(1,900,414)	7,165,905
2002	7,165,905	-	1,069,486	(453,640)	7,781,751
<u>Self-Insurance Settlement Fund</u>					
2001	617,720	-	262,089	(136,104)	743,705
2002	743,705	-	293,302	(450,158)	586,849

13. Long-term Liabilities

The City reports the following amounts relating to the government's long-term liabilities for the year ended December 31, 2002:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Governmental Activities:				
Governmental Funds:				
Accrued vacation and leave (Note 7)	\$ 42,288,788	\$ 13,722,193	\$ (18,892,372)	\$ 37,118,609
Due to other governments (Note 4)	9,496,881	600,000	(582,698)	9,514,183
Due to others	-	2,706,000	-	2,706,000
	<u>51,785,669</u>	<u>17,028,193</u>	<u>(19,475,070)</u>	<u>49,338,792</u>
Total Governmental Funds				
Internal Service Funds:				
Accrued vacation and leave (Note 7)	1,049,632	904,095	(235,753)	1,717,974
Estimated liability for unpaid claims	6,567,017	1,069,486	(544,072)	7,092,431
	<u>7,616,649</u>	<u>1,973,581</u>	<u>(779,825)</u>	<u>8,810,405</u>
Total Internal Service Funds				
	<u>59,402,318</u>	<u>19,001,774</u>	<u>(20,254,895)</u>	<u>58,149,197</u>
Total Governmental Activities				
Business-type Activities:				
Enterprise Funds:				
Water				
Accrued vacation and leave (Note 7)	2,463,532	1,256,914	(855,477)	2,864,969
Sewer				
Accrued vacation and leave (Note 7)	1,288,691	662,364	(241,759)	1,709,296
Due to other governments (Note 4)	-	523,764	-	523,764
Other Business-type Activities				
Accrued vacation and leave (Note 7)	242,807	76,874	(28,474)	291,207
	<u>3,995,030</u>	<u>2,519,916</u>	<u>(1,125,710)</u>	<u>5,389,236</u>
Total Enterprise Funds/ Business-type Activities				
	<u>\$ 63,397,348</u>	<u>\$ 21,521,690</u>	<u>\$ (21,380,605)</u>	<u>\$ 63,538,433</u>
Total				

The above liabilities are generally liquidated by the various operating funds in which the liabilities exist.

See note 4 for detailed explanations for the amounts recorded as due to other governments.

14. Deficit Fund Balances

The following funds have significant fund balance deficits or retained earnings deficits at December 31, 2002:

Special Revenue Funds:	
Community Development	1,288,746
Health Grants	648,282
Capital Project Funds:	
Non-appropriated Capital Projects	835,857
Streets	7,017,265
Capital Projects with Private Funding	742,974
Information Technology and Improvements	295,398
Transportation	2,327,645
Parks and Recreation	2,392,291
Economic Development	6,505,427
Internal Service Funds:	
Medical Self-Insurance	1,340,320
Self-Insurance Settlement	3,882,395
Engineering Bureau	1,455,063
Management Information Systems	3,428,108

The special revenue funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed under federal or state grant agreements. The Community Development and Health Grants request draws based on actual cash basis expenditures.

The capital projects funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed from debt issuances and/or interfund transfers. The City carries out programs in its capital budget for which pooled cash is spent up front.

The internal service funds that have deficit retained earnings balances at year-end have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. The Medical Self-Insurance Fund has increased charges for services effective January 2003. The majority of the deficit in the Self-Insurance Settlement Fund is the lawsuit settlement with Ohio Water Development Authority (OWDA) regarding the Recycle Energy System (RES) in 1996. The remaining deficit is the estimated accrued liability for claims. The City’s policy is to transfer funds from the pertinent division’s operating budget for actual claim settlements to reimburse the Self-Insurance Settlement Fund. The Engineering Bureau will review its applied overhead rate charged to capital projects to address its deficit. The deficit in the Management Information Systems Fund is the result of issuing bonds to cover the costs of implementing new and updated technology, including the network infrastructure, mainframe, accounting system, and payroll and personnel systems. The bonds are being repaid with user fees charged to each division’s operating budget.

15. Income Taxes

The City levies a tax at the rate of 2% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income earned outside the City. However, a credit is allowed for income taxes paid to other municipalities.

The proceeds of income taxes, after payment of the expenses incurred from collection thereof, are allocated by the City Charter as follows: 27% to capital expenditures and 73% to the General Fund. The portion allocated to capital expenditures may be utilized for payment of debt service or capital expenditures of any City fund.

Employers within the City are required to withhold income tax on employee compensation and remit this tax to the City at least quarterly. Corporations and other individual taxpayers are required to file a declaration annually and pay their estimated tax quarterly.

16. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City.

Real property taxes are levied each October on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor at 35% of appraised market value. By law, a revaluation of all property based on current individual appraisals is required to be completed no less than every six years. The last revaluation was completed in tax year 2002 for collection in 2003. The next sexennial revaluation will be completed in 2008 for collection in 2009. In addition, the County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values.

Real estate and public utility taxes attach an enforceable lien on property as of December 31 in the year levied. Payments are scheduled in two installments in mid-February and mid-July of the succeeding year and are considered delinquent if unpaid as of December 31 of that year.

Generally, tangible personal property used in business (including certain public utilities) is currently assessed for ad valorem taxation purposes at 25% of true value (in general, the same as net book value).

The assessed value upon which the 2002 property tax was based aggregated \$2,928,995,000. The assessed value for 2002 (upon which the 2003 property tax will be based) is approximately \$3,261,505,000.

Under the current allocation method, the City's share was .909% (9.09 mills) of assessed value in 2002 for collection in 2003. The City's Charter limits the maximum total tax rate that could be levied without a vote of the electors to 1.05% (10.5 mills).

16. Property Taxes (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Akron. The County Auditor periodically remits to the City its portion of the taxes collected. Current real property and tangible personal property tax collections for the year ended December 31, 2002, including delinquencies from prior years, were 99.3% and 101.8%, respectively, of the current year tax levy.

Property taxes are allocated to the various funds based upon voter authorization.

17. JEDD Revenues

In an effort to promote regional growth and economic development, the City has entered into contracts with four surrounding townships and a bordering municipality to create Joint Economic Development Districts (JEDDs). The City entered into separate contracts with Copley, Coventry, and Springfield Townships to create JEDDs in 1994. Voters in each township approved the respective JEDD contracts in the November 1994 election, which became effective January 1, 1995. In accordance with state law, each of the Districts' Board of Trustees levied a 2% income tax effective January 1, 1995. The proceeds of that tax are allocated, in accordance with the contract, primarily to the City. The City has utilized these JEDD revenues, in part, to construct water and sewer lines so that the JEDDs have access to the City's water and sewer system and to encourage and promote economic development.

In 1998 the City entered into a JEDD contract with Bath Township (Bath) and the City of Fairlawn (Fairlawn). This contract was approved by voters in November 1998 and became effective on January 1, 1999. As in the other JEDDs, a 2% income tax has been levied by the District. In accordance with the contract, the net JEDD revenues are allocated to the City and Fairlawn, with the City providing water and sewer services. A payment representing 10% of the net revenues for six years commencing January 1, 2000 will be delivered to Bath Township on or before March 15, 2006. The amount for calendar years 2000, 2001 and 2002 has been estimated at \$1,900,000 and has been recorded in the statement of net assets as a noncurrent liability. In addition, Bath Township receives an annual payment of \$250,000 for ten years from the City. The City has recorded the \$1,750,000 remaining balance as of December 31, 2002 due to Bath Township on the financial statements with \$250,000 as a current liability and a noncurrent liability of \$1,500,000.

18. Transfers

For the year ended December 31, 2002, operating transfers presented in conformity with generally accepted accounting principles (GAAP) consisted of the following:

	Transfers Out	Transfers In						
		General Fund	Special Assessment Bond Payment	Other Governmental Funds	Water Fund	Sewer Fund	Other Enterprise Funds	Internal Service Funds
General Fund:								
Other Governmental Funds	\$ 2,766,479	\$ -	\$ -	\$ 2,766,479	\$ -	\$ -	\$ -	\$ -
Sewer	50,173	-	-	-	-	50,173	-	-
Other Enterprise Funds	270,001	-	-	-	-	-	270,001	-
Internal Service Funds	<u>102,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,882</u>
Total General Fund	\$ 3,189,535	\$ -	\$ -	\$ 2,766,479	\$ -	\$ 50,173	\$ 270,001	\$ 102,882
Water Fund:								
Other Governmental Funds	\$ 230,598	\$ -	\$ -	\$ 230,598	\$ -	\$ -	\$ -	\$ -
Sewer Fund	62,658	-	-	-	-	62,658	-	-
Internal Service Funds	<u>15,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,673</u>
Total Water Fund	\$ 308,929	\$ -	\$ -	\$ 230,598	\$ -	\$ 62,658	\$ -	\$ 15,673
Sewer Fund:								
Other Governmental Funds	\$ 562,309	\$ -	\$ -	\$ 562,309	\$ -	\$ -	\$ -	\$ -
Water Fund	<u>450,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,693</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Sewer Fund	\$ 1,013,002	\$ -	\$ -	\$ 562,309	\$ 450,693	\$ -	\$ -	\$ -
Off-Street Parking:								
Other Governmental Funds	\$ 423,413	\$ -	\$ -	\$ 423,413	\$ -	\$ -	\$ -	\$ -
Nonmajor Funds:								
Other Governmental Funds	\$ 56,989,426	\$ 6,888,698	\$ 743,192	\$ 39,200,223	\$ 4,370,000	\$ 4,370,000	\$ 563,087	\$ 854,226
Other Enterprise Funds	30,107	-	-	30,107	-	-	-	-
Internal Service Funds	<u>3,188,816</u>	<u>2,355,780</u>	<u>-</u>	<u>833,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonmajor Funds	\$ 60,208,349	\$ 9,244,478	\$ 743,192	\$ 40,063,366	\$ 4,370,000	\$ 4,370,000	\$ 563,087	\$ 854,226
Total	<u>\$ 65,143,228</u>	<u>\$ 9,244,478</u>	<u>\$ 743,192</u>	<u>\$ 44,046,165</u>	<u>\$ 4,820,693</u>	<u>\$ 4,482,831</u>	<u>\$ 833,088</u>	<u>\$ 972,781</u>

19. Contingencies

(1) Litigation

The City is a defendant in a number of lawsuits pertaining to matters that are incidental to performing routine governmental functions. The City Law Director is of the opinion that ultimate settlement of all outstanding litigation and claims will not result in a material adverse effect on the City's financial position.

19. Contingencies (Continued)

(2) Federal and State Grants

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grants. The City believes that such disallowances, if any, would not have a material adverse effect on the City's financial position.

20. Closure and Post-Closure Care Costs

On November 9, 1998, the City entered into an agreement to transfer control and operating responsibility of its Hardy Road Landfill (Landfill) to Akron Regional Landfill, Inc. (ARLI), a subsidiary of Waste Management of Ohio, Inc. The agreement required the City to eventually transfer the Landfill and certain real property immediately adjacent to the Landfill, known as the Greenfield Facility. Under the agreement, ARLI assumed full responsibility for all future costs for operation, permitting, groundwater monitoring, closure, and post-closure costs of the Landfill, which are currently expected to approximate \$10,000,000. No liability has been recorded in the accompanying financial statements for these estimated future costs because the responsibility for such costs has been transferred to ARLI. At a future date, ARLI was to purchase the Greenfield Facility upon completion of certain conditions per the agreement. One such condition was to obtain a permit to allow the Greenfield Facility to be used as a landfill. The City and ARLI requested the permit from the Ohio Environmental Protection Agency (Ohio EPA), and during 2001 the application was denied.

Pursuant to the Ohio EPA's ruling, the Hardy Road Landfill officially closed on June 30, 2002. The City has begun diverting its waste to Waste Management's American Landfill located in Stark County. Since the permit was not issued, ARLI will construct a transfer station within the City and will not become the owner of the Landfill or the Greenfield Facility. As part of the 1998 agreement, the City agreed to use ARLI-controlled landfill facilities for disposal of ninety percent of the refuse collected by the City's sanitation division.

During 2003, the City requested a proposed \$1.20 per ton increase in the waste generation fee by the Summit/Akron Solid Waste Management Authority (Authority). The Authority approved the increase and it now must be approved by the Ohio EPA. The proceeds of the additional generation fee will be used to fund the solid waste management operations of the City.

In an unrelated matter, during 2000, a civil penalty related to the Landfill amounting to \$750,000 was levied against the City. The civil penalty was accrued for during 2000, and \$459,081 remained as a liability at December 31, 2001. The remaining amounts were paid by the City during 2002.

21. Subsequent Event

On June 6, 2003, City Council passed Ordinance No. 283-2003 authorizing the issuance and sale of Waterworks System Mortgage Revenue Improvement and Refunding Bonds, Series 2003. The estimated \$29,385,000 in proceeds will be used for the purpose of paying costs of improving the municipal water supply, treatment and distribution system and providing the funds necessary to refund Waterworks System Mortgage Revenue Improvement Bonds, Series 1994. The City intends to issue the bonds in July.

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Property taxes	\$ 15,728,730	\$ 15,469,730	\$ 15,131,666
Investment earnings	3,300,000	2,100,000	2,200,000
Local government	15,553,000	15,553,000	14,648,868
State taxes	6,487,000	5,000,000	4,165,358
Other revenue	29,299,780	29,299,780	31,085,890
	<u>70,368,510</u>	<u>67,422,510</u>	<u>67,231,782</u>
Other sources:			
Income tax transfers in	68,826,390	68,000,000	67,300,000
Other transfers in	1,015,000	1,274,000	1,274,000
Previous year's encumbrances	2,912,318	2,912,318	2,912,318
	<u>72,753,708</u>	<u>72,186,318</u>	<u>71,486,318</u>
Total revenues and other sources	143,122,218	139,608,828	138,718,100
Expenditures and other uses			
Expenditures:			
General Governmental:			
Civil Service Commission:			
Wages/benefits	1,431,800	1,361,800	1,327,688
Other	133,677	238,677	226,867
	<u>1,565,477</u>	<u>1,600,477</u>	<u>1,554,555</u>
Finance:			
Administration:			
Wages/benefits	2,060,540	2,010,540	1,972,426
Other	4,538,643	4,135,643	4,090,949
	<u>6,599,183</u>	<u>6,146,183</u>	<u>6,063,375</u>
Law:			
Wages/benefits	2,814,150	2,694,150	2,654,206
Other	892,895	987,895	982,693
	<u>3,707,045</u>	<u>3,682,045</u>	<u>3,636,899</u>
Legislative:			
Wages/benefits	770,700	760,700	753,450
Other	339,971	357,971	298,463
Capital outlay	18,500	18,500	11,910
	<u>1,129,171</u>	<u>1,137,171</u>	<u>1,063,823</u>

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2002
(continued)

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Municipal Court - Clerk:			
Wages/benefits	\$ 2,430,390	\$ 2,350,390	\$ 2,334,925
Other	301,020	359,020	344,912
Capital outlay	-	-	(440)
	<u>2,731,410</u>	<u>2,709,410</u>	<u>2,679,397</u>
Municipal Court - Judges:			
Wages/benefits	2,775,560	2,695,560	2,654,812
Other	239,888	269,888	272,134
Capital outlay	350	350	-
	<u>3,015,798</u>	<u>2,965,798</u>	<u>2,926,946</u>
Office of the Mayor:			
Wages/benefits	2,388,300	2,338,300	2,335,899
Other	474,153	570,153	535,684
	<u>2,862,453</u>	<u>2,908,453</u>	<u>2,871,583</u>
Planning Administration:			
Wages/benefits	1,213,530	1,143,530	1,120,940
Other	117,640	147,640	143,014
	<u>1,331,170</u>	<u>1,291,170</u>	<u>1,263,954</u>
Public Health:			
Wages/benefits	5,958,930	6,003,930	5,994,773
Other	1,040,710	1,220,710	1,192,231
Capital outlay	2,101	2,101	-
	<u>7,001,741</u>	<u>7,226,741</u>	<u>7,187,004</u>
Public Safety:			
Wages/benefits	7,715,660	7,480,660	7,430,862
Other	10,306,340	10,515,040	10,295,241
Capital outlay	93,775	90,075	95,639
	<u>18,115,775</u>	<u>18,085,775</u>	<u>17,821,742</u>
Public Service:			
Wages/benefits	12,384,210	12,024,210	11,789,230
Other	10,431,976	12,021,976	11,872,939
Capital outlay	7,500	7,500	7,140
	<u>22,823,686</u>	<u>24,053,686</u>	<u>23,669,309</u>
Fire:			
Wages/benefits	25,411,110	25,117,110	24,214,013
Other	1,818,462	1,898,462	1,878,876
Capital outlay	25,410	25,410	25,281
	<u>27,254,982</u>	<u>27,040,982</u>	<u>26,118,170</u>

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2002
(continued)

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Police:			
Wages/benefits	\$ 37,796,300	\$ 37,696,300	\$ 37,414,515
Other	4,251,907	4,441,907	4,413,851
Capital outlay	39,551	39,551	30,729
	<u>42,087,758</u>	<u>42,177,758</u>	<u>41,859,095</u>
Total expenditures	140,225,649	141,025,649	138,715,852
Other uses:			
Transfer to Airport	320,000	270,000	270,000
Transfer to Highway Maintenance	2,400,000	1,650,000	1,650,000
	<u>2,720,000</u>	<u>1,920,000</u>	<u>1,920,000</u>
Total expenditures and other uses	<u>142,945,649</u>	<u>142,945,649</u>	<u>140,635,852</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	176,569	(3,336,821)	(1,917,752)
Fund balance, January 1, 2002	<u>5,638,391</u>	<u>5,638,391</u>	<u>5,638,391</u>
Fund balance, December 31, 2002	<u>\$ 5,814,960</u>	<u>\$ 2,301,570</u>	<u>\$ 3,720,639</u>

City of Akron, Ohio

Notes to the Budgetary Comparison Schedule – General Fund

For the Year Ended December 31, 2002

1. Budgetary Data

The City's budgetary process is based upon accounting for certain transactions on a basis other than on generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule – General Fund in accordance with the City's budgetary process (budget basis) to provide a meaningful comparison of actual results with the budget. The legal level of budgetary control is by category for each department within each fund. The categories are wages/benefits, other, and capital outlay. The only major governmental fund formally budgeted by the City is the general fund.

The major differences between budget basis and GAAP basis in the general fund are:

1. Revenues are recorded when received in cash (budget) as opposed to susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to reservation of fund balances (GAAP).

Recognition of certain revenues may be reclassified between funds to facilitate matching with the related expenditures. For example, income taxes under the budget basis are recorded in a special revenue fund and shown as transfers to the ultimate recipient fund while income taxes under the GAAP basis are recognized directly in the recipient fund.

	General Fund
Deficiency of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (1,917,752)
Adjustments:	
To adjust revenues for accruals	2,026,822
To adjust expenditures for accruals	861,035
To adjust for encumbrances	<u>(79,007)</u>
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	<u>\$ 891,098</u>

**SUPPLEMENTARY
INFORMATION**

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - are used to account for types of resources for which specific uses are mandated by City ordinances or federal and state statutes. The title of the fund is descriptive of the activities accounted for therein. The Special Revenue Funds are:

To Account for Special Purposes:

Income Tax Collection	E.D.A. Revolving Loans
Emergency Medical Service	Section 108 Loans
Special Assessment	C.B.D. Tax Equivalency
Income Tax Capital Improvement	Industrial Incubator
C.I.P. Operating	Joint Economic Development Districts
Street and Highway Maintenance	Kenmore Improvement
Street Assessment	Vehicle Immobilization
Special Assessment Street Lighting	Akron Muni. Court Information System
Law Enforcement	Recreation Bureau Donations
Drug Law Enforcement	Balch Street Recreation Center
Indigent Drivers' Alcohol Treatment	Canal Park Stadium COPs
D.U.I. Enforcement and Education	Public Health
Equipment Replacement	Safety Programs
Convention and Exhibition Hall	Landfill Operations
Weed Control	City Facilities Operating
Litter Control	Various Purpose Funding
Building Code Enforcement	Recreation Special Purpose
Upgrade Staff Program	Deposits
Lead Poisoning Prevention	Payroll
Tax Equivalency	Investment Earnings

Federal and/or State Statutes to Account for Grants and Subsidies:

Fire-Public Education and Safety	Summer Lunch Program
Haz/Mat Rescue Grant	Child and Family Health Services
E.M.S. Grant Fund	H.O.M.E. Program
Community Development	K.A.B. Litter Control
Air Pollution Control	State/Federal Grants Diverse
Alcohol and Drug Abuse Counseling	Enterprise Community Grant
Community Environment Grants	Police Grants
Supplemental Food Program	Various Domestic Violence
Sexually Transmitted Disease Control	Health Grants
Akron Metro. Area Transportation Study	

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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

General Bond Payment
Debt Service Bond Payment
Main Place Bond Payment
Market Valley Urban Renewal Bond Payment
Non-Tax Revenue Bond Payment
Pension Obligation Refunding
JEDD Bond Payment

Capital Project Funds - are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

To Account for Grant Revenue and Other Funding Sources:

Ascot Park Public Improvements	Projects Funded by G.O. Bonds
Canal Park Condominiums U.D.A.G.	Cascade Hotel Renovation
Airport Industrial Park	Canal Redevelopment
Non-appropriated Capital Projects	Firestone Stadium Improvements
Eaton Estate Urban Redevelopment	GoJo Headquarters Improvements
Road and Bridge Improvements	Tell Parking Expansion
Arterial Street Construction	Capital Projects with Private Funding
Streets	NorthTurkeyfoot Industrial Park
Massillon Road Industrial Park	Facilities and Project with Various Funding
Exchange Street Redevelopment	Information Technology and Improvements
Akron Square Urban Renewal Area	Transportation
Police/Fire Combined Dispatch	Parks and Recreation
Inventors' Hall of Fame	Public Facilities and Improvements
Market-High Renewal Project	Public Parking
Tell Development Project	Economic Development

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002

	Special Revenue Funds						
	Income Tax Collection	Emergency Medical Service	Special Assessment	Income Tax Capital Improvement	C.I.P. Operating	Street and Highway Maintenance	Street Assessment Fund
Assets							
Pooled cash and investments	\$ 1,313,425	\$ 1,324,161	\$ 62,376	\$ -	\$ 123,948	\$ 304,392	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	9,998,033	-	-	4,135,746	2,791,286	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	350,000	-	-	-
Due from other funds	78,500	-	-	7,131,086	-	1,265	4,976,677
Due from others	-	-	-	-	-	-	-
Total assets	\$ 1,391,925	\$ 11,322,194	\$ 62,376	\$ 7,481,086	\$ 4,259,694	\$ 3,096,943	\$ 4,976,677
Liabilities							
Accounts payable	\$ 917,251	\$ -	\$ 23,969	\$ 168,096	\$ 20,519	\$ 303,700	\$ 286,675
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	2,512	11,222	724	4,126	5,124	167,006	71,287
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	9,190,653	-	-	1,341,323	2,051,907	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	333,154	-	-	-
Accrued wages	61,704	249,628	8,843	713	34,106	253,077	116,557
Accrued vacation and leave	24,898	505,282	1,954	-	34,720	154,701	17,575
Total liabilities	1,006,365	9,956,785	35,490	506,089	1,435,792	2,930,391	492,094
Fund balances							
Fund balance:							
Reserved for encumbrances	69,078	116,089	605	1,346,200	32,188	298,543	72,209
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	730	30,701	234	245,528	8,060	15,300	5,000
Unreserved reported in special revenue funds	315,752	1,218,619	26,047	5,383,269	2,783,654	(147,291)	4,407,374
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	385,560	1,365,409	26,886	6,974,997	2,823,902	166,552	4,484,583
Total liabilities and fund balances	\$ 1,391,925	\$ 11,322,194	\$ 62,376	\$ 7,481,086	\$ 4,259,694	\$ 3,096,943	\$ 4,976,677

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Special Revenue Funds	Fire-Public Education and Safety	Haz/Mat Rescue Grant	E.M.S. Grant Fund	Law Enforcement	Drug Law Enforcement	Indigent Drivers' Alcohol Treatment
Assets							
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Accrued wages	-	-	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances							
Fund balance:							
Reserved for encumbrances	-	-	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-
Unreserved reported in special revenue funds	-	-	-	-	-	-	-
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Special Revenue Funds						
	D.U.I. Enforcement and Education	Equipment Replacement	Convention and Exhibition Hall	Weed Control	Litter Control	Building Code Enforcement	Community Development
Assets							
Pooled cash and investments	\$ -	\$ 2,081,073	\$ 201,658	\$ -	\$ 2,321	\$ 3,304	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	12,201	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	59,500
Due from others	-	-	-	-	-	-	-
Total assets	\$ -	\$ 2,081,073	\$ 213,859	\$ -	\$ 2,321	\$ 3,304	\$ 59,500
Liabilities							
Accounts payable	\$ -	\$ 10,977	\$ -	\$ -	\$ -	\$ 3,274	\$ 309,846
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	6,809	-	-	-	545,620
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	382,354
Deferred revenue	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Accrued wages	-	-	2,145	-	-	-	85,506
Accrued vacation and leave	-	-	783	-	-	-	24,920
Total liabilities	-	10,977	-	9,737	-	3,274	1,348,246
Fund balances							
Fund balance:							
Reserved for encumbrances	-	2,801,006	-	4,364	24,845	5,204	381,046
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	852,234	-	-	-	1,200	82,652
Unreserved reported in special revenue funds	-	(1,583,144)	213,859	(14,101)	(22,524)	(6,374)	(1,752,444)
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	-	2,070,096	213,859	(9,737)	2,321	30	(1,288,746)
Total liabilities and fund balances	\$ -	\$ 2,081,073	\$ 213,859	\$ -	\$ 2,321	\$ 3,304	\$ 59,500

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Special Revenue Funds							
	Air Pollution Control	Alcohol and Drug Abuse Counseling	Community Environment Grants	Upgrade Staff Program	Supplemental Food Program	Sexually Transmitted Disease Control	Akron Metro. Area Transportation Study	
Assets								
Pooled cash and investments	\$ 1,966,645	\$ -	\$ 496,088	\$ -	\$ -	\$ -	\$ -	
Restricted cash and investments	-	-	-	-	-	-	-	
Receivables, net of allowances for uncollectibles	12,954	-	-	-	-	-	-	
Loans receivable	-	-	857,600	-	-	-	-	
Due from other governments	-	-	92,790	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	
Due from others	-	-	-	-	-	-	-	
Total assets	\$ 1,979,599	\$ -	\$ 1,446,478	\$ -	\$ -	\$ -	\$ -	
Liabilities								
Accounts payable	\$ 1,462	\$ -	\$ 93,320	\$ -	\$ -	\$ -	\$ 151	
Customer deposits	-	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	
Due to other funds	2,528	-	-	-	-	-	44,472	
Due to others	-	-	-	-	-	-	-	
Deferred grant revenue	-	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	
Accrued liabilities	-	-	-	-	-	-	-	
Accrued wages	35,684	-	-	-	-	-	32,089	
Accrued vacation and leave	9,684	-	-	-	-	-	3,902	
Total liabilities	49,358	-	93,320	-	-	-	80,614	
Fund balances								
Fund balance:								
Reserved for encumbrances	25,402	-	52,566	-	-	-	19,965	
Reserved for loans receivable	-	-	857,600	-	-	-	-	
Unreserved designated for pre-encumbrances	4,907	-	-	-	-	-	1,194	
Unreserved reported in special revenue funds	1,899,932	-	442,992	-	-	-	(101,773)	
Unreserved reported in debt service funds	-	-	-	-	-	-	-	
Unreserved reported in capital project funds	-	-	-	-	-	-	-	
Total fund balances	1,930,241	-	1,353,158	-	-	-	(80,614)	
Total liabilities and fund balances	\$ 1,979,599	\$ -	\$ 1,446,478	\$ -	\$ -	\$ -	\$ -	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Special Revenue Funds							Tax Equivalency
	Summer Lunch Program	Child and Family Health Services	H.O.M.E. Program	Lead Poisoning Prevention	K.A.B. Litter Control	State/ Federal Grants Diverse		
Assets								
Pooled cash and investments	\$ 16,563	\$ -	\$ 1,204,700	\$ -	\$ -	\$ -	\$ -	\$ 250,474
Restricted cash and investments	-	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-	-
Loans receivable	-	-	1,472,444	-	-	-	-	-
Due from other governments	-	-	-	-	-	15,785	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from others	-	-	-	-	-	-	-	-
Total assets	\$ 16,563	\$ -	\$ 2,677,144	\$ -	\$ -	\$ 15,785	\$ -	\$ 250,474
Liabilities								
Accounts payable	\$ -	\$ -	\$ 42,854	\$ -	\$ 181	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	86	-	59,500	-	149	-	-	-
Due to others	-	-	-	-	-	-	-	-
Deferred grant revenue	23,566	-	485,691	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-
Accrued wages	-	-	-	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-	-
Total liabilities	23,652	-	588,045	-	330	-	-	-
Fund balances								
Fund balance:								
Reserved for encumbrances	-	-	514,804	-	-	-	-	11,331
Reserved for loans receivable	-	-	1,472,444	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	-	-	2,366	-	11,000
Unreserved reported in special revenue funds	(7,089)	-	101,851	-	-	13,089	-	228,143
Unreserved reported in debt service funds	-	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-	-
Total fund balances	(7,089)	-	2,089,099	-	15,455	-	-	250,474
Total liabilities and fund balances	\$ 16,563	\$ -	\$ 2,677,144	\$ -	\$ 15,785	\$ -	\$ -	\$ 250,474

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Special Revenue Funds						Joint		
	E.D.A. Revolving Loans	Section 108 Loans	C.B.D. Tax Equivalency	Industrial Incubator	Economic Development Districts	Kenmore Improvement	Vehicle Immobilization		
Assets									
Pooled cash and investments	\$ 92,494	\$ 1	\$ -	\$ 77,836	\$ -	\$ -	\$ -		
Restricted cash and investments	-	-	-	-	-	-	-		
Receivables, net of allowances for uncollectibles	-	-	-	-	2,028,270	-	-		
Loans receivable	-	-	-	-	-	-	-		
Due from other governments	-	-	-	-	12,300	-	-		
Due from other funds	-	-	-	-	13,310,662	-	-		
Due from others	-	-	-	-	-	-	-		
Total assets	\$ 92,494	\$ 1	\$ -	\$ 77,836	\$ 15,351,232	\$ -	\$ -		
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 20,959	\$ 972,696	\$ -	\$ -		
Customer deposits	-	-	-	-	-	-	-		
Due to other governments	-	38,239	-	-	-	-	-		
Due to other funds	-	-	-	1,398	83,432	-	-		
Due to others	-	-	-	-	-	-	-		
Deferred grant revenue	-	-	-	-	-	-	-		
Deferred revenue	-	-	-	-	805,870	-	-		
Matured bonds payable	-	-	-	-	-	-	-		
Matured interest payable	-	-	-	-	-	-	-		
Accrued liabilities	-	-	-	60,472	242,219	-	-		
Accrued wages	-	-	-	-	244	-	-		
Accrued vacation and leave	-	-	-	-	-	-	-		
Total liabilities	-	38,239	-	82,829	2,104,461	-	-		
Fund balances									
Fund balance:									
Reserved for encumbrances	-	-	-	113,666	2,318,783	-	-		
Reserved for loans receivable	-	-	-	-	-	-	-		
Unreserved designated for pre-encumbrances	-	-	-	21,579	-	-	-		
Unreserved reported in special revenue funds	92,494	(38,238)	-	(140,238)	10,927,988	-	-		
Unreserved reported in debt service funds	-	-	-	-	-	-	-		
Unreserved reported in capital project funds	-	-	-	-	-	-	-		
Total fund balances	92,494	(38,238)	-	(4,993)	13,246,771	-	-		
Total liabilities and fund balances	\$ 92,494	\$ 1	\$ -	\$ 77,836	\$ 15,351,232	\$ -	\$ -		

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Special Revenue Funds										
	Akron Muni. Court Information System	Recreation Bureau Donations	Enterprise Community Grant	Batch Street Recreation Center	Canal Park Stadium COPs	Public Health	Police Grants				
Assets											
Pooled cash and investments	\$ 358,843	\$ -	\$ -	\$ -	\$ -	\$ 857,091	\$ -	\$ -	\$ -	\$ 19,553	
Restricted cash and investments	-	-	-	-	4,053,419	-	-	-	-	-	
Receivables, net of allowances for uncollectibles	17,192	-	-	-	-	1,678	-	-	-	-	
Loans receivable	-	-	-	-	-	-	-	-	-	-	
Due from other governments	-	-	-	-	-	-	-	-	-	47,465	
Due from other funds	-	-	-	-	-	-	-	-	-	-	
Due from others	-	-	-	-	-	-	-	-	-	-	
Total assets	\$ 376,035	\$ -	\$ -	\$ -	\$ 4,053,419	\$ 858,769	\$ -	\$ -	\$ -	\$ 67,018	
Liabilities											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,598	\$ -	\$ -	\$ -	\$ 59,070	
Customer deposits	-	-	-	-	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	-	-	-	
Due to other funds	29	-	-	-	-	2,702	-	-	-	-	
Due to others	-	-	-	-	-	-	-	-	-	-	
Deferred grant revenue	-	-	-	-	-	-	-	-	-	3,989	
Deferred revenue	-	-	-	-	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	-	-	-	
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	
Accrued wages	-	-	-	-	-	16,512	-	-	-	29,894	
Accrued vacation and leave	-	-	-	-	-	2,753	-	-	-	3,532	
Total liabilities	29	-	-	-	-	36,565	-	-	-	96,485	
Fund balances											
Fund balance:											
Reserved for encumbrances	15,653	-	-	-	-	89,611	-	-	-	220,577	
Reserved for loans receivable	-	-	-	-	-	-	-	-	-	-	
Unreserved designated for pre-encumbrances	73,620	-	-	-	-	4,240	-	-	-	61,906	
Unreserved reported in special revenue funds	286,733	-	-	-	4,053,419	728,353	-	-	-	(311,950)	
Unreserved reported in debt service funds	-	-	-	-	-	-	-	-	-	-	
Unreserved reported in capital project funds	-	-	-	-	-	-	-	-	-	-	
Total fund balances	376,006	-	-	-	4,053,419	822,204	-	-	-	(29,467)	
Total liabilities and fund balances	\$ 376,035	\$ -	\$ -	\$ -	\$ 4,053,419	\$ 858,769	\$ -	\$ -	\$ -	\$ 67,018	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

Special Revenue Funds										
	Various Domestic Violence	Safety Programs	Landfill Operations	Health Grants	City Facilities Operating	Various Purpose Funding	Recreation Special Purpose			
Assets										
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 467,687	\$ 140,992	\$ 102,650			
Restricted cash and investments	-	-	-	-	-	-	-			
Receivables, net of allowances for uncollectibles	-	10,925	-	8,233	-	-	-			
Loans receivable	-	-	-	-	-	-	-			
Due from other governments	175,877	-	-	171,091	-	-	-			
Due from other funds	-	6,992	-	3,487	-	18,305	-			
Due from others	-	-	-	-	-	-	-			
Total assets	\$ 175,877	\$ 17,917	\$ -	\$ 182,811	\$ 467,687	\$ 159,297	\$ 102,650			
Liabilities										
Accounts payable	\$ -	\$ 15,262	\$ -	\$ 324,871	\$ 217,431	\$ -	\$ 33,218			
Customer deposits	-	-	-	-	-	-	-			
Due to other governments	-	-	-	-	-	-	-			
Due to other funds	250,632	60,532	-	193,256	12,321	-	-			
Due to others	-	-	-	-	-	-	-			
Deferred grant revenue	-	30,110	-	221,364	-	-	-			
Deferred revenue	-	-	-	-	-	-	-			
Matured bonds payable	-	-	-	-	-	-	-			
Matured interest payable	-	-	-	-	-	-	-			
Accrued liabilities	-	-	-	-	-	-	-			
Accrued wages	877	2,365	-	81,344	60,726	-	2,199			
Accrued vacation and leave	32	117	-	10,258	2,382	-	2,229			
Total liabilities	251,541	108,386	-	831,093	292,898	-	37,646			
Fund balances										
Fund balance:										
Reserved for encumbrances	79,201	214,135	-	1,429,375	197,314	153,127	45,987			
Reserved for loans receivable	-	-	-	-	-	-	-			
Unreserved designated for pre-encumbrances	-	24,163	-	23,337	20,230	-	3,047			
Unreserved reported in special revenue funds	(154,865)	(328,767)	-	(2,100,994)	(42,755)	6,170	15,970			
Unreserved reported in debt service funds	-	-	-	-	-	-	-			
Unreserved reported in capital project funds	-	-	-	-	-	-	-			
Total fund balances	(75,664)	(90,469)	-	(648,282)	174,789	159,297	65,004			
Total liabilities and fund balances	\$ 175,877	\$ 17,917	\$ -	\$ 182,811	\$ 467,687	\$ 159,297	\$ 102,650			

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Special Revenue Funds		Debt Service Funds				Market Valley Urban Renewal Bond Payment
	Deposits	Payroll	Investment Earnings	General Bond Payment	Debt Service Bond Payment	Main Place Bond Payment	
Assets							
Pooled cash and investments	\$ 1,737,523	\$ -	\$ 42,576	\$ 345,182	\$ 1,276,738	\$ -	-
Restricted cash and investments	-	-	-	-	2,998,251	310,052	3,009
Receivables, net of allowances for uncollectibles	8,000	-	-	1,031,067	2,475	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from others	-	2,710,675	-	-	-	-	-
Total assets	\$ 1,745,523	\$ 2,710,675	\$ 42,576	\$ 1,376,249	\$ 4,277,464	\$ 310,052	\$ 3,009
Liabilities							
Accounts payable	\$ 130,213	\$ 1,538,118	\$ -	\$ 23,935	\$ -	\$ -	-
Customer deposits	452,860	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	1,132,221	30,438	323	-	-	-
Due to others	202,306	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	-	952,933	-	-	-
Matured bonds payable	-	-	-	-	130,000	-	-
Matured interest payable	-	-	-	-	61,128	-	-
Accrued liabilities	794,198	-	-	-	-	-	-
Accrued wages	-	-	-	10,114	-	-	-
Accrued vacation and leave	-	-	-	2,015	-	-	-
Total liabilities	1,579,577	2,670,339	30,438	989,320	191,128	-	-
Fund balances							
Fund balance:							
Reserved for encumbrances	-	-	-	2,447	-	-	-
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-
Unreserved reported in special revenue funds	165,946	40,336	12,138	-	-	-	-
Unreserved reported in debt service funds	-	-	-	384,482	4,086,336	310,052	3,009
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	165,946	40,336	12,138	386,929	4,086,336	310,052	3,009
Total liabilities and fund balances	\$ 1,745,523	\$ 2,710,675	\$ 42,576	\$ 1,376,249	\$ 4,277,464	\$ 310,052	\$ 3,009

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Capital Project Funds							Non-appropriated Capital Projects
	Debt Service Funds Non-Tax Revenue Bond Payment	Pension Obligation Refunding	JEDD Bond Payment	Ascot Park Public Improvements	Canal Park Condominiums U.D.A.G.	Airport Industrial Park		
Assets								
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	3,099,004	51,432	4,441,796	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	85,124
Due from other funds	-	-	-	-	-	-	-	200
Due from others	-	-	-	-	-	-	-	-
Total assets	\$ 3,099,004	\$ 51,432	\$ 4,441,796	\$ -	\$ -	\$ -	\$ -	\$ 85,324
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,684
Customer deposits	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	788,903
Due to others	-	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	77,594
Accrued wages	-	-	-	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	921,181
Fund balances								
Fund balance:								
Reserved for encumbrances	-	-	-	-	-	-	-	398,560
Reserved for loans receivable	-	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-	-
Unreserved reported in special revenue funds	-	-	-	-	-	-	-	-
Unreserved reported in debt service funds	3,099,004	51,432	4,441,796	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-	(1,234,417)
Total fund balances	3,099,004	51,432	4,441,796	-	-	-	-	(835,857)
Total liabilities and fund balances	\$ 3,099,004	\$ 51,432	\$ 4,441,796	\$ -	\$ -	\$ -	\$ -	\$ 85,324

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Capital Project Funds						
	Eaton Estate Urban Redevelopment	Road and Bridge Improvements	Arterial Street Construction	Streets	Massillon Road Industrial Park	Exchange Street Redevelopment	Akron Square Urban Renewal Area
Assets							
Pooled cash and investments	\$ -	\$ 799,247	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	1,655,192	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	131,476	-	5,198,114	-	-	-
Due from other funds	-	-	-	568,545	-	-	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ -	\$ 2,585,915	\$ -	\$ 5,766,659	\$ -	\$ -	\$ -
Liabilities							
Accounts payable	\$ -	\$ 69,308	\$ -	\$ 1,232,356	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	458	-	9,424,857	-	-	-
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	1,463,589	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	10,977	-	2,124,608	-	-	-
Accrued wages	-	-	-	2,103	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-
Total liabilities	-	\$ 1,544,332	-	\$ 12,783,924	-	-	-
Fund balances							
Fund balance:							
Reserved for encumbrances	-	598,410	-	14,449,325	-	-	-
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	7,149	-	-	-
Unreserved reported in special revenue funds	-	-	-	-	-	-	-
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	443,173	-	(21,473,739)	-	-	-
Total fund balances	-	\$ 1,041,583	-	\$ (7,017,265)	-	-	-
Total liabilities and fund balances	\$ -	\$ 2,585,915	\$ -	\$ 5,766,659	\$ -	\$ -	\$ -

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Capital Project Funds						
	Police/ Fire Combined Dispatch	Inventors' Hall of Fame	Market-High Renewal Project	Tell Development Project	Projects Funded by G.O. Bonds	Cascade Hotel Renovation	Canal Redevelopment
Assets							
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Accrued wages	-	-	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances							
Fund balance:							
Reserved for encumbrances	-	-	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-
Unreserved reported in special revenue funds	-	-	-	-	-	-	-
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Capital Project Funds						
	Firestone Stadium Improvements	GoJo Headquarters Improvements	Tell Parking Expansion	Capital Projects with Private Funding	North Turkeyfoot Industrial Park	Facilities and Projects with Various Funding	Information Technology and Improvements
Assets							
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	-	777,469	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 777,469	\$ -	\$ -	\$ -
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	-	1,520,443	-	-	295,398
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Accrued wages	-	-	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-
Total liabilities	-	-	-	\$ 1,520,443	-	-	\$ 295,398
Fund balances							
Fund balance:							
Reserved for encumbrances	-	-	-	59,921	-	-	499,567
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	10,000	-	-	-
Unreserved reported in special revenue funds	-	-	-	-	-	-	-
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	(812,895)	-	-	(794,965)
Total fund balances	-	-	-	(742,974)	-	-	(295,398)
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 777,469	\$ -	\$ -	\$ -

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2002
(continued)

	Capital Project Funds					Total
	Transportation	Parks and Recreation	Public Facilities and Improvements	Public Parking	Economic Development	
Assets						
Pooled cash and investments	\$ -	\$ -	916,712	\$ 5,729,380	\$ -	\$ 22,315,633
Restricted cash and investments	-	-	-	-	-	14,956,963
Receivables, net of allowances for uncollectibles	-	-	-	-	219,860	22,710,581
Loans receivable	-	-	-	-	4,217,005	6,547,049
Due from other governments	2,013,283	-	107,227	-	441,000	8,841,532
Due from other funds	-	-	-	-	-	26,155,219
Due from others	-	-	-	-	-	2,710,675
Total assets	\$ 2,013,283	\$ -	\$ 1,023,939	\$ 5,729,380	\$ 4,877,865	\$ 104,237,652
Liabilities						
Accounts payable	\$ 351,564	\$ 259,002	\$ 160,256	\$ 488,747	\$ 292,744	\$ 8,441,307
Customer deposits	-	-	-	-	-	452,860
Due to other governments	-	-	-	-	1,550,000	1,588,239
Due to other funds	3,663,560	1,747,938	2,333	1,059	8,989,473	29,122,871
Due to others	-	-	-	-	-	202,306
Deferred grant revenue	-	-	-	-	-	1,147,074
Deferred revenue	-	-	-	-	-	15,806,275
Matured bonds payable	-	-	-	-	-	130,000
Matured interest payable	-	-	-	-	-	61,128
Accrued liabilities	325,804	385,351	343,695	557,827	550,857	5,867,482
Accrued wages	-	-	-	-	218	1,028,304
Accrued vacation and leave	-	-	-	-	-	799,393
Total liabilities	4,340,928	2,392,291	506,284	1,047,633	11,383,292	64,647,239
Fund balances						
Fund balance:						
Reserved for encumbrances	1,645,169	2,238,534	1,498,789	11,878,847	2,906,571	46,829,014
Reserved for loans receivable	-	-	-	-	4,217,005	6,547,049
Unreserved designated for pre-encumbrances	-	-	280,000	-	-	1,790,377
Unreserved reported in special revenue funds	-	-	-	-	-	26,611,581
Unreserved reported in debt service funds	-	-	-	-	-	12,376,111
Unreserved reported in capital project funds	(3,972,814)	(4,630,825)	(1,261,134)	(7,197,100)	(13,629,003)	(54,563,719)
Total fund balances	(2,327,645)	(2,392,291)	517,655	4,681,747	(6,505,427)	39,590,413
Total liabilities and fund balances	\$ 2,013,283	\$ -	\$ 1,023,939	\$ 5,729,380	\$ 4,877,865	\$ 104,237,652

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002

Special Revenue Funds									
	Income Tax Collection	Emergency Medical Service	Special Assessment	Income Tax Capital Improvement	C.I.P. Operating	Street and Highway Maintenance	Street Assessment	Fund	
Revenues									
Income taxes	\$ 4,662,810	\$ -	\$ -	\$ -	\$ 1,389,017	\$ -	\$ -		
Property taxes	-	8,834,260	-	-	-	-	-		
JEDD revenues	-	-	-	-	-	-	-		
Special assessments	-	-	301,050	-	-	102,500	-	7,245,357	
Grants and subsidies:									
Community development	-	-	-	-	-	-	-		
Other	-	-	-	1,138,000	-	-	-		
Investment earnings	-	-	-	-	-	-	-		
Shared revenues	-	-	-	-	-	4,947,808	-		
Licenses, fees and fines	-	-	-	-	-	71,718	-		
Charges for services	146,497	8,055	-	-	-	1,730,437	-	59,041	
Miscellaneous	8,836	400	222	1,018,916	801	96,083	-	38,305	
	4,818,143	8,842,715	301,272	2,156,916	1,389,818	6,948,546	-	7,342,703	
Expenditures									
Current:									
General government	5,316,716	-	447,335	4,800	-	-	-	-	
Public service	-	-	-	1,488,370	-	8,907,026	-	6,363,645	
Public safety	200	8,412,851	-	248,307	-	1,180,285	-	-	
Community environment	-	-	-	73,193	1,263,171	-	-	-	
Public health	-	-	-	-	-	-	-	-	
Recreation and parks	-	-	-	174,453	-	2,820	-	-	
Capital outlay	-	-	-	3,811,852	-	-	-	-	
Debt service:									
Principal Retirement	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	
Bond issuance expenditures	-	-	-	-	-	-	-	-	
	5,316,916	8,412,851	447,335	5,800,975	1,263,171	10,090,131	-	6,363,645	
	(498,773)	429,864	(146,063)	(3,644,059)	126,647	(3,141,585)	-	979,058	
Excess (deficiency) of revenues over expenditures									
Other financing sources (uses)									
Proceeds of general obligation bonds	-	-	-	950,000	-	-	-	-	
Proceeds of general obligation notes	-	-	-	-	-	-	-	-	
Premium on G.O. Debt	-	-	-	-	-	-	-	-	
Transfers-in	-	-	-	7,947,594	-	1,650,000	-	7,494,229	
Transfers-out	(422,597)	-	-	(2,096,397)	(135,000)	(56,278)	-	(141,663)	
	(422,597)	-	-	6,801,197	(135,000)	1,593,722	-	7,352,566	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(921,370)	429,864	(146,063)	3,157,138	(8,353)	(1,547,863)	-	8,331,624	
Fund balances (deficits), January 1, 2002	1,306,930	935,545	172,949	3,817,859	2,832,255	1,714,415	-	(3,847,041)	
Fund balances (deficits), December 31, 2002	\$ 385,560	\$ 1,365,409	\$ 26,886	\$ 6,974,997	\$ 2,823,902	\$ 166,552	\$ -	\$ 4,484,583	

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

	Special Assessment Street Lighting	Fire-Public Education and Safety	Haz/Mat Rescue Grant	E.M.S. Grant Fund	Law Enforcement	Drug Law Enforcement	Indigent Drivers' Alcohol Treatment
Revenues							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:							
Community development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	272,946	-	-
Transfers-out	(7,494,174)	(58,998)	(28,632)	(30,553)	-	(51,993)	(93,273)
	(7,494,174)	(58,998)	(28,632)	(30,553)	272,946	(51,993)	(93,273)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(7,494,174)	(58,998)	(28,632)	(30,553)	272,946	(51,993)	(93,273)
Fund balances (deficits), January 1, 2002	7,494,174	58,998	28,632	30,553	(272,946)	51,993	93,273
Fund balances (deficits), December 31, 2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds
 Year Ended December 31, 2002
 (continued)

	Special Revenue Funds						
	D.U.I. Enforcement and Education	Equipment Replacement	Convention and Exhibition Hall	Weed Control	Litter Control	Building Code Enforcement	Community Development
Revenues							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	77,551	16,833	-	123,646	-
Grants and subsidies:							
Community development	-	-	-	-	-	-	7,075,173
Other	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Shared revenues	-	-	205,491	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	33,759
Charges for services	-	-	-	52,705	-	-	59,500
Miscellaneous	-	330,434	25,706	-	-	-	383,648
	-	330,434	231,197	77,551	69,538	123,646	7,552,080
Expenditures							
Current:							
General government	-	39,005	175,000	-	-	-	68,177
Public service	-	10,977	-	90,890	-	-	-
Public safety	-	804,249	-	-	-	-	-
Community environment	-	-	-	-	-	211,260	7,586,974
Public health	-	-	-	-	135,795	-	291,697
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	84
Debt service:							
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	-	-	-
	-	854,231	175,000	90,890	135,795	211,260	7,946,932
	-	(523,797)	56,197	(13,339)	(66,257)	(87,614)	(394,852)
Excess (deficiency) of revenues over expenditures							
Other financing sources (uses)							
Proceeds of general obligation bonds	-	1,950,000	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	38,000	100,000	172,426
Transfers-out	(52,420)	-	(150,000)	-	-	-	(104,481)
	(52,420)	1,950,000	(150,000)	-	38,000	100,000	67,945
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(52,420)	1,426,203	(93,803)	(13,339)	(28,257)	12,386	(326,907)
Fund balances (deficits), January 1, 2002	52,420	643,893	307,662	3,602	30,578	(12,356)	(961,839)
Fund balances (deficits), December 31, 2002	\$ -	\$ 2,070,096	\$ 213,859	\$ (9,737)	\$ 2,321	\$ 30	\$ (1,288,746)

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

Special Revenue Funds										
	Air Pollution Control	Alcohol and Drug Abuse Counseling	Community Environment Grants	Upgrade Staff Program	Supplemental Food Program	Sexually Transmitted Disease Control	Akron Metro. Area Transportation Study			
Revenues										
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Property taxes	-	-	-	-	-	-	-			
JEDD revenues	-	-	-	-	-	-	-			
Special assessments	-	-	-	-	-	-	-			
Grants and subsidies:										
Community development	-	-	190,068	-	-	-	-			
Other	1,022,523	-	91,828	-	-	-	1,049,939			
Investment earnings	-	-	15,666	-	-	-	-			
Shared revenues	-	-	-	-	-	-	-			
Licenses, fees and fines	156,462	-	-	-	-	-	-			
Charges for services	87,570	-	-	-	-	-	189,110			
Miscellaneous	183	-	12,952	-	-	-	3,906			
	1,266,738	-	310,514	-	-	-	1,242,955			
Expenditures										
Current:										
General government	-	-	-	-	-	-	-			
Public service	-	-	-	-	-	-	-			
Public safety	-	-	-	-	-	-	-			
Community environment	-	-	445,177	-	-	-	1,113,948			
Public health	1,273,622	-	-	-	-	-	-			
Recreation and parks	-	-	-	-	-	-	-			
Capital outlay	-	-	-	-	-	-	-			
Debt service:										
Principal Retirement	-	-	-	-	-	-	-			
Interest	-	-	-	-	-	-	-			
Bond issuance expenditures	-	-	-	-	-	-	-			
	1,273,622	-	445,177	-	-	-	1,113,948			
	(6,884)	-	(134,663)	-	-	-	129,007			
Excess (deficiency) of revenues over expenditures										
Other financing sources (uses)										
Proceeds of general obligation bonds	-	-	-	-	-	-	-			
Proceeds of general obligation notes	-	-	-	-	-	-	-			
Premium on G.O. Debt	-	-	-	-	-	-	-			
Transfers-in	-	324,001	952,327	-	-	11,492	13,767			
Transfers-out	(1,115)	324,001	(187,621)	(187,621)	-	-	(1,350)			
	(1,115)	324,001	952,327	(187,621)	11,492	13,767	(1,350)			
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(7,999)	324,001	817,664	(187,621)	11,492	13,767	127,657			
Fund balances (deficits), January 1, 2002	1,938,240	(324,001)	535,494	187,621	(11,492)	(13,767)	(208,271)			
Fund balances (deficits), December 31, 2002	\$ 1,930,241	\$ -	\$ 1,353,158	\$ -	\$ -	\$ -	\$ (80,614)			

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

	Special Revenue Funds							Tax Equivalency
	Summer Lunch Program	Child and Family Health Services	H.O.M.E. Program	Lead Poisoning Prevention	K.A.B. Litter Control	State/ Federal Grants Diverse		
Revenues								
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-	-	373,684
JEDD revenues	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Grants and subsidies:								
Community development	-	-	666,809	-	-	-	-	-
Other	106,668	-	-	-	78,925	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	480,177	-	1,771	-	-	111,659
	106,668	-	1,146,986	-	80,696	-	-	485,343
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	54,828
Public service	-	-	-	-	826	-	-	55,990
Public safety	-	-	-	-	-	-	-	-
Community environment	-	-	1,153,188	-	82,084	-	-	-
Public health	-	-	-	-	-	-	-	-
Recreation and parks	113,367	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	-	-	-	-
	113,367	-	1,153,188	-	82,910	-	-	110,818
Excess (deficiency) of revenues over expenditures	(6,699)	-	(6,202)	-	(2,214)	-	-	374,525
Other financing sources (uses)								
Proceeds of general obligation bonds	-	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-	-
Transfers-in	-	-	-	1,654	2,103	-	-	33,364
Transfers-out	-	(27,971)	(142,750)	-	-	(329,708)	-	(157,415)
	-	(27,971)	(142,750)	1,654	2,103	(329,708)	-	(124,051)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(6,699)	(27,971)	(148,952)	1,654	(111)	(329,708)	-	250,474
Fund balances (deficits), January 1, 2002	(390)	27,971	2,238,051	(1,654)	15,566	329,708	-	-
Fund balances (deficits), December 31, 2002	(7,089)	\$ -	2,089,099	\$ -	15,455	\$ -	\$ -	250,474

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds
 Year Ended December 31, 2002
 (continued)

Special Revenue Funds		Section 108 Loans	C.B.D. Tax Equivalency	Industrial Incubator	Joint Economic Development Districts	Kenmore Improvement	Vehicle Immobilization
Revenues							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	13,780,721	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:							
Community development	-	-	-	-	-	-	-
Other	-	-	-	-	142,701	-	-
Investment earnings	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	-
Charges for services	-	-	-	-	708,296	-	-
Miscellaneous	36	-	-	243,913	51,461	-	-
	36	-	-	243,913	14,683,179	-	-
Expenditures							
Current:							
General government	-	-	-	1,395	4,202,829	-	-
Public service	-	-	-	69,913	3,815,923	-	-
Public safety	-	-	-	-	-	-	-
Community environment	-	-	-	20,891	26,269	-	-
Public health	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	964,994	5,646,722	-	-
Debt service:							
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	398,365	-	-
	-	-	-	1,057,193	14,090,108	-	-
	36	-	-	(813,280)	593,071	-	-
Excess (deficiency) of revenues over expenditures							
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	-	-	23,569,552	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	468,230	-	-
Transfers-in	-	-	-	250,000	422,597	-	-
Transfers-out	-	-	-	(33,364)	(24,933,584)	(73,166)	(87,188)
	-	-	-	250,000	(473,205)	(73,166)	(87,188)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	36	-	(33,364)	(563,280)	119,866	(73,166)	(87,188)
Fund balances (deficits), January 1, 2002	92,458	(38,238)	33,364	558,287	13,126,905	73,166	87,188
Fund balances (deficits), December 31, 2002	\$ 92,494	\$ -	\$ -	\$ (4,993)	\$ 13,246,771	\$ -	\$ -

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

	Special Revenue Funds						
	Akron Muni. Court Information System	Recreation Bureau Donations	Enterprise Community Grant	Batch Street Recreation Center	Canal Park Stadium COPs	Public Health	Police Grants
Revenues							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,929,572	\$ -	\$ -
Property taxes	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:							
Community development	-	-	-	-	-	-	1,629,539
Other	-	-	-	-	43,754	-	-
Investment earnings	-	-	-	-	-	-	82,969
Shared revenues	-	-	-	-	-	632,294	-
Licenses, fees and fines	219,361	-	-	-	-	1,153,736	110,214
Charges for services	-	-	-	-	-	110,679	15,195
Miscellaneous	-	-	-	-	5,120	-	-
	219,361	-	-	-	3,978,446	1,896,709	1,837,917
Expenditures							
Current:							
General government	128,109	-	-	-	15,516	-	30,481
Public service	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	2,060,695
Community environment	-	-	-	-	-	-	-
Public health	-	-	-	-	-	917,097	-
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal Retirement	-	-	-	-	1,113,506	-	-
Interest	-	-	-	-	2,828,019	-	-
Bond issuance expenditures	-	-	-	-	-	-	-
	128,109	-	-	-	3,957,041	917,097	2,091,176
	91,252	-	-	-	21,405	979,612	(253,259)
Excess (deficiency) of revenues over expenditures							
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-
Transfers-in	-	-	-	13,952	-	350,729	330,000
Transfers-out	(50,000)	(256,838)	(932,625)	-	-	(728,255)	(79,505)
	(50,000)	(256,838)	(932,625)	13,952	-	(377,526)	250,495
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	41,252	(256,838)	(932,625)	13,952	21,405	602,086	(2,764)
Fund balances (deficits), January 1, 2002	334,754	256,838	932,625	(13,952)	4,032,014	220,118	(26,703)
Fund balances (deficits), December 31, 2002	\$ 376,006	\$ -	\$ -	\$ -	\$ 4,053,419	\$ 822,204	\$ (29,467)

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

Special Revenue Funds										
	Various Domestic Violence	Safety Programs	Landfill Operations	Health Grants	City Facilities Operating	Various Purpose Funding	Recreation Special Purpose			
Revenues	\$	\$	\$	\$	\$	\$	\$			
Income taxes	-	-	-	-	-	-	-			
Property taxes	-	-	-	-	-	-	-			
JEDD revenues	-	-	-	-	-	-	-			
Special assessments	-	-	-	-	-	-	-			
Grants and subsidies:										
Community development	-	-	-	1,109,985	-	73,401	-			
Other	76,800	27,802	-	2,954,416	-	-	-			
Investment earnings	-	5,455	-	-	-	4,753	-			
Shared revenues	-	87,339	-	-	-	-	-			
Licenses, fees and fines	-	87,020	-	23,183	-	-	-			
Charges for services	-	54,393	-	977,794	107,219	118,805	395,244			
Miscellaneous	10,956	171,721	-	20,417	627,314	371,766	70,311			
	87,756	433,730	-	5,085,795	734,533	568,725	465,555			
Expenditures										
Current:										
General government	153,772	-	-	-	106,515	3,000	-			
Public service	-	-	-	-	1,611,217	-	-			
Public safety	-	407,131	-	-	-	-	-			
Community environment	-	-	-	-	75,199	349,380	-			
Public health	-	2,802	-	5,613,676	-	-	-			
Recreation and parks	-	-	-	-	263,289	-	626,875			
Capital outlay	-	-	-	-	60,630	-	2,684			
Debt service:										
Principal Retirement	-	-	-	-	-	-	-			
Interest	-	-	-	-	-	-	-			
Bond issuance expenditures	-	-	-	-	-	-	-			
	153,772	409,933	-	5,613,676	2,116,850	352,380	629,559			
Excess (deficiency) of revenues over expenditures	(66,016)	23,797	-	(527,881)	(1,382,317)	216,345	(164,004)			
Other financing sources (uses)										
Proceeds of general obligation bonds	-	-	-	-	-	-	-			
Proceeds of general obligation notes	-	-	-	-	-	-	-			
Premium on G.O. Debt	-	-	-	-	-	-	-			
Transfers-in	-	150,268	-	72,303	1,314,413	73,166	291,460			
Transfers-out	-	(321,516)	(786,294)	(239,189)	32,383	(262,186)	-			
	-	(171,248)	(786,294)	(166,886)	1,346,796	(189,020)	291,460			
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(66,016)	(147,451)	(786,294)	(694,767)	(35,521)	27,325	127,456			
Fund balances (deficits), January 1, 2002	(9,648)	56,982	786,294	46,485	210,310	131,972	(62,452)			
Fund balances (deficits), December 31, 2002	\$ (75,664)	\$ (90,469)	\$ -	\$ (648,282)	\$ 174,789	\$ 159,297	\$ 65,004			

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

	Debt Service Funds						
	Special Revenue Funds	Payroll	Investment Earnings	General Bond Payment	Debt Service Bond Payment	Main Place Bond Payment	Market Valley Urban Renewal Bond Payment
Revenues							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ 15,611,184	\$ -	\$ -
Property taxes	-	-	-	464,651	776,299	248,979	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	81,169	3,969	-
Shared revenues	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Miscellaneous	284	-	-	63	5,930	-	-
	284	-	-	464,714	16,474,582	252,948	-
Expenditures							
Current:							
General government	-	-	5,660	369,576	147,143	-	-
Public service	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal Retirement	-	-	-	-	13,296,301	-	-
Interest	-	-	-	-	8,273,304	-	-
Bond issuance expenditures	-	-	-	-	269,275	-	-
	-	-	5,660	369,576	21,986,023	-	-
	284	-	(5,660)	95,138	(5,511,441)	252,948	-
Excess (deficiency) of revenues over expenditures							
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	-	-	1,565,000	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	1,355,900	-	-
Transfers-in	168,489	-	-	-	3,557,093	-	-
Transfers-out	(5,950)	-	(663,844)	-	(322,494)	(238,841)	-
	162,539	-	(663,844)	-	6,155,499	(238,841)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	162,823	-	(669,504)	95,138	644,058	14,107	-
Fund balances (deficits), January 1, 2002	3,123	40,336	681,642	291,791	3,442,278	295,945	3,009
Fund balances (deficits), December 31, 2002	\$ 165,946	\$ 40,336	\$ 12,138	\$ 386,929	\$ 4,086,336	\$ 310,052	\$ 3,009

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

	Debt Service Funds							Capital Project Funds				
	Non-Tax Revenue Bond Payment	Pension Obligation Refunding	JEDD Bond Payment	Ascot Park Public Improvements	Canal Park Condominiums U.D.A.G.	Airport Industrial Park	Non-appropriated Capital Projects					
Revenues												
Income taxes	2,838,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
Property taxes	-	708,603	-	-	-	-	-					
JEDD revenues	-	-	-	-	-	-	-					
Special assessments	-	-	-	-	-	-	-					
Grants and subsidies:												
Community development	-	-	-	-	-	-	-					
Other	-	-	-	-	-	-	-					
Investment earnings	20,962	2,445	111,063	-	-	-	-					
Shared revenues	-	-	-	-	-	-	-					
Licenses, fees and fines	-	-	-	-	-	-	-					
Charges for services	-	-	-	-	-	-	-					200
Miscellaneous	-	-	-	-	-	-	-					200
	2,859,307	711,048	111,063	-	-	-	-					
Expenditures												
Current:												
General government	2,500	-	-	-	-	-	-					
Public service	-	-	-	-	-	-	-					
Public safety	-	-	-	-	-	-	-					
Community environment	-	-	-	-	-	-	-					121,117
Public health	-	-	-	-	-	-	-					831,385
Recreation and parks	-	-	-	-	-	-	-					
Capital outlay	-	-	-	-	-	-	-					
Debt service:												
Principal Retirement	1,235,000	265,000	890,000	-	-	-	-					
Interest	1,603,345	443,603	1,429,283	-	-	-	-					
Bond issuance expenditures	2,840,845	708,603	2,319,283	-	-	-	-					952,502
	18,462	2,445	(2,208,220)	-	-	-	-					(952,302)
Excess (deficiency) of revenues over expenditures												
Other financing sources (uses)												
Proceeds of general obligation bonds	-	-	1,980,448	-	-	-	-					575,000
Proceeds of general obligation notes	-	-	-	-	-	-	-					
Premium on G.O. Debt	-	-	-	-	-	-	-					
Transfers-in	-	-	2,146,281	-	-	-	-					318,116
Transfers-out	-	-	-	(516,019)	(406,158)	(554,890)	(554,890)					(112,019)
	-	-	4,126,729	(516,019)	(406,158)	(554,890)	(554,890)					781,097
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	18,462	2,445	1,918,509	(516,019)	(406,158)	(554,890)	(554,890)					(171,205)
Fund balances (deficits), January 1, 2002	3,080,542	48,987	2,523,287	516,019	406,158	554,890	554,890					(664,652)
Fund balances (deficits), December 31, 2002	3,099,004	51,432	4,441,796	-	-	-	-					(835,857)

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

	Capital Project Funds								
	Eaton Estate Urban Redevelopment	Road and Bridge Improvements	Arterial Street Construction	Streets	Massillon Road Industrial Park	Exchange Street Redevelopment	Massillon Road Industrial Park	Exchange Street Redevelopment	Akron Square Urban Renewal Area
Revenues									
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	73,833	-	-	-	-	-
Grants and subsidies:									
Community development	-	-	-	1,838,430	-	-	-	-	-
Other	-	422,789	-	6,102,695	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-
Shared revenues	-	2,131,722	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	905,210	-	-	-	-	-
Charges for services	-	-	-	708,351	-	-	-	-	-
Miscellaneous	-	468,737	-	-	-	-	-	-	-
	-	3,023,248	-	9,628,519	-	-	-	-	-
Expenditures									
Current:									
General government	-	-	-	1,178	-	-	-	-	-
Public service	-	2,074,684	-	3,825,345	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Community environment	-	-	-	9,686	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-	-	-
Capital outlay	-	433,607	-	16,199,352	-	-	-	-	-
Debt service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	-	-	-	-	-
	-	2,508,291	-	20,035,561	-	-	-	-	-
	-	514,957	-	(10,407,042)	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Proceeds of general obligation bonds	-	400,000	-	4,230,000	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	3,428,300	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-	-	-
Transfers-in	-	7,483	-	507,717	-	-	2,852,523	-	-
Transfers-out	(907,795)	-	(9,715)	(934,762)	-	-	(6,194)	-	(589,215)
	(907,795)	407,483	(9,715)	7,231,255	-	-	2,852,523	(6,194)	(589,215)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(907,795)	922,440	(9,715)	(3,175,787)	2,852,523	(6,194)	(6,194)	(589,215)	
Fund balances (deficits), January 1, 2002	907,795	119,143	9,715	(3,841,478)	(2,852,523)	6,194	589,215		
Fund balances (deficits), December 31, 2002	\$ -	\$ 1,041,583	\$ -	\$ (7,017,265)	\$ -	\$ -	\$ -		

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

Capital Project Funds							Projects												
Police/ Fire Combined Dispatch	Inventors' Hall of Fame	Market-High Renewal Project	Tell Development Project	Projects Funded by G.O. Bonds	Cascade Hotel Renovation	Canal Redevelopment													
Revenues																			
Income taxes	- \$	- \$	- \$	- \$	- \$	- \$													
Property taxes	-	-	-	-	-	-													
JEDD revenues	-	-	-	-	-	-													
Special assessments	-	-	-	-	-	-													
Grants and subsidies:																			
Community development	-	-	-	-	-	-													
Other	-	-	-	-	-	-													
Investment earnings	-	-	-	-	-	-													
Shared revenues	-	-	-	-	-	-													
Licenses, fees and fines	-	-	-	-	-	-													
Charges for services	-	-	-	-	-	-													
Miscellaneous	-	-	-	-	-	-													
	-	-	-	-	-	-													
Expenditures																			
Current:																			
General government	-	-	-	-	-	-													
Public service	-	-	-	-	-	-													
Public safety	-	-	-	-	-	-													
Community environment	-	-	-	-	-	-													
Public health	-	-	-	-	-	-													
Recreation and parks	-	-	-	-	-	-													
Capital outlay	-	-	-	-	-	-													
Debt service:																			
Principal Retirement	-	-	-	-	-	-													
Interest	-	-	-	-	-	-													
Bond issuance expenditures	-	-	-	-	-	-													
	-	-	-	-	-	-													
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-													
Other financing sources (uses)																			
Proceeds of general obligation bonds	-	-	-	-	-	-													
Proceeds of general obligation notes	-	-	-	-	-	-													
Premium on G.O. Debt	-	-	-	-	-	-													
Transfers-in	-	-	-	-	-	-													
Transfers-out	(2,410)	(1,207,923)	(32,030)	(1,222)	-	(1,144,398)													
	(2,410)	(1,207,923)	(32,030)	(1,222)	3,764,100	(1,144,398)													
	(2,410)	(1,207,923)	(32,030)	(1,222)	3,764,100	(1,144,398)													
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,410)	(1,207,923)	(32,030)	(1,222)	3,764,100	(1,144,398)													
Fund balances (deficits), January 1, 2002	2,410	1,207,923	32,030	1,222	(3,764,100)	1,144,398													
Fund balances (deficits), December 31, 2002	- \$	- \$	- \$	- \$	- \$	- \$													

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds

Year Ended December 31, 2002
(continued)

Capital Project Funds										
	Firestone Stadium Improvements	GoJo Headquarters Improvements	Tell Parking Expansion	Capital Projects with Private Funding	North Turkeyfoot Industrial Park	Facilities and Projects with Various Funding	Information Technology and Improvements			
Revenues	\$	-	\$	-	\$	-	\$	-	\$	-
Income taxes	-	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	51,892	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	801,940	-	-	-	-	-	-
	-	-	-	853,832	-	-	-	-	-	-
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	-	297,808
Public service	-	-	-	144,873	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Community environment	-	-	-	48,213	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Recreation and parks	-	-	-	84,822	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	-	-	-	-	-	-
	-	-	-	277,908	-	-	-	-	-	297,808
Excess (deficiency) of revenues over expenditures	-	-	-	575,924	-	-	-	-	-	(297,808)
Other financing sources (uses)										
Proceeds of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-	-	-	-
Transfers-in	-	1,342,401	-	-	1,437,070	-	-	60	-	2,410
Transfers-out	(1,414)	-	(206,281)	-	-	-	-	-	-	-
	(1,414)	1,342,401	(206,281)	-	1,437,070	-	-	60	-	2,410
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,414)	1,342,401	(206,281)	575,924	1,437,070	60	-	60	-	(295,398)
Fund balances (deficits), January 1, 2002	1,414	(1,342,401)	206,281	(1,318,898)	(1,437,070)	(60)	-	(60)	-	-
Fund balances (deficits), December 31, 2002	\$	-	\$	-	\$	-	\$	-	\$	(295,398)

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds
 Year Ended December 31, 2002
 (continued)

	Capital Project Funds					Total
	Transportation	Parks and Recreation	Public Facilities and Improvements	Public Parking	Economic Development	
Revenues						
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,180,899	\$ 29,611,827
Property taxes	-	-	-	-	1,466,218	12,872,694
JEDD revenues	-	-	-	-	-	13,780,721
Special assessments	-	-	-	-	-	7,940,770
Grants and subsidies:						
Community development	-	-	-	-	-	10,953,866
Other	2,285,817	58,011	202,380	-	691,000	18,081,833
Investment earnings	-	-	-	-	178,226	467,462
Shared revenues	-	-	-	-	568,460	8,023,789
Licenses, fees and fines	-	-	-	-	-	1,275,689
Charges for services	-	-	-	-	-	6,864,062
Miscellaneous	-	255	700	-	912,412	7,111,524
	2,285,817	58,266	203,080	-	4,997,215	116,984,237
Expenditures						
Current:						
General government	-	-	18,695	-	-	11,590,038
Public service	4,393,700	2,990,755	4,661,260	3,008,206	3,065,915	46,579,515
Public safety	-	-	93,598	-	-	13,207,316
Community environment	-	-	-	-	495,157	12,905,577
Public health	-	-	-	-	-	8,404,019
Recreation and parks	-	1,173,752	-	-	-	2,354,556
Capital outlay	327,051	3,728,117	1,094,263	2,238,795	7,809,669	43,234,027
Debt service:						
Principal Retirement	-	-	-	-	-	16,799,807
Interest	-	-	-	-	108,898	14,686,452
Bond issuance expenditures	-	-	-	-	-	667,640
	4,720,751	7,892,624	5,867,816	5,247,001	11,479,639	170,428,947
	(2,434,934)	(7,834,358)	(5,664,736)	(5,247,001)	(6,482,424)	(53,444,710)
Excess (deficiency) of revenues over expenditures						
Other financing sources (uses)						
Proceeds of general obligation bonds	450,000	6,600,000	5,875,000	9,300,000	1,800,000	59,245,000
Proceeds of general obligation notes	-	-	-	-	-	3,428,300
Premium on G.O. Debt	-	-	-	-	-	1,824,130
Transfers-in	30,048	12,374	661,441	628,748	4,327,020	44,046,165
Transfers-out	(372,759)	(1,170,307)	(354,050)	-	(6,150,023)	(56,989,426)
	107,289	5,442,067	6,182,391	9,928,748	(23,003)	51,554,169
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,327,645)	(2,392,291)	517,655	4,681,747	(6,505,427)	(1,890,541)
Fund balances (deficits), January 1, 2002	-	-	-	-	-	41,480,954
Fund balances (deficits), December 31, 2002	\$ (2,327,645)	\$ (2,392,291)	\$ 517,655	\$ 4,681,747	\$ (6,505,427)	\$ 39,590,413

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Income Tax Collection, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 98,880,000	\$ 98,000,000	\$ 96,854,591
Miscellaneous	200,000	200,000	206,938
	<u>99,080,000</u>	<u>98,200,000</u>	<u>97,061,529</u>
Other sources:			
Previous year's encumbrances	61,095	61,095	61,095
	<u>61,095</u>	<u>61,095</u>	<u>61,095</u>
Total revenues and other sources	99,141,095	98,261,095	97,122,624
Expenditures and other uses			
Expenditures:			
General Governmental:			
Taxation:			
Wages/benefits	1,988,230	1,988,230	1,873,027
Other	3,570,945	4,158,945	3,812,018
	<u>5,559,175</u>	<u>6,147,175</u>	<u>5,685,045</u>
Total expenditures	5,559,175	6,147,175	5,685,045
Other uses:			
Transfer out	94,282,730	93,694,730	92,191,780
	<u>94,282,730</u>	<u>93,694,730</u>	<u>92,191,780</u>
Total expenditures and other uses	99,841,905	99,841,905	97,876,825
Deficiency of revenues and other sources over expenditures and other uses	(700,810)	(1,580,810)	(754,201)
Fund balance, January 1, 2002	<u>1,997,817</u>	<u>1,997,817</u>	<u>1,997,817</u>
Fund balance, December 31, 2002	<u>\$ 1,297,007</u>	<u>\$ 417,007</u>	<u>\$ 1,243,616</u>

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Emergency Medical Services,
Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Property taxes	\$ 8,231,870	\$ 8,231,870	\$ 8,026,881
Miscellaneous	3,000	3,000	8,455
	<u>8,234,870</u>	<u>8,234,870</u>	<u>8,035,336</u>
Other sources:			
Previous year's encumbrances	<u>122,600</u>	<u>122,600</u>	<u>122,600</u>
Total revenues and other sources	8,357,470	8,357,470	8,157,936
Expenditures and other uses			
Expenditures:			
Public Safety:			
Emergency Medical Services:			
Wages/benefits	7,755,200	7,773,200	7,644,829
Other	827,150	927,150	861,052
Capital outlay	<u>38,960</u>	<u>38,960</u>	<u>37,856</u>
Total expenditures	8,621,310	8,739,310	8,543,737
Deficiency of revenues and other sources over expenditures and other uses	(263,840)	(381,840)	(385,801)
Fund balance, January 1, 2002	<u>1,563,174</u>	<u>1,563,174</u>	<u>1,563,174</u>
Fund balance, December 31, 2002	<u>\$ 1,299,334</u>	<u>\$ 1,181,334</u>	<u>\$ 1,177,373</u>

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Special Assessment Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Special assessments	\$ 12,300,000	\$ 12,300,000	\$ 11,711,101
Other sources:			
Previous year's encumbrances	2,597	2,597	2,597
Total revenues and other sources	12,302,597	12,302,597	11,713,698
Expenditures and other uses			
Expenditures:			
General Governmental:			
Treasury:			
Wages/benefits	301,360	301,360	285,029
Other	188,867	188,867	164,626
Total expenditures	490,227	490,227	449,655
Other uses:			
Transfer out	12,000,000	12,000,000	11,409,082
Total expenditures and other uses	12,490,227	12,490,227	11,858,737
Deficiency of revenues and other sources over expenditures and other uses	(187,630)	(187,630)	(145,039)
Fund balance, January 1, 2002	206,573	206,573	206,573
Fund balance, December 31, 2002	\$ 18,943	\$ 18,943	\$ 61,534

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Police Pension Employer's Liability Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Property taxes	\$ 857,680	\$ 857,680	\$ 860,022
Total revenues	857,680	857,680	860,022
Expenditures and other uses			
Expenditures:			
Public Safety:			
Police:			
Other	354,310	354,310	354,301
Total expenditures	354,310	354,310	354,301
Other uses:			
Transfer out	500,000	640,000	637,000
Total expenditures and other uses	854,310	994,310	991,301
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,370	(136,630)	(131,279)
Fund balance, January 1, 2002	139,854	139,854	139,854
Fund balance, December 31, 2002	\$ 143,224	\$ 3,224	\$ 8,575

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Fire Pension Employer's Liability Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Property taxes	\$ 857,680	\$ 857,680	\$ 860,022
Total revenues	857,680	857,680	860,022
Expenditures and other uses			
Expenditures:			
Public Safety:			
Fire:			
Other	354,310	354,310	354,301
Total expenditures	354,310	354,310	354,301
Other uses:			
Transfer out	500,000	640,000	637,000
Total expenditures and other uses	854,310	994,310	991,301
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,370	(136,630)	(131,279)
Fund balance, January 1, 2002	139,854	139,854	139,854
Fund balance, December 31, 2002	\$ 143,224	\$ 3,224	\$ 8,575

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Capital Investments Program (C.I.P.) Operating Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Miscellaneous	\$ 100	\$ 100	\$ 801
Other sources:			
Income tax transfers in	25,456,340	24,999,900	24,891,780
Previous year's encumbrances	49,020	49,020	49,020
Total other sources	25,505,360	25,048,920	24,940,800
Total revenues and other sources	25,505,460	25,049,020	24,941,601
Expenditures and other uses			
Expenditures:			
Community Environment:			
Planning and Urban Development:			
Wages/benefits	1,289,340	1,289,340	1,101,892
Other	224,610	224,610	188,710
Total expenditures	1,513,950	1,513,950	1,290,602
Other uses:			
Transfer out	23,980,000	23,980,000	23,695,000
Total expenditures and other uses	25,493,950	25,493,950	24,985,602
Excess (deficiency) of revenues and other sources over expenditures and other uses	11,510	(444,930)	(44,001)
Fund balance, January 1, 2002	127,700	127,700	127,700
Fund balance (deficit), December 31, 2002	\$ 139,210	\$ (317,230)	\$ 83,699

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Street and Highway Maintenance Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Gasoline tax	\$ 3,703,050	\$ 3,885,750	\$ 3,490,270
Motor vehicle license tax	1,651,050	1,732,510	1,495,915
Sales and service revenue	1,024,310	1,074,850	895,167
Transfer from State of Ohio	1,595,490	1,674,210	2,238,505
	<u>7,973,900</u>	<u>8,367,320</u>	<u>8,119,857</u>
Other sources:			
Other transfer in	2,400,000	1,650,000	1,650,000
Previous year's encumbrances	341,274	341,274	341,274
	<u>2,741,274</u>	<u>1,991,274</u>	<u>1,991,274</u>
Total other sources	<u>2,741,274</u>	<u>1,991,274</u>	<u>1,991,274</u>
Total revenues and other sources	10,715,174	10,358,594	10,111,131
Expenditures and other uses			
Expenditures:			
Public Service:			
Wages/benefits	5,788,690	5,303,690	5,216,312
Other	3,686,909	4,171,909	3,935,911
	<u>9,475,599</u>	<u>9,475,599</u>	<u>9,152,223</u>
Public Safety:			
Wages/benefits	909,040	839,040	803,559
Other	330,315	400,315	385,169
	<u>1,239,355</u>	<u>1,239,355</u>	<u>1,188,728</u>
Total expenditures	10,714,954	10,714,954	10,340,951
Excess (deficiency) of revenues and other sources over expenditures and other uses	220	(356,360)	(229,820)
Fund deficit, January 1, 2002	<u>(11,467)</u>	<u>(11,467)</u>	<u>(11,467)</u>
Fund deficit, December 31, 2002	<u>\$ (11,247)</u>	<u>\$ (367,827)</u>	<u>\$ (241,287)</u>

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Street Assessment Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Special assessments	\$ 7,242,150	\$ 7,242,150	\$ 7,244,657
Miscellaneous	91,000	91,000	101,543
	<u>7,333,150</u>	<u>7,333,150</u>	<u>7,346,200</u>
Other sources:			
Previous year's encumbrances	551,203	551,203	551,203
	<u>551,203</u>	<u>551,203</u>	<u>551,203</u>
Total revenues and other sources	7,884,353	7,884,353	7,897,403
Expenditures and other uses			
Expenditures:			
Public Service:			
Street Lighting:			
Wages/benefits	79,130	129,630	129,258
Other	1,964,564	1,541,064	1,222,873
	<u>2,043,694</u>	<u>1,670,694</u>	<u>1,352,131</u>
Street Cleaning:			
Wages/benefits	2,506,530	2,459,530	2,459,500
Other	2,754,179	3,254,179	2,795,761
	<u>5,260,709</u>	<u>5,713,709</u>	<u>5,255,261</u>
Total expenditures	7,304,403	7,384,403	6,607,392
Excess of revenues and other sources over expenditures and other uses	579,950	499,950	1,290,011
Fund balance, January 1, 2002	<u>3,414,316</u>	<u>3,414,316</u>	<u>3,414,316</u>
Fund balance, December 31, 2002	<u>\$ 3,994,266</u>	<u>\$ 3,914,266</u>	<u>\$ 4,704,327</u>

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Community Development Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Grants and subsidies	\$ 3,550,000	\$ 3,000,000	\$ 2,880,867
Other sources:			
Previous year's encumbrances	84,983	84,983	84,983
Total revenues and other sources	3,634,983	3,084,983	2,965,850
Expenditures and other uses			
Expenditures:			
General Government:			
Economic Development:			
Wages/benefits	76,180	76,180	74,420
Other	900	2,900	2,065
	77,080	79,080	76,485
Community Environment:			
Planning and Urban Development:			
Wages/benefits	2,489,560	2,486,560	2,290,392
Other	683,573	683,573	594,543
Capital Outlay	27,000	27,000	25,242
	3,200,133	3,197,133	2,910,177
Public Health:			
Environmental Services:			
Wages/benefits	325,520	325,520	276,222
Other	6,400	15,400	14,575
	331,920	340,920	290,797
Total expenditures	3,609,133	3,617,133	3,277,459
Excess (deficiency) of revenues and other sources over expenditures and other uses	25,850	(532,150)	(311,609)
Fund balance, January 1, 2002	273,219	273,219	273,219
Fund balance (deficit), December 31, 2002	\$ 299,069	\$ (258,931)	\$ (38,390)

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Air Pollution Control Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Local emmisison/asbestos fees	\$ 200,030	\$ 187,160	\$ 150,505
Federal grant	218,140	204,100	358,008
State general revenues	154,330	144,400	150,742
State permit fees	722,120	675,660	598,923
Other revenue	201,650	188,680	3,781
	<u>1,496,270</u>	<u>1,400,000</u>	<u>1,261,959</u>
Other sources:			
Previous year's encumbrances	49,484	49,484	49,484
	<u>49,484</u>	<u>49,484</u>	<u>49,484</u>
Total revenues and other sources	1,545,754	1,449,484	1,311,443
Expenditures and other uses			
Expenditures:			
Public Health:			
Wages/benefits	1,030,900	1,030,900	1,009,934
Other	510,864	510,864	290,694
	<u>1,541,764</u>	<u>1,541,764</u>	<u>1,300,628</u>
Total expenditures	1,541,764	1,541,764	1,300,628
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,990	(92,280)	10,815
Fund balance, January 1, 2002	1,925,424	1,925,424	1,925,424
	<u>1,925,424</u>	<u>1,925,424</u>	<u>1,925,424</u>
Fund balance, December 31, 2002	<u>\$ 1,929,414</u>	<u>\$ 1,833,144</u>	<u>\$ 1,936,239</u>

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Akron Metropolitan Area Transportation Study Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Grants and subsidies	\$ 1,800,000	\$ 1,500,000	\$ 1,207,992
Miscellaneous	42,620	42,000	34,963
	<u>1,842,620</u>	<u>1,542,000</u>	<u>1,242,955</u>
Other sources:			
Previous year's encumbrances	35,687	35,687	35,687
	<u>35,687</u>	<u>35,687</u>	<u>35,687</u>
Total revenues and other sources	1,878,307	1,577,687	1,278,642
Expenditures and other uses			
Expenditures:			
Community Environment:			
AMATS:			
Wages/benefits	1,044,570	1,044,570	900,462
Other	743,217	743,217	239,187
	<u>1,787,787</u>	<u>1,787,787</u>	<u>1,139,649</u>
Total expenditures	1,787,787	1,787,787	1,139,649
Excess (deficiency) of revenues and other sources over expenditures and other uses	90,520	(210,100)	138,993
Fund deficit, January 1, 2002	<u>(202,579)</u>	<u>(202,579)</u>	<u>(202,579)</u>
Fund deficit, December 31, 2002	<u>\$ (112,059)</u>	<u>\$ (412,679)</u>	<u>\$ (63,586)</u>

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
General Bond Payment Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 852,580	\$ 900,000	\$ 961,581
Other sources:			
Previous year's encumbrances	9,701	9,701	9,701
Total revenues and other sources	862,281	909,701	971,282
Expenditures and other uses			
Expenditures:			
General Government:			
Treasury:			
Wages/benefits	295,680	295,680	290,482
Other	96,141	96,141	81,892
Total expenditures	391,821	391,821	372,374
Other uses:			
Transfer out	580,000	580,000	575,000
Total expenditures and other uses	971,821	971,821	947,374
Excess (deficiency) of revenues and other sources over expenditures and other uses	(109,540)	(62,120)	23,908
Fund balance, January 1, 2002	318,828	318,828	318,828
Fund balance, December 31, 2002	\$ 209,288	\$ 256,708	\$ 342,736

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NON-MAJOR ENTERPRISE FUNDS

Enterprise Funds - are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Oil and Gas
Golf Course
Airport

City of Akron, Ohio

Statement of Net Assets - Non-Major Enterprise Funds

December 31, 2002

	Oil and Gas	Golf Course	Airport	Total
Assets				
Pooled cash and investments	\$ 110,729	\$ 34,287	\$ 56,848	\$ 201,864
Receivables, net of allowances for uncollectibles	6,836	-	-	6,836
Due from other governments	-	-	13,186	13,186
Due from other funds	4,126	-	-	4,126
Inventories, at cost	-	21,330	16,379	37,709
Property, plant and equipment, net of accumulated depreciation	448,406	1,547,879	8,384,927	10,381,212
Total assets	570,097	1,603,496	8,471,340	10,644,933
Liabilities				
Accounts payable	205	7,526	54,037	61,768
Due to other funds	64	1,217	5,868	7,149
Accrued interest payable	-	2,871	-	2,871
Accrued liabilities	4,021	13,241	9,157	26,419
Accrued wages	4,852	10,048	12,062	26,962
Accrued vacation and leave	9,612	21,896	26,758	58,266
Debt:				
General obligation bonds	-	42,500	-	42,500
Noncurrent liabilities				
Due in more than one year	45,028	137,794	108,385	291,207
Bonds, notes, loans	-	637,500	-	637,500
Total liabilities	63,782	874,593	216,267	1,154,642
Net assets				
Invested in capital assets net of related debt	448,406	867,879	8,384,927	9,701,212
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	57,909	(138,976)	(129,854)	(210,921)
Total net assets	\$ 506,315	\$ 728,903	\$ 8,255,073	\$ 9,490,291

City of Akron, Ohio

Combining Statement of Revenues, Expenses and Changes in Net Assets - Non-Major Enterprise Funds

For the Year Ended December 31, 2002

	Oil and Gas	Golf Course	Airport	Total
Operating revenues				
Charges for services	\$ 4,126	\$ 792,900	\$ 156,507	\$ 953,533
Other	218,683	2,235	35,625	256,543
	<u>222,809</u>	<u>795,135</u>	<u>192,132</u>	<u>1,210,076</u>
Operating expenses				
Personal services	157,476	485,562	348,794	991,832
Direct expenses	86,771	233,413	140,558	460,742
Rentals and lease	4,000	52,407	-	56,407
Utilities	5,422	46,937	13,078	65,437
Insurance	1,905	2,715	19,680	24,300
Depreciation, depletion and amortization	31,329	48,581	155,361	235,271
Other	1,256	-	13,413	14,669
	<u>288,159</u>	<u>869,615</u>	<u>690,884</u>	<u>1,848,658</u>
Operating income (loss)	(65,350)	(74,480)	(498,752)	(638,582)
Non-operating revenues (expenses)				
Interest income	2,057	-	-	2,057
Interest expense	-	(36,122)	-	(36,122)
Capital contributions	-	-	105,474	105,474
	<u>2,057</u>	<u>(36,122)</u>	<u>105,474</u>	<u>71,409</u>
Loss before operating transfers	(63,293)	(110,602)	(393,278)	(567,173)
Transfers-in	-	381,087	452,001	833,088
Transfers-out	-	(30,107)	-	(30,107)
	<u>-</u>	<u>350,980</u>	<u>452,001</u>	<u>802,981</u>
Net loss	(63,293)	240,378	58,723	235,808
Net assets, January 1, 2002	<u>569,608</u>	<u>488,525</u>	<u>8,196,350</u>	<u>9,254,483</u>
Net assets, December 31, 2002	<u>\$ 506,315</u>	<u>\$ 728,903</u>	<u>\$ 8,255,073</u>	<u>\$ 9,490,291</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2002

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Proprietary Funds</u>
Operating activities				
Cash received from customers	\$ 4,332	\$ 799,566	\$ 156,507	\$ 960,405
Cash payments to suppliers for goods and services	(100,346)	(334,265)	(146,025)	(580,636)
Cash paid for salaries and employee benefits	(150,978)	(461,694)	(331,365)	(944,037)
Other revenues	218,683	2,235	35,625	256,543
Other expenses	(1,256)	-	(13,413)	(14,669)
Net cash provided by operating activities	(29,565)	5,842	(298,671)	(322,394)
Non-capital financing activities				
Operating transfers from other funds	-	381,087	452,001	833,088
Transfers in for negative cash balances	-	-	-	-
Transfers out for negative cash balances	-	(243,761)	(72,709)	(316,470)
Operating transfers to other funds	-	(30,107)	-	(30,107)
Net cash provided by (used for) non-capital financing activities	-	107,219	379,292	486,511
Capital and related financing activities				
Principal paid on bonds and loans	-	(42,500)	-	(42,500)
Interest paid on bonds and loans	-	(36,274)	-	(36,274)
Acquisition and construction of capital assets	-	-	(129,247)	(129,247)
Capital Contributions	-	-	105,474	105,474
Net cash used for capital and related financing activities	-	(78,774)	(23,773)	(102,547)
Investing activities				
Interest on investments	2,057	-	-	2,057
Net cash provided by investing activities	2,057	-	-	2,057
Net increase (decrease) in cash and cash equivalents	(27,508)	34,287	56,848	63,627
Cash and cash equivalents, January 1, 2002	138,237	-	-	138,237
Cash and cash equivalents, December 31, 2002	<u>\$ 110,729</u>	<u>\$ 34,287</u>	<u>\$ 56,848</u>	<u>\$ 201,864</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2002
(continued)

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Proprietary Funds</u>
Operating income (loss)	\$ (65,350)	\$ (74,480)	\$ (498,752)	\$ (638,582)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	31,329	48,581	155,361	235,271
(Increase) decrease in operating assets:				
Receivables	(6,836)	6,666	-	(170)
Due from other funds	7,042	-	-	7,042
Inventories	-	749	3,558	4,307
Increase (decrease) in operating liabilities:				
Accounts payable	132	871	20,534	21,537
Due to other funds	(2,380)	(413)	3,199	406
Accrued liabilities	(950)	3,066	642	2,758
Accrued wages	419	2,221	2,847	5,487
Accrued vacation and leave	7,029	18,581	13,940	39,550
Net cash provided by (used for) operating activities	<u>\$ (29,565)</u>	<u>\$ 5,842</u>	<u>\$ (298,671)</u>	<u>\$ (322,394)</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds - are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. The title of the funds indicate the type of service provided. The Internal Service Funds are:

- Motor Equipment:
- Medical Self-Insurance
- Workers' Compensation Reserve
- Self-Insurance Settlement
- Storeroom
- Telephone System
- Graphics
- Engineering Bureau
- Management Information Systems
- Reserve for Accumulated Leave

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Combining Statement of Net Assets - Internal Service Funds

December 31, 2002

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve	Self- Insurance Settlement
Assets				
Pooled cash and investments	\$ 105,134	\$ 867,390	\$ 8,918,685	\$ 240
Restricted cash and investments	-	-	3,014,487	-
Receivables, net of allowances for uncollectibles	13,946	23,223	-	-
Due from other funds	571,199	-	-	-
Inventories, at cost	820,046	-	-	-
Property, plant and equipment, net of accumulated depreciation	1,076,743	-	-	-
Total assets	2,587,068	890,613	11,933,172	240
Liabilities				
Accounts payable	163,856	1,313	1,754	540,475
Due to other funds	3,843	-	-	-
Accrued interest payable	797	-	-	12,184
Accrued liabilities	67,963	-	960,123	-
Accrued wages	92,499	-	-	-
Accrued vacation and leave	154,336	-	-	-
Obligations under capital lease	-	-	-	-
Liability for unpaid claims	-	2,229,620	689,320	586,849
Debt:				
General obligation bonds	11,817	-	-	178,127
Noncurrent liabilities				
Obligations under capital lease	-	-	-	-
Due in more than one year	415,645	-	7,092,431	-
Bonds, notes, loans	200,939	-	-	2,565,000
Total liabilities	1,111,695	2,230,933	8,743,628	3,882,635
Net assets				
Invested in capital assets net of related debt	863,987	-	-	-
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	611,386	(1,340,320)	3,189,544	(3,882,395)
Total net assets	\$ 1,475,373	\$ (1,340,320)	\$ 3,189,544	\$ (3,882,395)

Combining Statement of Net Assets - Internal Service Funds

December 31, 2002

Storeroom	Telephone System	Graphics	Engineering Bureau	Mangement Information Systems	Reserve for Accumulated Leave	Total
\$ 235,482	\$ 153,378	\$ 92,511	\$ -	\$ -	\$ 1,000,000	\$ 11,372,820
-	-	-	-	-	-	3,014,487
-	-	-	-	-	-	37,169
64,983	78,018	13,012	40,774	-	-	767,986
86,232	-	-	-	-	-	906,278
-	268,847	49,892	433,771	2,307,384	-	4,136,637
386,697	500,243	155,415	474,545	2,307,384	1,000,000	20,235,377
20,162	29,174	676	15,183	143,830	-	916,423
120	-	621	152,178	978,663	-	1,135,425
-	-	-	395	11,654	-	25,030
3,250	-	3,388	138,478	30,344	-	1,203,546
3,682	-	4,504	180,009	38,886	-	319,580
7,998	-	8,989	331,789	96,809	-	599,921
-	-	-	-	167,495	-	167,495
-	-	-	-	-	-	3,505,789
-	-	-	15,527	2,105,793	-	2,311,264
-	-	-	-	744,674	-	744,674
34,947	-	20,085	1,003,151	244,146	-	8,810,405
-	-	-	92,898	1,173,198	-	4,032,035
70,159	29,174	38,263	1,929,608	5,735,492	-	23,771,587
-	268,847	49,892	325,346	(1,883,776)	-	(375,704)
-	-	-	-	-	-	-
316,538	202,222	67,260	(1,780,409)	(1,544,332)	1,000,000	(3,160,506)
\$ 316,538	\$ 471,069	\$ 117,152	\$ (1,455,063)	\$ (3,428,108)	\$ 1,000,000	\$ (3,536,210)

City of Akron, Ohio

Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds

For the Year Ended December 31, 2002

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve	Self- Insurance Settlement	Storeroom
Operating revenues					
Charges for services	\$ 6,305,908	\$ 17,156,953	\$ 1,000,000	\$ -	\$ 1,248,376
Other	23,071	195,032	235	-	8,368
	<u>6,328,979</u>	<u>17,351,985</u>	<u>1,000,235</u>	<u>-</u>	<u>1,256,744</u>
Operating expenses					
Personal services	2,492,649	-	-	-	136,525
Direct expenses	3,782,287	2,450,860	1,005,663	540,475	1,077,452
Claims	-	17,121,747	1,069,486	293,302	-
Rentals and lease	-	-	-	-	61,610
Utilities	89,417	-	-	-	-
Insurance	10,353	1	-	-	-
Depreciation, depletion and amortization	62,487	-	-	-	-
	<u>6,437,193</u>	<u>19,572,608</u>	<u>2,075,149</u>	<u>833,777</u>	<u>1,275,587</u>
Operating income (loss)	(108,214)	(2,220,623)	(1,074,914)	(833,777)	(18,843)
Non-operating revenues (expenses)					
Interest income	-	-	180,704	-	-
Interest expense	(10,062)	-	-	(153,243)	-
	<u>(10,062)</u>	<u>-</u>	<u>180,704</u>	<u>(153,243)</u>	<u>-</u>
Income (loss) before operating transfers	(118,276)	(2,220,623)	(894,210)	(987,020)	(18,843)
Transfers-in	-	-	-	837,781	-
Transfers-out	(33,879)	-	(803,867)	-	-
	<u>(33,879)</u>	<u>-</u>	<u>(803,867)</u>	<u>837,781</u>	<u>-</u>
Net income (loss)	(152,155)	(2,220,623)	(1,698,077)	(149,239)	(18,843)
Net assets, January 1, 2002	1,627,528	880,303	4,887,621	(3,733,156)	335,381
Net assets, December 31, 2002	<u>\$ 1,475,373</u>	<u>\$ (1,340,320)</u>	<u>\$ 3,189,544</u>	<u>\$ (3,882,395)</u>	<u>\$ 316,538</u>

City of Akron, Ohio

Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds

For the Year Ended December 31, 2002

Telephone System	Graphics	Engineering Bureau	Mangement Information Systems	Reserve for Accumulated Leave	Total
\$ 494,707	\$ 125,973	\$ 6,167,439	\$ 4,887,898	\$ -	\$ 37,387,254
40,109	99	4,053	-	-	270,967
534,816	126,072	6,171,492	4,887,898	-	37,658,221
-	132,288	5,496,583	1,170,157	-	9,428,202
220,315	62,739	877,303	1,046,874	-	11,063,968
-	-	-	-	-	18,484,535
-	60,093	9,583	4,608	-	135,894
124,987	2,492	23,553	1,962	-	242,411
-	381	13,334	762	-	24,831
34,670	15,829	93,839	480,901	-	687,726
379,972	273,822	6,514,195	2,705,264	-	40,067,567
154,844	(147,750)	(342,703)	2,182,634	-	(2,409,346)
-	-	-	-	-	180,704
-	-	(5,531)	(220,387)	-	(389,223)
-	-	(5,531)	(220,387)	-	(208,519)
154,844	(147,750)	(348,234)	1,962,247	-	(2,617,865)
-	135,000	-	-	-	972,781
(350,000)	(756)	(314)	-	(2,000,000)	(3,188,816)
(350,000)	134,244	(314)	-	(2,000,000)	(2,216,035)
(195,156)	(13,506)	(348,548)	1,962,247	(2,000,000)	(4,833,900)
666,225	130,658	(1,106,515)	(5,390,355)	3,000,000	1,297,690
\$ 471,069	\$ 117,152	\$ (1,455,063)	\$ (3,428,108)	\$ 1,000,000	\$ (3,536,210)

City of Akron, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2002

	Motor Equipment	Medical Self - Insurance	Workers' Compensation Reserve	Self - Insurance Settlement	Storeroom
Operating activities					
Cash received from customers	\$ 6,280,973	\$ 17,155,194	\$ 1,000,000	\$ -	\$ 1,249,688
Cash payments to suppliers for goods and services	(3,975,206)	-	-	(462,287)	(1,159,087)
Cash paid for salaries and employee benefits	(2,396,241)	(20,171,499)	(835,981)	-	(126,215)
Other revenues	23,071	195,032	235	-	8,368
Net cash provided by (used for) operating activities	(67,403)	(2,821,273)	164,254	(462,287)	(27,246)
Non-capital financing activities					
Operating transfers from other funds	-	-	-	837,781	-
Transfers in for negative cash balances	-	-	-	-	-
Transfers out for negative cash balances	-	-	-	(52,760)	-
Principal paid on bonds and loans	-	-	-	(168,611)	-
Interest paid on bonds and loans	-	-	-	(153,883)	-
Operating transfers to other funds	(33,879)	-	(803,867)	-	-
Net cash provided by (used for) non-capital financing activities	(33,879)	-	(803,867)	462,527	-
Capital and related financing activities					
Principal paid on bonds and loans	(10,990)	-	-	-	-
Interest paid on bonds and loans	(10,107)	-	-	-	-
Acquisition and construction of capital assets	(130,700)	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(151,797)	-	-	-	-
Investing activities					
Interest on investments	-	-	180,704	-	-
Net cash provided by investing activities	-	-	180,704	-	-
Net increase (decrease) in cash and cash equivalents	(253,079)	(2,821,273)	(458,909)	240	(27,246)
Cash and cash equivalents, January 1, 2002	358,213	3,688,663	12,392,081	-	262,728
Cash and cash equivalents, December 31, 2002	\$ 105,134	\$ 867,390	\$ 11,933,172	\$ 240	\$ 235,482

City of Akron, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2002
(continued)

Telephone System	Graphics	Engineering Bureau	Management Information Systems	Reserve For Accumulated Leave	Total
\$ 518,864	\$ 112,961	\$ 6,308,453	\$ 4,887,898	\$ -	\$ 37,514,031
(355,285)	(133,770)	(885,341)	(953,828)	-	(7,924,804)
-	(151,779)	(5,306,181)	(1,129,852)	-	(30,117,748)
40,109	99	4,053	-	-	270,967
203,688	(172,489)	120,984	2,804,218	-	(257,554)
-	135,000	-	-	-	972,781
-	-	61,006	976,526	-	1,037,532
-	-	(100,766)	(1,037,521)	-	(1,191,047)
-	-	-	-	-	(168,611)
-	-	-	-	-	(153,883)
(350,000)	(756)	(314)	-	(2,000,000)	(3,188,816)
(350,000)	134,244	(40,074)	(60,995)	(2,000,000)	(2,692,044)
-	-	(14,767)	(2,055,565)	-	(2,081,322)
-	-	(5,603)	(227,709)	-	(243,419)
-	-	(60,540)	(459,949)	-	(651,189)
-	-	(80,910)	(2,743,223)	-	(2,975,930)
-	-	-	-	-	180,704
-	-	-	-	-	180,704
(146,312)	(38,245)	-	-	(2,000,000)	(5,744,824)
299,690	130,756	-	-	3,000,000	20,132,131
\$ 153,378	\$ 92,511	\$ -	\$ -	\$ 1,000,000	\$ 14,387,307

City of Akron, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2002
(continued)

	Motor Equipment	Medical Self - Insurance	Workers' Compensation	Self - Insurance Settlement	Storeroom
Operating income (loss)	\$ (108,214)	\$ (2,220,623)	\$ (1,074,914)	\$ (833,777)	\$ (18,843)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	62,487	-	-	-	-
(Increase) decrease in operating assets:					
Receivables	(4,474)	(1,759)	-	-	-
Due from other funds	(20,461)	-	-	-	1,312
Inventories	79,743	-	-	-	4,353
Increase (decrease) in operating liabilities:					
Accounts payable	(174,967)	(6,863)	(4,285)	528,346	(24,371)
Due to other funds	2,075	-	-	-	(7)
Accrued liabilities	5,068	-	-	-	97
Accrued wages	19,565	-	-	-	(431)
Accrued vacation and leave	71,775	-	-	-	10,644
Estimated liability for unpaid claims	-	(592,028)	1,243,453	(156,856)	-
Net cash provided by (used for) operating activities	<u>\$ (67,403)</u>	<u>\$ (2,821,273)</u>	<u>\$ 164,254</u>	<u>\$ (462,287)</u>	<u>\$ (27,246)</u>

City of Akron, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2002
(continued)

Telephone System	Graphics	Engineering Bureau	Management Information Systems	Reserve For Accumulated Leave	Total
\$ 154,844	\$ (147,750)	\$ (342,703)	\$ 2,182,634	\$ -	\$ (2,409,346)
34,670	15,829	93,839	480,901	-	687,726
9,191	-	-	-	-	2,958
14,966	(13,012)	141,014	-	-	123,819
-	-	-	-	-	84,096
(9,983)	(8,360)	(43,246)	101,399	-	357,670
-	295	81,678	(1,021)	-	83,020
-	(1,167)	(1,642)	926	-	3,282
-	(1,051)	19,237	3,942	-	41,262
-	(17,273)	172,807	35,437	-	273,390
-	-	-	-	-	494,569
\$ 203,688	\$ (172,489)	\$ 120,984	\$ 2,804,218	\$ -	\$ (257,554)

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FIDUCIARY FUNDS

Private Purpose Trust Funds - are used to account for other trust arrangements which benefit individuals, private organizations, or other governments.

Claire Merrix Trust
Holocaust Memorial Trust
Police/Fire Beneficiary Trust

Municipal Court Agency Fund - is used to account for assets held by the Municipal Court Clerk for individuals, private organizations, and other governments.

City of Akron, Ohio

Combining Statement of Net Assets
Fiduciary Funds

December 31, 2002

	Agency				Total
	Private Purpose Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Municipal Court	
Assets					
Cash and investments	\$ 810	\$ 3,855	\$ 1,000	\$ 682,802	\$ 688,467
Receivables, net of allowances for uncollectibles	-	-	-	-	-
Total assets	810	3,855	1,000	682,802	688,467
Liabilities					
Accounts payable	-	-	-	-	-
Customer deposits	-	-	-	-	-
Due to other governments	-	-	-	682,802	682,802
Due to others	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Total liabilities	-	-	-	682,802	682,802
Net assets	\$ 810	\$ 3,855	\$ 1,000	\$ -	\$ 5,665

City of Akron, Ohio

Combining Statement of Changes in Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2002

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Additions				
Contributions	\$ -	\$ 9,613	\$ 400	\$ 10,013
	-	9,613	400	10,013
Deductions				
Education and awareness	-	6,753	-	6,753
	-	6,753	-	6,753
Excess (deficiency) of revenues over expenditures	-	2,860	400	3,260
Net assets, January 1, 2002	810	995	600	2,405
Net assets, December 31, 2002	\$ 810	\$ 3,855	\$ 1,000	\$ 5,665

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Municipal Court				
Assets				
Cash	\$ 722,432	\$ -	\$ 39,630	\$ 682,802
Liabilities				
Due to other governments	\$ 722,432	\$ -	\$ 39,630	\$ 682,802
 Total All Agency Funds				
Assets				
Cash	\$ 722,432	\$ -	\$ 39,630	\$ 682,802
Liabilities				
Due to other governments	\$ 722,432	\$ -	\$ 39,630	\$ 682,802

**CAPITAL ASSETS
USED IN THE OPERATIONS
OF GOVERNMENTAL FUNDS**

City of Akron, Ohio
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source*
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Governmental Funds Capital Assets:		
Land	\$ 138,073,842	\$ 128,752,656
Buildings	167,877,828	163,553,188
Improvements other than buildings	80,457,412	77,564,445
Machinery and equipment	67,890,730	66,402,647
Infrastructure	376,990,142	355,303,484
Construction in progress	<u>67,862,234</u>	<u>53,437,303</u>
Total Governmental Funds Capital Assets	<u>\$ 899,152,188</u>	<u>\$ 845,013,723</u>

Investment in Governmental Funds Capital Assets by Source:

As of beginning of year	\$ 845,013,723	\$ 634,222,243
General Fund	938,688	(1,836,334)
Special Revenue Fund	8,738,066	12,328,546
Capital Projects Funds	44,461,711	41,345,739
Other Funds	<u>-</u>	<u>158,953,529</u>
As of end of year	<u>\$ 899,152,188</u>	<u>\$ 845,013,723</u>

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulated depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Akron, Ohio
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity*
December 31, 2002

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
Governmental Funds Capital Assets, January 1, 2002	\$ 128,752,656	\$ 163,553,188	\$ 77,564,445	\$ 66,402,647	\$ 355,303,484	\$ 53,437,303	\$ 845,013,723
General Government:							
Mayor's Office/City Council	-	-	-	53,647	-	-	53,647
Muni Court Clerk / Judges	-	-	-	116,251	-	(106,251)	10,000
Civil Service	-	-	-	(8,525)	-	-	(8,525)
Finance	-	11,053	-	-	-	-	11,053
	-	11,053	-	161,373	-	(106,251)	66,175
Public Safety:							
Police	-	-	-	73,388	-	-	73,388
Fire/E.M.S	-	(29,806)	-	688,227	-	-	658,421
Police/Fire Combined Dispatch	-	-	-	36,362	-	79,265	115,627
Building Inspection	-	-	-	(8,825)	-	-	(8,825)
Traffic Engineering	-	-	-	1,064	73,599	934,974	1,009,637
	-	(29,806)	-	790,216	73,599	1,014,239	1,848,248
Public Service:							
Customer Service	-	-	-	-	-	245,500	245,500
Recreation	-	88,949	-	-	-	-	88,949
Public Works	5,072,082	117,464	2,853,002	519,364	20,763,096	14,832,655	44,157,663
Building Maintenance	738,634	4,458,830	39,965	(7,037)	899,968	(1,561,212)	4,569,148
	5,810,716	4,665,243	2,892,967	512,327	21,663,064	13,516,943	49,061,260
Public Health:							
Health Administration	-	-	-	9,987	-	-	9,987
	-	-	-	9,987	-	-	9,987
Community Environment:							
Administration	3,510,470	(321,850)	-	14,180	(50,005)	-	3,152,795
Governmental Funds Capital Assets, December 31, 2002	\$ 138,073,842	\$ 167,877,828	\$ 80,457,412	\$ 67,890,730	\$ 376,990,142	\$ 67,862,234	\$ 899,152,188

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulated depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Akron, Ohio
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity*
For the fiscal year ended December 31, 2002

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	January 1, 2002	Additions	Deletions	December 31, 2002
General Government:				
Law	\$ 578,553	\$ -	\$ -	\$ 578,553
Mayor's Office/City Council	4,264,894	80,203	26,556	4,318,541
Municipal Court/Judges	668,289	116,251	106,251	678,289
Civil Service	-	-	8,525	(8,525)
Finance	119,020,866	11,053	-	119,031,919
	<u>124,532,602</u>	<u>207,507</u>	<u>141,332</u>	<u>124,598,777</u>
Public Safety:				
Police	4,449,342	548,631	475,243	4,522,730
Fire/EMS	11,752,117	758,330	99,909	12,410,538
Combined Dispatch	4,880,661	115,627	-	4,996,288
Communications	643,276	-	-	643,276
Traffic Engineering	1,631,002	1,389,002	379,365	2,640,639
Building Inspection	153,252	-	8,825	144,427
Weights and Measures	73,554	-	-	73,554
Other and Administrative	27,178	-	-	27,178
	<u>23,610,382</u>	<u>2,811,590</u>	<u>963,342</u>	<u>25,458,630</u>
Public Service:				
Customer Service	112,205	245,500	-	357,705
Recreation	1,706,802	88,949	-	1,795,751
Public Works	63,151,123	65,327,152	21,169,489	107,308,786
Administration	216,338	-	-	216,338
Building Maintenance	8,807,984	10,728,928	6,159,780	13,377,132
Motor Equipment	49,296	-	-	49,296
Resource Bureau	644,137	-	-	644,137
Plans Center	45,269	-	-	45,269
	<u>74,733,154</u>	<u>76,390,529</u>	<u>27,329,269</u>	<u>123,794,414</u>
Public Health:				
Health Administration	1,537,785	24,655	14,668	1,547,772
Air Pollution Control	41,586	-	-	41,586
Environmental Services	435,297	-	-	435,297
Housing	59,398	-	-	59,398
Medical and Nursing	220,490	-	-	220,490
Health Data Management	40,094	-	-	40,094
Laboratory	11,201	-	-	11,201
Lead Poisoning Prevention	2,618	-	-	2,618
Alcoholism Counseling	29,654	-	-	29,654
	<u>2,378,123</u>	<u>24,655</u>	<u>14,668</u>	<u>2,388,110</u>
Community Environment:				
Administration	107,649,328	4,288,010	1,135,215	110,802,123
Infrastructure	323,952,402	-	-	323,952,402
Assets acquired prior to January 1, 1984	188,157,732	-	-	188,157,732
	<u>188,157,732</u>	<u>-</u>	<u>-</u>	<u>188,157,732</u>
Total Governmental Funds Capital Assets	<u>\$ 845,013,723</u>	<u>\$ 83,722,291</u>	<u>\$ 29,583,826</u>	<u>\$ 899,152,188</u>

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulated depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**STATISTICAL
SECTION**

TABLE 1
CITY OF AKRON, OHIO
GENERAL GOVERNMENTAL EXPENDITURES
BY FUNCTION (1)
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	General Government	Public Service	Public Safety	Community Environment	Public Health	Recreation & Parks	Capital Outlay	Debt Service	Total
1993	\$ 25,742	\$18,162	\$69,931	\$ 32,646	\$ 8,097	\$ 4,906	\$ 33,724	\$ 17,416	\$ 210,624
1994	31,883	20,279	76,192	32,087	10,061	5,282	32,741	19,756	228,281
1995	28,181	18,430	80,285	22,615	12,596	5,839	39,363	20,552	227,861
1996	24,083	20,962	82,980	19,141	10,499	7,014	61,691	22,329	248,699
1997	20,937	32,971	86,614	14,919	11,823	3,620	49,764	22,372	243,020
1998	23,757	28,844	89,467	18,007	12,589	3,580	74,294	25,717	276,255
1999	27,744	32,460	87,926	17,552	13,680	3,816	50,235	25,773	259,186
2000	32,063	33,316	95,100	14,929	13,516	3,712	52,013	30,624	275,273
2001	32,930	49,245	95,299	15,131	14,860	4,893	57,249	33,914	303,521
2002	30,884	63,233	99,841	14,283	15,579	5,523	43,234	38,350	310,927

(1) Includes General, Special Revenue, Debt Service and Capital Project Funds on the modified accrual basis of accounting

Source: City of Akron, Ohio Finance Department

TABLE 2
CITY OF AKRON, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
(In Thousands)

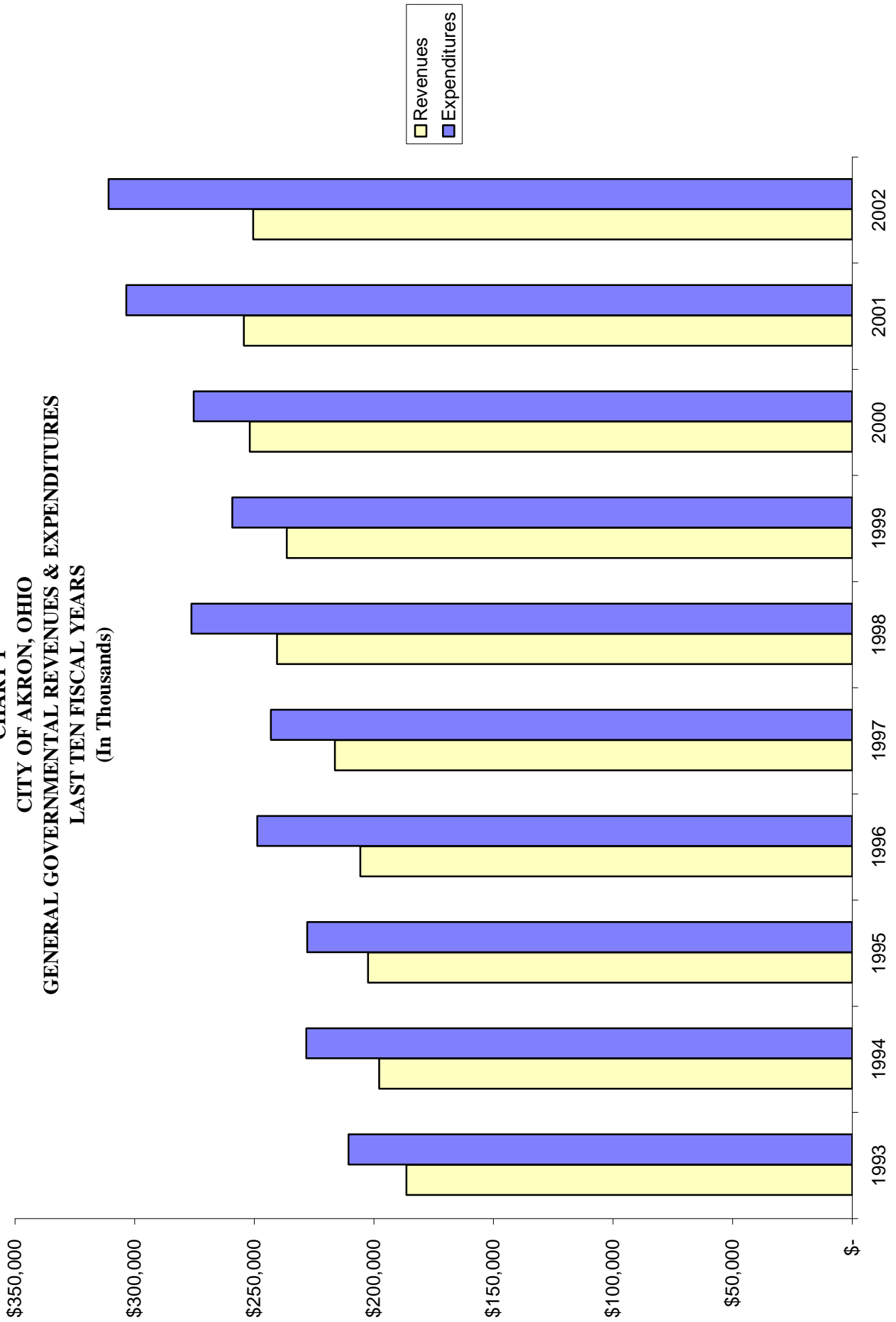
Fiscal Year	Income Taxes	Property Taxes	JEDD Revenues (2)	Grants & Subsidies	Investment Earnings	Shared Revenues	Licenses, Fees & Fines	Special Assessments & Charges For Services	Miscellaneous	Total
1993	\$ 76,672	\$ 19,818	\$ -	\$ 19,974	\$ 2,821	\$ 29,589	\$ 7,041	\$ 21,169	\$ 9,331	\$ 186,415
1994	79,028	20,716	-	20,897	4,290	31,357	10,103	27,845	3,518	197,754
1995	85,227	22,491	-	25,769	5,000	25,699	8,725	26,105	3,406	202,422
1996	94,507	22,530	-	19,394	3,247	26,552	7,818	26,710	4,931	205,689
1997	92,189	25,109	-	21,838	3,721	24,224	8,837	33,612	6,737	216,267
1998	89,495	27,236	-	22,728	5,658	30,693	8,406	32,504	23,808	240,528
1999	93,105	26,074	11,978	20,555	4,632	32,123	8,220	33,165	6,577	236,429
2000	93,689	27,272	16,183	28,147	6,157	30,357	8,520	33,905	7,634	251,864
2001	95,961	26,511	14,683	28,221	4,051	30,606	8,833	36,816	8,701	254,383
2002	97,067	31,443	13,781	29,162	1,934	26,812	8,592	32,915	8,731	250,437

(1) Includes General, Special Revenue, Debt Service and Capital Project Funds on the modified accrual basis of accounting

(2) JEDD Revenues are derived from a 2% income tax collected in the City's Joint Economic Development Districts. Previously the City had classified these revenues as Income Taxes (1995 - 1997) and Misc. (1998). JEDD Revenue collections for prior years were as follows: 1995 \$3,452,322; 1996 \$6,842,265; 1997 \$6,672,285; 1998 \$7,856,106.

Source: City of Akron, Ohio Finance Department

**CHART 1
CITY OF AKRON, OHIO
GENERAL GOVERNMENTAL REVENUES & EXPENDITURES
LAST TEN FISCAL YEARS
(In Thousands)**



Includes General, Special Revenue, Debt Service and Capital Project Funds on the modified accrual basis of accounting

TABLE 3
CITY OF AKRON, OHIO
AD VALOREM PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Collection Year	Amount of		Percent of		Amount of		Percent of	
	Total Tax Levy	Total Tax Collection	Total Tax Collection	Total Tax Collection to Tax Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes	Delinquent Taxes to Tax Levy	Delinquent Taxes to Tax Levy
1993	\$ 15,086,915	\$ 15,070,886		99.9 %	\$ 1,788,170		11.9 %	
1994	16,554,078	16,391,654		99.0	1,665,869		10.1	
1995	16,799,605	16,441,285		97.9	1,704,235		10.1	
1996	17,367,148	17,262,372		99.4	1,497,785		8.6	
1997	20,449,613	20,257,358		99.1	1,838,513		9.0	
1998	20,499,377	20,396,338		99.5	2,054,099		10.0	
1999	20,779,354	21,037,337		101.2	1,696,834		8.2	
2000	22,505,782	22,238,102		98.8	2,034,172		9.0	
2001	22,651,092	22,220,183		98.1	2,194,962		9.7	
2002	22,638,225	22,471,793		99.3	2,088,045		9.2	

Source: City of Akron, Ohio Finance Department

TABLE 4
CITY OF AKRON, OHIO
INCOME TAX COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Collected	Tax Rate
1993	\$ 76,232,611	2.0 %
1994	78,467,138	2.0
1995	80,509,971	2.0
1996	84,048,750	2.0
1997	85,270,894	2.0
1998	88,324,829	2.0
1999	92,681,503	2.0
2000	94,006,773	2.0
2001	96,173,451	2.0
2002	97,052,694	2.0

Source: City of Akron, Ohio Finance Department

TABLE 5
CITY OF AKRON, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

Tax Collection Year	Real Property		Personal Property		Public Utilities		Total		Percent of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	\$ 1,742,811	\$ 4,979,460	\$ 385,271	\$ 1,541,084	\$ 185,529	\$ 185,529	#####	#####	34.50 %
1995	1,769,160	5,054,743	390,600	1,562,400	188,894	188,894	2,348,654	6,806,037	34.51
1996	1,769,745	5,056,414	389,230	1,556,922	174,080	197,818	2,333,055	6,811,154	34.25
1997	2,102,773	6,007,925	395,098	1,580,392	167,796	190,677	2,665,667	7,778,994	34.27
1998	2,110,844	6,030,983	386,865	1,547,460	166,939	189,702	2,664,648	7,768,145	34.30
1999	2,124,127	6,068,934	396,770	1,587,083	167,948	190,849	2,688,845	7,846,866	34.27
2000	2,324,149	6,640,426	405,265	1,621,060	166,661	189,387	2,896,075	8,450,873	34.27
2001	2,339,016	6,682,903	403,913	1,615,652	153,577	174,518	2,896,506	8,473,073	34.18
2002	2,368,179	6,766,226	438,484	1,753,936	122,332	139,013	2,928,995	8,659,176	33.83
2003	2,743,691	7,839,117	391,104	1,564,416	126,710	506,100	3,261,505	9,909,633	32.91

Source: Summit County Auditor

TABLE 6
CITY OF AKRON, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Per \$1,000 of Assessed Valuations)

Tax Collection Year	City of Akron										Total
	Operating	Police Pension	Fire Pension	Debt Retirement	Total City Rate	Akron City School District	Summit County	Akron Metro Parks			
1994	7.75	0.30	0.30	0.25	8.60	45.96	12.45	0.75			67.76
1995	7.75	0.30	0.30	0.25	8.60	54.86	14.20	0.85			78.51
1996	8.15	0.30	0.30	0.25	9.00	54.86	14.03	0.85			78.74
1997	8.15	0.30	0.30	0.25	9.00	54.86	11.43	0.85			76.14
1998	8.15	0.30	0.30	0.29	9.04	54.86	12.67	0.85			77.42
1999	8.15	0.30	0.30	0.30	9.05	54.86	13.21	0.85			77.97
2000	8.15	0.30	0.30	0.29	9.04	54.86	12.81	0.85			77.56
2001	8.15	0.30	0.30	0.29	9.04	54.86	13.61	0.85			78.36
2002	8.15	0.30	0.30	0.34	9.09	63.76	13.57	0.85			87.27
2003	8.15	0.30	0.30	0.34	9.09	63.76	13.81	0.85			87.51

Source: Summit County Auditor

TABLE 7
CITY OF AKRON, OHIO
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Certified for Collection	Amount Collected	Percent Collected	Accumulated Delinquent
1993	\$8,916,243	\$8,805,092	98.8 %	\$ 2,726,432
1994	9,161,805	9,276,910	101.3	2,673,441
1995	10,266,611	10,071,528	98.1	2,956,502
1996	10,360,551	10,126,330	97.7	3,295,272
1997	11,176,255	10,824,913	96.9	3,675,389
1998	11,011,677	10,846,347	98.5	3,909,322
1999	10,676,569	11,585,883	108.5 (1)	3,280,568
2000	10,628,747	10,661,383	100.3	3,256,734
2001	11,331,061	11,191,162	98.8	2,418,777
2002	11,030,263	11,009,546	99.8	3,690,459

(1) Included in the 1999 amount collected is approximately \$1,464,000 collected as a result of Summit County selling some of the delinquent tax liens to a private company.

Source: Summit County Auditor

TABLE 8
CITY OF AKRON, OHIO
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Assessed Value (000's)	Gross Bonded Debt (2)	Debt Service Monies Available	Debt Payable From Enterprise Funds (3)	Net Bonded Debt	Percent of Net Bonded Debt	
							to Assessed Value	Per Capita
1993	\$ 223,019	\$2,313,611	\$ 115,234,030	\$ 2,704,635	\$ 17,835,000	\$ 94,694,395	4.09 %	\$ 425
1994	223,019	2,348,654	130,871,555	2,249,058	17,288,000	111,334,497	4.74	499
1995	223,019	2,333,055	135,339,080	2,414,094	16,160,000	116,764,986	5.00	524
1996	223,019	2,665,667	143,239,000	2,393,577	14,655,000	126,190,423	4.73	566
1997	223,019	2,664,648	157,999,624	2,548,662	13,665,000	141,785,962	5.32	636
1998	223,019	2,688,845	160,286,248	2,718,371	4,910,000	152,657,877	5.68	685
1999	223,019	2,896,075	164,747,872	3,406,072	3,885,000	157,456,800	5.44	706
2000	217,074	2,896,506	168,491,626	3,160,356	3,260,000	162,071,270	5.60	747
2001	217,074	2,928,995	178,233,239	3,536,134	2,635,000	172,062,105	5.87	793
2002	217,074	3,261,505	195,624,027	4,426,694	2,010,000	189,187,333	5.80	872

(1) Source: U.S. Bureau of the Census

(2) Includes all bonded general obligation debt

(3) Includes bonded debt payable from Water, Sewer, and Off-Street Parking revenues

Source: City of Akron, Ohio Finance Department

TABLE 9
CITY OF AKRON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5 1/2%)
AS OF DECEMBER 31, 2001 AND 2002

	<u>2001</u>	<u>2002</u>
Total assessed property value	\$ 2,928,995,000	\$ 3,261,505,000
Total unvoted bonds outstanding	\$ 175,633,239	\$ 194,024,027
Total unvoted notes outstanding	<u>9,837,339</u>	<u>10,267,906</u>
Total unvoted debt	185,470,578	204,291,933
Less exemptions:		
Funds available for debt		
service requirements	2,425,153	3,415,930
Water Bonds	1,250,000	1,000,000
Sewer Bonds	250,000	200,000
Final Judgment Bonds	2,911,738	2,743,127
Off-Street Parking Bonds	1,135,000	810,000
Public Improvement Bonds	3,272,120	3,156,744
Special Assessment Bonds	11,206,170	11,220,667
Special Assessment Notes	9,837,339	10,267,906
Inventors' Hall of Fame Bonds	2,245,000	1,800,000
G.O. Bonds Pledged with Income Tax	<u>54,192,645</u>	<u>65,335,465</u>
Total exemptions	<u>88,725,165</u>	<u>99,949,839</u>
Net debt subject to 5 1/2% limit	<u>\$ 96,745,413</u>	<u>\$ 104,342,094</u>
Total debt limit - 5 1/2% of assessed value	161,094,725	179,382,775
Less net debt subject to 5 1/2% limitation	<u>96,745,413</u>	<u>104,342,094</u>
Total legal unvoted debt margin	<u>\$ 64,349,312</u>	<u>\$ 75,040,681</u>

Source: City of Akron, Ohio
Finance Department

TABLE 10
CITY OF AKRON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
TOTAL DEBT LIMIT (10 1/2%)
AS OF DECEMBER 31, 2001 AND 2002

	2001	2002
Total assessed property value	\$ 2,928,995,000	\$ 3,261,505,000
Total bonds outstanding	\$ 283,168,239	\$ 295,144,027
Total notes outstanding	9,837,339	10,267,906
Total OWDA loans outstanding	47,615,793	47,009,590
Total OPWC loans outstanding	9,021,297	8,578,421
Total Certificates of Participation	25,923,095	24,809,589
Total ODOD loans outstanding	565,793	517,467
Total Non-Tax Revenue Bonds	31,585,000	30,350,000
Total Special Revenue (JEDD) Bonds	27,285,000	51,945,000
Total Income Tax Revenue Bonds	9,450,000	9,185,000
Total debt	444,451,556	477,807,000
Less exemptions:		
Funds available for debt		
service retirement	2,425,153	3,415,930
Water Bonds	1,250,000	1,000,000
Sewer Bonds	250,000	200,000
Final Judgment Bonds	2,911,738	2,743,127
Inventors' Hall of Fame Bonds	2,245,000	1,800,000
Off-Street Parking Bonds	1,135,000	810,000
Public Improvement Bonds	3,272,120	3,156,744
Special Assessment Bonds	11,206,170	11,220,667
Special Assessment Notes	9,837,339	10,267,906
Water Mortgage Revenue Bonds	57,095,000	53,830,000
Sewer Revenue Bonds	47,840,000	45,690,000
Special Assessment Improvement		
Notes (One Year)		
Water OWDA Loans	10,759,108	13,017,426
Sewer OWDA Loans	36,856,685	33,992,164
Water OPWC Loan	1,791,137	1,739,929
Sewer OPWC Loan	1,754,396	1,636,974
RES OPWC Loan	114,888	70,959
Certificates of Participation	25,923,095	24,809,589
Non-Tax Revenue Bonds	31,585,000	30,350,000
Income Tax Revenue Bonds	9,450,000	9,185,000
JEDD Revenue Bonds	27,285,000	51,945,000
Capital Projects OPWC Loan	5,360,876	5,130,559
Industrial Incubator - ODOD	565,793	517,467
G.O. Bonds Pledged with Income Tax	54,192,645	65,335,465
Total exemptions	345,106,143	371,864,906
Net debt subject to 10 1/2% limit	\$ 99,345,413	\$ 105,942,094
Total debt limit - 10 1/2% of assessed value	307,544,475	342,458,025
Less net debt subject to 10 1/2% limitation	99,345,413	105,942,094
Total legal debt margin	\$ 208,199,062	\$ 236,515,931

Source: City of Akron, Ohio
Finance Department

TABLE 11
CITY OF AKRON, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2002

Political Subdivision	Amount of Debt	Percent Applicable to City	City's Share
City of Akron	\$184,274,211 *	100.00 %	\$184,274,211
Summit County	72,400,000	27.41	19,844,840
Copley-Fairlawn City School District	7,379,990	4.43	326,934
Revere Local School District	14,263,667	2.67	380,840
Akron Metro Regional Transit Authority	1,515,000	27.41	415,262
Woodridge Local School District	16,181,334	31.14	5,038,867
Summit County Library District	66,414,269	40.68	27,017,325
	<u>\$362,428,471</u>		<u>\$237,298,279</u>

* Includes the following, all of which are secured by the City's ability to levy ad valorem property taxes:

General Obligation Bonds	\$195,624,027
General Obligation Notes	<u>10,267,906</u>
	<u>\$205,891,933</u>

Source: City of Akron, Ohio Finance Department

TABLE 12
CITY OF AKRON, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest (1)	Total Debt Service (2)	Total General Governmental Expenditures (3)	Percent of Debt Service to Total General Governmental Expenditures
1993	\$ 10,860,116	\$ 6,555,536	\$ 17,415,652	\$ 210,622,689	8.27 %
1994	12,141,614	7,613,480	19,755,094	228,279,235	8.65
1995	12,972,245	7,579,543	20,551,788	227,860,939	9.02
1996	14,366,769	7,962,202	22,328,971	249,353,650	8.95
1997	14,253,463	8,118,199	22,371,662	243,020,360	9.21
1998	15,483,845	10,232,741	25,716,586	276,254,720	9.31
1999	15,356,417	10,416,671	25,773,088	259,186,004	9.94
2000	19,163,480	11,460,262	30,623,742	275,273,002	11.12
2001	19,164,096	14,749,669	33,913,765	303,521,001	11.17
2002	21,823,043	16,526,911	38,349,954	310,927,937	12.33

(1) Interest for 2001 includes \$571,774 of bond issuance expense.

(2) Includes all debt service other than Proprietary Funds

(3) Includes General, Special Revenue, Debt Service and Capital Project Funds on the modified accrual basis of accounting

Source: City of Akron, Ohio Finance Department

TABLE 13
CITY OF AKRON, OHIO
WATER ENTERPRISE REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			GAAP Basis		Bond (2) Coverage Per Indenture
				Mtg. Principal	Mtg. Interest	Total	Revenue Bond Coverage		
1993	\$ 30,706,517	\$ 25,390,551	\$ 5,315,966	\$ 425,000	\$ 778,065	\$ 1,203,065	4.42	2.87	
1994	27,965,195	23,175,691	4,789,504	805,000	2,519,966	3,324,966	1.44	1.67	
1995	29,072,979	25,771,036	3,301,943	1,760,000	3,643,963	5,403,963	0.61	1.80	
1996	33,465,609	28,501,848	4,963,761	1,845,000	3,552,475	5,397,475	0.92	1.88	
1997	35,341,049	26,531,539	8,809,510	2,035,000	3,215,798	5,250,798	1.68	2.35	
1998	33,297,429	27,168,776	6,128,653	2,125,000	3,308,992	5,433,992	1.13	1.77	
1999	33,504,853	23,485,953	10,018,900	2,740,000	3,257,578	5,997,578	1.67	1.86	
2000	32,452,297	22,767,300	9,684,997	2,850,000	3,138,595	5,988,595	1.62	2.00	
2001	33,115,084	22,906,974	10,208,110	2,970,000	3,010,803	5,980,803	1.71	2.06	
2002	34,191,880	23,469,901	10,721,979	3,265,000	2,870,681	6,135,681	1.75	2.06	

(1) Direct operating expenses do not include depreciation

(2) The Revenue Bond Coverage used in complying with Section 8.02(a) of the Trust Indenture is calculated quarterly on a cash basis and is presented at year end for informational purposes only.

Source: City of Akron, Ohio Finance Department and Public Utilities Bureau

TABLE 14
CITY OF AKRON, OHIO
SEWER ENTERPRISE REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Total	GAAP Basis		Bond (2) Coverage Per Indenture
				Mtg./Rev Principal	Mtg./Rev Interest	Total		Revenue Bond Coverage		
1993	\$ 29,245,937	\$ 23,607,383	\$ 5,638,554	\$ 480,000	\$ 104,500	\$ 584,500	9.65	16.24		
1994	29,547,338	27,521,348	2,025,990	-	213,695	213,695	9.48	24.36		
1995	27,763,489	26,358,312	1,405,177	-	899,802	899,802	1.56	13.70		
1996	35,090,761	24,861,166	10,229,595	-	1,102,797	1,102,797	9.28	7.55		
1997	36,342,889	21,750,388	14,592,501	1,145,000	1,989,506	3,134,506	4.66	4.96		
1998	33,862,063	21,550,161	12,311,902	2,120,000	2,598,058	4,718,058	2.61	2.68		
1999	36,653,760	22,257,657	14,396,103	2,005,000	2,816,110	4,821,110	2.99	2.73		
2000	30,960,810	19,927,901	11,032,909	2,045,000	2,731,065	4,776,065	2.31	3.10		
2001	32,400,006	19,348,093	13,051,913	2,095,000	2,642,193	4,737,193	2.76	2.90		
2002	35,295,797	22,458,357	12,837,440	2,150,000	2,549,018	4,699,018	2.73	2.90		

(1) Direct operating expenses do not include depreciation

(2) The Revenue Bond Coverage used in complying with Section 8.02(a) of the Trust Indenture is calculated quarterly on a cash basis and is presented at year end for informational purposes only.

Source: City of Akron, Ohio Finance Department and Public Utilities Bureau

**TABLE 15
CITY OF AKRON, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2002**

POPULATION

<u>Year</u>	<u>City</u>	<u>County</u>	<u>PMSA *</u>
1940	244,791	339,405	386,065
1950	274,605	410,032	473,986
1960	290,351	513,569	605,367
1970	275,425	553,371	679,239
1980	237,177	524,472	660,328
1990	223,019	514,990	657,575
2000	217,074	542,899	694,960

* PMSA - Primary Metropolitan Statistical Area

Source: U.S. Bureau of Census

**ESTIMATED EFFECTIVE BUYING INCOME PER HOUSEHOLD
PERCENT OF HOUSEHOLDS BY INCOME GROUP, 2000
PRIMARY METROPOLITAN STATISTICAL AREA**

<u>Income Group</u>	<u>Percent</u>
\$-0- - \$19,999	25.10
\$20,000 - \$34,999	21.40
\$35,000 - \$49,999	18.10
\$50,000 - and over	35.40
Median Household Effective Buying Income (EBI)	\$37,619

Source: Survey of Buying Power, SALES AND
MARKETING MANAGEMENT, 2000

PER CAPITA MONEY INCOME AND MEDIAN FAMILY INCOME

<u>County:</u>	<u>1999 Per Capita Money Income</u>	<u>1999 Median Household Money Income</u>
Summit	\$ 22,842	\$ 42,304
Stark	20,417	39,824
Hamilton	24,053	40,964
Cuyahoga	22,272	39,168
Franklin	23,059	42,734
Montgomery	21,743	40,156
Lucas	20,518	38,004
Mahoning	18,818	35,248
State of Ohio	21,003	40,956
United States	21,587	41,994

Source: U. S. Bureau of Census

TABLE 16
CITY OF AKRON, OHIO
PROPERTY VALUES AND CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value (Real & Personal Property) (1)	Building Permits Issued (2)	
		Number	Estimated Valuation
1993	\$ 2,313,611,000	3,002	\$127,585,335
1994	2,348,654,000	3,528	151,609,184
1995	2,333,055,000	3,495	158,145,162
1996	2,665,667,000	3,550	134,444,703
1997	2,664,648,000	3,376	139,613,241
1998	2,688,845,000	3,853	117,675,504
1999	2,896,075,000	3,662	155,200,543
2000	2,896,506,000	3,201	113,657,295
2001	2,928,995,000	2,852	140,481,950
2002	3,261,505,000	2,533	207,275,180

Sources: (1) Summit County Auditor
(2) City of Akron, Ohio Building Inspection Division

**TABLE 17
CITY OF AKRON, OHIO
TEN LARGEST PROPERTY TAXPAYERS
DECEMBER 31, 2002**

<u>Name</u>	<u>Type of Business</u>	<u>Valuation (in thousands)</u>	<u>Percent of Total Assessed Valuation</u>
First Energy	Public Utility	\$ 73,158	2.24 %
SBC	Public Utility	42,177	1.29
Goodyear Tire & Rubber Co.	Rubber Industry	29,925	0.92
Bridgestone/Firestone	Rubber Industry	24,813	0.76
Aircraft Braking Systems	Aeronautics Equipment	23,783	0.73
F.W. Albrecht Co.	Grocery	16,537	0.51
Dominion East Ohio	Public Utility	13,536	0.42
Lockheed Martin Tactical Systems	Electronics	16,958	0.58
Chapel Hill Mall, Ltd.	Shopping Malls	12,448	0.38
Beacon Journal Publishing	Newspaper	9,402	0.29
	Totals:	<u>\$ 262,737</u>	<u>8.12 %</u>

Source: Summit County Auditor

TABLE 18
CITY OF AKRON, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2002

Date of Incorporation	March 12, 1836
Adoption of City Charter	1918
Form of Government	Mayor - Council
Council Members	13
Area of City	Approximately 62 square Miles
Population (2000 census)	217,074
Police Protection:	
Number of Stations	1
Number of Uniformed Police and Officers	500
Fire Protection:	
Number of Stations	13
Number of Firefighters and Officers	357
Education:	
University of Akron Students	24,304
Akron City School District:	
Number of Schools	58
Number of Students	29,314
Number of Teachers	2,415
2002 Water System:	
Average Daily Consumption	40.34 MGD
Annual Pumpage	14,724 MG
Maximum Capacity	67 MGD
Communities Served	12
Number of Customers	82,939
Miles of Water Lines	1,165
2002 Sewer System:	
Average Daily Demand	67.76 MGD
Annual Wastewater Flow	24,731 MG
Plant Capacity	90 MGD
Communities Served	13
Number of Customers	81,895
Miles of Sewer Lines	1,189
Medical Facilities:	
Number of Hospitals	5
Number of Beds	2,349
Transportation:	
Motor Freight Carriers:	
Akron	36
SMSA	43
Railroad Systems	3
Airports	3
Bus Lines:	
Local	1 (Metro Regional Transit Authority)
National	2 (Greyhound & Continental Trailways)
Interstate Highways	6
State Highways	9
Recreation and Culture:	
City Park System	Over 2,100 Acres
Metro Park District	Over 6,000 Acres
Cuyahoga Valley National	
Recreation Area	33,000 Acres
Private and Public Golf Courses	66



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

CITY OF AKRON

SUMMIT 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
OCTOBER 7, 2003**