



**Auditor of State
Betty Montgomery**

CITY OF AKRON
SUMMIT COUNTY

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Auditor of State Betty Montgomery

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

City of Akron
Summit County
166 South High Street
Akron, Ohio 44308

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Akron, Summit County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated August 15, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-001 to 2005-003. In a separate letter to the City's management dated August 15, 2006, we reported other matters related to noncompliance we deemed immaterial.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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

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

Betty Montgomery
Auditor of State

June 29, 2006



Auditor of State Betty Montgomery

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

City of Akron
Summit County
166 South High Street
Akron, Ohio 44308

To the City Council:

Compliance

We have audited the compliance of the City of Akron, Summit County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2005. The summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Akron complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-005 through 2005-009. In a separate letter to the City's management dated August 15, 2006, we reported other matters related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

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

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We noted a certain matter involving the internal control over compliance and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 2005-004.

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

Supplemental Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Akron as of and for the year ended December 31, 2005, and have issued our report thereon dated June 29, 2006. Our audit was performed to form an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplemental Schedule of Expenditures of Federal Awards provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

August 15, 2006, except for the Supplemental Schedule of Expenditures of Federal Awards which is dated on June 29, 2006

CITY OF AKRON, OHIO

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF AGRICULTURE		
From the Ohio Department of Health:		
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)		
Child Nutrition Cluster:	10.557	\$ 1,517,769
Summer Food Service Program for Children	10.559	145,861
Total Department of Agriculture		<u>1,663,630</u>
DEPARTMENT OF COMMERCE		
Direct Programs:		
Industrial Park Roadway - Utility Improvements	11.300	1,272,900
Total Department of Commerce		<u>1,272,900</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs:		
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	9,728,936
Emergency Shelter Grants Program	14.231	283,176
HOME Investment Partnership Program	14.239	3,195,185
Lead-Based Paint:		
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	678,109
Lead Hazard Reduction Demonstration Grant Program	14.905	380,672
Total Department of Housing and Urban Development		<u>14,266,078</u>
DEPARTMENT OF THE INTERIOR		
Direct Programs:		
National Park Service	15.919	195,300
Total Department of the Interior		<u>195,300</u>
DEPARTMENT OF JUSTICE		
Direct Programs:		
Juvenile Accountability Incentive Block Grants	16.523	1,964
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	2,842
Byrne Formula Grant Program	16.579	41,483
Local Law Enforcement Block Grants Program	16.592	350,116
From the Governor's Office of Criminal Justice Services:		
Executive Office for Weed and Seed	16.595	1,197
Public Safety Partnership and Community Policing Grants	16.710	52,341
Total Department of Justice		<u>449,943</u>

CITY OF AKRON, OHIO

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF TRANSPORTATION		
From the Ohio Department of Highway Safety:		
State and Community Highway Safety	20.600	213,220
Highway Planning and Construction:		
Akron Metropolitan Area Transportation Study	20.205	1,069,496
ODOT - South Arlington Signals	20.205	217,351
ODOT - Bettes Corners Bridges	20.205	888,173
ODOT - Bettes Corners/Carnegie Avenue/South Hawkins Avenue Loan Agreement	20.205	2,742,400
ODOT - City Sidewalk Accessiblilty	20.205	97,198
ODOT - High Street Viaduct	20.205	510,651
ODOT - South Main Street	20.205	84,742
Total CFDA No. 20.205		<u>5,610,011</u>
Total Department of Transportation		<u>5,823,231</u>
ENVIRONMENTAL PROTECTION AGENCY		
From the Ohio E.P.A.:		
Air Pollution Control Program Support	66.001	302,491
Surveys - Studies - Investigations and Special Purpose	66.606	2,307,800
Total Environmental Protection Agency		<u>2,610,291</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
From the Ohio Department of Health:		
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	47,738
Childhood Lead Poisoning Prevention Projects - State and Local		
Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Children	93.197	97,273
Immunization Grants	93.268	83,943
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	853,813
Refugee and Entrant Assistance Discretionary Grants	93.576	30,529
Katrina Relief Reimbursement	93.776	173,038
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	307,608
HIV Prevention Activities - Health Department Based:		
Federal Aids Education	93.940	320,000
Block Grants for Prevention and Treatment of Substance Abuse	93.959	394,536
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	27,643
Preventive Health and Health Services Block Grant	93.991	35,143
Maternal and Child Health Services Block Grant to the States		
Child and Family Health Services	93.994	196,463
Dental Sealant Grant	93.994	32,474
Total CFDA No. 93.994		<u>228,937</u>
Total Department of Health and Human Services		<u>2,600,201</u>

CITY OF AKRON, OHIO

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY		
From the Department of Health and Human Services Metropolitan Medical Response System	97.071	31,669
From the Federal Emergency Management Agency Assistance to Firefighters Grant	97.044	31,860
From the Ohio Department of Public Safety State Domestic Preparedness Equipment Support	97.004	6,358
Total Department of Homeland Security		<u>69,887</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 28,951,461</u></u>

See notes to supplemental schedule of expenditures of federal awards.

CITY OF AKRON, OHIO

NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2005

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 CDBG- Entitlement and (HUD-Administered) Small Cities Cluster - Community Development Block Grant/Entitlement Grants	10.557	\$621,902
Emergency Shelter Grants Program	14.218	995,026
HOME Investment Partnership Program	14.231	377,418
Lead-Based Paint Hazard Control in Privately Owned Housing	14.239	1,145,018
Juvenile Justice and Delinquency Prevention Allocation to States	14.900	156,654
Centers for Disease Control and Prevention Investigations and Technical Assistance	16.540	1,431
Outpatient Early Intervention Services - HIV Disease	93.283	369,299
HIV Prevention Activities	93.918	306,101
Preventive Health and Health Services Block Grant	93.940	173,324
Maternal and Child Health Services Block Grant to the States	93.977	25,000
Metropolitan Medical Response System	93.994	160,063
	97.071	30,000

3. LOANS OUTSTANDING

The City of Akron, Ohio, had the following loan balances outstanding at December 31, 2005, which had continuing compliance requirements.

Program Title	Federal CFDA No.	Balance Outstanding
Community Development Block Grants/Entitlement Grants	14.218	\$ 152,994
Empowerment Zone Program	14.244	1,095,878
HOME Investment Partnership Program	14.239	2,152,877

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CITY OF AKRON
SUMMIT COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	<ul style="list-style-type: none"> • CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children • CFDA 11.300 – Industrial Park Roadway – Utility Improvements • CFDA 20.205 Highway Planning and Construction • CFDA 66.606 – Surveys, Studies, Investigations and Special Purpose Grants • CFDA 93.283 – Centers for Disease Control and Prevention Investigations and Technical Assistance
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$868,544 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2005-001

Ohio Rev. Code Section 5705.10 requires, in part, that monies paid into any fund be used only for the purposes for which such fund is established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

At December 31, 2005, the following funds (aggregated at the level used for preparing the financial statements) had negative cash fund balances:

Fund Number	Fund Name	Cash Fund Balance
2030	Street & Highway Maintenance	\$ (1,977,464.63)
2080	Community Development	(2,702,453.95)
2127	AMATS	(13,643.39)
2140	Summer Lunch Program	(7,309.25)
2185	KAB Litter Control	(25,178.67)
2195	Tax Equivalency	(45,993.20)
2295	Police Grants	(791,433.57)
2300	Various Domestic Violence	(104,483.27)
2320	Equipment & Facilities Operating	(2,287,410.47)
2330	Various Purpose Funding	(2,150,417.62)
4048	Capital Projects W/ O/S Fund	(2,159,087.27)
4060	Streets	(14,001,880.39)
4155	Transportation	(2,045,489.66)
4160	Parks and Recreation	(823,364.01)
4165	Public Facilities and Improvements	(765,991.95)
4175	Economic Development	(5,222,045.74)
5015	Golf Course	(381,791.04)
6000	Motor Equipment	(988,348.87)
6005	Liability Self - Insurance	(1,845,514.61)
6009	Self - Insurance Settlement	(574,198.49)
6010	Storeroom	(231,772.93)
6030	Management Information Systems	(450,512.91)
Total		<u>\$ (39,595,785.89)</u>

Negative cash fund balances are an indication revenues from other sources were used to pay obligations of these funds. Additionally, money spent for purposes other than specified in grant agreements could result in the loss of future grant awards.

For reporting purposes, the deficit cash balances were reported as part of the "Due to Other Funds" liability, and funds with positive cash balances offsetting these deficits reported a "Due from Other Funds" asset. Since the City's cash is pooled, there was no method to determine which funds' cash was used to offset the deficit balances and consequently the "Due from Other Funds" amounts related to the deficit cash balances were assigned using certain assumptions.

FINDING NUMBER 2005-001 (Continued)

Fund activity should be monitored to prevent future expenditures in excess of available resources. In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Rev. Code. Use of formal advances, approved by the City Council, will allow management to determine exactly which funds cash is being used to offset deficit cash balances. This should help ensure compliance with grant and other funding restrictions as well as provide a reasonable basis for assigning "Due from Other Funds" receivables.

Officials' Response: The City will work to ensure that there are limited funds with negative cash balances at year-end. The City has numerous reimbursable grant funds and capital project funds, at year-end there are expenditures that have been incurred that have not been reimbursed. The City's general practice is to issue debt after capital projects are complete to cover the deficit balance in those funds.

FINDING NUMBER 2005-002

Ohio Rev. Code Section 5705.39 requires that total appropriations from each fund not exceed total estimated fund resources from each fund. This section also requires the City to obtain a County Auditor's certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources.

At December 31, 2005, we noted the following funds had appropriations in excess of estimated resources.

Fund Number	Fund Name	Estimated Resources	Appropriations	Variance
2005	Emergency Medical Service	\$10,964,678	\$11,602,361	\$(637,683)
2030	Street & Highway Maintenance	8,455,893	9,797,390	(1,341,497)
2080	Community Development	6,929,648	14,904,380	(7,974,732)
2095	Community Environment Grants	(81,818)	1,220,000	(1,301,818)
2127	AMATS	1,275,899	1,451,550	(175,651)
2140	Summer Lunch Program	115,475	188,110	(72,635)
2146	HOME Program	2,820,994	3,100,000	(279,006)
2185	KAB Litter Control	54,982	130,000	(75,018)
2195	Tax Equivalency	368,971	580,000	(211,029)
2200	Special Revenue Loans Fund	48,249	50,000	(1,751)
2295	Police Grants	(1,658,227)	1,117,420	(2,775,647)
2300	Various Domestic Violence	(107,532)	125,150	(232,682)
2305	Safety Programs	934,260	942,180	(7,920)
2320	Equipment & Facilities Operating	3,206,354	8,048,789	(4,842,435)
2330	Various Purpose Funding	(1,547,520)	1,868,530	(3,416,050)
2340	Deposits	149,532,746	202,576,000	(53,043,254)
4048	Capital Projects W/ O/S Fund	(1,682,641)	2,900,001	(4,582,642)
4060	Streets	9,731,692	23,200,000	(13,468,308)
4150	Information Technology and Improvements	(78,262)	1,000,000	(1,078,262)
4155	Transportation	1,652,846	5,500,000	(3,847,154)
4160	Parks and Recreation	4,460,587	8,600,000	(4,139,413)
4165	Public Facilities and Improvements	3,577,622	8,601,000	(5,023,378)
4170	Public Parking	3,936,090	6,600,000	(2,663,910)
4175	Economic Development	(10,357,630)	25,277,900	(35,635,530)
5000	Water	41,683,073	44,329,500	(2,646,427)
5005	Sewer	44,241,173	63,217,220	(18,976,047)
5015	Golf Course	1,022,365	1,368,060	(345,695)
5020	Airport	738,238	980,500	(242,262)
5030	Off-Street Parking	4,918,037	4,996,420	(78,383)
6000	Motor Equipment	5,358,234	7,901,140	(2,542,906)
6005	Liability Self - Insurance	21,925,651	24,113,140	(2,187,489)
6009	Self - Insurance Settlement	(237,698)	320,000	(557,698)
6010	Storeroom	1,245,342	1,742,890	(497,548)
6030	Management Information Systems	1,485,675	2,995,990	(1,510,315)

FINDING NUMBER 2005-002 (Continued)

In addition, the City did not always obtain certificates from the County Fiscal Officer that appropriations from each fund do not exceed the total Amended Official Estimate of Resources for certain appropriation and estimated resource amendments. City Council should monitor appropriations versus estimated resources to help avoid overspending. In addition, the Finance Director should obtain the required certificate from the County Fiscal Officer when amending appropriations and estimated resources.

Officials' Response: 2005 was the first year the City appropriated all funds and recognizes the need to closely monitor appropriations in proportion to estimated resources.

FINDING NUMBER 2005-003

Ohio Rev. Code Section 5705.41(B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated.

During 2005 the City paid \$181,775,233 and \$31,568,072 principal and interest, respectively, on outstanding bond and loan obligations from the Bond Payment Fund account which is not part of the City's regular accounting system ("Banner") and is not appropriated by the City Council.

City Council should appropriate the activities of the Bond Payment Fund at least at the level required by the Ohio Revised Code Section 5705.38.

Officials' Response: The City will consider appropriating the activities of the Bond Payment Fund.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

FINDING NUMBER 2005-004

Reportable Condition

Supplemental Schedule of Expenditures of Federal Awards

The City's Supplemental Schedule of Expenditures of Federal Awards (the Schedule) initially reported eight Local Public Agency (LPA) projects and one Metropolitan Planning Organization (MPO) agreement totaling \$3,919,792 in expenses for the Highway Planning and Construction grants -CFDA 20.205, passed through the Ohio Department of Highway Safety. During our testing of the Schedule we noted three LPA projects totaling \$1,052,181 were incorrectly included on the Schedule because they were in fact State funded projects instead of federally funded projects. We also noted another project with expenses of \$2,742,400 were incurred during FY04 for a State Infrastructure Bank Loan (SIB) agreement which were incorrectly excluded from the prior year Schedule. As a result of the errors, the City adjusted its initial CFDA 20.205 grant expenditures from \$3,919,792 to \$5,610,011.

Our testing of the CFDA 10.557 - Special Supplemental Nutritional Program for Women, Infants, and Children (WIC) grant, revealed certain rental and vehicle charges totaling \$38,233 were included in the WIC fund 22810. These costs were not in accordance with the grant budget and they were not reported as federal expenditures on the quarterly financial reports provided to the State. However, since these costs were included in the same fund as the WIC federal expenditures they were initially improperly included in the Supplemental Schedule of Expenditures of Federal Awards. As such, the City adjusted its initial CFDA 10.557 grant expenditures from \$1,556,002 to \$1,517,769.

Further, the City reported \$1,272,900 in expenses for the Public Works and Economic Development Cluster, Grants For Public Works and Economic Development Facilities – CFDA 11.300, received from the US Department of Commerce, Economic Development Administration. However, our testing revealed these expenses were actually incurred during FY00 through FY03 and therefore should have been reported on the respective Schedules rather than the FY05 Schedule.

FINDING NUMBER 2005-004 (Continued)

Reportable Condition (Continued)

The City should develop procedures to ensure the amounts reported on its Supplemental Schedule of Expenditures of Federal Awards are complete and accurately reflect the City's expenses related to all federal awards on the accrual basis of accounting which they have elected. Additionally, the City should report expenses in the year they are incurred even if reimbursement for these expenses is not received until the subsequent year. Failure to report accurate expenses related to federal awards could result in the selection of incorrect "Major Programs" for auditing in accordance with OMB Circular A-133. In addition, this could subject the City to fines and penalties from the federal awarding and/or pass-through agencies and loss of future federal awards.

Officials' Response: For CFDA 20.205, the City has been in contact with the Ohio Department of Transportation and will work with them to determine whether the revenue we receive is Federal or State monies.

For CFDA 10.557 – Unallowable rental expenses for the WIC program will be moved for 2006, vehicle charges were already addressed and are nonexistent for 2006.

For CFDA 11.300 – The City recognized the expenses were not accounted for when incurred and made the adjustment for the 2005 Schedule. The City will work to ensure expenses are accounted for on the appropriate Federal Schedule.

Questioned Costs

Finding Number	2005-005
CFDA Title and Number	93.283 – Centers for Disease Control and Prevention Investigations and Technical Assistance
Federal Award Number / Year	2005
Federal Agency	U.S. Department of Health
Pass-Through Agency	Ohio Department of Health

The Ohio Department of Health (ODH) Grants Administration Policy and Procedures Manual (GAPP), Section 400.3 states that obligations listed on the interim report (i.e. fourth quarter expenditure report) must be liquidated within forty-five (45) calendar days after the end of the program period, as defined on the Notice of Award. **The Ohio Department of Health (ODH) Grants Administration Policy and Procedures Manual (GAPP), Section 304.0** states in part that subgrantees are required to submit quarterly expenditure reports via GMIS by the designated dates in the RFP. The subgrantee Final Expense Report and any overpayments must be submitted to ODH within 45 calendar days following the end of the grant year. As further stated, the information in the expenditure reports must reflect the subgrantee's accounting records.

During our testing of the Public Health Infrastructure grant, the following was noted:

- During 2005, the City disbursed \$853,812 in Federal funds related to the Centers for Disease Control and Prevention – Investigations and Technical Assistance grant received via the Public Health Infrastructure program administered by the Ohio Department of Health, as reported on the Supplemental Schedule of Expenditures of Federal Awards. However, a disbursement of grant monies in the amount of \$105,000 for grant year 2004, August 31, 2003 through August 30, 2004, was made on January 23, 2006, subsequent to the period of availability.

Questioned Costs (Continued)

Finding Number	2005-005 (Continued)
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- For grant year 2005, August 31, 2004 through August 30, 2005, the City reported to the Ohio Department of Health \$771,471 in actual expenditures of Federal funds related to the Centers for Disease Control and Prevention – Investigations and Technical Assistance grant received via the Public Health Infrastructure program. However, personnel costs, salaries and fringe benefits, were reported at budgeted amounts rather than actual amounts. The difference in amounts reported and actual expenditures is approximately \$4,817. (Note: Due to the manner in which the City posts amounts to fringe benefit line items, we were unable to determine the exact Ohio Public Employees Retirement System (OPERS) pension contributions charged by individual employee, therefore this calculation includes only an estimate for the City’s share of OPERS.). Additionally, outstanding obligations at August 30, 2005 in the amount of \$100,690 were not liquidated by the October 15, 2005 deadline; however they were reported as actual expenditures on the Final Expense Report.

Failure to liquidate obligations within the required time limits and/or failure to report information that reflects the City’s actual accounting records on expenditure reports as required by Federal regulations and/or the grant agreement could subject the City to fines, penalties, and/or loss of federal funding.

The City should contact the Ohio Department of Health to rectify these issues. The City should also report actual expenditures rather than budgeted amounts on all expenditure reports submitted to the Ohio Department of Health. Actual expenditures should be supported by the City’s accounting records. In addition, the City should review grant program balances prior to October 15th to determine if any remaining grant obligations should be liquidated. If it appears obligations made by August 30th will not be liquidated within the required time frame, the City should submit a formal request for an extension to the Ohio Department of Health. Accordingly, we are reporting a questioned cost of \$210,507 as follows:

<u>Description:</u>	<u>Questioned Cost</u>
<u>Grant fiscal year 2004</u> Disbursement made subsequent to the period of availability	\$105,000
<u>Grant fiscal year 2005</u> Variance between actual expenses and expenses reported on the Final Expense Report	4,817
<u>Grant fiscal year 2005</u> Outstanding obligations reported on the Final Expense Report as actual expenses which were not liquidated within 45 days following the end of the grant year.	<u>100,690</u>
Total Questioned Costs – CFDA 93.283	<u>\$210,507</u>

Officials’ Response: The Finance Department will work with the Health Department to ensure a timely disbursement of grant monies received and that outstanding obligations are liquidated within the required time limits. Future expenditures reported to the Ohio Department of Health will be reported on actual amounts rather than budgeted amounts.

Finding Number	2005-006
CFDA Title and Number	93.283 – Centers for Disease Control and Prevention Investigations and Technical Assistance
Federal Award Number / Year	2005
Federal Agency	U.S. Department of Health
Pass-Through Agency	Ohio Department of Health

OMB Circular A-133 § 400(d)(4) states that a pass-through entity shall ensure subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.

The City passed through \$51,260 of Public Health Infrastructure grant monies to the City of Barberton Health Department during 2005. The City received an A-133 audit report from the City of Barberton; however, the Public Health Infrastructure grant passed through from the City of Akron Health Department was not included. Additionally, in January of 2006, the Summit County Emergency Management Agency (EMA) received \$105,000 from the City of Akron Health Department for reimbursement of Public Health Infrastructure grant expenditures made in prior years. However, the City did not receive an A-133 report for Summit County EMA.

As part of the City's subrecipient monitoring procedures, the City should ensure all subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and the required audits are completed within 9 months of the end of the subrecipient's audit period.

Officials' Response: The City will request copies of all subrecipient's Single Audit to ensure they have met the requirements pursuant OMB Circular A-133.

Federal Non-compliance

Finding Number	2005-007
CFDA Title and Number	10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Federal Award Number / Year	2005
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Health

Ohio Department of Health (ODH) Grants and Administration Policy and Procedures Manual (GAPP), Section 301.0 states that all payments of funds by ODH to the subgrantee are in accordance with the conditions of the grant. The grant requires the subgrantee to comply with OMB Circular A-87 which specifies that grant expenditures should be for grant purposes.

The City reported \$1,517,769 in Federal expenses related to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) grant received from the Ohio Department of Health. Included in these expenses was employee wages of \$6,566 for five Parks and Recreation employees. Although these employees worked in the City's WIC facility, they did not perform functions supporting the WIC grant. Consequently, their wages should not have been paid with grant funds.

Federal Non-compliance (Continued)

Finding Number	2005-007 (Continued)
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The City should ensure all WIC grant funds are expended for proper purposes in accordance with their grant agreement.

Officials' Response: The City has resolved this situation and will ensure all WIC grant funds are expended per the grant agreement.

Questioned Cost

Finding Number	2005-008
CFDA Title and Number	20.205 – Highway Planning and Construction (Federal-Aid Highway Program)
Federal Award Number / Year	2005
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	Ohio Department of Highway Safety

OMB Circular A-87 Attachment A, Section C(1)(h) states in part that to be allowable under Federal awards, costs must not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.

The City reported \$5,610,011 in Federal expenses related to the Highway Planning and Construction grant received from the Ohio Department of Transportation. However, it was noted approximately \$357,314 of federal grant monies received for the Bettes Corner Bridge, Carnegie Avenue Bridge, and South Hawkins Avenue Loan Agreement (SB0418) were for reimbursement of invoices and expenditures the City had previously been reimbursed for in a prior audit period under the Bettes Corners LPA Agreement No. 20310.

Requesting reimbursement for costs other than those considered to be allowable as stated by Federal regulations and/or the grant agreement could subject the City to fines, penalties, and/or loss of federal funding.

The City should contact the Ohio Department of Transportation to rectify this issue. The City should also monitor their reimbursement requests more carefully to ensure they are only requesting and receiving reimbursement for the same expenditures once. Accordingly, we are reporting questioned costs of \$357,314.

Officials' Response: The City will work closely with the Ohio Department of Transportation to monitor reimbursement requests.

Questioned Cost

Finding Number	2005-009
CFDA Title and Number	11.300 – Public Works and Economic Development Cluster, Grants For Public Works And Economic Development Facilities
Federal Award Number / Year	06-01-04475 / 2005
Federal Agency	U.S. Department of Commerce

OMB Circular A-87 Attachment A, Section C(1)(h) states in part that to be allowable under Federal awards, costs must not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.

During 2005 the City reported approximately \$110,701 in Economic Development Facilities expenses related to in-house employee benefits and indirect applied overhead charges for the Engineering Division. The City does not have an approved indirect cost plan for the applied overhead charges. Also, the Economic Development Administration’s Special Award Conditions specifically prohibit architect/engineering fees charged on a cost-plus-a-percentage-of-cost basis. The City calculates its benefit charges as 71% of actual straight time costs. Additionally, the City’s applied overhead charges are calculated as 58% - 70% of the both of straight time costs and benefit charges.

Requesting reimbursement for costs other than those considered to be allowable as stated by Federal regulations and/or the grant agreement could subject the City to fines, penalties, and/or loss of federal funding.

The City should monitor their grant charges more carefully to ensure they are only charging allowable costs to their grants. Accordingly, we are reporting questioned costs of \$110,701. The City should contact U.S. Department of Commerce to rectify this issue.

Officials’ Response: The City will work to ensure we are requesting reimbursements allowable per the grant agreements.

**CITY OF AKRON
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2005**

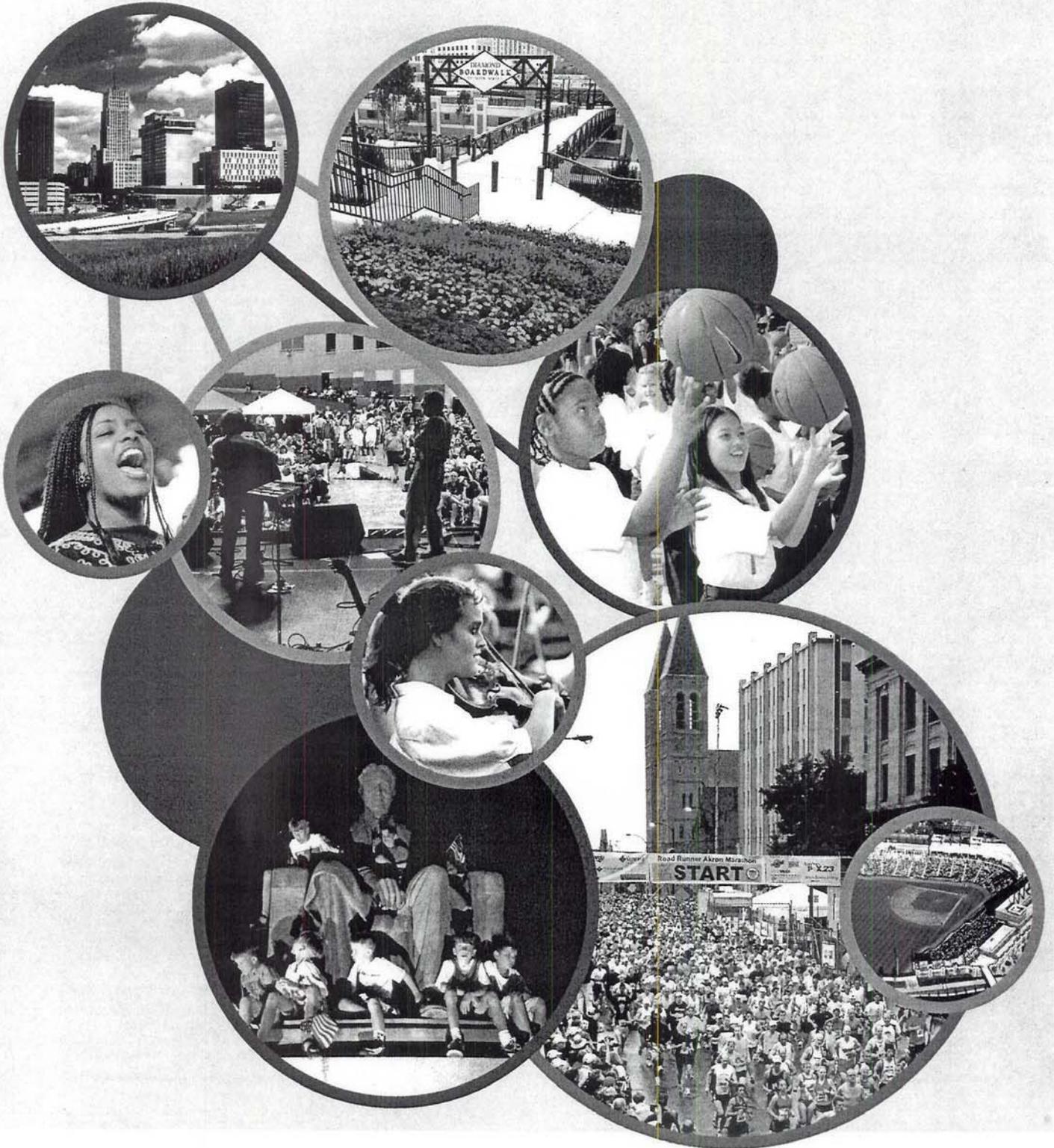
Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Ohio Rev. Code Section 5705.41(D) - certain expenditures were not properly certified by the fiscal officer prior to incurring the commitment and neither of the exceptions to this section were utilized.	No	Partially corrected, reissued as a management letter comment
2004-002	Ohio Rev. Code Section 5705.10 – certain funds had negative cash fund balances which indicates that money from one fund was used to cover the expenses of another fund.	No	Not corrected, reissued as Finding 2005-001.
2004-003	Ohio Rev. Code Sections 5705.41(B), 5705.29, 5705.36(A)(1), 5705.39, 5705.38(A), and 5705.38(C) – the City did not appropriate all of the City's funds pursuant to the Revised Code	No	Partially corrected, during 2005, the City appropriated all CAFR funds except for the Bond Payment Fund. Partially reissued as Finding 2005-003.
2004-004	Ohio Rev. Code Section 5705.39 – Certain funds had total appropriations that exceeded total estimated resources.	No	Not corrected, reissued as Finding 2005-002.
2004-005	Questioned Cost: OMB Circular A-87, Attachment C,D, and E – the City disbursed \$13,970 of engineering overhead indirect costs to its Highway Planning and Construction Cluster federal program but did not have a cost allocation plan or indirect cost rate proposal filed with its pass-through agency	Yes	Corrected



Donald L. Plusquellic
Mayor

CITY OF AKRON, OHIO COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2005



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



For the Fiscal Year Ended December 31, 2005
Donald L. Plusquellic, Mayor

Issued by The Department of Finance

Diane L. Miller-Dawson, Director
Catherine G. Watson, Deputy Director

Introductory Section



ELECTED AND APPOINTED OFFICIALS

MAYOR

Donald L. Plusquellic

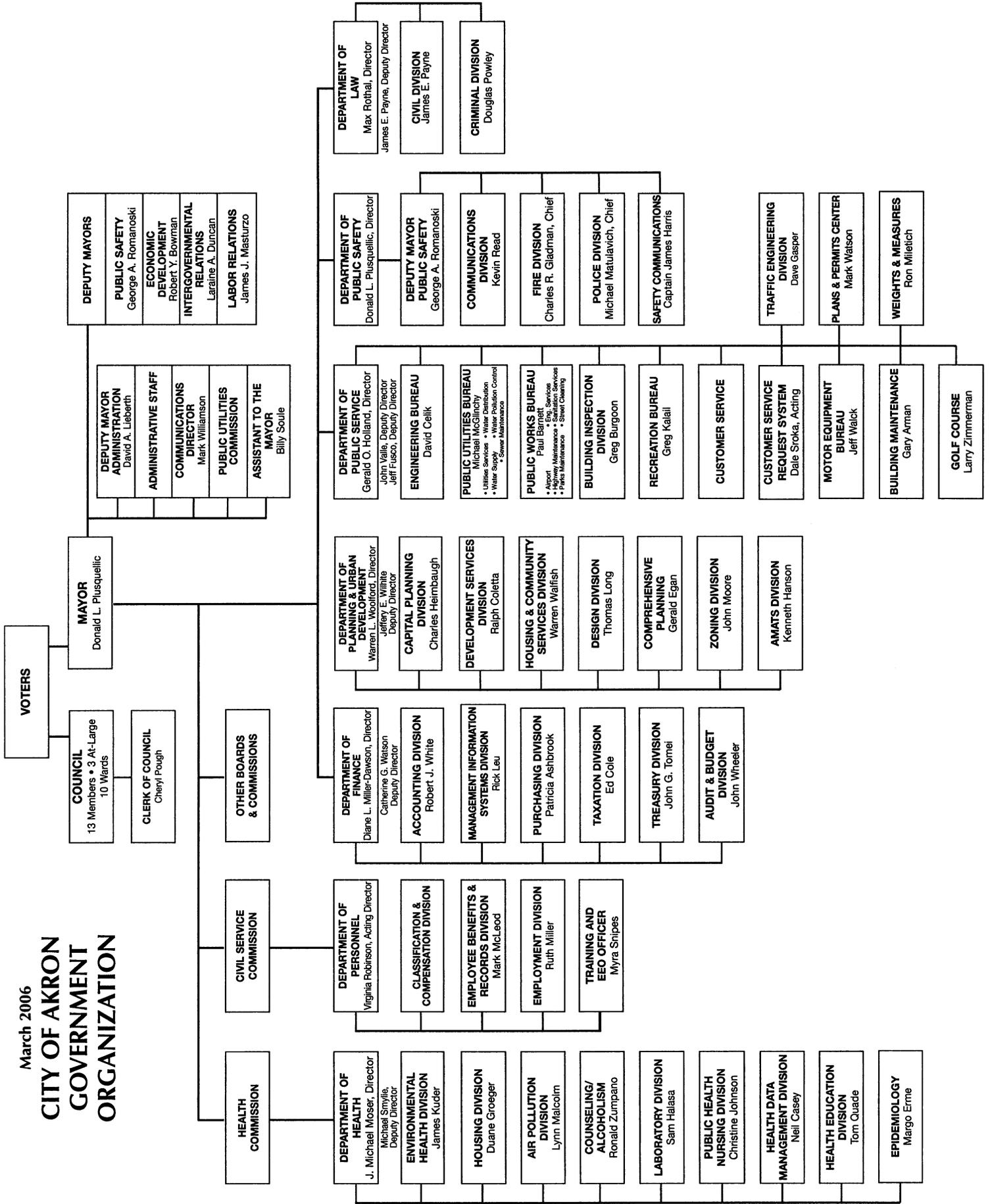
COUNCIL MEMBERS

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

CABINET OF THE MAYOR

Diane L. Miller-Dawson	Director of Finance
Catherine G. Watson	Deputy Director of Finance
Max Rothal	Director of Law
James E. Payne	Deputy Director of Law
Gerald O. Holland	Director of Public Service
John W. Valle	Deputy Director of Public Service
Jeff 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
Laraine A. Duncan	Deputy Mayor for Intergovernmental Relations
Robert Y. Bowman	Deputy Mayor for Economic Development
George A. Romanoski	Deputy Mayor for Public Safety
Mark A. Williamson	Communications Director
James J. Masturzo	Deputy Mayor for Labor Relations
Billy Soule	Assistant to the Mayor for Community Relations

March 2006
**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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Diane L. Miller-Dawson
Director of Finance
E-mail: milled@ci.akron.oh.us

Catherine G. Watson
Deputy Director of Finance
E-mail: watsoca@ci.akron.oh.us



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 29, 2006

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, 2005. This report fully presents financial and operating information about the City's activities during 2005 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 Accountants' 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, the Table of Contents, and the GFOA Certificate of Achievement. 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 Accountants' 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 1996 through 2005.

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, information processing, and financial reporting.

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.

Economic Conditions and Outlook

Major revenue sources for the City continue to be the City's income tax, property taxes, local fees, charges for services, and state shared local government revenue. The City's cash income tax collections increased by 12.68% in 2005. On a cash basis for 2005, property taxes in the

general fund increased by 15.3% and the state's local government revenue to the City increased by approximately .25%. 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 9% since 2001 and, combined, account for nearly 80% of total tax collections. Receipts from the 13 fastest growing economic sectors have increased by more than 24%. No one sector makes up more than 16.8% of the total collected.

The number of building permits issued in 2005 decreased by approximately 2.4% over the number of permits issued in 2004. Although the actual number of permits decreased, the dollar value of all building permits increased by 16%. We anticipate large increases in permit valuations over the next several years due to the following: the University of Akron's area expansion and development; the Akron Art Museum's expected \$26 million dollar investment; the Metro \$15 million Intermodal Transit Center and the Akron City School District's estimated \$800 million Community Learning Centers, perhaps the most anticipated City-wide project, to be built over the next 14 years.

Despite the economy in 2005, the City of Akron finds itself in a healthy financial state and continues to see economic growth. 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 have not been forced to lay off employees. Our assessed valuation on real and personal property increased by 4.8% for tax year 2005 (collection year 2006). The revenue collected from our four Joint Economic Development Districts (JEDDs), approximately \$14 million in 2005, is an additional funding source to encourage and promote economic development and to secure a solid tax base.

Major Initiatives

One of the major initiatives for Akron is to continue to be one of America's most livable cities. In order to achieve this we must have strong business growth, community involvement, and community development. Akron has been named as one of America's High Tech Cities of the future by *Newsweek* magazine. *Expansion Management* magazine called Akron one of the best cities to locate or expand a business and also made us a five-star rated city for business climate logistics and quality of life. *Inc.*, the magazine for growing companies, ranked Akron in the top 25 medium-sized metro areas for doing business.

In order to stay competitive and attract new residents, the City has to provide a wide-range of housing. For the first time in 30 years the City has broken ground on a new housing development, Northside Condominiums, Lofts, and Town Homes. This \$32 million project will provide 89 residential condominiums, 61 new warehouse style lofts and flats, five penthouse units, and 28 townhouses.

Akron's designation as an enterprise community by the federal government has generated critical federal funds to assist neighborhoods. The housing petition and H.O.M.E. programs, already part of the City's economic growth program, are very successful. Neighborhoods petition for special allocation of federal community development dollars which assist homeowners in paying for home improvements and reduce assessments for public improvements. In 2005, the City

provided funding and contracted for the rehabilitation of 307 homes, while demolishing 383 dilapidated residential and commercial structures.

In 2005, the Urban Neighborhood Development Corporation (UNDC) constructed 14 new homes; in addition, the City sold 38 lots to private developers and non-profit organizations for new housing. An additional commitment was made for more than \$1 million in financial support to assist in the construction and rehabilitation of 378 apartment units for low-income senior housing, as well as the rehabilitation and sale of 19 houses for low- and moderate-income buyers and the construction of eight new homes. Akron also assisted 80 low-income elderly and/or disabled homeowners in 2005 with emergency home repairs.

The City has a neighborhood partnership program for neighborhood groups to compete for grants to do neighborhood improvement projects. In 2005, the City awarded 49 grants to neighborhood organizations for after-school projects, beautification activities, arts programs, community celebrations, and community involvement.

The City, under the strong leadership of Mayor Donald L. Plusquellic, has received national recognition during 2005 as he completed his term as the President of the U.S. Conference of Mayors. On a statewide basis, he founded the Ohio Mayors' Education Roundtable. Mayor Plusquellic along with 20 superintendents from Ohio's largest school districts are dedicated to reforming the way Ohio funds public education.

When Hurricane Katrina hit in New Orleans, the City of Akron and its employees proved we are always willing to lend a helping hand. Twelve police officers, 12 firefighters through FEMA, and 11 City employees who underwent Red Cross training were deployed to run shelters in the Gulf states for evacuees.

The City has been recognized nationally for our community's success in rebuilding downtown. The National Civic League, the U. S. Conference of Mayors, *Northern Ohio Live* magazine, and the *Wall Street Journal* have recognized our work. The completion of the Canal Park baseball stadium in 1997, along with a 20-year commitment of the AA baseball team, the Akron Aeros, has brought tremendous family entertainment—not only for Akron residents but also for the entire region.

The success of the stadium has spurred the growth of other small businesses, restaurants and entertainment clubs. With the help of the Downtown Akron Partnership (DAP) (a nonprofit organization dedicated to bringing people, activity and business back downtown), serious marketing strategies were aimed at this wonderful attraction called Downtown Akron. Beginning in 1999, the Downtown Business District formed a Special Improvement District (SID), whose primary focus is to promote and further enhance downtown's development.

Completed in 2004, the \$51.8 million renovation of the Main Library has made this a state-of-the-art facility for the 21st century. The Akron Art Museum is now undergoing an approximate \$26 million, 65,000-square foot expansion and will reopen in 2007.

The City is striving to make downtown a leisure location, as well as a great place to work. Lock 3 Park on South Main Street is alive with more live concerts, festivals, and other special events, including a summer arts learning program for young people. Last year 175,000 visitors enjoyed events here.

These are just a few of the initiatives that, when taken together, contribute to the strength and diversity of the City's economy.

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 and was appropriated. 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 2005 the City had 29 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 2005 the City had ten 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 2005 the City had nine 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 eight 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 2005 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 2005.

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.

Accounting policies are further explained in Note 1 to the basic financial statements.

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, following 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 2005, investment interest income averaged a yield of 3.58% compared to a yield of 2.35% in 2004. 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 124.54%.

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.

Pension

The City contributes to two state-administered retirement plans covering various groups of City employees. Police and firefighters participate in the statewide Ohio Police and Fire Pension Fund. Substantially, all other City employees participate in the statewide Ohio Public Employees Retirement System (OPERS). The City's total contributions to these plans were equal to 100% of the required employer contributions for the year. The financial statements of these state-mandated plans are not included in the City's financial reports as the plans are outside of our control and are independent of our financial resources or influence.

Independent Annual Audit

We appreciate the cooperation of State Auditor Betty Montgomery and her staff 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, 2004. 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 21 consecutive years (1984 through 2004). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The 2005 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 your needs and those of City Council for responsible financial planning and reporting.

Respectfully,



Diane L. Miller-Dawson
Director of Finance

DLMD/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, 2004

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.



Carla E. Perry

President

Jeffrey R. Egan

Executive Director

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Financial Section



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

City of Akron
Summit County
166 South High Street
Akron, Ohio 44308

To the City Council:

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, Summit County, Ohio, (the City) as of and for the year ended December 31, 2005, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 of Akron, Summit County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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

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



Betty Montgomery
Auditor of State

June 29, 2006

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, 2005. Please read it in conjunction with the transmittal letter on page 7 and the City's financial statements, which begin on page 34.

FINANCIAL HIGHLIGHTS

- The assets of the City of Akron, Ohio exceeded its liabilities at December 31, 2005 by \$653,901,691 (net assets). Of this amount \$120,514,193 is restricted for debt service.
- The governmental activities' total net assets increased by \$7,584,536 and the business-type activities' total net assets increased by \$9,163,788 for a net increase in the City's total net assets of \$16,748,324.
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$250,958,172, an increase of \$28,822,366 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,608,934, or 5.82% of total general fund expenditures, and a 31.22% decrease compared to the prior year.
- The City of Akron's total long-term debt decreased by \$4,756,526 (0.70%) during the current year. During the year the City of Akron issued \$80,640,000 of G.O. Bonds and retired \$38,625,000 G.O. Bonds. Also during the year, the City issued \$31,940,000 Certificates of Participation, Series A (Parking Facilities Project) to retire \$21,820,000 G.O. Bonds.

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 49 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,

Community Learning Centers Fund, CLC Bond Payment 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 special revenue, some debt service, enterprise and internal service funds. The General Fund and Community Learning Centers Fund budgetary schedules (non-GAAP budgetary basis) have 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), 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, Sewer, and Off-Street Parking operations, 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 48-94 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 and Community Learning Centers Fund budgetary comparison. Required Supplementary Information (RSI) can be found on pages 95-99 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 101-176 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 \$653,901,691 at the close of the most recent fiscal year.

By far the largest portion of the City of Akron's net assets 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 (18%) is restricted for the payment of debt service.

The City's net assets increased by \$16,748,324 during the current year. The net assets of the governmental activities increased by \$7,584,536 and business-type activities increased by \$9,163,788.

Summary Statement of Net Assets
as of December 31, 2004 and 2005
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
Assets:						
Current and other assets	\$ 439,452	\$ 447,892	\$ 46,709	\$ 37,595	\$ 486,161	\$ 485,487
Capital assets	681,568	699,437	456,347	465,432	1,137,915	1,164,869
Total assets	<u>\$ 1,121,020</u>	<u>\$ 1,147,329</u>	<u>\$ 503,056</u>	<u>\$ 503,027</u>	<u>\$ 1,624,076</u>	<u>\$ 1,650,356</u>
Liabilities:						
Long-term liabilities	580,239	632,264	153,414	144,342	733,653	776,606
Other liabilities	230,269	196,968	23,001	22,880	253,270	219,848
Total liabilities	<u>\$ 810,508</u>	<u>\$ 829,232</u>	<u>\$ 176,415</u>	<u>\$ 167,222</u>	<u>\$ 986,923</u>	<u>\$ 996,454</u>
Net assets:						
Invested in capital assets						
net of related debt	347,553	354,911	305,497	312,958	653,050	667,869
Restricted	305,807	111,159	8,890	9,355	314,697	120,514
Unrestricted	(342,848)	(147,974)	12,255	13,492	(330,593)	(134,482)
Total net assets	<u><u>\$ 310,512</u></u>	<u><u>\$ 318,096</u></u>	<u><u>\$ 326,642</u></u>	<u><u>\$ 335,805</u></u>	<u><u>\$ 637,154</u></u>	<u><u>\$ 653,901</u></u>

Governmental activities. Revenues exceeded expenses by \$6,924,000.

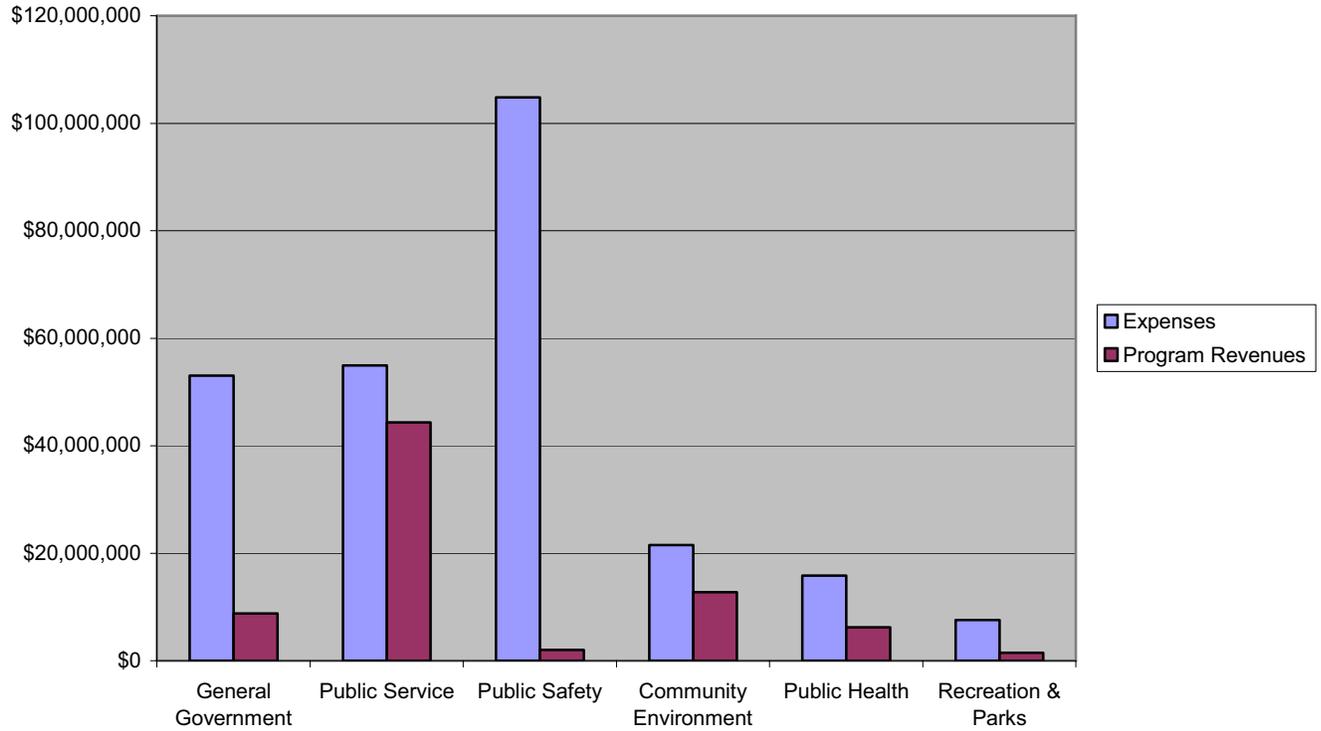
For the governmental activities, the unrestricted deficit results from having insufficient assets set side for long-term obligations such as compensated absences. The City finances such obligations on a year-to-year basis as they come due and must be paid. The deficit is also a result of having ongoing capital projects that are debt-financed.

The following table shows total revenues for 2005 were \$24,498,000 higher than the prior year. Income tax revenue increased by \$12,415,000 over 2004 and shared revenues increased by \$12,934,000 over 2004. Capital grants and contributions revenues decreased by \$7,462,000 from the prior year. For the remaining revenues, there was an increase of \$6,611,000 over 2004. Expenses for 2005 were \$13,407,000 higher than in 2004. The higher expenses were primarily in general government and community environment.

Changes in Net Assets
For Fiscal Year Ended December 31, 2004 and 2005
(in thousands)

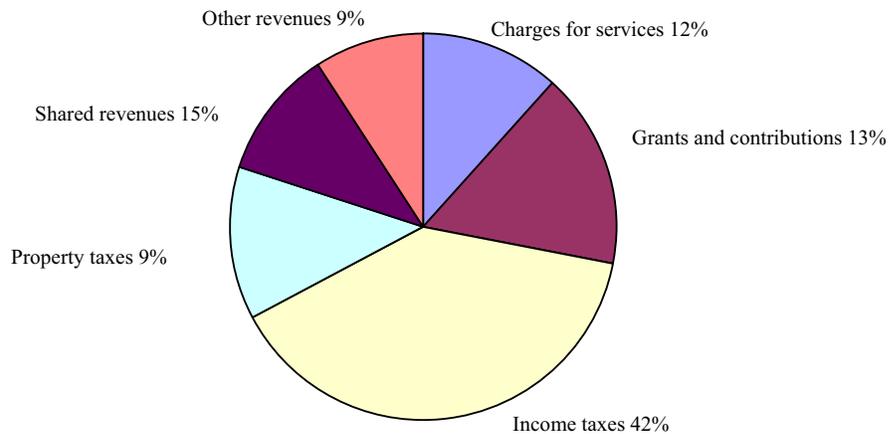
	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
Revenues:						
Program revenues:						
Charges for services	\$ 32,726	\$ 35,351	\$ 73,567	\$ 75,037	\$ 106,293	\$ 110,388
Operating grants and contributions	18,799	20,737	-	-	18,799	20,737
Capital grants and contributions	26,959	19,497	11,952	6,357	38,911	25,854
General revenues:						
Income taxes	114,352	126,767	-	-	114,352	126,767
Property taxes	28,194	27,851	-	-	28,194	27,851
JEDD revenues	13,607	13,947	-	-	13,607	13,947
Investment earnings	2,620	6,196	109	281	2,729	6,477
Unrestricted shared revenues	32,235	45,169	-	-	32,235	45,169
Miscellaneous	9,187	7,662	2,768	2,834	11,955	10,496
Total revenues	<u>\$ 278,679</u>	<u>\$ 303,177</u>	<u>\$ 88,396</u>	<u>\$ 84,509</u>	<u>\$ 367,075</u>	<u>\$ 387,686</u>
Expenses:						
General government	\$ 33,154	\$ 53,063	\$ -	\$ -	\$ 33,154	\$ 53,063
Public service	57,321	54,923	-	-	57,321	54,923
Public safety	106,915	104,849	-	-	106,915	104,849
Community environment	25,985	21,514	-	-	25,985	21,514
Public health	16,556	15,833	-	-	16,556	15,833
Recreation and parks	5,035	7,603	-	-	5,035	7,603
Interest on debt	27,403	27,078	-	-	27,403	27,078
Unallocated depreciation	10,477	11,390	-	-	10,477	11,390
Water	-	-	37,959	30,733	37,959	30,733
Sewer	-	-	37,798	37,225	37,798	37,225
Oil & gas	-	-	286	285	286	285
Golf course	-	-	1,366	1,382	1,366	1,382
Airport	-	-	713	765	713	765
Off-street parking	-	-	5,638	5,967	5,638	5,967
Total expenses	<u>282,846</u>	<u>296,253</u>	<u>83,760</u>	<u>76,357</u>	<u>366,606</u>	<u>372,610</u>
Changes in net assets before transfers	(4,167)	6,924	4,636	8,152	469	15,076
Gain (loss) on sale of capital assets	(107)	1,659	4	13	(103)	1,672
Transfers	<u>(214)</u>	<u>(998)</u>	<u>214</u>	<u>998</u>	<u>-</u>	<u>-</u>
Changes in net assets	<u>\$ (4,488)</u>	<u>\$ 7,585</u>	<u>\$ 4,854</u>	<u>\$ 9,163</u>	<u>\$ 366</u>	<u>\$ 16,748</u>
Net assets - beginning	<u>315,001</u>	<u>310,513</u>	<u>321,788</u>	<u>326,642</u>	<u>636,789</u>	<u>637,155</u>
Net assets - ending	<u><u>\$ 310,513</u></u>	<u><u>\$ 318,098</u></u>	<u><u>\$ 326,642</u></u>	<u><u>\$ 335,805</u></u>	<u><u>\$ 637,155</u></u>	<u><u>\$ 653,903</u></u>

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).

Revenues by Sources Governmental Activities



Business-type activities. Business-type activities increased the City of Akron’s net assets by \$9,163,788. Charges for services increased by \$1,470,000 over the prior year due to higher revenues in the Sewer Funds. Capital grants and contributions were lower than the prior year by \$5,595,000. The majority of this decrease was attributed to the Off-Street Parking fund. In the Water Fund, expenses were \$7,330,000 lower than in the previous year.

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 a combined ending fund balance of \$250,958,172, an increase of \$28,822,366 in comparison to the prior year. The unreserved fund balance at the end of the current year is \$213,218,263. 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 (\$27,898,288) and (2) to reserve for loans receivable (\$9,841,621).

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 \$8,608,934, while the total fund balance is \$11,012,089. 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 5.82% of total General Fund expenditures, while total fund balance represents 7.44% of that same amount.

The fund balance of the City of Akron's General Fund decreased by \$3,184,897 during the current fiscal year. Key factors in this decrease are as follows:

- Revenues as a whole increased by \$10,488,690 (7.64 %) over the prior year.
- Expenditures increased by \$12,972,679 (9.61%) during the current year.
- For the year, General Fund revenues were less than expenditures by \$255,207.
- Transfers of funds from the General Fund were higher than transfers to the General Fund by \$2,929,690.

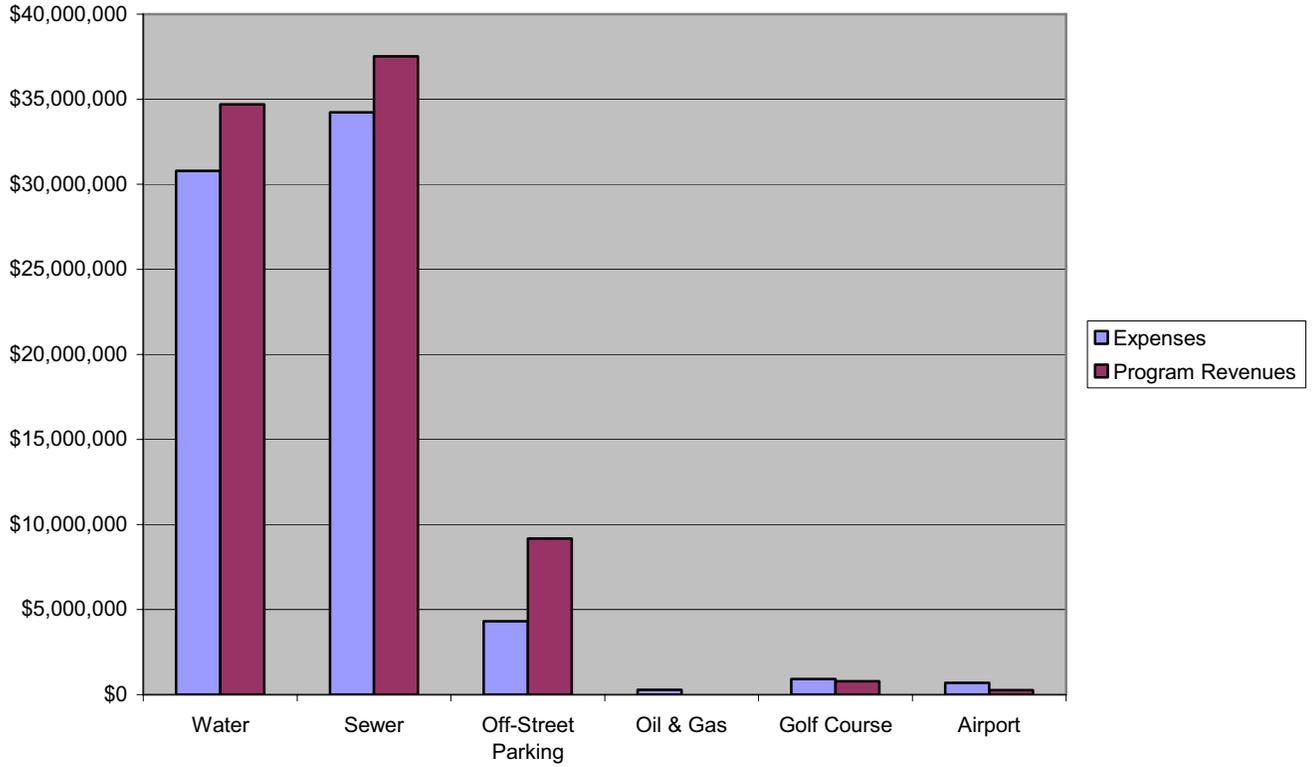
The Community Learning Centers Fund has a total fund balance of \$143,939,747. The net increase in the Community Learning Centers Fund from the prior year was \$6,740,932. The increase in fund balance is due mainly to the following:

- Income tax revenue was \$2,613,000 greater than the prior year.
- Investment earnings was \$3,429,000 greater than the prior year.
- Payment of debt service was \$6,212,000 higher than 2004.

For the current fiscal year in the CLC Bond Payment Fund, expenditures exceeded investment earnings and other revenues by \$5,555,218.

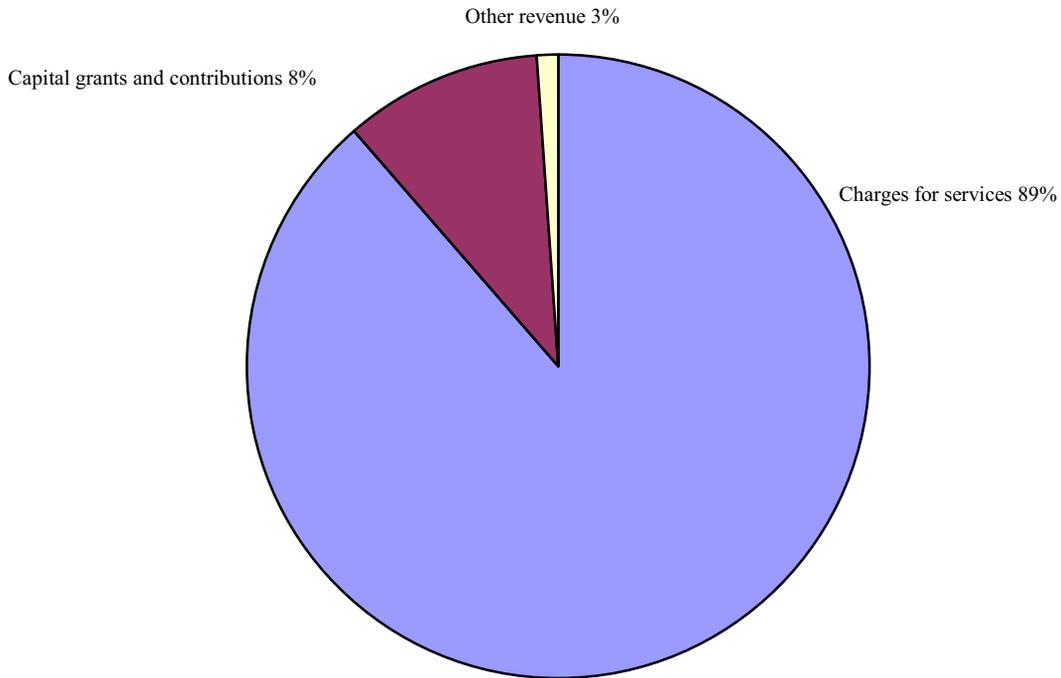
For fiscal year 2005 the Special Assessment Bond Payment Fund revenues and bond proceeds exceeded expenditures by \$282,313.

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 were \$5,450; for the Sewer fund \$15,976,734; and for the Off-Street Parking fund (\$763,477). Net income for the Water, Sewer and Off-Street Parking Funds were \$4,634,152, \$958,625, and \$3,494,646 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

During the year, revenues and other sources did not meet budgetary estimates by \$382,795 (0.26%). Income Taxes were \$4,353,040 higher than budget, Local Government Fund revenues were \$1,729,981 higher than budget and State Taxes were \$1,071,273 higher than budget. Other Revenues were \$7,484,698 lower than the estimated budget.

The revised expenditures and other uses final budget amount increased by \$3,807,320 (2.59%) over the original budget amount. The actual amount of expenditures and other uses were \$1,950,148 (1.29%) less than the final amended budget. In the Finance, Public Safety, and Public Service Departments, expenditures were less than budget by \$344,141,

\$321,119, and \$438,950 respectively. Most of this is attributed to expenditures in the Other category.

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, 2005, amounts to \$1,164,868,348 (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 2.37% (a 2.62% increase for governmental activities and a 1.99% increase for business-type activities).

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

- Improvements to the Bettles Corner Bridge - \$3,216,000.
- Improvements for ADA Access - \$2,216,000.
- Improvements to the combined sewer overflow rack storage basin -\$10,506,000.
- Replacement of water mains -\$3,573,000.

	City of Akron Capital Assets (net of accumulated depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
Land	\$149,313,336	\$150,847,187	\$26,463,028	\$26,478,028	\$175,776,364	\$177,325,215
Construction in progress	59,538,957	60,392,386	29,747,482	34,961,109	89,286,439	95,353,495
Buildings	124,286,215	122,347,208	81,117,981	83,612,876	205,404,196	205,960,084
Improvements	76,513,287	79,843,813	237,211,465	229,765,021	313,724,752	309,608,834
Equipment	13,968,544	12,027,370	5,579,089	4,143,815	19,547,633	16,171,185
Infrastructure	257,947,965	273,978,342	76,227,126	86,471,193	334,175,091	360,449,535
	<u>\$681,568,304</u>	<u>\$699,436,306</u>	<u>\$456,346,171</u>	<u>\$465,432,042</u>	<u>\$1,137,914,475</u>	<u>\$1,164,868,348</u>

Additional information on the City of Akron’s capital assets can be found in Note 1. G. on page 54 and Note 7 starting on page 63.

Long-term debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$675,500,283. 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	
	2004	2005	2004	2005	2004	2005
General Obligation Bonds	\$ 186,974,564	\$ 194,886,452	\$ 2,856,881	\$ 1,339,672	\$ 189,831,445	\$ 196,226,124
OPWC Loan	5,336,703	8,232,378	3,059,266	3,141,885	8,395,969	11,374,263
Ohio Department of Development Loan	1,416,362	1,363,491	-	-	1,416,362	1,363,491
Non-Tax Revenue Bonds	27,725,000	26,325,000	-	-	27,725,000	26,325,000
Income Tax Revenue Bonds	220,625,000	217,585,000	-	-	220,625,000	217,585,000
Special Revenue Bonds	48,325,000	46,315,000	-	-	48,325,000	46,315,000
Special Assessment Bonds and Notes	20,491,318	18,363,662	-	-	20,491,318	18,363,662
SIB Loan	7,758,500	9,955,500	-	-	7,758,500	9,955,500
Mortgage Revenue Bonds	-	-	54,035,000	49,205,000	54,035,000	49,205,000
Revenue Bonds	-	-	41,135,000	42,485,000	41,135,000	42,485,000
OWDA Loan	-	-	60,518,215	56,302,243	60,518,215	56,302,243
	<u>\$ 518,652,447</u>	<u>\$ 523,026,483</u>	<u>\$ 161,604,362</u>	<u>\$ 152,473,800</u>	<u>\$ 680,256,809</u>	<u>\$ 675,500,283</u>

The City of Akron's total debt outstanding decreased by \$4,756,526 (0.70%) during the current fiscal year.

During the current fiscal year the City issued \$80,640,000 in general obligation bonds. Out of the proceeds, \$40,208,751 was used to provide cash and purchase U.S. Treasury securities to refund \$38,625,000 in general obligation bonds. The City also issued \$31,940,000 in Certificates of Participation, Series 2005-A (Parking Facilities Project). Out of the proceeds, \$23,002,932 was used to provide cash and purchase U.S. Treasury securities to refund \$21,820,000 in general obligation bonds.

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 \$352,287,495, and the total unvoted net debt limit (5.5%) is \$184,531,545.

Additional information on the City of Akron's long-term debt can be found in Notes 10-12 on pages 70-87.

Economic Factors and Next Year's Budgets and Rates

- Akron's average annual unemployment rate at year-end was 6.6%, compared to 7.1% in the prior year.
- The City of Akron budgeted income tax collections will remain at the same level as 2005.

In the 2006 budget, the General Fund unencumbered fund balance is projecting a \$279,201 increase.

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, 2005

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 10,082,981	\$ 10,169,871	\$ 20,252,852
Restricted cash and investments	148,300,167	11,097,264	159,397,431
Receivables, net	89,780,049	8,737,056	98,517,105
Loans receivable	460,171	-	460,171
Due from other governments	14,920,264	6,042,814	20,963,078
Internal balances	2,491,181	(2,491,181)	-
Inventories, at cost	964,944	2,720,763	3,685,707
Total current assets	<u>266,999,757</u>	<u>36,276,587</u>	<u>303,276,344</u>
Noncurrent assets:			
Receivables, net	95,756,785	-	95,756,785
Loans receivable	9,381,450	-	9,381,450
Unamortized bond issue costs	4,579,171	1,318,298	5,897,469
Deposits	71,175,161	-	71,175,161
Capital assets:			
Land and construction in progress	211,239,573	61,439,137	272,678,710
Other capital assets, net	488,196,733	403,992,905	892,189,638
Total noncurrent assets	<u>880,328,873</u>	<u>466,750,340</u>	<u>1,347,079,213</u>
Total assets	<u>1,147,328,630</u>	<u>503,026,927</u>	<u>1,650,355,557</u>
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	19,446,259	5,059,503	24,505,762
Customer deposits	648,701	636,373	1,285,074
Due to other governments	2,360,194	29,023	2,389,217
Deferred revenue	128,779,723	1,298	128,781,021
Matured bonds and interest payable	256,131	-	256,131
Accrued interest payable	2,372,771	2,196,620	4,569,391
Accrued wages	4,018,078	558,359	4,576,437
Accrued vacation and leave	11,605,478	1,453,974	13,059,452
COPs and obligations under capital lease	3,040,525	-	3,040,525
Liability for unpaid claims	5,213,302	-	5,213,302
Bonds, notes and loans payable	19,226,817	13,625,047	32,851,864
Total current liabilities	<u>196,967,979</u>	<u>23,560,197</u>	<u>220,528,176</u>
Noncurrent liabilities:			
COPs and obligations under capital lease	61,083,626	-	61,083,626
Liabilities due in more than one year	57,189,042	5,309,213	62,498,255
Deferred charges and other liabilities	18,292,328	(496,704)	17,795,624
Bonds, notes and loans payable due in more than one year	495,699,432	138,848,753	634,548,185
Total noncurrent liabilities	<u>632,264,428</u>	<u>143,661,262</u>	<u>775,925,690</u>
Total liabilities	<u>829,232,407</u>	<u>167,221,459</u>	<u>996,453,866</u>
Net Assets			
Invested in capital assets, net of related debt	354,911,430	312,958,242	667,869,672
Restricted for debt service	111,158,992	9,355,201	120,514,193
Unrestricted (deficit)	(147,974,199)	13,492,025	(134,482,174)
Total net assets	<u>\$ 318,096,223</u>	<u>\$ 335,805,468</u>	<u>\$ 653,901,691</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, 2005

	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
Functions/Programs							
Governmental activities:							
General government	\$ 53,063,391	\$ 8,768,534	\$ -	\$ -	\$ (44,294,857)	\$ -	\$ (44,294,857)
Public service	54,923,173	24,515,742	301,753	19,497,224	(10,608,454)	-	(10,608,454)
Public safety	104,848,506	1,079,551	932,858	-	(102,836,097)	-	(102,836,097)
Community environment	21,514,112	64,412	12,699,745	-	(8,749,955)	-	(8,749,955)
Public health	15,832,640	583,033	5,656,550	-	(9,593,057)	-	(9,593,057)
Recreation and parks	7,603,460	339,674	1,145,723	-	(6,118,063)	-	(6,118,063)
Interest	27,077,616	-	-	-	(27,077,616)	-	(27,077,616)
Unallocated depreciation*	11,389,516	-	-	-	(11,389,516)	-	(11,389,516)
Total governmental activities	296,252,414	35,350,946	20,736,629	19,497,224	(220,667,615)	-	(220,667,615)
Business-type activities:							
Water	30,733,296	32,677,553	-	1,348,004	-	3,292,261	3,292,261
Sewer	37,224,648	36,365,900	-	274,491	-	(584,257)	(584,257)
Oil & gas	-	-	-	-	-	(284,733)	(284,733)
Golf course	1,381,619	878,878	-	210,428	-	(292,313)	(292,313)
Airport	764,876	193,369	-	-	-	(571,507)	(571,507)
Parking facilities	5,966,776	4,921,793	-	4,523,665	-	3,478,682	3,478,682
Total business-type activities	76,355,948	75,037,493	-	6,356,588	-	5,038,133	5,038,133
Total Government	\$ 372,608,362	\$ 110,388,439	\$ 20,736,629	\$ 25,853,812	\$ (220,667,615)	\$ 5,038,133	\$ (215,629,482)
General Revenues:							
Taxes:							
Income taxes					\$ 126,766,520	\$ -	\$ 126,766,520
Property taxes					27,850,829	-	27,850,829
JEDD revenues					13,946,982	-	13,946,982
Investment earnings					6,195,543	280,566	6,476,109
Unrestricted shared revenues					45,169,402	-	45,169,402
Miscellaneous					7,662,219	2,833,804	10,496,023
Gain on sale of capital assets					1,659,116	12,825	1,671,941
Transfers					(98,460)	998,460	-
Total general revenues and transfers					228,252,151	4,125,655	232,377,806
Change in net assets					7,584,536	9,163,788	16,748,324
Net assets - beginning					310,511,687	326,641,680	637,153,367
Net assets - ending					\$ 318,096,223	\$ 335,805,468	\$ 653,901,691

* 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, 2005

	General	Community Learning Centers	Special Assessment Bond Payment	CLC Bond Payment Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ -	\$ 4,905,935	\$ -	\$ -	\$ 8,549,271	\$ 13,455,206
Restricted cash and investments	-	133,983,637	341,371	14,941	13,960,218	148,300,167
Receivables, net of allowances for uncollectibles	50,258,706	87,181,242	24,950,719	-	23,021,510	185,412,177
Loans receivable	568,032	-	-	-	9,273,589	9,841,621
Due from other governments	659	-	-	-	4,150,739	4,151,398
Due from other funds	6,217,549	2,785,018	-	-	33,538,471	42,541,038
Deposits	-	-	-	71,175,161	-	71,175,161
Total assets	\$ 57,044,946	\$ 228,855,832	\$ 25,292,090	\$ 71,190,102	\$ 92,493,798	\$ 474,876,768
Liabilities						
Accounts payable	\$ 5,020,777	\$ 2,062	\$ -	\$ -	\$ 3,058,887	\$ 8,081,726
Customer deposits	-	-	-	-	648,701	648,701
Due to other governments	-	-	-	-	5,951,194	5,951,194
Due to other funds	920,381	43	-	-	37,502,460	38,422,884
Due to others	-	-	-	-	555,403	555,403
Deferred grant revenue	3,407	-	-	-	1,870,940	1,874,347
Deferred revenue	33,224,425	84,913,980	22,950,719	-	15,182,979	156,272,103
Matured bonds payable	-	-	-	-	205,000	205,000
Matured interest payable	-	-	-	-	51,131	51,131
Accrued liabilities	3,783,819	-	-	-	3,901,033	7,684,852
Accrued wages	2,844,516	-	-	-	920,554	3,765,070
Accrued vacation and leave	235,532	-	-	-	170,653	406,185
Total liabilities	46,032,857	84,916,085	22,950,719	-	70,018,935	223,918,596
Fund balances						
Reserved for encumbrances	1,835,123	19,925	-	-	26,043,240	27,898,288
Reserved for loans receivable	568,032	-	-	-	9,273,589	9,841,621
Unreserved designated for pre-encumbrances reported in general fund	127,555	-	-	-	-	127,555
Unreserved designated for pre-encumbrances reported in special revenue funds	-	-	-	-	591,505	591,505
Unreserved designated for pre-encumbrances reported in debt service funds	-	-	-	-	84	84
Unreserved designated for pre-encumbrances reported in capital project funds	-	-	-	-	666,181	666,181
Unreserved reported in general fund	8,481,379	-	-	-	-	8,481,379
Unreserved reported in special revenue funds	-	143,919,822	-	-	11,303,513	155,223,335
Unreserved reported in debt service funds	-	-	2,341,371	71,190,102	11,213,379	84,744,852
Deficit reported in capital project funds	-	-	-	-	(36,616,628)	(36,616,628)
Total fund balances	11,012,089	143,939,747	2,341,371	71,190,102	22,474,863	250,958,172
Total liabilities and fund balances	\$ 57,044,946	\$ 228,855,832	\$ 25,292,090	\$ 71,190,102	\$ 92,493,798	\$ 474,876,768

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, 2005

Total fund balances for governmental funds (Exhibit 3)		\$ 250,958,172
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.		(8,100,234)
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		696,003,753
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Income taxes	9,878,838	
JEDD revenues	612,606	
Special assessments	10,432,530	
Shared revenues	8,442,753	
		29,366,727
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		(10,079,465)
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	(1,670,316)	
Due to other governments	(5,133,000)	
Accrued interest payable	(2,371,914)	
Accrued vacation and leave	(49,425,570)	
Bonds, notes and loans payable	(514,692,639)	
Obligations under capital lease	(63,815,000)	
Unamortized bond premium	(18,292,328)	
Unamortized bond issue cost	4,579,171	
		(650,821,596)
OPWC loan funds not drawn down, therefore, receivable not reflected in the funds.		10,768,866
		\$ 318,096,223
Total net assets of governmental activities (Exhibit 1)		

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, 2005

	General	Community Learning Centers	Special Assessment Bond Payment	CLC Bond Payment Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Income taxes	\$ 76,696,746	\$ 12,433,025	\$ 44,192	\$ -	\$ 35,398,351	\$ 124,572,314
Property taxes	17,838,683	-	-	-	10,058,188	27,896,871
JEDD revenues	800,000	-	-	-	13,257,613	14,057,613
Special assessments	46,371	-	4,133,605	-	9,056,655	13,236,631
Grants and subsidies:						
Community development	-	-	-	-	12,861,997	12,861,997
Other	236,779	-	-	-	13,606,842	13,843,621
Investment earnings	1,092,805	4,718,653	117,236	62,302	1,276,261	7,267,257
Shared revenues	25,658,705	-	-	4,663,510	15,944,406	46,266,621
Licenses, fees and fines	9,056,271	-	-	-	1,585,950	10,642,221
Charges for services	15,409,965	-	-	-	8,873,350	24,283,315
Miscellaneous	878,155	2,205	68,266	-	9,732,495	10,681,121
	<u>147,714,480</u>	<u>17,153,883</u>	<u>4,363,299</u>	<u>4,725,812</u>	<u>131,652,108</u>	<u>305,609,582</u>
Expenditures						
Current:						
General government	22,227,105	123,737	392,994	5,430	15,783,637	38,532,903
Public service	20,763,786	32,523	-	-	66,471,392	87,267,701
Public safety	89,723,742	-	-	-	14,736,285	104,460,027
Community environment	1,463,490	359,942	-	7,231,587	14,940,455	23,995,474
Public health	7,298,911	-	-	-	8,454,591	15,753,502
Recreation and parks	6,382,256	-	-	-	1,198,525	7,580,781
Capital outlay	-	-	-	-	192,958	192,958
Debt service:						
Principal retirement	66,479	2,238,790	5,617,956	506,210	25,417,838	33,847,273
Interest	43,918	7,693,959	445,036	2,537,803	8,343,443	19,064,159
Bond issuance expenditures	-	-	-	-	2,215,424	2,215,424
	<u>147,969,687</u>	<u>10,448,951</u>	<u>6,455,986</u>	<u>10,281,030</u>	<u>157,754,548</u>	<u>332,910,202</u>
Excess (deficiency) of revenues over expenditures	(255,207)	6,704,932	(2,092,687)	(5,555,218)	(26,102,440)	(27,300,620)
Other financing sources (uses)						
Issuance of general obligation bonds	-	-	2,375,000	-	50,360,419	52,735,419
Issuance of general obligation notes	-	-	-	-	1,115,300	1,115,300
Premium on G.O. Debt	-	-	-	-	7,289,095	7,289,095
Issuance of refunding obligations	-	-	-	-	95,235,000	95,235,000
Payment for refund obligations	-	-	-	-	(96,873,368)	(96,873,368)
Transfers-in	3,970,317	-	-	-	12,069,774	16,040,091
Transfers-out	(6,900,007)	-	-	-	(12,518,544)	(19,418,551)
	<u>(2,929,690)</u>	<u>-</u>	<u>2,375,000</u>	<u>-</u>	<u>56,677,676</u>	<u>56,122,986</u>
Net change in fund balance	(3,184,897)	6,704,932	282,313	(5,555,218)	30,575,236	28,822,366
Fund balances (deficit), January 1, 2005	14,196,986	137,234,815	2,059,058	76,745,320	(8,100,373)	222,135,806
Fund balances, December 31, 2005	<u>\$ 11,012,089</u>	<u>\$ 143,939,747</u>	<u>\$ 2,341,371</u>	<u>\$ 71,190,102</u>	<u>\$ 22,474,863</u>	<u>\$ 250,958,172</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 - Governmental Funds

For the Year Ended December 31, 2005

Increase in fund balances - total governmental funds (Exhibit 4)	\$ 28,822,366
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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 (\$39,175,627) exceeded depreciation (\$20,542,143) in the current period.</p>	18,633,484
The net effect of selling capital assets decreased net assets.	1,659,116
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,509,486
<p>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.</p>	
Issuance of debt	(149,085,719)
Payment of debt	130,720,641
Premium on debt	(7,289,095)
Bond issuance expenditures	<u>2,215,424</u>
	(23,438,749)
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.	(18,574,125)
Certain net revenues (expenses) of the internal service funds are reported with governmental activities in the statement of activities.	(1,027,042)
	<hr/>
Decrease in net assets of governmental activities (Exhibit 2)	<u><u>\$ 7,584,536</u></u>

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, 2005

	Water	Sewer	Off-Street Parking	Other Enterprise Funds
Assets				
Current assets				
Pooled cash and investments	\$ 1,417,739	\$ 8,148,810	\$ 86,756	\$ 516,566
Restricted cash and investments	4,376,958	6,720,306	-	-
Receivables, net of allowances for uncollectibles	3,554,460	5,100,156	25,028	57,412
Due from other governments	149,195	5,892,772	-	847
Due from other funds	-	303,205	-	6,810
Inventories, at cost	1,521,507	1,152,455	-	46,801
Total current assets	11,019,859	27,317,704	111,784	628,436
Noncurrent assets				
Unamortized bond issue costs	751,215	567,083	-	-
Property, plant and equipment, net of accumulated depreciation	142,348,892	239,795,090	72,902,982	10,385,078
Total noncurrent assets	143,100,107	240,362,173	72,902,982	10,385,078
Total assets	154,119,966	267,679,877	73,014,766	11,013,514
Liabilities				
Current liabilities				
Accounts payable	931,188	1,340,722	788,194	56,108
Customer deposits	636,373	-	-	-
Due to other governments	-	29,023	-	-
Due to other funds	629,366	554,962	83,936	398,966
Deferred grant revenue	-	-	-	1,298
Accrued interest payable	991,303	1,202,186	3,131	-
Accrued liabilities	866,191	1,045,492	-	31,608
Accrued wages	341,080	195,580	-	21,699
Accrued vacation and leave	874,849	509,876	-	69,249
Obligations under capital lease	-	-	-	-
Liability for unpaid claims	-	-	-	-
Debt:				
General obligation bonds	304,660	81,772	31,017	-
Mortgage revenue bonds	4,980,000	-	-	-
Revenue bonds	-	2,820,000	-	-
OWDA loans	1,250,817	3,950,650	-	-
OPWC loans	95,958	110,173	-	-
Total current liabilities	11,901,785	11,840,436	906,278	578,928
Noncurrent liabilities				
Obligations under capital lease	-	-	-	-
Due in more than one year	2,943,903	2,103,086	-	262,224
Deferred charges and other liabilities	(758,669)	261,965	-	-
Bonds, notes, and loans	57,424,543	80,684,625	739,585	-
Total noncurrent liabilities	59,609,777	83,049,676	739,585	262,224
Total liabilities	71,511,562	94,890,112	1,645,863	841,152
Net assets				
Invested in capital assets net of related debt	78,292,914	152,147,870	72,132,380	10,385,078
Restricted for debt service	4,310,040	5,045,161	-	-
Unrestricted (deficit)	5,450	15,596,734	(763,477)	(212,716)
Total net assets	\$ 82,608,404	\$ 172,789,765	\$ 71,368,903	\$ 10,172,362

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, 2005

<u>Total</u>	Governmental Activities- Internal Service Funds
\$ 10,169,871	\$ 4,728,009
11,097,264	-
8,737,056	124,657
6,042,814	-
310,015	1,604,682
2,720,763	964,944
<u>39,077,783</u>	<u>7,422,292</u>
1,318,298	-
465,432,042	3,432,553
<u>466,750,340</u>	<u>3,432,553</u>
<u>505,828,123</u>	<u>10,854,845</u>
3,116,212	579,203
636,373	-
29,023	-
1,667,230	4,365,621
1,298	-
2,196,620	857
1,943,291	1,880,759
558,359	253,008
1,453,974	688,412
-	189,379
-	5,213,302
417,449	31,981
4,980,000	-
2,820,000	-
5,201,467	-
206,131	-
<u>25,227,427</u>	<u>13,202,522</u>
-	119,772
5,309,213	8,544,353
(496,704)	-
138,848,753	201,629
<u>143,661,262</u>	<u>8,865,754</u>
<u>168,888,689</u>	<u>22,068,276</u>
312,958,242	2,889,792
9,355,201	-
<u>14,625,991</u>	<u>(14,103,223)</u>
	<u>\$ (11,213,431)</u>
(1,133,966)	
<u>\$ 335,805,468</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, 2005

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Operating revenues						
Charges for services	\$ 32,677,553	\$ 36,365,900	\$ 4,921,793	\$ 1,072,247	\$ 75,037,493	\$ 41,672,350
Other	1,004,021	1,133,134	18,208	678,441	2,833,804	601,764
	<u>33,681,574</u>	<u>37,499,034</u>	<u>4,940,001</u>	<u>1,750,688</u>	<u>77,871,297</u>	<u>42,274,114</u>
Operating expenses						
Personal services	13,038,205	7,276,622	-	1,240,228	21,555,055	9,434,711
Direct expenses	7,600,995	16,549,651	3,106,815	699,983	27,957,444	12,474,024
Claims	-	-	-	-	-	22,275,664
Rentals and lease	250,472	2,690	-	53,862	307,024	183,539
Utilities	1,421,691	1,347,910	693,086	115,828	3,578,515	250,758
Insurance	146,594	289,867	68,037	25,153	529,651	28,341
Depreciation, depletion and amortization	4,927,294	7,569,641	1,554,235	239,028	14,290,198	921,381
Royalty and expense	-	-	-	5,973	5,973	-
Other	220,369	-	335,221	3,247	558,837	-
	<u>27,605,620</u>	<u>33,036,381</u>	<u>5,757,394</u>	<u>2,383,302</u>	<u>68,782,697</u>	<u>45,568,418</u>
Operating income (loss)	6,075,954	4,462,653	(817,393)	(632,614)	9,088,600	(3,294,304)
Non-operating revenues (expenses)						
Interest income	64,958	215,608	-	-	280,566	2,548
Interest expense	(2,861,839)	(3,999,727)	(211,626)	(28,196)	(7,101,388)	(134,332)
Gain on disposal of capital assets	7,075	5,600	-	150	12,825	8,800
	<u>(2,789,806)</u>	<u>(3,778,519)</u>	<u>(211,626)</u>	<u>(28,046)</u>	<u>(6,807,997)</u>	<u>(122,984)</u>
Gain (loss) before transfers and contributions	3,286,148	684,134	(1,029,019)	(660,660)	2,280,603	(3,417,288)
Transfers-in	-	-	-	998,460	998,460	2,380,000
Capital contributions	1,348,004	274,491	4,523,665	210,428	6,356,588	10,246
	<u>1,348,004</u>	<u>274,491</u>	<u>4,523,665</u>	<u>1,208,888</u>	<u>7,355,048</u>	<u>2,390,246</u>
Net change in net assets	4,634,152	958,625	3,494,646	548,228	9,635,651	(1,027,042)
Net assets, January 1, 2005	77,974,252	171,831,140	67,874,257	9,624,134		(10,186,389)
Net assets, December 31, 2005	\$ 82,608,404	\$ 172,789,765	\$ 71,368,903	\$ 10,172,362	\$	\$ (11,213,431)

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

(471,863)
\$ 9,163,788

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, 2005

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating activities						
Cash received from customers	\$ 33,616,851	\$ 35,787,652	\$ 4,912,374	\$ 1,089,826	\$ 75,406,703	\$ 41,383,985
Cash payments to suppliers for goods and services	(9,670,043)	(18,961,001)	(3,732,665)	(862,280)	(33,225,989)	(8,302,615)
Cash paid for salaries and employee benefits	(13,208,389)	(7,469,931)	-	(1,310,520)	(21,988,840)	(34,898,015)
Other revenues	1,004,021	1,133,134	18,208	638,401	2,793,764	601,764
Other expenses	(220,369)	-	(335,221)	(3,247)	(558,837)	-
Net cash provided by (used for) operating activities	11,522,071	10,489,854	862,696	(447,820)	22,426,801	(1,214,881)
Non-capital financing activities						
Transfers from other funds	-	-	-	998,460	998,460	2,380,000
Transfers in for negative cash balances	-	-	-	381,796	381,796	4,225,571
Transfers out for negative cash balances	-	-	(20,743)	(261,382)	(282,125)	(2,921,294)
Principal paid on bonds and loans	-	-	-	-	-	(2,475,000)
Interest paid on bonds and loans	-	-	-	-	-	(133,945)
Net cash provided by non-capital financing activities	-	-	(20,743)	1,118,874	1,098,131	1,075,332
Capital and related financing activities						
Proceeds from bonds and loans	-	33,855,000	-	-	33,855,000	-
Principal paid on bonds and loans	(6,409,750)	(35,716,192)	(539,608)	(595,000)	(43,260,550)	(30,912)
Interest paid on bonds and loans	(2,833,396)	(3,938,070)	(215,589)	(30,759)	(7,017,814)	(11,664)
Acquisition and construction of capital assets	(5,311,389)	(3,336,667)	(4,523,665)	(226,899)	(13,398,620)	(632,741)
Capital contributions	1,348,004	274,491	4,523,665	210,428	6,356,588	10,246
Net cash used for capital and related financing activities	(13,206,531)	(8,861,438)	(755,197)	(642,230)	(23,465,396)	(665,071)
Investing activities						
Purchase of investment securities	(14,436,110)	(40,203,274)	-	-	(54,639,384)	-
Proceeds from sales and maturities of investment securities	14,436,110	40,203,274	-	-	54,639,384	2,548
Interest on investments	64,958	215,608	-	-	280,566	-
Net cash provided by investing activities	64,958	215,608	-	-	280,566	2,548
Net increase (decrease) in cash and cash equivalents	(1,619,502)	1,844,024	86,756	28,824	340,102	(802,072)
Cash and cash equivalents, January 1, 2005	7,414,199	13,025,092	-	487,742	20,927,033	5,530,081
Cash and cash equivalents, December 31, 2005	\$ 5,794,697	\$ 14,869,116	\$ 86,756	\$ 516,566	\$ 21,267,135	\$ 4,728,009

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, 2005
(continued)

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating income (loss)	\$ 6,075,954	\$ 4,462,653	\$ (817,393)	\$ (632,614)	\$ 9,088,600	\$ (3,294,304)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation, depletion and amortization	4,927,294	7,569,641	1,554,235	239,028	14,290,198	921,381
(Increase) decrease in operating assets:						
Receivables	567,921	(464,692)	(9,419)	(25,528)	68,282	12,010
Due from other funds	371,377	(113,556)	-	3,067	260,888	(300,375)
Inventories	51,928	(8,105)	-	4,982	48,805	(44,975)
Increase (decrease) in operating liabilities:						
Accounts payable	67,721	(609,961)	99,486	25,717	(417,037)	(33,271)
Due to other funds	(373,190)	(94,678)	35,787	7,820	(424,261)	37,127
Due to other governments	-	(58,139)	-	-	(58,139)	-
Accrued liabilities	11,246	8,558	-	(2,301)	17,503	19,125
Accrued wages	(32,900)	(17,457)	-	(3,913)	(54,270)	(13,593)
Accrued vacation and leave	(145,280)	(184,410)	-	(64,078)	(393,768)	87,436
Estimated liability for unpaid claims	-	-	-	-	-	1,394,538
Net cash provided by (used for) operating activities	<u>\$ 11,522,071</u>	<u>\$ 10,489,854</u>	<u>\$ 862,696</u>	<u>\$ (447,820)</u>	<u>\$ 22,426,801</u>	<u>\$ (1,214,881)</u>

Non-cash capital and investing activities:
 Due from other governments \$ 275,000
 OPWC loan 275,000
 Increase from State of Ohio OPWC Loan -

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, 2005

	Private Purpose Trust Funds	Municipal Court Agency Fund
	<u> </u>	<u> </u>
Assets		
Cash and investments	\$ 4,616	\$ 865,350
	<u> </u>	<u> </u>
Total assets	4,616	\$ 865,350
	<u> </u>	<u> </u>
Liabilities		
Due to other governments	-	865,350
	<u> </u>	<u> </u>
Total liabilities	-	865,350
	<u> </u>	<u> </u>
Net assets	<u>\$ 4,616</u>	<u>\$ -</u>

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

City of Akron, Ohio

Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2005

	Private Purpose Trust Funds
	<u> </u>
Additions	
Contributions	\$ 11,919
	<u>11,919</u>
Deductions	
Education and awareness	<u>9,919</u>
	<u>9,919</u>
Change in net assets	<u>2,000</u>
Net assets, January 1, 2005	<u>2,616</u>
Net assets, December 31, 2005	<u><u>\$ 4,616</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, 2005

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*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, 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 and 39. The City is associated with certain organizations which are defined as jointly governed organizations. These organizations are presented in Note 22 to the basic financial statements. These organizations are the Akron Metropolitan Area Transportation Study (AMATS) and the Akron/Summit Convention and Visitors' Bureau. 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.

1. Summary of Significant Accounting Policies (Continued)

These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column.

Internal service net assets, 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, the Community Learning Centers (CLC) fund, Special Assessment Bond Payment Fund, and CLC 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 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 Community Learning Centers (CLC) fund is used to account for the daily activity relating to the CLC project. The primary sources of revenue are City income tax, bond proceeds, interest and funding from Akron City School District. The CLC Bond Payment fund relates to the same project and is used for the accumulation of resources for, and the payment of, income tax revenue debt principal and interest and related costs.

1. Summary of Significant Accounting Policies (Continued)

The Water enterprise fund accounts for financial activity related to operating the City's water supply, treatment and distribution system. In addition to over 83,000 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.

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 City, 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 and is appropriated. 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.

1. Summary of Significant Accounting Policies (Continued)

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.
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 using the economic resources measurement focus (essentially the same manner as proprietary funds). The City utilizes three private-purpose trust funds. The Claire Merrix Trust was established in memory of a former City of Akron employee and is to fund tennis-related activities; the Holocaust Memorial Trust pays for annual holocaust services throughout the City; and the Police/Fire Beneficiary Trust was recently established to provide scholarships for dependents of those serving in the Police and Fire departments.
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. The City’s only agency fund is the Municipal Court Agency Fund and it is used to account for assets held by the Municipal Court Clerk for individuals, private organizations and other governments.
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 full accrual basis of accounting except agency funds because they are custodial in nature. 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 a full 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 a full 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. The City applies restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available.

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

1. Summary of Significant Accounting Policies (Continued)

that do not conflict with or contradict GASB Pronouncements. The City does not apply FASB pronouncements subsequent to November 30, 1989 to its business-type activities and enterprise fund statements. The City applies all applicable and effective pronouncements issued by the GASB.

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 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 2005, 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 General Fund and certain other funds pursuant to the City Charter and federal and state requirements.

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

1. Summary of Significant Accounting Policies (Continued)

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.

- 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 capital assets are recorded at their estimated fair market value at the date contributed. Infrastructure acquired prior to fiscal years ended after June 30, 1980, is also reported as a component of the above-mentioned capital assets.

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 governmental capital assets. Interest accrued during the construction of capital assets utilized by the proprietary funds is also capitalized.

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
CLC Building Equity Interest	50

1. Summary of Significant Accounting Policies (Continued)

H. **Compensated Absences** – Vacation, paid leave, and compensatory time benefits are accrued as liabilities as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated, unused vacation, paid leave, and compensatory time when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for sick leave is made to the extent that it is probable that benefits will result in payments. The liability is an estimate based on the City's past experience at making payments.

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 (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, 2005 are presented in Note 5. Interfund transfers are presented in Note 19.

K. **Post-retirement Benefits** – In addition to the post-retirement benefits provided by the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System of Ohio (see Note 9), 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, 1,918 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 2005, those costs totaled \$2,925,265.

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*** – 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 principal 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 implemented this statement during 2003.

In November 2003, GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement requires governments to report the effects of capital asset impairments in their financial statements when they occur as opposed to ongoing depreciation expense or upon disposal of the capital asset. The provisions of this statement are effective for fiscal periods beginning after December 15, 2004. The City implemented this statement during 2005 and has no impaired assets to report.

In May 2004, GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section – an amendment of NCGA Statement 1*. *The statistical section is a required part of the CAFR.* This Statement establishes the objectives of the statistical section and the five categories of information it contains: financial trends, revenue capacity, debt capacity, demographic and economic, and operating. The City's statistical section has been prepared in conformance with this Statement.

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of Other Postemployment Benefit (OPEB) expenses and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. For the City, this Statement is effective for periods beginning after December 15, 2006. The future impact is currently being evaluated by the City.

In December 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34*. The clarifications in this Statement should improve the understandability and comparability of net assets information by making the assessment of legal enforceability more uniform across governments. This Statement also specifies the accounting, financial reporting and disclosure requirements for restricted net assets when new enabling legislation is passed and when legal enforceability is reevaluated. The effective date for this Statement is for financial statements for periods beginning after June 15, 2005. The City's financial statements have been prepared in conformance with this Statement.

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 and state 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, 2005, the carrying amount of the City's deposits was \$2,443,503, and the bank balance was \$4,582,167. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$300,000 was covered by federal depository insurance, \$4,270,742 was uninsured but collateralized with unregistered securities held by the pledging financial institution's trust department in the City's name, and \$11,425 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).

Total cash and investments are reported as follows:

Balance Sheet - Governmental Funds:	
Pooled cash and investments	\$ 13,455,206
Restricted cash and investments	148,300,167
Statement of Net Assets - Proprietary Funds:	
Enterprise Funds	
Pooled cash and investments	10,169,871
Restricted cash and investments	11,097,264
Internal Service Funds	
Pooled cash and investments	4,728,009
Restricted cash and investments	-
Statement Net Assets - Fiduciary Funds:	<u>869,966</u>
Total	<u><u>\$ 188,620,483</u></u>

Investments in City of Akron bonds and notes amounting to \$8,100,234 are eliminated in the government-wide statement of net assets at December 31, 2005.

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

2. Pooled Cash and Investments (Continued)

purchased during the current fiscal year. Realized gains and losses, on investments that had been held in more than one fiscal year and sold in the current year, may have been recognized as an increase or decrease in the fair value of the investments reported in the prior year. The net effect of these realized and unrealized gains and losses (\$608,749 net unrealized gain in 2005) is reflected in the investment income on the operating statement of the appropriate fund.

The repurchase agreement investment maturity is less than one year.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rate risk.

Credit Risk. 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. As of December 31, 2005, the investments held by the bond trustees and STAROhio were rated AAAM by Standard & Poor's. All municipal bonds and notes are rated A2 or better by Moody's or A or better by Standard & Poor's.

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, 2005.

Bond trustees holding the investments are not registered with the SEC as an investment company but do operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940. Bond trustees and Community Learning Center trustees holding the investments are not registered with the SEC as an investment company but do operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940.

Investments held by bond trustees, Community Learning Centers and STAROhio are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

At December 31, 2005, \$159,397,431 of cash and investments was restricted for the following purposes: \$173,509 was restricted for lease costs for Canal Park Stadium; \$2,668,003 Off-Street Parking Deck COPs; \$22,572,282 was restricted solely for retirement of City obligations; and the balance of \$133,983,637 was held by the trustee for payment of debt service on the Community Learning Centers Income Tax Revenue Bonds.

2. Pooled Cash and Investments (Continued)

As of December 31, 2005 the City had the following investments.

<u>Investment Types</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less Then 1</u>	<u>1-5</u>	<u>6-10</u>
Repurchase agreement	\$ 11,100,000	\$ 11,100,000	\$ -	\$ -
U.S. Treasuries or Agencies	7,580,048	7,580,048	-	-
STAROhio	4,000,000	4,000,000	-	-
Municipal Bonds	2,282,137	390,305	1,291,832	600,000
City of Akron Assessment Debt	8,100,234	1,498,778	5,359,372	1,242,084
Investments held by bond trustees:				
U.S. Government Securities	9,153,292	9,153,292	-	-
U.S. Treasuries or Agencies	10,672,287	10,672,287	-	-
Tax Exempt Ohio Municipals	173,483	173,483	-	-
Investments held by Community Learning Center trustees:				
U.S. Treasuries or Agencies	81,953,200	75,975,700	5,977,500	-
Municipal Bonds and Notes	<u>51,162,279</u>	<u>49,115,179</u>	<u>2,047,100</u>	<u>-</u>
Total	<u>\$ 186,176,960</u>	<u>\$ 169,659,072</u>	<u>\$ 14,675,804</u>	<u>\$ 1,842,084</u>

3. Receivables

Receivables, including water and sewer unbilled charges for services, of approximately \$2,995,000 and \$445,000, respectively, consist of the following at December 31, 2005:

	Taxes	Customer Charges, Special Assessments, and Others	Accrued Interest	Gross Receivables	Allowance for Uncollectibles	Net
Governmental Activities:						
Governmental Funds:						
General Fund	\$ 38,521,769	\$ 12,721,276	\$ 114,371	\$ 51,357,416	\$ (1,098,710)	\$ 50,258,706
Community Learning Centers	2,238,589	84,000,000	\$ 942,653	87,181,242	-	87,181,242
Special Assessment Bond Payment	-	27,189,315	\$ -	27,189,315	(2,238,596)	24,950,719
Other Governmental Funds	15,929,299	7,089,736	2,475	23,021,510	-	23,021,510
Total Governmental Funds	56,689,657	131,000,327	1,059,499	188,749,483	(3,337,306)	185,412,177
Internal Service Funds	-	124,657	-	124,657	-	124,657
Total Governmental Activities	56,689,657	131,124,984	1,059,499	188,874,140	(3,337,306)	185,536,834
Business-type Activities:						
Enterprise Funds:						
Water	-	13,474,951	-	13,474,951	(9,920,491)	3,554,460
Sewer	-	11,538,524	-	11,538,524	(6,438,368)	5,100,156
Off-Street Parking	-	25,028	-	25,028	-	25,028
Other Enterprise Funds	-	57,412	-	57,412	-	57,412
Total Enterprise Funds/ Business-type Activities	-	25,095,915	-	25,095,915	(16,358,859)	8,737,056
Total Receivables	\$ 56,689,657	\$ 156,220,899	\$ 1,059,499	\$ 213,970,055	\$ (19,696,165)	\$ 194,273,890

Delinquent special assessment receivables amounted to \$2,238,596 at December 31, 2005 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 Funds:	
General Fund	
Property Tax Receivable	\$ 21,034,725
Intergovernmental Receivable	5,645,354
Income Tax Receivable	6,544,346
	<u>33,224,425</u>
Community Learning Centers	
Income Tax Receivable	913,980
Community Learning Centers Receivable	84,000,000
	<u>84,913,980</u>
Special Assessment Bond Payment	
Special Assessment Receivable	22,950,719
	<u>22,950,719</u>
Other Governmental Funds	
Property Tax Receivable	9,352,462
Intergovernmental Receivable	2,797,399
Income Tax Receivable	2,420,512
JEDD Receivable	612,606
	<u>15,182,979</u>
	<u>\$ 156,272,103</u>

4. Due From/To Other Governments

Amounts due from other governments at December 31, 2005 primarily represent amounts related to Ohio Public Works Commission (OPWC) loans and grant activity and consist of the following:

	Federal	State	Total
Governmental Activities:			
Governmental Funds:			
General Fund	\$ -	\$ 659	\$ 659
Other Governmental Funds	3,482,476	668,263	4,150,739
	<u>3,482,476</u>	<u>668,263</u>	<u>4,150,739</u>
Total Governmental Funds	3,482,476	668,922	4,151,398
The following amounts are also included in the government-wide statement of net assets- OPWC loan funds receivable:			
	-	10,768,866	10,768,866
	<u>-</u>	<u>10,768,866</u>	<u>10,768,866</u>
Total Governmental Activities	<u>\$ 3,482,476</u>	<u>\$ 11,437,788</u>	<u>\$ 14,920,264</u>
Business-type Activities:			
Enterprise Funds:			
Water	\$ -	\$ 149,195	\$ 149,195
Sewer	-	5,892,772	5,892,772
Other Enterprise Funds	-	847	847
	<u>-</u>	<u>847</u>	<u>847</u>
Total Enterprise Funds/Business-type Activities	<u>\$ -</u>	<u>\$ 6,042,814</u>	<u>\$ 6,042,814</u>

Amounts due to other governments at December 31, 2005 consist of the following:

	Federal	County	Local	Total
Governmental Activities:				
Other Governmental Funds	4,310,000	-	1,641,194	5,951,194
The following amounts are also included in the government-wide statement of net assets:				
Due to other governments	-	354,000	250,000	604,000
Liabilities due in more than one year (Note 14)	-	3,779,000	750,000	4,529,000
	<u>-</u>	<u>3,779,000</u>	<u>750,000</u>	<u>4,529,000</u>
Total Governmental Activities	<u>\$ 4,310,000</u>	<u>\$ 4,133,000</u>	<u>\$ 2,641,194</u>	<u>\$ 11,084,194</u>

Of the amount shown in Other Governmental Funds \$1,756,194 is shown in the government-wide statement of net assets as Due to Other Governments. The remaining \$4,195,000 is shown as liabilities due in more than one year.

Business-type Activities:				
Enterprise Funds:				
Sewer	\$ -	\$ 29,023	\$ -	\$ 29,023
The following amounts are also included in the govern- ment-wide and proprietary statement of net assets:				
liabilities due in more than one year (Note 14)	-	427,827	-	427,827
	<u>-</u>	<u>427,827</u>	<u>-</u>	<u>427,827</u>
Total Enterprise Funds/ Business-type Activities	<u>\$ -</u>	<u>\$ 456,850</u>	<u>\$ -</u>	<u>\$ 456,850</u>

The statement of fiduciary net assets also includes \$865,350 as due to other governments.

4. Due From/To Other Governments (Continued)

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

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 18).

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

5. Due From/To Other Funds

Interfund receivable and payable balances at December 31, 2005 consist of the following individual fund receivables and payables:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 6,217,549	\$ 920,381
Community Learning Centers	2,785,018	43
Other Governmental Funds	<u>33,538,471</u>	<u>37,502,460</u>
	<u>\$ 42,541,038</u>	<u>\$ 38,422,884</u>
Proprietary Funds:		
Enterprise Funds:		
Water	\$ -	\$ 629,366
Sewer	303,205	554,962
Off-Street Parking	-	83,936
Other Enterprise Funds	<u>6,810</u>	<u>398,966</u>
	<u>\$ 310,015</u>	<u>\$ 1,667,230</u>
Internal Service Funds	<u>\$ 1,604,682</u>	<u>\$ 4,365,621</u>
Total	<u>\$ 44,455,735</u>	<u>\$ 44,455,735</u>

6. Deposits

On December 15, 2003, the City of Akron entered into a cooperative agreement for Community Learning Centers (CLC) with the Board of Education of the Akron City School District (District). The cooperative agreement is the foundation for all the activity associated with the City's .25% income tax and the ownership relating to the CLCs. As of December 31, 2005, the District had \$71,175,161 of unspent City funds that are recorded as Deposits on the City's Statement of Net Assets and are recorded on the District's financial statements as "due to City of Akron".

7. Capital Assets

Capital asset activity for the year ended December 31, 2005 was as follows:

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 149,313,336	\$ 1,858,731	\$ 324,880	\$ 150,847,187
Construction in progress	59,538,957	9,200,012	17,808,757	50,930,212
CLC Building Equity Interest	-	9,462,174	-	9,462,174
	<u>208,852,293</u>	<u>20,520,917</u>	<u>18,133,637</u>	<u>211,239,573</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	177,142,650	2,543,920	1,035,887	178,650,683
CLC Building Equity Interest	-	115,661	-	115,661
Improvements other than buildings	95,385,591	6,333,494	151,347	101,567,738
Equipment	83,377,104	3,844,156	3,348,133	83,873,127
Infrastructure	442,384,455	28,691,350	1,226,174	469,849,631
	<u>798,289,800</u>	<u>41,528,581</u>	<u>5,761,541</u>	<u>834,056,840</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	52,856,435	3,561,544	-	56,417,979
CLC Building Equity Interest	-	1,157	-	1,157
Improvements other than buildings	18,872,304	2,851,621	-	21,723,925
Equipment	69,408,560	3,614,403	1,177,206	71,845,757
Infrastructure	184,436,490	11,434,799	-	195,871,289
	<u>325,573,789</u>	<u>21,463,524</u>	<u>1,177,206</u>	<u>345,860,107</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>472,716,011</u>	<u>20,065,057</u>	<u>4,584,335</u>	<u>488,196,733</u>
Governmental activities capital assets, net	<u>\$ 681,568,304</u>	<u>\$ 40,585,974</u>	<u>\$ 22,717,972</u>	<u>\$ 699,436,306</u>

7. Capital Assets (Continued)

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 26,463,028	\$ 15,000	\$ -	\$ 26,478,028
Construction in progress	29,747,482	6,577,455	1,363,828	34,961,109
	<u>56,210,510</u>	<u>6,592,455</u>	<u>1,363,828</u>	<u>61,439,137</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	143,256,209	4,554,222	-	147,810,431
Improvements other than buildings	446,741,160	244,481	-	446,985,641
Equipment	30,665,881	978,699	395,966	31,248,614
Infrastructure	83,298,030	12,476,580	38,332	95,736,278
	<u>703,961,280</u>	<u>18,253,982</u>	<u>434,298</u>	<u>721,780,964</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	62,138,228	2,059,327	-	64,197,555
Improvements other than buildings	209,529,695	7,690,925	-	217,220,620
Equipment	25,086,792	2,345,765	327,758	27,104,799
Infrastructure	7,070,904	2,194,181	-	9,265,085
	<u>303,825,619</u>	<u>14,290,198</u>	<u>327,758</u>	<u>317,788,059</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>400,135,661</u>	<u>3,963,784</u>	<u>106,540</u>	<u>403,992,905</u>
Business-type activities capital assets, net	<u>\$ 456,346,171</u>	<u>\$ 10,556,239</u>	<u>\$ 1,470,368</u>	<u>\$ 465,432,042</u>

7. Capital Assets (Continued)

Depreciation expense was charged during 2005 to functions of the government as follows:

Governmental Activities:

General government	\$	2,006,346
Public service		2,386,585
Public safety		1,821,011
Community environment		2,629,856
Public health		308,829
Unallocated depreciation		11,389,516
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>921,380</u>
Total depreciation expense charged to governmental activities	\$	<u>21,463,523</u>

Business-type Activities:

Water	\$	4,927,294
Sewer		7,569,641
Off-Street Parking		1,554,235
Other Business-type activities		<u>239,028</u>
Total depreciation, deletion and amortization expense charged to business-type activities	\$	<u>14,290,198</u>

7. Capital Assets (Continued)

Construction in progress and remaining capital commitments (including capitalized interest of \$544,785, of which \$468,343 was capitalized in 2005) are comprised of the following:

	Project Authorization	Expended to December 31, 2005	Committed
Governmental Activities:			
Governmental	\$ 61,945,961	\$ 51,351,477	\$ 10,594,484
Internal Service	-	-	-
Business-type Activities:			
Water	12,522,642	8,492,393	4,030,249
Sewer	27,041,091	14,067,932	12,973,159
Off-Street Parking	18,790,717	15,200,449	3,590,268
Other Business-type activities	230,000	210,431	19,569
	<u>\$ 120,530,411</u>	<u>\$ 89,322,682</u>	<u>\$ 31,207,729</u>

8. 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 only if they have matured. 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, 2005 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.

8. Accrued Vacation and Leave (Continued)

As of December 31, 2005, the accrued vacation, paid leave, sick leave, and compensatory time is recorded as a current liability (due within one year) in the Statement of Net Assets as follows:

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
Governmental Activities:				
Governmental Funds:				
General Fund	\$ 7,846,815	\$ 8,323,948	\$ (7,846,815)	\$ 8,323,948
Other Governmental Funds	2,594,284	2,593,117	(2,594,284)	2,593,117
Total Governmental Funds	10,441,099	10,917,065	(10,441,099)	10,917,065
Internal Service Funds	623,544	688,413	(623,544)	688,413
Total Governmental Activities	11,064,643	11,605,478	(11,064,643)	11,605,478
Business-type Activities:				
Enterprise Funds:				
Water	915,872	874,849	(915,872)	874,849
Sewer	539,120	509,876	(539,120)	509,876
Other Enterprise Funds	70,639	69,249	(70,639)	69,249
Total Enterprise Funds/ Business-type Activities	1,525,631	1,453,974	(1,525,631)	1,453,974
	<u>\$ 12,590,274</u>	<u>\$ 13,059,452</u>	<u>\$ (12,590,274)</u>	<u>\$ 13,059,452</u>

The following amounts are also included as long-term obligations in the government-wide statement of net assets (Note 14):

Governmental Activities:				
Other Governmental Activities	\$ 38,632,163	\$ 16,041,900	\$ (15,759,373)	\$ 38,914,690
Internal Service Funds	1,851,431	1,034,023	(1,011,456)	1,873,998
Total Governmental Activities	40,483,594	17,075,923	(16,770,829)	40,788,688
Business-type Activities:				
Water	3,048,160	1,392,430	(1,496,687)	2,943,903
Sewer	1,830,425	1,068,206	(1,223,372)	1,675,259
Other Business-type Activities	324,913	91,946	(154,635)	262,224
Total Business-type Activities	5,203,498	2,552,582	(2,874,694)	4,881,386
	<u>\$ 45,687,092</u>	<u>\$ 19,628,505</u>	<u>\$ (19,645,523)</u>	<u>\$ 45,670,074</u>

9. Pension and Other Post-Retirement Benefit Plans

Police officers and firefighters participate in the statewide Ohio Police and Fire Pension Fund (Police and Fire), a cost-sharing, multi-employer defined-benefit public employee retirement system. Substantially all other City employees participate in the statewide Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multi-employer defined-benefit pension plan. The member-directed plan is a defined-contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined-benefit pension plan that has elements of both a defined-benefit and a defined-contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS

OPERS 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. OPERS 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 OPERS. The 2005 and 2004 employer contribution rate for local government employer units was 13.55% of covered payroll including 4.0%, which is used to fund post-retirement health care benefits. The City's total contributions to OPERS for pension benefits (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2005, 2004, and 2003 were \$6,932,558, \$6,946,564 and \$6,219,691 respectively, which were equal to 100% of the required employer contributions for each year.

In addition to the pension benefits, OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is also available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 the traditional or combined plans is set aside for the funding of post-retirement health care based on authority granted by State statute. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. During 2005 and 2004, \$2,903,648 and \$2,909,514 respectively, of the City's total contribution to OPERS was used for post-retirement benefits.

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

The assumptions and calculations below were based on OPERS's latest actuarial review performed as of December 31, 2004. OPEB are advanced-funded using the entry-age normal actuarial 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% and a salary increase of 4.0% for inflation and between .50% and 6.3% based on seniority and merit. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.0% to 6.0% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4.0% (the projected wage inflation rate).

The Traditional Pension and Combined Plans had 376,109 active contributing participants as of December 31, 2005. The number of active contributing participants for both plans used in the December 31, 2004 actuarial valuation was 355,287. 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, 2004 (latest information available) were approximately \$10.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were approximately \$29.5 billion and \$18.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS-covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipients will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefits. The Plan will also offer a spending account feature, enabling the benefit recipients to apply their allowances towards specific medical expenses, much like a Medical Spending Account.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund 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. The Police and Fire Pension Fund 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, 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 the Ohio Police and Fire Pension Fund 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, 2005, 2004, and 2003 were \$3,137,410, \$3,093,245 and \$3,071,237 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, 2005, 2004, and 2003 were \$3,559,328, \$3,460,666 and \$3,390,407 respectively.

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

In addition to pension benefits, the Police and Fire plan 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 7.75% in 2005 and 2004, 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. Beginning in 2001, all retirees and survivors have monthly health care contributions. The total health care costs paid by the Police and Fire plan were \$102.2 million, which was net of member contributions of \$55.7 million, for the year ended December 31, 2004 (latest information available). The City’s contributions for Police for 2005 and 2004 used to pay post-retirement health care were \$2,065,591 and \$2,036,515 respectively. The City’s contributions for Fire for 2005 and 2004 used to pay post-retirement health care were \$1,698,173 and \$1,651,101 respectively. Eligible benefit recipients totaled 13,812 and 10,528 for uniformed police and fire personnel, respectively, for the year ended December 31, 2004 for the entire fund.

10. Notes Payable

The following is a summary of note transactions for the year ended December 31, 2005 reflected in governmental activities in the government-wide financial statements:

	<u>Governmental Activities</u> Special Assessment	<u>Governmental Activities</u> Capital Projects	<u>Governmental Activities</u> Total
Notes Payable at January 1, 2005	\$ 4,683,400	\$ 29,833,000	\$ 34,516,400
New notes issued	1,115,300	-	1,115,300
Notes retired	<u>(3,017,600)</u>	<u>(29,833,000)</u>	<u>(32,850,600)</u>
Notes Payable at December 31, 2005	<u>\$ 2,781,100</u>	<u>\$ -</u>	<u>\$ 2,781,100</u>

10. Notes Payable (Continued)

Notes payable at December 31, 2005, are comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Special Assessment Notes:				
<u>Governmental Activities:</u>				
Paving Notes:				
July 25, 2001	6.00	6-01	July 25, 2006	\$ 419,900
July 25, 2001	6.00	9-01	July 25, 2006	110,000
November 7, 2003	4.00	5-03	November 7, 2008	111,900
November 7, 2003	4.00	7-03	November 7, 2008	258,500
May 10, 2004	4.00	1-04	May 10, 2009	109,900
June 8, 2004	4.00	2-04	June 8, 2009	261,300
October 22, 2004	4.00	3-04	October 22, 2009	57,100
October 22, 2004	4.00	4-04	October 22, 2009	92,300
October 22, 2004	4.00	5-04	October 22, 2009	111,800
October 22, 2004	4.00	7-04	October 22, 2009	117,500
March 14, 2005	4.00	1-05	March 14, 2010	478,000
March 14, 2005	4.00	2-05	March 14, 2010	49,600
April 27, 2005	4.00	4-05	April 27, 2010	38,300
April 27, 2005	4.00	5-05	April 27, 2010	485,900
Sidewalk Notes:				
February 10, 2003	5.00	1-03	February 10, 2008	15,600
March 14, 2005	4.00	3-05	March 14, 2010	<u>63,500</u>
Total Special Assessment Notes				<u>\$ 2,781,100</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 Fiscal Officer on behalf of the City.

The weighted average interest rates on special assessment notes at December 31, 2005 was 4.39%.

10. Notes Payable (Continued)

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2005 (in thousands):

Fiscal Year Ending December 31	Governmental Activities		Total
	Special Assessment Notes		
	Notes	Interest	
2006	\$ 530	\$ 108	\$ 638
2007	-	90	90
2008	386	87	473
2009	750	63	813
2010	1,115	12	1,127
	<u>\$ 2,781</u>	<u>\$ 360</u>	<u>\$ 3,141</u>

11. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2005:

	Governmental Activities					
	General Obligation	OPWC Loans	Ohio Department of Development Loans	Non-Tax Revenue	Income Tax Revenue	
Long-term debt payable at January 1, 2005	\$ 184,235,042	\$ 5,336,703	\$ 1,416,362	\$ 27,725,000	\$ 220,625,000	
New Issues:						
Capital Projects	-	3,160,000	-	-	-	
Sewer System	-	-	-	-	-	
Street Improvements	-	-	-	-	-	
Various Purpose Improvements	80,640,000	-	-	-	-	
Retirements	(70,222,200)	(264,325)	(52,871)	(1,400,000)	(3,040,000)	
Long-term debt payable at December 31, 2005	<u>\$ 194,652,842</u>	<u>\$ 8,232,378</u>	<u>\$ 1,363,491</u>	<u>\$ 26,325,000</u>	<u>\$ 217,585,000</u>	
	Governmental Activities				Internal Service General Obligation	
	Special Revenue	Special Assessment	SIB Loans			
Long-term debt payable at January 1, 2005	\$ 48,325,000	\$ 15,807,918	\$ 7,758,500	\$ 2,739,522		
New Issues:						
Capital Projects	-	-	2,197,000	-	-	
Sewer System	-	-	-	-	-	
Street Improvements	-	2,375,000	-	-	-	
Various Purpose Improvements	-	-	-	-	-	
Retirements	(2,010,000)	(2,600,356)	-	(2,505,912)		
Long-term debt payable at December 31, 2005	<u>\$ 46,315,000</u>	<u>\$ 15,582,562</u>	<u>\$ 9,955,500</u>	<u>\$ 233,610</u>		
	Business-type Activities					
	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Total
Long-term debt payable at January 1, 2005	\$ 2,856,881	\$ 54,035,000	\$ 41,135,000	\$ 60,518,215	\$ 3,059,266	\$ 675,573,409
New Issues:						
Capital Projects	-	-	-	-	-	5,357,000
Sewer System	-	-	33,855,000	-	275,000	34,130,000
Street Improvements	-	-	-	-	-	2,375,000
Various Purpose Improvements	-	-	-	-	-	80,640,000
Retirements	(1,517,209)	(4,830,000)	(32,505,000)	(4,215,972)	(192,381)	(125,356,226)
Long-term debt payable at December 31, 2005	<u>\$ 1,339,672</u>	<u>\$ 49,205,000</u>	<u>\$ 42,485,000</u>	<u>\$ 56,302,243</u>	<u>\$ 3,141,885</u>	<u>\$ 672,719,183</u>

Included in the Governmental Activities Special Assessment are three ten-year Special Assessment Resurfacing Projects Notes: Series 1996, in the amount of \$18,933; Series 1997, in the amount of \$18,194; and Series 1998, in the amount of \$3,631.

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2005 amounting to \$8,100,234 (see Note 2) are eliminated in the government-wide statement of net assets.

11. Long-Term Debt (Continued)

Long-term debt at December 31, 2005 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities:</u>				
<u>General Obligation Bonds:</u>				
Municipal Building Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	35,000
Municipal Garage Bonds:				
July 1, 1986	7.5	-	September 1, 2006	25,000
Parks Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	25,000
Pedestrian Walkway Bonds:				
July 1, 1986	7.5	-	September 1, 2006	55,000
Solid Waste Storage Facility Bonds:				
July 1, 1986	7.5	-	September 1, 2006	120,000
Street Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	275,000
Urban Renewal Public Improvement Bonds:				
February 21, 1991	8	Series 1990	December 1, 2020	845,552
December 10, 1991	8	Series 1991	December 1, 2021	1,464,000
Various Purpose Improvement Bonds:				
August 1, 1995	4.9 to 5.5	-	December 1, 2008	630,000
December 1, 1998	4.25 to 4.75	-	December 1, 2019	7,911,569
November 1, 2001	3.0 to 5.5	-	December 1, 2022	36,741,721
December 1, 2002	2.0 to 5.25	-	December 1, 2023	29,620,000
October 1, 2003	2.0 to 5.25	-	December 1, 2024	36,265,000
September 1, 2005	3.5 to 5.0	Series 2005	December 1, 2026	80,640,000
				<u>\$ 194,652,842</u>

11. Long-Term Debt (Continued)

Governmental Activities (Continued):

OPWC Loans:

July 1, 1997	0	Boxwood Ave.	July 1, 2018	\$ 475,000
July 1, 1998	0	Lakeshore Blvd.	January 1, 2020	735,150
July 1, 1998	0	Tallmadge Ave.	July 1, 2021	600,218
July 1, 1999	0	Lakeshore Blvd.	July 1, 2022	195,838
July 1, 1999	0	Bye Street	July 1, 2022	226,688
July 1, 1999	0	Wooster/East Ave.	July 1, 2022	478,800
July 1, 2000	0	Bishop Street	July 1, 2022	100,650
July 1, 2000	0	NW Storm Outlets	July 1, 2022	378,428
July 1, 2000	0	N. Arlington Bridge	July 1, 2022	273,496
July 1, 2001	0	Darrow Road	July 1, 2023	741,410
July 1, 2003	0	US 244 Phase II	July 1, 2024	866,700
December 1, 2004	0	Bettes Corners Bridges	July 1, 2027	105,000
July 1, 2005	0	Manchester Rd Ph I	July 1, 2027	54,000
July 1, 2005	0	Arlington St Signalization	July 1, 2027	1,878,000
July 1, 2005	0	E. Market St Widening	July 1, 2027	1,123,000
				<u>\$ 8,232,378</u>

Ohio Department of Development Loans:

November 26, 1996	3	1997	February 1, 2012	\$ 363,491
March 1, 2003	1/2 Prime	2003 Univ Tech Pk	March 1, 2018	1,000,000
				<u>\$ 1,363,491</u>

Non-Tax Revenue Bonds:

November 1, 1997	4 to 6	1997	December 1, 2018	\$ 26,325,000
				<u>\$ 26,325,000</u>

Income Tax Revenue:

April 15, 1999	3.3 to 5.25	1999	December 1, 2023	\$ 8,330,000
January 1, 2004	4.0 to 5.25	2004A	December 1, 2033	165,000,000
January 1, 2004	2.0 to 6.0	2004B	December 1, 2014	44,255,000
				<u>\$ 217,585,000</u>

Special Revenue:

July 1, 2000	4.55 to 5.625	2000	December 1, 2020	\$ 11,730,000
August 1, 2000	4.45 to 6	2000	December 1, 2020	11,730,000
September 1, 2002	2.0 to 5.25	2002	December 1, 2022	13,960,000
November 1, 2002	2.0 to 5.25	2002	December 1, 2022	8,895,000
				<u>\$ 46,315,000</u>

11. Long-Term Debt (Continued)

<u>Issued</u>	<u>Rate %</u>	<u>Issue</u>	<u>Final Maturity</u>	<u>Amount</u>
<u>Governmental Activities (Continued):</u>				
<u>Special Assessment Obligations:</u>				
Resurfacing Notes:				
June 1, 1997	6	1997	December 1, 2006	\$ 18,933
May 1, 1998	6	1998	December 1, 2007	18,194
April 1, 1999	6	1998	December 1, 2008	3,631
Street Improvement Bonds:				
September 1, 1978	7.25	Rosemary Blvd.	September 1, 2014	27,000
August 15, 1996	4.6 to 8	1996	December 1, 2021	250,000
August 15, 1997	4.65 to 5.15	1997	December 1, 2007	400,000
August 15, 1998	4.25 to 4.55	1998	December 1, 2008	930,000
August 15, 1999	4.1 to 5.5	1999	December 1, 2009	290,000
April 1, 2000	6	1999	December 1, 2009	12,034
August 15, 2000	4.375 to 4.875	2000	December 1, 2010	1,770,000
November 1, 2001	3.0 to 5.5	2001	December 1, 2022	408,428
December 1, 2001	6	2000	December 1, 2006	133,287
September 1, 2002	1.5 to 3.375	2002	December 1, 2012	1,485,000
September 1, 2003	2 to 4	2003	December 1, 2013	2,355,000
September 1, 2004	4	2004	December 1, 2014	3,260,000
March 1, 2004	4	2004	December 1, 2013	863,986
December 1, 2004	4	2004B	December 1, 2014	982,069
September 29, 2005	3.707	2005	December 1, 2015	2,375,000
				<u>\$ 15,582,562</u>
<u>State Infrastructure Bank (SIB) Loans:</u>				
July 12, 2004	0.0 to 3.0	U.S. 224	September 1, 2014	\$ 4,323,000
September 30, 2004	0.0 to 3.0	Bridges	September 30, 2014	3,435,500
	0.0 to 3.0	Bikeway		2,197,000
				<u>\$ 9,955,500</u>
<u>Internal Service General Obligation Bonds:</u>				
Municipal Facility Bonds:				
December 1, 1998	4.25 to 4.75	-	December 1, 2019	158,431
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	75,179
				<u>\$ 233,610</u>

11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities:</u>				
<u>Enterprise General Obligation Bonds:</u>				
Off-Street Parking Facility Bonds:				
November 1, 2001	3.0 to 5.5	Canal/Tell	December 1, 2022	770,602
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	269,070
Sewer System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	50,000
Water System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	250,000
				<u>\$ 1,339,672</u>
<u>Enterprise Mortgage Revenue Bonds:</u>				
Waterworks System Bonds:				
January 15, 1996	3.5 to 4.875	1996	March 1, 2012	\$ 15,395,000
February 1, 1998	3.65 to 5	1998	March 1, 2018	9,720,000
July 1, 2003	2 to 5	2003	September 1, 2014	24,090,000
				<u>\$ 49,205,000</u>
<u>Enterprise Revenue Bonds:</u>				
Sewer System Improvement Bonds:				
June 1, 1996	4.3 to 6.2	1996	December 1, 2016	\$ 1,520,000
January 1, 1997	3.75 to 5.55	1997	December 1, 2016	225,000
April 1, 1998	3.7 to 5.5	1998	December 1, 2017	6,885,000
December 1, 2005	3.5 to 5.00	2005	December 1, 2018	33,855,000
				<u>\$ 42,485,000</u>

11. 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	\$ 314,975
December 31, 1981	10.71	Sewer	July 1, 2006	1,049,916
May 6, 1982	12	Sewer	January 1, 2010	3,194,520
March 30, 1995	4.56	Sewer	July 1, 2015	9,363,637
April 27, 1995	4.56	Sewer	July 1, 2015	10,918,121
September 30, 1999	2.01	Water	July 1, 2019	938,151
May 25, 2000	4.64	Water	July 1, 2021	6,717,365
April 26, 2001	3.9	Water	July 1, 2011	334,949
July 25, 2002	3.89	Water	July 1, 2021	2,079,486
January 29, 2004	3.5	Water	January 1, 2014	2,526,712
September 30, 2004	3.81	Sewer	July 1, 2015	8,109,648
December 16, 2004	3.35	Sewer	July 1, 2014	10,754,763
				<u>\$ 56,302,243</u>
<u>Enterprise OPWC Loans:</u>				
July 1, 1995	0	Water	July 1, 2016	\$ 691,305
December 1, 1995	0	Sewer	January 1, 2017	266,369
July 1, 1996	0	Sewer	July 1, 2017	635,086
July 1, 1997	0	Sewer	July 1, 2018	446,250
July 1, 2000	0	Water	July 1, 2021	827,875
July 1, 2005	0	Sewer	July 1, 2025	275,000
				<u>\$ 3,141,885</u>

11. Long-Term Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2005 (in thousands):

Fiscal Year Ending December 31	Governmental Activities					
	General Obligation Bonds		OPWC Loan		Ohio Department of Development Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	10,015	9,628	308	-	54	13
2007	11,918	8,494	308	-	56	11
2008	12,155	8,033	466	-	116	29
2009	11,063	7,580	466	-	119	26
2010	11,153	7,173	466	-	121	23
2011-2015	53,014	28,632	2,328	-	393	79
2016-2020	49,076	16,522	2,207	-	353	44
2021-2025	33,169	4,816	1,367	-	151	8
2026-2030	3,090	155	316	-	-	-
2031-2035	-	-	-	-	-	-
	<u>\$ 194,653</u>	<u>\$ 91,033</u>	<u>\$ 8,232</u>	<u>\$ -</u>	<u>\$ 1,363</u>	<u>\$ 233</u>
Fiscal Year Ending December 31	Non-Tax Revenue Bonds		Income Tax Revenue		Special Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2006	1,465	1,372	3,455	10,467	2,075
2007	1,530	1,304	3,970	10,266	2,150	2,156
2008	1,605	1,232	4,500	10,176	2,235	2,077
2009	1,680	1,155	5,005	10,057	2,320	1,985
2010	1,775	1,059	5,550	9,919	2,420	1,889
2011-2015	10,550	3,628	33,445	45,525	13,890	7,647
2016-2020	7,720	785	33,970	37,041	17,620	3,776
2021-2025	-	-	41,150	27,640	3,605	254
2026-2030	-	-	50,050	16,716	-	-
2031-2035	-	-	36,490	3,709	-	-
	<u>\$ 26,325</u>	<u>\$ 10,535</u>	<u>\$ 217,585</u>	<u>\$ 181,516</u>	<u>\$ 46,315</u>	<u>\$ 22,015</u>
Fiscal Year Ending December 31	Special Assessment Bonds		State Infrastructure Bank Loans		Internal Service General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2006	2,792	640	-	118	32
2007	2,503	506	664	300	33	133
2008	2,384	406	985	240	35	126
2009	1,851	312	1,211	240	10	119
2010	5,773	663	1,248	189	10	113
2011-2015	280	11	5,690	374	57	449
2016-2020	-	-	158	2	57	219
2021-2025	-	-	-	-	-	12
2026-2030	-	-	-	-	-	-
2031-2035	-	-	-	-	-	-
	<u>\$ 15,583</u>	<u>\$ 2,538</u>	<u>\$ 9,956</u>	<u>\$ 1,463</u>	<u>\$ 234</u>	<u>\$ 1,311</u>

11. Long-Term Debt (Continued)

Fiscal Year Ending December 31	Business-type Activities					
	General Obligation Bonds		Mortgage Revenue		Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	417	71	4,980	2,034	2,820	1,922
2007	121	44	5,310	1,840	2,285	1,767
2008	127	39	5,540	1,624	2,955	1,674
2009	35	33	5,745	1,395	3,515	1,565
2010	37	32	6,020	1,148	3,650	1,435
2011-2015	209	137	19,090	2,199	20,710	4,690
2016-2020	266	77	2,520	193	6,550	418
2021-2025	127	10	-	-	-	-
2026-2030	-	-	-	-	-	-
2031-2035	-	-	-	-	-	-
	<u>\$ 1,339</u>	<u>\$ 443</u>	<u>\$ 49,205</u>	<u>\$ 10,433</u>	<u>\$ 42,485</u>	<u>\$ 13,471</u>

Fiscal Year Ending December 31	OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
	2006	5,201	2,047	206
2007	5,239	2,121	206	-
2008	5,504	1,890	206	-
2009	5,785	1,645	206	-
2010	5,604	1,385	206	-
2011-2015	25,823	3,526	1,031	-
2016-2020	3,146	394	855	-
2021-2025	-	-	226	-
2026-2030	-	-	-	-
2031-2035	-	-	-	-
	<u>\$ 56,302</u>	<u>\$ 13,008</u>	<u>\$ 3,142</u>	<u>\$ -</u>

Fiscal Year Ending December 31	Governmental Activities Total		Business-type Activities Total		Grand Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2006	20,196	24,609	13,624	6,074	33,820
2007	23,132	23,170	13,161	5,772	36,293	28,942
2008	24,481	22,319	14,332	5,227	38,813	27,546
2009	23,725	21,474	15,286	4,638	39,011	26,112
2010	28,516	21,028	15,517	4,000	44,033	25,028
2011-2015	119,647	86,345	66,863	10,552	186,510	96,897
2016-2020	111,161	58,389	13,337	1,082	124,498	59,471
2021-2025	79,442	32,730	353	10	79,795	32,740
2026-2030	53,456	16,871	-	-	53,456	16,871
2031-2035	36,490	3,709	-	-	36,490	3,709
	<u>\$ 520,246</u>	<u>\$ 310,644</u>	<u>\$ 152,473</u>	<u>\$ 37,355</u>	<u>\$ 672,719</u>	<u>\$ 347,999</u>

11. Long-Term Debt (Continued)

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 capital assets of the Water System that had net carrying values of approximately \$142,349,000 at December 31, 2005. 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 General 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.

Bond Indenture Agreements for 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, the Waterworks System Mortgage Revenue Improvement Bonds dated February 1, 1998, and the Waterworks System Mortgage Revenue Improvement and Refunding Bonds dated July 1, 2003, 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, 2005 were as follows:

	Waterworks System 1996 Issue	Waterworks System 1998 Issue	Waterworks System 2003 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>856,255</u>	<u>1,260,386</u>	<u>2,193,398</u>	<u>5,045,161</u>
Excess	<u>\$ 856,255</u>	<u>\$ 1,260,386</u>	<u>\$ 2,193,398</u>	<u>\$ 362,974</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, 2005, the City's total net debt amounted to 3.9% of the total assessed value of all property within the City and unvoted net debt amounted to 3.9% of the total assessed value of all property within the City.

11. Long-Term Debt (Continued)

On September 14, 2005, the City issued \$80,640,000 in general obligation bonds Various Purpose Improvement and Refunding Bonds, Series 2005 maturing on December 1, 2006 through 2026 with interest rates ranging from 3.5% to 5%. Out of the net proceeds of \$84,278,569 (after payment of \$957,902 in underwriting fees, insurance and other issuance costs, and including a premium of \$4,596,471), \$40,208,751 was used to provide cash and purchase U.S. Treasury securities. The cash and securities were deposited in an irrevocable escrow account to provide for all future debt service payments of (1) a portion of the General Obligation Bonds, Various Purpose Improvement Bonds, Series 1993, (2) a portion of the General Obligation Bonds (Limited Tax) Various Purpose Improvement Bonds, Series 1995-2, (3) a portion of the General Obligation Bonds, Various Purpose Improvement Bonds, Series 1996, (4) a portion of the General Obligation Bonds Various Purpose Improvement Bonds, Series 1996-2, (5) a portion of the General Obligation Bonds (Limited Tax) Various Purpose Improvement Bonds, Series 1997, (6) a portion of the General Obligation Bonds, Various Purpose Improvement Bonds, Series 1999, and (7) a portion of the General Obligation Bonds, Various Purpose Improvement Bonds, Series 2000.

As a result, the above Series 1993, Series 1995-2, Series 1996, Series 1996-2, Series 1997, Series 1999 and Series 2000 Bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements. The City advance refunded these bonds to reduce its total debt service payments for the refunding portion of the transaction over the next 16 years by approximately \$1,500,499 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,447,167. The net difference between the reacquisition price and the carrying amount of the old debt has been recorded as a component of deferred bond issuance costs and is being amortized over the previous remaining life of the old debt.

On September 14, 2005, the City issued \$31,940,000 in Certificates of Participation, Series 2005-A (Parking Facilities Project) maturing on December 1, 2006 through 2026 with interest rates ranging from 3.5% to 5%. Out of the net proceeds of \$31,778,417 (after payment of \$583,457 in underwriting fees, insurance and other issuance costs, and including a premium of \$421,874), \$23,002,932 was used to provide cash and purchase U.S. Treasury securities. The cash and securities were deposited in an irrevocable escrow account to provide for the future debt service payments of (1) the General Obligation Bonds Various Purpose Improvement Bonds, Series 1996-2 (except for the debt service payment December 1, 2005), (2) the General Obligation Bonds (Limited Tax) Various Purpose Improvement Bonds, Series 1997 (except for the debt service payment December 1, 2005), (3) the General Obligation Bonds Various Purpose Improvement Bonds, Series 1999 (except for the debt service payment November 1, 2005), and (4) the General Obligation Bonds (Limited Tax) Various Purpose Improvement Bonds, Series 2000 (except for the debt service payment December 1, 2005).

As a result, the above Series 1996-2, Series 1997, Series 1999 and Series 2000 Bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements. The City advance refunded these bonds and increased its total debt service payments for the refunding portion of the transaction over the next 16 years by approximately \$569,575 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$494,101. The net difference between the reacquisition price and the carrying amount of the old debt has been recorded as a component of deferred bond issuance costs and is being amortized over the previous remaining life of the old debt.

11. Long-Term Debt (Continued)

On December 1, 2005, the City issued \$33,855,000 in revenue bonds (Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2005 maturing on December 1, 2006 through 2017) with interest rates ranging from 3.5% to 5%. Out of the net proceeds of \$34,686,961 (after payment of \$422,681 in underwriting fees, insurance and other issuance costs, and including a premium of \$1,254,642), \$30,839,036 was used to provide cash and purchase U.S. Treasury securities. The cash and securities were deposited in an irrevocable escrow account to provide for the future debt service payments of (1) a portion of the Sanitary Sewer System Revenue Bonds, Series 1996 (only those bonds maturing on and after December 1, 2007), (2) a portion of the Sanitary Sewer System Refunding Revenue Bonds, Series 1997 (only those bonds maturing on and after December 1, 2007) and (3) a portion of the Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 1998 (only certain bonds).

As a result, the above Series 1996, Series 1997 and Series 1998 Bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements. The City advance refunded these bonds to reduce its total debt service payments for the refunding portion of the transaction over the next 12 years by approximately \$763,974 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,705,700. The net difference between the reacquisition price and the carrying amount of the old debt has been recorded as a component of deferred bond issuance costs and is being amortized over the previous remaining life of the old debt. The Series 2005 Sanitary Sewer Bonds also provided \$3,500,000 to be used for system improvements and a debt service reserve fund of \$343,593.

11. Long-Term Debt (Continued)

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, 2005:

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/05
		Defeased	Escrowed	
Waterworks System First Mortgage Revenue Bonds Series 1991	1996	\$ 19,090,000	\$ 20,726,104	\$ 14,470,000
Sewer System Improvement General Obligation Bonds	1998	7,800,000	8,317,677	3,000,000
Various Purpose Improvement Bonds, Series 1991	2001	1,265,000	1,330,320	690,000
Various Purpose Improvement Bonds, Series 1992	2001	10,785,000	11,869,971	6,015,000
Street Improvement Bonds, Series 1992	2001	1,940,000	2,135,164	400,000
Various Purpose Improvement Bonds, Series 1994	2001	15,825,000	18,761,930	8,880,000
Waterworks System Mortgage Revenue Bonds Series 1994	2003	19,405,000	20,820,490	17,930,000
Various Purpose Improvement Bonds, Series 1993	2005	5,555,000		5,555,000
Various Purpose Improvement Bonds, Series 1995-2	2005	3,855,000		3,855,000
Various Purpose Improvement Bonds, Series 1996	2005	2,600,000		2,600,000
Various Purpose Improvement Bonds, Series 1996-2	2005	7,900,000		7,900,000
Various Purpose Improvement Bonds, Series 1997	2005	11,960,000		11,960,000
Various Purpose Improvement Bonds, Series 1999	2005	14,310,000		14,310,000
Various Purpose Improvement Bonds, Series 2000	2005	14,265,000		14,265,000
		<u>60,445,000</u>	<u>40,208,751</u>	<u>60,445,000</u>
Sanitary Sewer System Revenue Bonds, Series 1996	2005	12,655,000		12,655,000
Sanitary Sewer System Revenue Bonds, Series 1997	2005	11,245,000		11,245,000
Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 1998	2005	6,165,000		6,165,000
		<u>30,065,000</u>	<u>30,839,036</u>	<u>30,065,000</u>
				<u><u>\$ 141,895,000</u></u>

11. Long-Term Debt (Continued)

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, 2005, the principal amount outstanding was \$14,556,070. 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, 2005.

During 2004, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of The Goodyear Tire & Rubber Company for the Summit County Port Authority Bonds, Series 2005B. As of December 31, 2005, the principal amount outstanding was \$2,750,000. The City believes that Goodyear Tire & Rubber Company 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, 2005.

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, 2005, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$770,000.

12. 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.

Unspent funds of approximately \$174,000 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, 2005. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

On July 27, 2005, the City issued \$32,065,000 in certificates of participation (Refunding Certificates of Participation, Series 2005 maturing on December 1, 2005 through 2016) with interest rates ranging from 3% to 5%. The net proceeds of \$33,661,685 (after payment of \$674,066 in underwriting fees, insurance and other issuance costs) was used to provide cash and purchase U.S. Treasury securities. The cash and securities were deposited in an irrevocable escrow account to provide for the future lease payments of the Certificates of Participation, Series 1996.

As a result, the above Series 1996 Certificates are considered to be defeased and the liability for these certificates has been removed from the financial statements. The City advance refunded these certificates to reduce its total lease payments for the refunding portion of the transaction over the next

12. Obligations Under Capitalized Leases (Continued)

11 years by approximately \$3,331,107 and to release the existing reserve fund to the City in the amount of \$3,961,231 and to obtain an economic gain (difference between the present values of the lease payments on the old and new obligation) of approximately \$3,042,110. The net difference between the reacquisition price and the carrying amount of the old obligation has been recorded as a component of deferred charges and is being amortized over the previous remaining life of the old obligation.

On September 14, 2005, the City issued \$31,940,000 in Certificates of Participation, Series 2005-A (Parking Facilities Project) maturing on December 1, 2006 through 2026 with interest rates ranging from 3.5% to 5%.

Unspent funds of approximately \$2.7 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, 2005. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

The City has defeased certain certificate 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 certificates on their scheduled due dates. Accordingly, the escrow accounts and the defeased certificates summarized below are not included in the accompanying financial statements at December 31, 2005:

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/05
		Defeased	Escrowed	
Certificates of Participation, Series 1996	2005	\$31,515,000	\$33,661,685	\$29,720,000

The City also has two other capital leases, one for computer hardware, software and licenses and another for emergency vehicle radio equipment. The cost of the computer lease agreement is \$928,919 and is included in the City's capital assets in the Management Information Systems Fund.

The cost of the radio equipment lease agreement is \$930,000 and is included in the City's capital assets in the Statement of Net Assets – Governmental Activities.

The following is a summary of the capital assets transactions for the year ended December 31, 2005:

	Governmental Activities		Internal Service
	COPS	Radio Equipment	Computer Equipment
Capital Lease at January 1, 2005	\$ 22,448,407	\$ 930,000	\$ 510,157
Additions	58,351,758	-	-
Retirements	<u>(22,448,407)</u>	<u>(258,719)</u>	<u>(201,006)</u>
Capital Lease at December 31, 2005	<u>\$ 58,351,758</u>	<u>\$ 671,281</u>	<u>\$ 309,151</u>

12. Obligations Under Capitalized Leases (Continued)

Future lease payments are as follows as of December 31, 2005:

Year	Governmental Activities			Internal Service
	COPS Stadium	COPS Parking	Radio Equipment	Computer Equipment
2006	\$ 2,922,250	\$ 2,845,779	\$ 258,719	\$ 201,006
2007	3,828,500	2,961,644	258,719	184,255
2008	3,831,000	2,928,244	258,719	-
2009	3,827,500	2,892,169	-	-
2010	3,828,000	2,865,219	-	-
2011-2015	19,152,750	13,744,294	-	-
2016-2020	3,827,250	11,650,869	-	-
2021-2025	-	505,613	-	-
Total lease payments	41,217,250	40,393,831	776,157	385,261
Less amount representing interest	10,272,250	12,987,073	104,876	76,110
Present value of lease payments	\$ 30,945,000	\$ 27,406,758	\$ 671,281	\$ 309,151
Net book value of leased assets *	\$ 24,356,516	\$ 47,704,202	\$ 651,000	\$ 2,786,757

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

13. 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 \$125,000,000 per occurrence, with a variety of deductibles beginning at \$100,000. Coverage is purchased on 1,212 vehicles for combined single-limit liability of \$1,000,000. There has been no significant reduction in coverage from the prior year, and 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.

13. Self-Insurance Funds (Continued)

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.

The claims liabilities of \$2,404,227, \$8,832,129 and \$647,300 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2005, 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 2004 and 2005 were:

	Beginning of Year Liability	Current Period Claims	Claim Payments	Balance at End of Year
<u>Medical Self-Insurance Fund</u>				
2004	\$ 2,411,658	\$ 17,947,754	\$ (18,643,564)	\$ 1,715,848
2005	1,715,848	20,942,712	(20,254,333)	2,404,227
<u>Workers' Compensation Reserve Fund</u>				
2004	7,967,992	1,398,870	(1,081,593)	8,285,269
2005	8,285,269	1,301,941	(755,081)	8,832,129
<u>Self-Insurance Settlement Fund</u>				
2004	753,937	156,636	(268,784)	641,789
2005	641,789	31,011	(25,500)	647,300

14. Long-term Liabilities

The City reports the following amounts relating to the government's long-term liabilities for the year ended December 31, 2005:

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
Governmental Activities:				
Governmental Funds:				
Accrued vacation and leave (Note 8)	\$ 38,632,163	\$ 16,041,900	\$ (15,759,373)	\$ 38,914,690
Due to other governments (Note 4)	12,105,000	138,000	(3,519,000)	8,724,000
Due to others	1,006,000	-	-	1,006,000
Total Governmental Funds	51,743,163	16,179,900	(19,278,373)	48,644,690
Internal Service Funds:				
Accrued vacation and leave (Note 8)	1,851,431	1,034,023	(1,011,456)	1,873,998
Estimated liability for unpaid claims	6,821,432	1,848,801	(1,999,879)	6,670,354
Total Internal Service Funds	8,672,863	2,882,824	(3,011,335)	8,544,352
Total Governmental Activities	60,416,026	19,062,724	(22,289,708)	57,189,042
Business-type Activities:				
Enterprise Funds:				
Water				
Accrued vacation and leave (Note 8)	3,048,160	1,392,430	(1,496,687)	2,943,903
Sewer				
Accrued vacation and leave (Note 8)	1,830,425	1,068,206	(1,223,372)	1,675,259
Due to other governments (Note 4)	456,850	-	(29,023)	427,827
Other Business-type Activities				
Accrued vacation and leave (Note 8)	324,913	91,946	(154,635)	262,224
Total Enterprise Funds/ Business-type Activities	5,660,348	2,552,582	(2,903,717)	5,309,213
Total	\$ 66,076,374	\$ 21,615,306	\$ (25,193,425)	\$ 62,498,255

The above liabilities are 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.

15. Compliance and Accountability

A. *Legal compliance*

The City incurred expenditures that were not individually appropriated, has deficit cash fund balances in certain funds, and certain funds had appropriations which exceeded the Official Certificate of Estimated Resources which are contrary to the Ohio Revised Code.

15. Compliance and Accountability (Continued)

B. *Deficit fund balances*

The following funds have fund balance deficits or net assets deficits at December 31, 2005:

Special Revenue Funds:

Street and Highway Maintenance	2,184,267
Community Development	863,785
Akron Metro. Area Transportation Study	49,869
Summer Lunch Program	124
K.A.B. Litter Control	9,482
Tax Equivalency	135,352
Police Grants	979,559
Various Domestic Violence	168,197
Health Grants	67,710
City Facilities Operating	2,594,512
Various Purpose Funding	2,212,389

Capital Project Funds:

Non-appropriated Capital Projects	2,199,027
Streets	13,428,753
Transportation	1,252,738
Parks and Recreation	957,105
Public Facilities and Improvements	1,016,212
Economic Development	3,486,059

Internal Service Funds:

Medical Self-Insurance	4,326,731
Workers' Compensation Reserve	6,467,272
Self-Insurance Settlement	1,221,770
Storeroom	11,826
Engineering Bureau	1,705,401
Management Information Systems	66,952

The special revenue funds that have deficit fund balances at year-end have incurred expenditures that have not yet received the revenue under federal or state grant agreements or as a reimbursement from other funds. The Community Development Fund requested grant draws are based on actual cash basis expenditures and the Various Purpose Funding Fund receives revenue from a variety of sources on a reimbursement basis.

The capital project 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 Economic Development Fund contains several large projects that will request grant funds, use shared revenues, receive charges for services, and issue bonds to cover the current deficit.

The internal service funds, that have deficit net assets balances at year-end, have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. The Workers' Compensation Reserve Fund has budgeted an increase in charges for services for 2006. 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

15. Compliance and Accountability (Continued)

Information Systems Fund has decreased more than \$.5 million from the prior year, and the remaining deficit 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.

16. Income Taxes

The City levies a tax at the rate of 2.25% 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.

On May 6, 2003, Akron voters increased the City's income tax rate from 2% to 2.25% which took effect January 1, 2004. However, the additional .25% increase is designated exclusively for funding the Akron Public Schools' local share in obtaining State of Ohio grants for the construction and renovation of community learning centers in Akron. Therefore, the additional .25% will not be distributed according to City Charter into both operation and capital improvement funds, as described below.

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.

17. 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 Fiscal Officer 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 Fiscal Officer 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).

17. Property Taxes (Continued)

The assessed value upon which the 2005 property tax was based aggregated \$3,201,596,000. The assessed value for 2005 (upon which the 2006 property tax will be based) is approximately \$3,355,119,000.

Under the current allocation method, the City's share was 1.030% (10.30 mills) of assessed value in 2005 for collection in 2006. 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).

The Fiscal Officer collects property taxes on behalf of all taxing districts in the County including the City of Akron and 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, 2005, including delinquencies from prior years, were 98.4% and 98.3%, respectively, of the current year tax levy.

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

18. 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. In accordance with the City of Akron's income tax increase, as of January 1, 2005, Copley, Coventry and Springfield's income tax rate increased to 2.25%. 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 City of Akron's income tax increase, as of January 1, 2006, Bath's income tax rate increased to 2.25%. As stated in 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 City of Akron's portion of it is \$1,641,194 and has been recorded in the Joint Economic Development District Fund as due to other governments. In addition, Bath Township receives an annual payment of \$250,000 for ten years from the City. The City has recorded the \$1,000,000 remaining balance as of December 31, 2005 due to Bath Township on the financial statements with \$250,000 as a current liability and a noncurrent liability of \$750,000.

On May 6, 2003, Akron voters increased the City's income tax rate from 2% to 2.25% to take effect for the City on January 1, 2004. The date the increase takes effect for Copley, Coventry and Springfield is January 1, 2005 and for Bath the increase takes effect January 1, 2006. The additional .25% increase is designated exclusively for funding the Akron Public Schools' local share in obtaining State of Ohio grants for the construction and renovation of community learning centers in Akron.

19. Transfers

For the year ended December 31, 2005 transfers presented in conformity with generally accepted accounting principles (GAAP) are listed in the following table. Interfund transfers are made to cover expenditures/expenses in various funds or to consolidate inactive funds.

	Transfers In				
	Transfers Out	General Fund	Other Governmental Funds	Other Enterprise Funds	Internal Service Funds
Governmental Activities:					
General Fund	\$ 6,900,007	\$ -	\$ 6,454,047	\$ 445,960	\$ -
Other Governmental Funds	<u>12,518,544</u>	<u>3,970,317</u>	<u>5,615,727</u>	<u>552,500</u>	<u>2,380,000</u>
	<u>\$ 19,418,551</u>	<u>\$ 3,970,317</u>	<u>\$ 12,069,774</u>	<u>\$ 998,460</u>	<u>\$ 2,380,000</u>

20. 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.

(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.

21. Closure and Post-Closure Care Costs

Pursuant to a ruling by the Ohio EPA, 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. As part of a 1998 agreement, the City agreed to use landfill facilities controlled by Akron Regional Landfill, Inc., (a subsidiary of Waste Management) for disposal of ninety percent of the refuse collected by the City's sanitation division.

On October 4, 2004, the City entered into an Agreement with the Summit/Akron Solid Waste Management Authority (Authority) implementing a \$1.20 per ton increase in the waste management generation fee by the Authority to help fund the closure and post-closure operations of the landfill.

22. Jointly Governed Organizations

Reported as a non-major special revenue fund in the City's CAFR, the Akron Metropolitan Area Transportation Study (AMATS) is an association of various local political subdivisions in the Akron area whose purpose is to develop and implement a comprehensive and continuing transportation plan for Summit, Portage and parts of Wayne County. The operations of AMATS are financed primarily by federal and state grants and local matching contributions. AMATS is staffed by employees of the City of Akron Department of Planning and Urban Development, and support functions are performed by various departments of the City. The City also makes all disbursements on behalf of AMATS and is reimbursed by the AMATS local share and grant funds. Most of AMATS' grant funds are deposited in a trust fund with Summit County (not included in the City's books), while some funds are deposited directly with the City of Akron.

The Akron/Summit Convention and Visitors' Bureau (Convention Center) was constructed by the City of Akron along with the County of Summit and the University of Akron, with the City paying approximately 26% of the construction costs. The Convention Center contains meeting rooms, an exhibit hall, and a large ballroom-banquet facility to accommodate a wide range of seminars, trade shows, and major community events.

23. Subsequent Event

On June 5, 2006 City Council passed ordinance number 289-2006 authorizing the issuance and sale of Waterworks System Mortgage Revenue Improvement and Refunding Bonds, Series 2006, 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 Refunding Bonds, Series 1996, and Waterworks System Mortgage Revenue Improvement Refunding Bonds, Series 1998, both previously issued by the City.

City of Akron, Ohio

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

For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 72,687,380	\$ 72,687,380	\$ 77,040,420
Investment earnings	850,000	850,000	1,100,000
Local government	13,277,833	12,711,576	14,441,557
Other revenue	36,163,346	35,430,676	27,945,978
Property taxes	20,353,804	20,520,217	20,217,823
State taxes	4,309,407	4,875,664	5,946,940
	<u>147,641,770</u>	<u>147,075,513</u>	<u>146,692,718</u>
Other sources:			
Previous year's encumbrances	3,038,866	3,038,866	3,038,866
	<u>3,038,866</u>	<u>3,038,866</u>	<u>3,038,866</u>
Total revenues and other sources	150,680,636	150,114,379	149,731,584
Expenditures and other uses			
Expenditures:			
General Governmental:			
Civil Service Commission:			
Wages/benefits	1,431,470	1,351,470	1,321,679
Other	123,426	121,426	88,830
	<u>1,554,896</u>	<u>1,472,896</u>	<u>1,410,509</u>
Finance:			
Administration:			
Wages/benefits	2,152,670	2,052,670	1,967,270
Other	5,832,425	6,464,525	6,205,784
	<u>7,985,095</u>	<u>8,517,195</u>	<u>8,173,054</u>
Law:			
Wages/benefits	3,049,290	3,061,290	3,057,639
Other	1,051,165	1,051,165	919,193
	<u>4,100,455</u>	<u>4,112,455</u>	<u>3,976,832</u>
Legislative:			
Wages/benefits	785,360	786,460	786,361
Other	216,696	247,696	221,782
	<u>1,002,056</u>	<u>1,034,156</u>	<u>1,008,143</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2005

(continued)

	Budgeted Amounts		
	Original	Final	Actual Amounts
Municipal Court - Clerk:			
Wages/benefits	\$ 2,627,190	\$ 2,627,190	\$ 2,627,170
Other	320,462	320,462	300,017
Capital outlay	44,460	44,460	44,230
	<u>2,992,112</u>	<u>2,992,112</u>	<u>2,971,417</u>
Municipal Court - Judges:			
Wages/benefits	2,986,700	2,916,700	2,788,030
Other	219,584	289,584	267,634
	<u>3,206,284</u>	<u>3,206,284</u>	<u>3,055,664</u>
Office of the Mayor:			
Wages/benefits	2,394,310	2,546,430	2,546,175
Other	395,936	455,936	440,486
Capital outlay	-	8,000	7,554
	<u>2,790,246</u>	<u>3,010,366</u>	<u>2,994,215</u>
Planning Administration:			
Wages/benefits	1,296,760	1,291,760	1,279,411
Other	209,297	204,297	160,268
	<u>1,506,057</u>	<u>1,496,057</u>	<u>1,439,679</u>
Public Health:			
Wages/benefits	6,242,540	6,282,540	6,200,573
Other	1,268,815	1,283,815	1,212,172
	<u>7,511,355</u>	<u>7,566,355</u>	<u>7,412,745</u>
Public Safety:			
Wages/benefits	7,888,070	7,858,070	7,831,299
Other	10,399,929	10,777,929	10,483,640
Capital outlay	13,867	13,867	13,808
	<u>18,301,866</u>	<u>18,649,866</u>	<u>18,328,747</u>
Public Service:			
Wages/benefits	13,143,670	13,138,670	13,121,765
Other	11,941,438	12,195,568	11,773,523
	<u>25,085,108</u>	<u>25,334,238</u>	<u>24,895,288</u>
Fire:			
Wages/benefits	24,262,800	24,862,800	24,724,684
Other	1,051,897	1,131,897	1,124,740
Capital outlay	25,600	25,600	22,717
	<u>25,340,297</u>	<u>26,020,297</u>	<u>25,872,141</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2005

(continued)

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Police:			
Wages/benefits	\$ 39,007,760	\$ 40,607,760	\$ 40,572,482
Other	4,192,550	4,417,550	4,384,493
	<u>43,200,310</u>	<u>45,025,310</u>	<u>44,956,975</u>
Total expenditures	144,576,137	148,437,587	146,495,409
Other uses:			
Transfer to Airport	220,090	165,960	165,960
Transfer to Mud Run Golf Course	288,000	288,000	280,000
Transfer to Highway Maintenance	1,900,000	1,900,000	1,900,030
	<u>2,408,090</u>	<u>2,353,960</u>	<u>2,345,990</u>
Total expenditures and other uses	<u>146,984,227</u>	<u>150,791,547</u>	<u>148,841,399</u>
Excess (deficiency) of revenues and other sources under expenditures and other uses	3,696,409	(677,168)	890,185
Fund balance, January 1, 2005	<u>1,799,143</u>	<u>1,799,143</u>	<u>1,799,143</u>
Fund balance, December 31, 2005	<u>\$ 5,495,552</u>	<u>\$ 1,121,975</u>	<u>\$ 2,689,328</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 12,540,470	\$ 12,540,470	\$ 12,423,221
Investment earnings	-	-	129,243
Miscellaneous revenue	64,098	64,098	2,205
	<u>12,604,568</u>	<u>12,604,568</u>	<u>12,554,669</u>
Other sources:			
Interfund transfers	-	-	4,375,851
Previous year's encumbrances	14,339	14,339	14,339
	<u>14,339</u>	<u>14,339</u>	<u>4,390,190</u>
Total revenues and other sources	12,618,907	12,618,907	16,944,859
Expenditures			
Finance:			
Other	<u>12,514,339</u>	<u>14,523,339</u>	<u>14,335,082</u>
Public Service:			
Wages/benefits	-	1,000	838
Other	-	490,000	284,285
Capital outlay	-	147,000	146,600
	<u>-</u>	<u>638,000</u>	<u>431,723</u>
Total expenditures	12,514,339	15,161,339	14,766,805
Excess (deficiency) of revenues and other sources over expenditures	104,568	(2,542,432)	2,178,054
Fund balance, January 1, 2005	<u>5,018,911</u>	<u>5,018,911</u>	<u>5,018,911</u>
Fund balance, December 31, 2005	<u>\$ 5,123,479</u>	<u>\$ 2,476,479</u>	<u>\$ 7,196,965</u>

City of Akron, Ohio

Notes to the Budgetary Comparison Schedule

General Fund and Community Learning Centers Fund

For the Year Ended December 31, 2005

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 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 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.

	<u>General Fund</u>	<u>Community Learning Center Fund</u>
Excess of revenues and other financing sources under expenditures and other financing uses (budgetary basis)	\$ 890,185	\$ 2,178,054
Adjustments:		
To adjust revenues for accruals	(2,017,104)	209,024
To adjust expenditures for accruals	(5,039,629)	4,277,733
To adjust for encumbrances	<u>2,981,651</u>	<u>40,121</u>
Net change in fund balance (GAAP basis)	<u><u>\$ (3,184,897)</u></u>	<u><u>\$ 6,704,932</u></u>

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**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 non-major Special Revenue Funds are:

To Account for Special Purposes:

Income Tax Collection	Joint Economic Development Districts
Emergency Medical Service	Akron Muni. Court Information System
Special Assessment	Canal Park Stadium COPs
Income Tax Capital Improvement	Off-Street Parking COPs
C.I.P. Operating	Public Health
Street and Highway Maintenance	Safety Programs
Street Assessment	City Facilities Operating
Tax Equivalency	Various Purpose Funding
E.D.A. Revolving Loans	Deposits

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

Community Development	H.O.M.E. Program
Air Pollution Control	K.A.B. Litter Control
Community Environment Grants	Police Grants
Akron Metro. Area Transportation Study	Various Domestic Violence
Summer Lunch Program	Health Grants

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. The non-major Debt Service Funds are as follows:

- General Bond Payment
- Debt Service Bond Payment
- Main Place Bond Payment
- Market Valley Urban Renewal Bond Payment
- Downtown Hotel 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). The non-major Capital Projects Funds are as follows:

To Account for Grant Revenue and Other Funding Sources:

Non-appropriated Capital Projects	Parks and Recreation
Road and Bridge Improvements	Public Facilities and Improvements
Streets	Public Parking
Information Technology and Improvements	Economic Development
Transportation	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	9,834,128	-	5,937,821	-	2,583,074	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	86,519	-	-	-	12,562	1,410
Due from other funds	3,847,563	71,057	513,350	4,394,730	-	-	4,220,143
Total assets	\$ 3,847,563	\$ 9,991,704	\$ 513,350	\$ 10,332,551	\$ -	\$ 2,595,636	\$ 4,221,553
Liabilities							
Accounts payable	\$ 105,160	\$ 51,996	\$ 18,170	\$ 226,810	\$ -	\$ 176,176	\$ 312,503
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	32,920	30,713	7,504	12,662	-	2,345,341	944,500
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	8,474,422	-	2,420,512	-	1,836,927	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	53,951	458,194	8,643	81,464	-	161,802	116,924
Accrued wages	54,239	233,190	8,223	26,826	-	227,658	149,856
Accrued vacation and leave	17,280	-	-	-	-	31,999	83,818
Total liabilities	263,550	9,248,515	42,540	2,768,274	-	4,779,903	1,607,601
Fund balances							
Fund balance:							
Reserved for encumbrances	115,494	157,637	14,797	209,184	1,387	113,734	23,058
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	33	13,613	-	39,167	-	5,349	91,429
Unreserved reported in special revenue funds	3,468,486	571,939	456,013	7,315,926	(1,387)	(2,303,350)	2,499,465
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	3,584,013	743,189	470,810	7,564,277	-	(2,184,267)	2,613,952
Total liabilities and fund balances	\$ 3,847,563	\$ 9,991,704	\$ 513,350	\$ 10,332,551	\$ -	\$ 2,595,636	\$ 4,221,553

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

Special Revenue Funds		Akron						K.A.B.
	Community Development	Air Pollution Control	Community Environment Grants	Metro. Area Transportation Study	Summer Lunch Program	H.O.M.E. Program	Litter Control	
Assets								
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Restricted cash and investments	-	-	-	-	-	-	-	
Receivables, net of allowances for uncollectibles	6,865	7,160	-	-	-	-	-	
Loans receivable	152,994	-	1,141,100	-	-	2,152,877	-	
Due from other governments	2,201,517	40,040	254,009	29,164	7,309	-	15,785	
Due from other funds	53,338	2,299,878	6,769	-	-	1,514,973	-	
Total assets	\$ 2,414,714	\$ 2,347,078	\$ 1,401,878	\$ 29,164	\$ 7,309	\$ 3,667,850	\$ 15,785	
Liabilities								
Accounts payable	\$ 325,992	\$ 9,088	\$ -	\$ 690	\$ -	\$ 52,225	\$ -	
Customer deposits	-	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	
Due to other funds	2,808,859	5,236	-	21,558	7,433	-	25,267	
Due to others	-	-	-	-	-	-	-	
Deferred grant revenue	-	-	-	-	-	770,508	-	
Deferred revenue	-	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	
Accrued liabilities	54,409	31,244	-	28,311	-	-	-	
Accrued wages	51,683	30,951	-	28,474	-	-	-	
Accrued vacation and leave	37,536	-	-	-	-	-	-	
Total liabilities	3,278,499	76,519	-	79,033	7,433	822,733	25,267	
Fund balances								
Fund balance:								
Reserved for encumbrances	362,747	13,659	397,519	33,867	-	503,411	-	
Reserved for loans receivable	152,994	-	1,141,100	-	-	2,152,877	-	
Unreserved designated for pre-encumbrances	87,654	90	-	648	-	-	-	
Unreserved reported in special revenue funds	(1,467,180)	2,256,810	(136,741)	(84,384)	(124)	188,829	(9,482)	
Unreserved reported in debt service funds	-	-	-	-	-	-	-	
Unreserved reported in capital project funds	-	-	-	-	-	-	-	
Total fund balances	(863,785)	2,270,559	1,401,878	(49,869)	(124)	2,845,117	(9,482)	
Total liabilities and fund balances	\$ 2,414,714	\$ 2,347,078	\$ 1,401,878	\$ 29,164	\$ 7,309	\$ 3,667,850	\$ 15,785	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

	Special Revenue Funds						
	Tax Equivalency	E.D.A. Revolving Loans	Joint Economic Development Districts	Akron Muni. Court Information System	Canal Park Stadium COPs	Off-Street Parking COPs	Public Health
Assets							
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	173,509	2,668,003	-
Receivables, net of allowances for uncollectibles	-	-	2,016,169	23,633	-	-	403
Loans receivable	42,521	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	4,381	-	9,615,851	353,667	-	-	777,058
Total assets	\$ 46,902	\$ 46,902	\$ 11,632,020	\$ 377,300	\$ 173,509	\$ 2,668,003	\$ 777,461
Liabilities							
Accounts payable	\$ 81,836	\$ -	\$ 256,656	\$ -	\$ -	\$ -	\$ 227
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	1,641,194	-	-	-	-
Due to other funds	53,516	-	271,831	7,249	-	-	3,945
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	612,606	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	206,992	-	-	-	13,369
Accrued wages	-	-	280	-	-	-	12,523
Accrued vacation and leave	-	-	-	-	-	-	-
Total liabilities	135,352	-	2,989,559	7,249	-	-	30,064
Fund balances							
Fund balance:							
Reserved for encumbrances	42,652	-	1,189,551	44,647	-	-	20,509
Reserved for loans receivable	-	42,521	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	14,318	-	-	20
Unreserved reported in special revenue funds	(178,004)	4,381	7,452,910	311,086	173,509	2,668,003	726,868
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	(135,352)	46,902	8,642,461	370,051	173,509	2,668,003	747,397
Total liabilities and fund balances	\$ -	\$ 46,902	\$ 11,632,020	\$ 377,300	\$ 173,509	\$ 2,668,003	\$ 777,461

City of Akron, Ohio
Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

	<u>Special Revenue Funds</u>							Deposits
	Police Grants	Various Domestic Violence	Safety Programs	Health Grants	City Facilities Operating	Various Purpose Funding	Deposits	
Assets								
Pooled cash and investments	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	52,268	-	51,645	-	21,393	-
Loans receivable	-	-	-	-	-	-	-	-
Due from other governments	10,762	42,257	-	-	-	-	-	-
Due from other funds	-	-	510,211	1,041,398	4,089	13,561	2,983,334	-
Total assets	\$ 10,762	\$ 42,257	\$ 562,479	\$ 1,041,398	\$ 55,734	\$ 13,561	\$ 3,004,727	\$ 3,004,727
Liabilities								
Accounts payable	-	104,816	10,820	434,205	276,864	23,494	51,517	648,701
Customer deposits	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	791,433	105,096	1,810	21,978	2,363,186	2,189,791	753,523	555,403
Due to others	-	-	-	-	-	-	-	-
Deferred grant revenue	189,378	-	400,442	510,612	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-	-
Accrued liabilities	6,786	542	-	70,496	5,064	6,622	942,591	-
Accrued wages	2,724	-	-	71,817	5,132	6,043	-	-
Accrued vacation and leave	-	-	-	-	-	-	-	-
Total liabilities	990,321	210,454	413,072	1,109,108	2,650,246	2,225,950	2,951,735	2,951,735
Fund balances								
Fund balance:								
Reserved for encumbrances	110,420	6,600	135,761	509,236	2,747,884	698,132	2,242,875	-
Reserved for loans receivable	-	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	17,423	-	17,499	3,962	283,260	17,040	-	-
Unreserved reported in special revenue funds	(1,107,402)	(174,797)	(3,853)	(580,908)	(5,625,656)	(2,927,561)	(2,189,883)	-
Unreserved reported in debt service funds	-	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-	-
Total fund balances	(979,559)	(168,197)	149,407	(67,710)	(2,594,512)	(2,212,389)	52,992	52,992
Total liabilities and fund balances	\$ 10,762	\$ 42,257	\$ 562,479	\$ 1,041,398	\$ 55,734	\$ 13,561	\$ 3,004,727	\$ 3,004,727

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

Debt Service Funds		Debt Service Bond Payment	Main Place Bond Payment	Market Valley Urban Renewal Bond Payment	Downtown Hotel Bond Payment	Non-Tax Revenue Bond Payment	Pension Obligation Refunding
Assets							
Pooled cash and investments	\$ 274,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	2,969,116	284,127	3,009	4	3,169,784	64,827
Receivables, net of allowances for uncollectibles	990,051	2,475	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	\$ 1,264,974	\$ 2,971,591	\$ 284,127	\$ 3,009	\$ 4	\$ 3,169,784	\$ 64,827
Liabilities							
Accounts payable	\$ 18,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	1,029	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	878,040	-	-	-	-	-	-
Matured bonds payable	-	205,000	-	-	-	-	-
Matured interest payable	-	51,131	-	-	-	-	-
Accrued liabilities	8,895	-	-	-	-	-	-
Accrued wages	7,734	-	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-
Total liabilities	913,840	256,131	-	-	-	-	-
Fund balances							
Fund balance:							
Reserved for encumbrances	2,721	-	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	84	-	-	-	-	-	-
Unreserved reported in special revenue funds	-	-	-	-	-	-	-
Unreserved reported in debt service funds	348,329	2,715,460	284,127	3,009	4	3,169,784	64,827
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	351,134	2,715,460	284,127	3,009	4	3,169,784	64,827
Total liabilities and fund balances	\$ 1,264,974	\$ 2,971,591	\$ 284,127	\$ 3,009	\$ 4	\$ 3,169,784	\$ 64,827

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

Capital Project Funds				
	Public Facilities and Improvements	Public Parking	Economic Development	Total
Assets				
Pooled cash and investments	\$ -	\$ 2,197,155	\$ -	\$ 8,549,271
Restricted cash and investments	-	-	-	13,960,218
Receivables, net of allowances for uncollectibles	-	-	354,444	23,021,510
Loans receivable	-	-	5,784,097	9,273,589
Due from other governments	-	-	-	4,150,739
Due from other funds	-	-	-	33,538,471
Total assets	\$ -	\$ 2,197,155	\$ 6,138,541	\$ 92,493,798
Liabilities				
Accounts payable	\$ 38,964	\$ -	\$ 280,474	\$ 3,058,887
Customer deposits	-	-	-	648,701
Due to other governments	-	-	4,310,000	5,951,194
Due to other funds	769,716	3,719	4,841,872	37,502,460
Due to others	-	-	-	555,403
Deferred grant revenue	-	-	-	1,870,940
Deferred revenue	-	-	-	15,182,979
Matured bonds payable	-	-	-	205,000
Accrued interest payable	-	-	-	51,131
Accrued liabilities	207,501	49,147	192,139	3,901,033
Accrued wages	31	-	115	920,554
Accrued vacation and leave	-	-	-	170,653
Total liabilities	1,016,212	52,866	9,624,600	70,018,935
Fund balances				
Fund balance:				
Reserved for encumbrances	1,221,132	98,914	7,175,651	26,043,240
Reserved for loans receivable	-	-	5,784,097	9,273,589
Unreserved designated for pre-encumbrances	-	-	1,500	1,257,770
Unreserved reported in special revenue funds	-	-	-	11,303,513
Unreserved reported in debt service funds	-	-	-	11,213,379
Unreserved reported in capital project funds	(2,237,344)	2,045,375	(16,447,307)	(36,616,628)
Total fund balances	(1,016,212)	2,144,289	(3,486,059)	22,474,863
Total liabilities and fund balances	\$ -	\$ 2,197,155	\$ 6,138,541	\$ 92,493,798

City of Akron, Ohio

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

Year Ended December 31, 2005

	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	\$ 7,075,295	\$ -	\$ -	\$ 28,022,704	\$ -	\$ -	\$ -
Property taxes	-	7,193,361	-	-	-	-	-
JEDD revenues	90,600	-	-	500,000	-	-	-
Special assessments	75	-	1,007,721	-	-	41,802	7,063,469
Grants and subsidies:							
Community development	-	-	-	-	-	-	-
Other	-	86,519	-	233,973	-	10,208	-
Investment earnings	-	64,126	-	-	-	-	-
Shared revenues	-	2,051,268	-	-	-	4,637,365	-
Licenses, fees and fines	-	-	-	-	-	49,230	-
Charges for services	156,591	1,776,035	-	-	-	1,755,389	58,115
Miscellaneous	6,615	2,669	106	528,101	-	92,883	41,747
	7,329,176	11,173,978	1,007,827	29,284,778	-	6,586,877	7,163,331
Expenditures							
Current:							
General government	4,731,453	-	1,042,802	22,373	-	-	-
Public service	-	-	-	2,788,277	-	8,551,288	9,246,867
Public safety	-	11,628,029	-	168,397	-	1,090,858	-
Community environment	28	-	-	1,042,316	-	-	-
Public health	-	-	-	-	-	-	-
Recreation and parks	-	-	-	38,719	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal Retirement	-	-	-	21,715,571	-	46,160	18,221
Interest	-	-	-	1,434,740	-	8,219	3,244
Bond issuance expenditures	-	-	-	-	-	-	-
	4,731,481	11,628,029	1,042,802	27,210,393	-	9,696,525	9,268,332
Excess (deficiency) of revenues over expenditures	2,597,695	(454,051)	(34,975)	2,074,385	-	(3,109,648)	(2,105,001)
Other financing sources (uses)							
Issuance of general obligation bonds	-	-	-	999,000	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-
Issuance of refunding obligations	-	-	-	-	-	-	-
Payment for refund obligations	-	-	-	-	-	-	-
Transfers-in	-	70,000	-	5,615,727	-	1,900,030	-
Transfers-out	-	70,000	-	6,614,727	(5,615,727)	1,900,030	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,597,695	(384,051)	(34,975)	8,689,112	(5,615,727)	(1,209,618)	(2,105,001)
Fund balances (deficits), January 1, 2005	986,318	1,127,240	505,785	(1,124,835)	5,615,727	(974,649)	4,718,953
Fund balances (deficits), December 31, 2005	\$ 3,584,013	\$ 743,189	\$ 470,810	\$ 7,564,277	\$ -	\$ (2,184,267)	\$ 2,613,952

City of Akron, Ohio

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

Year Ended December 31, 2005
(continued)

	Special Revenue Funds						
	Community Development	Air Pollution Control	Community Environment Grants	Akron Metro. Area Transportation Study	Summer Lunch Program	H.O.M.E. Program	K.A.B. Litter Control
Revenues							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	46,042	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:							
Community development	7,918,503	-	432,089	-	-	2,529,886	-
Other	-	648,789	231,759	1,179,008	145,860	46,227	78,925
Investment earnings	-	-	16,124	-	-	-	-
Shared revenues	-	-	-	-	-	-	-
Licenses, fees and fines	213,687	147,136	1,644	-	-	69,234	-
Charges for services	760	774,728	-	112,419	-	-	-
Miscellaneous	343,052	5	168,018	-	-	195,789	1,099
	8,522,044	1,570,658	849,634	1,291,427	145,860	2,841,136	80,024
Expenditures							
Current:							
General government	-	44	-	-	-	-	-
Public service	-	-	-	-	5,376	-	-
Public safety	-	-	-	-	-	-	-
Community environment	8,628,659	-	788,893	1,375,489	-	1,978,154	83,659
Public health	155,941	1,447,265	-	28	-	-	-
Recreation and parks	-	-	-	-	139,865	-	-
Capital outlay	13,978	-	-	-	-	-	-
Debt service:							
Principal Retirement	52,532	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	-	-	-
	8,851,110	1,447,309	788,893	1,375,517	145,241	1,978,154	83,659
Excess (deficiency) of revenues over expenditures	(329,066)	123,349	60,741	(84,090)	619	862,982	(3,635)
Other financing sources (uses)							
Issuance of general obligation bonds	-	-	-	-	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-
Issuance of refunding obligations	-	-	-	-	-	-	-
Payment for refund obligations	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	31,570
Transfers-out	-	-	-	-	-	-	-
	-	-	-	-	-	-	31,570
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(329,066)	123,349	60,741	(84,090)	619	862,982	27,955
Fund balances (deficits), January 1, 2005	(534,719)	2,147,210	1,341,137	34,221	(743)	1,982,135	(37,417)
Fund balances (deficits), December 31, 2005	(863,785)	2,270,559	1,401,878	(49,869)	(124)	2,845,117	(9,482)

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds

Year Ended December 31, 2005
 (continued)

Special Revenue Funds		E.D.A. Revolving Loans	Joint Economic Development Districts	Akron Muni. Court Information System	Canal Park Stadium COPs	Off-Street Parking COPs	Public Health
Tax Equivalency	\$	\$	\$	\$	\$	\$	\$
Revenues							
Income taxes	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-
JEDD revenues	-	12,667,013	-	-	-	-	-
Special assessments	-	-	-	-	-	-	72,846
Grants and subsidies:							
Community development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	48,320	19,521	-
Shared revenues	329,809	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	252,953	-	-	163,167
Charges for services	-	529,154	-	-	-	-	520,938
Miscellaneous	83,744	206,353	-	-	2,850,074	-	16,469
	413,553	13,402,520	252,953	252,953	2,898,394	19,521	773,420
Expenditures							
Current:							
General government	19,260	-	6,944,288	480,506	6,915	-	-
Public service	569,185	-	2,738,027	-	-	-	-
Public safety	-	-	-	-	-	-	-
Community environment	22,721	-	54,748	-	-	-	-
Public health	-	-	60,553	-	-	-	778,421
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	23,151	-	-	-	-	-	-
Debt service:							
Principal Retirement	38,537	-	2,195,315	-	-	-	-
Interest	146,482	1,686	2,566,710	-	2,851,903	-	-
Bond issuance expenditures	-	-	-	-	674,066	-	-
	819,336	1,686	14,559,641	480,506	3,532,884	-	778,421
	(405,783)	(1,686)	(1,157,121)	(227,553)	(634,490)	19,521	(5,001)
Other financing sources (uses)							
Issuance of general obligation bonds	-	-	860,000	-	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	2,270,751	-	-
Issuance of refunding obligations	-	-	-	-	32,065,000	2,648,482	-
Payment for refund obligations	-	-	-	-	(33,661,685)	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	-	860,000	-	(3,961,231)	-	-
	-	-	860,000	-	(3,287,165)	2,648,482	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(405,783)	(1,686)	(297,121)	(227,553)	(3,921,655)	2,668,003	(5,001)
Fund balances (deficits), January 1, 2005	270,431	48,588	8,939,582	597,604	4,095,164	-	752,398
Fund balances (deficits), December 31, 2005	(135,352)	46,902	8,642,461	370,051	173,509	2,668,003	747,397

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds

Year Ended December 31, 2005
 (continued)

Special Revenue Funds									
	Police Grants	Various Domestic Violence	Safety Programs	Health Grants	City Facilities Operating	Various Purpose Funding	Deposits		
Revenues	\$ -	\$ -	\$ -	\$ -	\$ 265,217	\$ -	\$ -		
Income taxes	-	-	-	-	-	-	-		
Property taxes	-	-	-	-	-	-	-		
JEDD revenues	-	-	-	-	-	-	-		
Special assessments	-	-	-	-	446,016	-	-		
Grants and subsidies:									
Community development	-	-	-	784,789	-	45,000	-		
Other	450,231	87,257	93,833	4,222,973	-	-	-		
Investment earnings	-	-	15,265	203	-	13,561	270,770		
Shared revenues	-	-	-	-	214,306	-	-		
Licenses, fees and fines	-	-	135,002	11,560	558,865	-	52,706		
Charges for services	104,607	-	269,837	831,112	391,253	554,405	-		
Miscellaneous	-	-	353,812	23,191	454,506	349,464	1,373,152		
	554,838	87,257	867,749	5,873,828	2,330,163	962,430	1,696,628		
Expenditures									
Current:									
General government	-	246,898	6,912	184	148,723	127,416	984,932		
Public service	-	-	152	3,055	3,571,329	173,702	709		
Public safety	673,752	-	374,119	-	781,130	-	-		
Community environment	-	-	-	-	301,181	227,152	4,360		
Public health	-	-	-	5,869,097	143,286	-	-		
Recreation and parks	-	-	-	-	436,855	581,866	-		
Capital outlay	-	-	-	-	61,817	-	-		
Debt service:									
Principal Retirement	-	-	13,128	-	-	-	-		
Interest	-	-	2,338	-	-	-	-		
Bond issuance expenditures	-	-	-	-	-	-	-		
	673,752	246,898	396,649	5,872,336	5,444,321	1,110,136	990,001		
Excess (deficiency) of revenues over expenditures	(118,914)	(159,641)	471,100	1,492	(3,114,158)	(147,706)	706,627		
Other financing sources (uses)									
Issuance of general obligation bonds	-	-	-	-	1,195,000	-	-		
Issuance of general obligation notes	-	-	-	-	-	-	-		
Premium on G.O. Debt	-	-	-	-	-	-	-		
Issuance of refunding obligations	-	-	-	-	-	-	-		
Payment for refund obligations	-	-	-	-	-	-	-		
Transfers-in	250,000	82,130	3,742	-	155,344	-	-		
Transfers-out	(3,742)	-	-	-	-	-	-		
	246,258	82,130	3,742	-	1,350,344	-	-		
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	127,344	(77,511)	474,842	1,492	(1,763,814)	(147,706)	706,627		
Fund balances (deficits), January 1, 2005	(1,106,903)	(90,686)	(325,435)	(69,202)	(830,698)	(2,064,683)	(653,635)		
Fund balances (deficits), December 31, 2005	\$ (979,559)	\$ (168,197)	\$ 149,407	\$ (67,710)	\$ (2,594,512)	\$ (2,212,389)	\$ 52,992		

City of Akron, Ohio

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

Year Ended December 31, 2005

(continued)

	Debt Service Funds							
	General Bond Payment	Debt Service Bond Payment	Main Place Bond Payment	Market Valley Urban Renewal Bond Payment	Downtown Hotel Bond Payment	Non-Tax Revenue Bond Payment	Pension Obligation Refunding	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	40,283	1,832,616	238,924	-	-	-	706,962	-
Property taxes	-	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investment earnings	-	261,746	10,399	-	-	67,220	11,721	-
Shared revenues	383,586	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	246,265	-	-	-	-	-	-
	423,669	2,340,627	249,323	-	-	67,220	718,683	-
Expenditures								
Current:	421,495	284,610	-	-	-	2,500	-	-
General government	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:	-	-	249,402	-	-	-	295,000	-
Principal Retirement	-	26,516	-	-	-	-	411,963	-
Interest	-	1,541,358	-	-	-	-	-	-
Bond issuance expenditures	-	1,852,484	249,402	-	-	2,500	706,963	-
	421,495	488,143	(79)	-	-	64,720	11,720	-
Excess (deficiency) of revenues over expenditures	2,174	(116,178)	(79)	-	-	64,720	11,720	-
Other financing sources (uses)								
Issuance of general obligation bonds	-	-	-	-	-	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-	-
Premium on G.O. Debt	-	5,018,344	-	-	-	-	-	-
Issuance of refunding obligations	-	60,521,518	-	-	-	-	-	-
Payment for refund obligations	-	(63,211,683)	-	-	-	-	-	-
Transfers-in	-	(2,932,500)	-	-	-	-	-	-
Transfers-out	-	(604,321)	-	-	-	-	-	-
	2,174	(116,178)	(79)	-	-	64,720	11,720	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	348,960	2,831,638	284,206	3,009	4	3,169,784	53,107	-
Fund balances (deficits), January 1, 2005	351,134	2,715,460	284,127	3,009	4	3,169,784	64,827	-
Fund balances (deficits), December 31, 2005								

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds

Year Ended December 31, 2005
 (continued)

	Debt Service Funds					Capital Project Funds				
	JEDD Bond Payment	Non-appropriated Capital Projects	Road and Bridge Improvements	Streets	Information Technology and Improvements	Transportation	Parks and Recreation			
Revenues	\$ -	\$ -	\$ -	\$ 18,966	\$ -	\$ -	\$ -			
Income taxes	-	-	-	-	-	-	-			
Property taxes	-	-	-	-	-	-	-			
JEDD revenues	-	-	-	-	-	-	-			
Special assessments	-	-	-	424,726	-	-	-			
Grants and subsidies:										
Community development	-	12,781	-	1,138,949	-	889,404	-			
Other	-	-	1,231,815	2,463,684	-	-	-			
Investment earnings	198,282	-	177,915	-	-	-	-			
Shared revenues	-	1,856,300	4,291,286	-	-	-	-			
Licenses, fees and fines	-	-	-	-	-	-	-			
Charges for services	-	-	-	1,038,007	-	-	-			
Miscellaneous	-	49,695	40,491	362,433	-	1,430	283,904			
	198,282	1,918,776	5,741,507	5,446,765	-	890,834	283,904			
Expenditures										
Current:										
General government	-	-	-	-	-	-	-			
Public service	-	3,109,905	3,512,196	16,676,333	757	2,619,645	1,572,744			
Public safety	-	-	-	-	-	-	-			
Community environment	-	-	-	9,950	-	-	-			
Public health	-	-	-	-	-	-	-			
Recreation and parks	-	-	-	-	-	-	1,220			
Capital outlay	-	13,927	-	-	-	5,154	-			
Debt service:										
Principal Retirement	14,265	-	-	-	-	-	-			
Interest	22,690	-	-	461,967	-	-	-			
Bond issuance expenditures	-	-	-	-	-	-	-			
	36,955	3,123,832	3,512,196	17,148,250	757	2,624,799	1,573,964			
	161,327	(1,205,056)	2,229,311	(11,701,485)	(757)	(1,733,965)	(1,290,060)			
Other financing sources (uses)										
Issuance of general obligation bonds	-	745,000	740,000	6,681,000	480,000	3,960,000	3,282,419			
Issuance of general obligation notes	-	-	-	1,115,300	-	-	-			
Premium on G.O. Debt	-	-	-	-	-	-	-			
Issuance of refunding obligations	-	-	-	-	-	-	-			
Payment for refund obligations	-	-	-	-	-	-	-			
Transfers-in	-	-	-	-	-	-	-			
Transfers-out	-	745,000	740,000	7,796,300	480,000	3,960,000	3,282,419			
	161,327	(460,056)	2,969,311	(3,905,185)	479,243	2,226,035	1,992,359			
Fund balances (deficits), January 1, 2005	4,466,512	(1,738,971)	3,376,160	(9,523,568)	(449,701)	(3,478,773)	(2,949,464)			
Fund balances (deficits), December 31, 2005	\$ 4,627,839	\$ (2,199,027)	\$ 6,345,471	\$ (13,428,753)	\$ 29,542	\$ (1,252,738)	\$ (957,105)			

City of Akron, Ohio

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

Year Ended December 31, 2005
(continued)

	Capital Project Funds				Total
	Public Facilities and Improvements	Public Parking	Economic Development		
Revenues					
Income taxes	\$ 16,169	\$ -	\$ -	\$ -	\$ 16,169
Property taxes	-	-	-	-	10,058,188
JEDD revenues	-	-	-	-	13,257,613
Special assessments	-	-	-	-	9,056,655
Grants and subsidies:					
Community development	-	-	-	-	12,861,997
Other	97,198	-	1,409,179	-	13,606,842
Investment earnings	-	-	101,088	-	1,276,261
Shared revenues	-	-	2,111,452	-	15,944,406
Licenses, fees and fines	-	-	-	-	1,585,950
Charges for services	-	-	-	-	8,873,350
Miscellaneous	386,478	-	1,270,950	-	9,732,495
	499,845	-	4,892,669	-	131,652,108
Expenditures					
Current:					
General government	-	-	312,326	-	15,783,637
Public service	3,480,929	2,404,963	5,445,953	-	66,471,392
Public safety	20,000	-	-	-	14,736,285
Community environment	-	-	423,145	-	14,940,455
Public health	-	-	-	-	8,454,591
Recreation and parks	-	-	-	-	1,198,525
Capital outlay	74,931	-	-	-	192,958
Debt service:					
Principal Retirement	335,000	-	444,707	-	25,417,838
Interest	14,237	-	390,748	-	8,343,443
Bond issuance expenditures	-	-	-	-	2,215,424
	3,925,097	2,404,963	7,016,879	-	157,754,548
	(3,425,252)	(2,404,963)	(2,124,210)		(26,102,440)
Other financing sources (uses)					
Issuance of general obligation bonds	3,660,000	6,120,000	21,638,000	-	50,360,419
Issuance of general obligation notes	-	-	-	-	1,115,300
Premium on G.O. Debt	-	-	-	-	7,289,095
Issuance of refunding obligations	-	-	-	-	95,235,000
Payment for refund obligations	-	-	-	-	(96,873,368)
Transfers-in	-	-	3,961,231	-	12,069,774
Transfers-out	-	-	(5,344)	-	(12,518,544)
	3,660,000	6,120,000	25,593,887	-	56,677,676
Excess (deficiency) of revenues over expenditures					
	234,748	3,715,037	23,469,677		30,575,236
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses					
	(1,250,960)	(1,570,748)	(26,955,736)		(8,100,373)
Fund balances (deficits), January 1, 2005					
	\$ (1,016,212)	\$ 2,144,289	\$ (3,486,059)		\$ 22,474,863

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Income Tax Collection Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 115,104,560	\$ 115,104,560	\$ 7,075,295
Miscellaneous	-	-	163,281
	<u>115,104,560</u>	<u>115,104,560</u>	<u>7,238,576</u>
Other sources:			
Previous year's encumbrances	92,225	92,225	92,225
Total revenues and other sources	115,196,785	115,196,785	7,330,801
Expenditures			
Expenditures:			
General Governmental:			
Taxation:			
Wages/benefits	2,174,080	2,174,080	2,056,967
Other	3,471,975	3,471,975	2,680,062
Total expenditures	5,646,055	5,646,055	4,737,029
Excess of revenues and other sources over expenditures	109,550,730	109,550,730	2,593,772
Fund balance, January 1, 2005	1,047,664	1,047,664	1,047,664
Fund balance, December 31, 2005	<u>\$ 110,598,394</u>	<u>\$ 110,598,394</u>	<u>\$ 3,641,436</u>

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

For the Year Ended December 31, 2005

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Property taxes	\$ 9,063,951	\$ 9,063,951	\$ 8,930,613
Miscellaneous	1,700,000	1,700,000	1,638,743
	<u>10,763,951</u>	<u>10,763,951</u>	<u>10,569,356</u>
Other sources:			
Other transfers in	-	-	70,000
Previous year's encumbrances	388,937	388,937	388,937
	<u>388,937</u>	<u>388,937</u>	<u>458,937</u>
Total other sources	<u>388,937</u>	<u>388,937</u>	<u>458,937</u>
Total revenues and other sources	11,152,888	11,152,888	11,028,293
Expenditures			
Expenditures:			
Public Safety:			
Emergency Medical Services:			
Wages/benefits	9,823,980	9,823,980	9,822,886
Other	2,087,318	2,087,318	1,563,396
Capital outlay	80,000	80,000	42,693
	<u>11,991,298</u>	<u>11,991,298</u>	<u>11,428,975</u>
Total expenditures	<u>11,991,298</u>	<u>11,991,298</u>	<u>11,428,975</u>
Deficiency of revenues and other sources over expenditures	(838,410)	(838,410)	(400,682)
Fund balance, January 1, 2005	<u>200,727</u>	<u>200,727</u>	<u>200,727</u>
Fund deficit, December 31, 2005	<u>\$ (637,683)</u>	<u>\$ (637,683)</u>	<u>\$ (199,955)</u>

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Special assessments	\$ 12,240,000	\$ 12,240,000	\$ 824,288
Other sources:			
Previous year's encumbrances	6,765	6,765	6,765
Total revenues and other sources	12,246,765	12,246,765	831,053
Expenditures			
Expenditures:			
General Governmental:			
Treasury:			
Wages/benefits	359,550	359,550	339,119
Other	720,655	720,655	700,315
Total expenditures	1,080,205	1,080,205	1,039,434
Excess (deficiency) of revenues and other sources over expenditures	11,166,560	11,166,560	(208,381)
Fund balance, January 1, 2005	523,393	523,393	523,393
Fund balance, December 31, 2005	<u>\$ 11,689,953</u>	<u>\$ 11,689,953</u>	<u>\$ 315,012</u>

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, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues			
Revenues:			
Property taxes	\$ 971,137	\$ 971,137	\$ 366,707
Total revenues	971,137	971,137	366,707
Expenditures			
Expenditures:			
Public Safety:			
Police:			
Other	365,500	367,300	367,222
Total expenditures	365,500	367,300	367,222
Excess (deficiency) of revenues over expenditures	605,637	603,837	(515)
Fund balance, January 1, 2005	10,844	10,844	10,844
Fund balance, December 31, 2005	\$ 616,481	\$ 614,681	\$ 10,329

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, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues			
Revenues:			
Property taxes	\$ 971,137	\$ 971,137	\$ 366,707
Total revenues	971,137	971,137	366,707
Expenditures			
Expenditures:			
Public Safety:			
Fire:			
Other	365,500	367,300	367,222
Total expenditures	365,500	367,300	367,222
Excess (deficiency) of revenues over expenditures	605,637	603,837	(515)
Fund balance, January 1, 2005	10,844	10,844	10,844
Fund balance, December 31, 2005	\$ 616,481	\$ 614,681	\$ 10,329

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Income Tax Capital Improvement Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 55,113,570	\$ 55,113,570	\$ 28,194,008
JEDD revenues	-	-	500,000
Governmental revenues	-	-	327,457
Miscellaneous	-	-	116,915
	<u>55,113,570</u>	<u>55,113,570</u>	<u>29,138,380</u>
Other sources:			
Note/Bond proceeds	-	-	1,459,000
Interfund transfers	-	-	460,000
Previous year's encumbrances	553,034	553,034	553,034
	<u>553,034</u>	<u>553,034</u>	<u>2,472,034</u>
Total revenues and other sources	55,666,604	55,666,604	31,610,414
Expenditures			
Expenditures:			
Community Environment:			
Planning and Urban Development:			
Wages/benefits	935,920	935,920	935,844
Other	30,205,788	30,205,788	25,038,196
Capital outlay	50,000	50,000	15,638
	<u>31,191,708</u>	<u>31,191,708</u>	<u>25,989,678</u>
Public Service:			
Wages/benefits	10,000	10,000	1,110
Other	2,103,617	2,103,617	1,744,286
Capital outlay	2,323,979	2,323,979	2,049,726
	<u>4,437,596</u>	<u>4,437,596</u>	<u>3,795,122</u>
Total expenditures	35,629,304	35,629,304	29,784,800
Excess of revenues and other sources over expenditures	20,037,300	20,037,300	1,825,614
Fund balance, January 1, 2005	<u>2,103,129</u>	<u>2,103,129</u>	<u>2,103,129</u>
Fund balance, December 31, 2005	<u>\$ 22,140,429</u>	<u>\$ 22,140,429</u>	<u>\$ 3,928,743</u>

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, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Gasoline tax	\$ 3,957,160	\$ 3,957,160	\$ 3,385,700
Motor vehicle license tax	1,374,070	1,374,070	1,196,181
Sales and service revenue	773,480	773,480	873,265
Transfer from State of Ohio	2,027,420	2,027,420	1,249,687
	<u>8,132,130</u>	<u>8,132,130</u>	<u>6,704,833</u>
Other sources:			
Other transfer in	1,900,000	1,900,000	1,900,030
Previous year's encumbrances	405,140	405,140	405,140
	<u>2,305,140</u>	<u>2,305,140</u>	<u>2,305,170</u>
Total other sources	2,305,140	2,305,140	2,305,170
Total revenues and other sources	10,437,270	10,437,270	9,010,003
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	5,134,100	5,204,100	5,188,751
Other	3,609,660	3,821,660	3,359,477
	<u>8,743,760</u>	<u>9,025,760</u>	<u>8,548,228</u>
Public Safety:			
Wages/benefits	868,800	868,800	820,069
Other	303,145	304,145	282,286
Capital outlay	3,825	3,825	3,825
	<u>1,175,770</u>	<u>1,176,770</u>	<u>1,106,180</u>
Total expenditures	9,919,530	10,202,530	9,654,408
Excess (deficiency) of revenues and other sources over expenditures	517,740	234,740	(644,405)
Fund deficit, January 1, 2005	<u>(1,576,237)</u>	<u>(1,576,237)</u>	<u>(1,576,237)</u>
Fund deficit, December 31, 2005	<u>\$ (1,058,497)</u>	<u>\$ (1,341,497)</u>	<u>\$ (2,220,642)</u>

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Special assessments	\$ 7,649,460	\$ 7,649,460	\$ 7,063,469
Miscellaneous	82,140	82,140	99,862
	<u>7,731,600</u>	<u>7,731,600</u>	<u>7,163,331</u>
Other sources:			
Previous year's encumbrances	<u>2,682,742</u>	<u>2,682,742</u>	<u>2,682,742</u>
Total revenues and other sources	10,414,342	10,414,342	9,846,073
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	2,791,000	2,901,000	2,902,666
Other	7,913,132	7,803,132	6,178,976
	<u>10,704,132</u>	<u>10,704,132</u>	<u>9,081,642</u>
Total expenditures	10,704,132	10,704,132	9,081,642
Excess (deficiency) of revenues and other sources over expenditures	(289,790)	(289,790)	764,431
Fund balance, January 1, 2005	<u>3,117,375</u>	<u>3,117,375</u>	<u>3,117,375</u>
Fund balance, December 31, 2005	<u>\$ 2,827,585</u>	<u>\$ 2,827,585</u>	<u>\$ 3,881,806</u>

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, 2005

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Licenses and permits	\$ 131,570	\$ 131,570	\$ 213,687
Governmental revenue	8,964,890	8,964,890	7,997,032
Miscellaneous revenue	301,060	301,060	495,737
	<u>9,397,520</u>	<u>9,397,520</u>	<u>8,706,456</u>
Other sources:			
Interfund transfers	200,680	200,680	266,313
Previous year's encumbrances	672,618	672,618	672,618
	<u>873,298</u>	<u>873,298</u>	<u>938,931</u>
Total revenues and other sources	10,270,818	10,270,818	9,645,387
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	10,000	10,000	-
Other	8,974,409	8,699,409	7,039,933
Capital Outlay	50,500	325,500	324,706
	<u>9,034,909</u>	<u>9,034,909</u>	<u>7,364,639</u>
Planning and Urban Development:			
Wages/benefits	2,371,280	2,371,280	2,264,846
Other	4,012,869	4,012,869	490,632
	<u>6,384,149</u>	<u>6,384,149</u>	<u>2,755,478</u>
Public Health:			
Wages/benefits	102,960	102,960	82,649
Other	54,980	54,980	51,994
	<u>157,940</u>	<u>157,940</u>	<u>134,643</u>
Total expenditures	15,576,998	15,576,998	10,254,760
Deficiency of revenues and other sources over expenditures	(5,306,180)	(5,306,180)	(609,373)
Fund deficit, January 1, 2005	<u>(2,668,552)</u>	<u>(2,668,552)</u>	<u>(2,668,552)</u>
Fund deficit, December 31, 2005	<u>\$ (7,974,732)</u>	<u>\$ (7,974,732)</u>	<u>\$ (3,277,925)</u>

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Federal grant	\$ 303,080	\$ 303,080	\$ 284,126
Local emmission/asbestos fees	151,660	151,660	139,976
Other revenue	1,796	1,796	1,604
State general revenue	104,380	104,380	300,588
State permit fees	771,490	771,490	828,782
	<u>1,332,406</u>	<u>1,332,406</u>	<u>1,555,076</u>
Other sources:			
Interfund transfers	-	-	408,142
Previous year's encumbrances	10,319	10,319	10,319
	<u>10,319</u>	<u>10,319</u>	<u>418,461</u>
Total revenues and other sources	1,342,725	1,342,725	1,973,537
Expenditures			
Expenditures:			
Public Health:			
Wages/benefits	1,158,540	1,158,540	1,147,888
Other	671,769	707,769	680,294
			<u>680,294</u>
Total expenditures	1,830,309	1,866,309	1,828,182
Excess (deficiency) of revenues and other sources over expenditures	(487,584)	(523,584)	145,355
Fund balance, January 1, 2005	2,140,771	2,140,771	2,140,771
			<u>2,140,771</u>
Fund balance, December 31, 2005	<u>\$ 1,653,187</u>	<u>\$ 1,617,187</u>	<u>\$ 2,286,126</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Community Environment Grants Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Governmental revenue	\$ 258,750	\$ 258,750	\$ 765,164
Miscellaneous revenue	26,250	26,250	228,997
	<u>285,000</u>	<u>285,000</u>	<u>994,161</u>
Other sources:			
Previous year's encumbrances	570,666	570,666	570,666
	<u>570,666</u>	<u>570,666</u>	<u>570,666</u>
Total revenues and other sources	855,666	855,666	1,564,827
Expenditures			
Expenditures:			
Public Service:			
Other	791,809	1,316,809	1,224,036
	<u>791,809</u>	<u>1,316,809</u>	<u>1,224,036</u>
Planning and Urban Development:			
Other	428,857	473,857	364,724
	<u>428,857</u>	<u>473,857</u>	<u>364,724</u>
Total expenditures	1,220,666	1,790,666	1,588,760
Deficiency of revenues and other sources over expenditures	(365,000)	(935,000)	(23,933)
Fund deficit, January 1, 2005	<u>(366,818)</u>	<u>(366,818)</u>	<u>(366,818)</u>
Fund deficit, December 31, 2005	<u>\$ (731,818)</u>	<u>\$ (1,301,818)</u>	<u>\$ (390,751)</u>

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, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Grants and subsidies	\$ 1,335,020	\$ 1,335,020	\$ 1,258,925
Miscellaneous	9,340	9,340	8,386
	<u>1,344,360</u>	<u>1,344,360</u>	<u>1,267,311</u>
Other sources:			
Previous year's encumbrances	20,483	20,483	20,483
Total revenues and other sources	1,364,843	1,364,843	1,287,794
Expenditures			
Expenditures:			
Community Environment:			
AMATS:			
Wages/benefits	1,154,800	1,154,800	1,005,191
Other	317,233	317,233	262,298
Total expenditures	1,472,033	1,472,033	1,267,489
Excess (deficiency) of revenues and other sources over expenditures	(107,190)	(107,190)	20,305
Fund deficit, January 1, 2005	(68,461)	(68,461)	(68,461)
Fund deficit, December 31, 2005	<u>\$ (175,651)</u>	<u>\$ (175,651)</u>	<u>\$ (48,156)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Summer Lunch Program Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Service revenue	117,250	117,250	140,326
Total revenues	117,250	117,250	140,326
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	25,310	35,310	30,877
Other	72,800	152,800	114,984
Total expenditures	98,110	188,110	145,861
Excess (deficiency) of revenues and other sources over expenditures	19,140	(70,860)	(5,535)
Fund deficit, January 1, 2005	(1,775)	(1,775)	(1,775)
Fund balance (deficit), December 31, 2005	\$ 17,365	\$ (72,635)	\$ (7,310)

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
H.O.M.E. Program Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenue	\$ 1,199,390	\$ 1,199,390	\$ 2,422,239
Miscellaneous revenue	315,470	315,470	211,304
	<u>1,514,860</u>	<u>1,514,860</u>	<u>2,633,543</u>
Other sources:			
Interfund transfers	180,140	180,140	299,376
Previous year's encumbrances	866,733	866,733	866,733
	<u>1,046,873</u>	<u>1,046,873</u>	<u>1,166,109</u>
Total revenues and other sources	2,561,733	2,561,733	3,799,652
Expenditures			
Expenditures:			
Public Service:			
Other	2,616,733	3,966,733	3,949,088
Total expenditures	2,616,733	3,966,733	3,949,088
Deficiency of revenues and other sources over expenditures	(55,000)	(1,405,000)	(149,436)
Fund balance, January 1, 2005	<u>1,125,994</u>	<u>1,125,994</u>	<u>1,125,994</u>
Fund balance (deficit), December 31, 2005	<u>\$ 1,070,994</u>	<u>\$ (279,006)</u>	<u>\$ 976,558</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
K.A.B. Litter Control Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenue	\$ 93,810	\$ 93,810	\$ 68,045
Miscellaneous revenue	3,190	3,190	1,099
	<u>97,000</u>	<u>97,000</u>	<u>69,144</u>
Other sources:			
Interfund transfers	-	-	31,570
	<u>-</u>	<u>-</u>	<u>31,570</u>
Total revenues and other sources	97,000	97,000	100,714
Expenditures			
Expenditures:			
Public Service:			
Other	130,000	130,000	83,874
	<u>130,000</u>	<u>130,000</u>	<u>83,874</u>
Total expenditures	130,000	130,000	83,874
Excess (deficiency) of revenues and other sources over expenditures	(33,000)	(33,000)	16,840
Fund deficit, January 1, 2005	<u>(42,018)</u>	<u>(42,018)</u>	<u>(42,018)</u>
Fund deficit, December 31, 2005	<u>\$ (75,018)</u>	<u>\$ (75,018)</u>	<u>\$ (25,178)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Tax Equivalency Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Taxes and assessments	\$ 436,600	\$ 436,600	\$ 329,809
Miscellaneous revenue	113,400	113,400	83,744
	<u>550,000</u>	<u>550,000</u>	<u>413,553</u>
Other sources:			
Previous year's encumbrances	539,000	539,000	539,000
	<u>539,000</u>	<u>539,000</u>	<u>539,000</u>
Total revenues and other sources	1,089,000	1,089,000	952,553
Expenditures			
Expenditures:			
Public Service:			
Other	713,552	713,552	549,974
	<u>713,552</u>	<u>713,552</u>	<u>549,974</u>
Planning and Urban Development:			
Other	160,000	180,000	173,351
	<u>160,000</u>	<u>180,000</u>	<u>173,351</u>
Finance:			
Other	225,448	225,448	216,516
	<u>225,448</u>	<u>225,448</u>	<u>216,516</u>
Total expenditures	1,099,000	1,119,000	939,841
Excess (deficiency) of revenues and other sources over expenditures	(10,000)	(30,000)	12,712
Fund deficit, January 1, 2005	<u>(181,029)</u>	<u>(181,029)</u>	<u>(181,029)</u>
Fund deficit, December 31, 2005	<u>\$ (191,029)</u>	<u>\$ (211,029)</u>	<u>\$ (168,317)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
E.D.A. Revolving Loans Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues			
Revenues:			
Service revenue	\$ 28,000	\$ 28,000	\$ -
Total revenues	28,000	28,000	-
Expenditures			
Expenditures:			
Office of the Mayor			
Other	50,000	34,000	-
	50,000	34,000	-
Finance:			
Other	-	16,000	15,869
	-	16,000	15,869
Total expenditures	50,000	50,000	15,869
Deficiency of revenues over expenditures	(22,000)	(22,000)	(15,869)
Fund balance, January 1, 2005	20,249	20,249	20,249
Fund balance (deficit), December 31, 2005	\$ (1,751)	\$ (1,751)	\$ 4,380

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Joint Economic Development Districts Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
JEDD revenue	\$ 14,070,260	\$ 14,070,260	\$ 12,539,709
Governmental revenue	-	-	60,331
Service revenue	1,187,470	1,187,470	515,415
Miscellaneous revenue	828,190	828,190	206,353
	<u>16,085,920</u>	<u>16,085,920</u>	<u>13,321,808</u>
Other sources:			
Note/Bond proceeds	-	-	860,000
Interfund transfers	2,914,080	2,914,080	1,500,000
Previous year's encumbrances	1,766,908	1,766,908	1,766,908
	<u>4,680,988</u>	<u>4,680,988</u>	<u>4,126,908</u>
Total revenues	20,766,908	20,766,908	17,448,716
Expenditures and other uses			
Expenditures:			
Public Service:			
Wages/benefits	2,000	12,000	3,254
Other	1,928,519	1,918,519	1,652,236
Capital Outlay	5,278,595	5,278,599	2,414,136
	<u>7,209,114</u>	<u>7,209,118</u>	<u>4,069,626</u>
Finance:			
Wages/benefits	-	10,000	62
Other	13,059,791	13,049,791	11,764,783
	<u>13,059,791</u>	<u>13,059,791</u>	<u>11,764,845</u>
Total expenditures	20,268,905	20,268,909	15,834,471
Excess of revenues and other sources over expenditures	498,003	497,999	1,614,245
Fund balance, January 1, 2005	6,772,597	6,772,597	6,772,597
Fund balance, December 31, 2005	<u>\$ 7,270,600</u>	<u>\$ 7,270,596</u>	<u>\$ 8,386,842</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Akron Municipal Court Information System Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Service revenue	\$ 200,000	\$ 200,000	\$ 236,429
Other sources:			
Previous year's encumbrances	52,417	52,417	52,417
Total revenues and other sources	252,417	252,417	288,846
Expenditures			
Expenditures:			
Court Clerk:			
Other	113,481	313,481	225,658
Judges:			
Other	168,086	468,086	306,778
Total expenditures	281,567	781,567	532,436
Deficiency of revenues and other sources over expenditures	(29,150)	(529,150)	(243,590)
Fund balance, January 1, 2005	538,291	538,291	538,291
Fund balance, December 31, 2005	\$ 509,141	\$ 9,141	\$ 294,701

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Police Grants Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Governmental revenue	\$ 612,270	\$ 612,270	\$ 1,733,346
Miscellaneous revenue	1,910	1,910	-
	<u>614,180</u>	<u>614,180</u>	<u>1,733,346</u>
Other sources:			
Interfund transfers	38,272	38,272	250,000
Previous year's encumbrances	244,842	244,842	244,842
	<u>283,114</u>	<u>283,114</u>	<u>494,842</u>
Total revenues and other sources	897,294	897,294	2,228,188
Expenditures			
Expenditures:			
Fire:			
Other	6,795	6,795	-
	<u>6,795</u>	<u>6,795</u>	<u>-</u>
Police:			
Wages/benefits	488,460	488,460	334,343
Other	867,007	867,007	502,443
	<u>1,355,467</u>	<u>1,355,467</u>	<u>836,786</u>
Total expenditures	1,362,262	1,362,262	836,786
Excess (deficiency) of revenues and other sources over expenditures	(464,968)	(464,968)	1,391,402
Fund deficit, January 1, 2005	<u>(2,310,679)</u>	<u>(2,310,679)</u>	<u>(2,310,679)</u>
Fund deficit, December 31, 2005	<u>\$ (2,775,647)</u>	<u>\$ (2,775,647)</u>	<u>\$ (919,277)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Various Domestic Violence Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Governmental revenue	\$ 52,940	\$ 52,940	\$ 76,552
Other sources:			
Interfund transfers	47,060	47,060	82,130
Previous year's encumbrances	81,625	81,625	81,625
	<u>128,685</u>	<u>128,685</u>	<u>163,755</u>
Total revenues and other sources	181,625	181,625	240,307
Expenditures			
Expenditures:			
Law:			
Wages/benefits	28,820	28,820	27,693
Other	177,955	177,955	116,165
	<u>206,775</u>	<u>206,775</u>	<u>143,858</u>
Total expenditures	206,775	206,775	143,858
Excess (deficiency) of revenues and other sources over expenditures	(25,150)	(25,150)	96,449
Fund deficit, January 1, 2005	<u>(207,532)</u>	<u>(207,532)</u>	<u>(207,532)</u>
Fund deficit, December 31, 2005	<u>\$ (232,682)</u>	<u>\$ (232,682)</u>	<u>\$ (111,083)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Safety Programs Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Investment earnings	\$ 8,700	\$ 8,700	\$ 6,516
Governmental revenue	627,310	627,310	249,007
Service revenue	96,970	96,970	200,661
Miscellaneous revenue	231,010	231,010	290,658
	<u>963,990</u>	<u>963,990</u>	<u>746,842</u>
Other sources:			
Interfund transfers	40,310	40,310	3,742
Previous year's encumbrances	161,950	161,950	161,950
	<u>202,260</u>	<u>202,260</u>	<u>165,692</u>
Total revenues and other sources	1,166,250	1,166,250	912,534
Expenditures			
Expenditures:			
Legislative:			
Other	25,000	25,000	6,938
Fire:			
Other	354,372	519,372	226,002
Capital Outlay	100,000	100,000	-
	<u>454,372</u>	<u>619,372</u>	<u>226,002</u>
Police:			
Wages/benefits	79,480	79,480	14
Other	329,678	329,678	273,567
Capital Outlay	-	50,600	50,590
	<u>409,158</u>	<u>459,758</u>	<u>324,171</u>
Total expenditures	888,530	1,104,130	557,111
Excess of revenues and other sources over expenditures	277,720	62,120	355,423
Fund deficit, January 1, 2005	(70,040)	(70,040)	(70,040)
Fund balance (deficit), December 31, 2005	<u>\$ 207,680</u>	<u>\$ (7,920)</u>	<u>\$ 285,383</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Health Grants Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Investment earnings	\$ 13,370	\$ 13,370	\$ 2,265
Licenses and permits	22,950	22,950	11,560
Governmental revenue	5,429,270	5,429,270	5,279,872
Service revenue	982,190	982,190	545,253
Miscellaneous revenue	98,560	98,560	80,077
	<u>6,546,340</u>	<u>6,546,340</u>	<u>5,919,027</u>
Other sources:			
Interfund transfers	458,980	458,980	27,730
Previous year's encumbrances	1,019,646	1,019,646	1,019,646
	<u>1,478,626</u>	<u>1,478,626</u>	<u>1,047,376</u>
Total revenues and other sources	8,024,966	8,024,966	6,966,403
Expenditures			
Expenditures:			
Public Health:			
Wages/benefits	2,584,260	2,584,260	2,557,247
Other	3,635,626	4,145,626	3,768,657
			<u>6,325,904</u>
Total expenditures	6,219,886	6,729,886	6,325,904
Excess of revenues and other sources over expenditures	1,805,080	1,295,080	640,499
Fund deficit, January 1, 2005	(391,748)	(391,748)	(391,748)
Fund balance, December 31, 2005	<u>\$ 1,413,332</u>	<u>\$ 903,332</u>	<u>\$ 248,751</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
City Facilities Operating Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 587,770	\$ 587,770	\$ 265,217
Taxes and assessments	497,580	497,580	665,672
Licenses and permits	100	100	527,737
Governmental revenue	173,050	173,050	182,984
Service revenue	194,870	194,870	196,035
Note/Bond proceeds	988,980	988,980	1,195,000
Miscellaneous revenue	2,334,650	2,334,650	1,352,932
	<u>4,777,000</u>	<u>4,777,000</u>	<u>4,385,577</u>
Other sources:			
Interfund transfers	1,611,230	1,611,230	1,184,888
Interfund service revenue	11,770	11,770	10,145
Previous year's encumbrances	4,077,543	4,077,543	4,077,543
	<u>5,700,543</u>	<u>5,700,543</u>	<u>5,272,576</u>
Total revenues and other sources	10,477,543	10,477,543	9,658,153
Expenditures			
Expenditures:			
Finance:			
Other	204,994	284,994	189,782
Office of the Mayor:			
Other	15,000	15,000	-
Planning and Urban Development:			
Other	15,000	15,000	13,685
Capital outlay	-	20,000	18,997
	<u>15,000</u>	<u>35,000</u>	<u>32,682</u>
Public Health:			
Other	224,088	204,088	197,198
Capital outlay	36,337	126,337	125,961
	<u>260,425</u>	<u>330,425</u>	<u>323,159</u>
Public Safety:			
Capital outlay	244,900	244,900	213,895
Public Service:			
Wages/benefits	179,829	189,829	187,168
Other	6,272,568	6,722,568	6,678,871
Capital outlay	2,352,109	2,777,109	2,718,972
	<u>8,804,506</u>	<u>9,689,506</u>	<u>9,585,011</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
City Facilities Operating Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005
(continued)

Fire:			
Capital outlay	470,945	810,945	789,661
	<hr/>		
Police:			
Capital outlay	255,562	715,562	715,356
	<hr/>		
Total expenditures	10,271,332	12,126,332	11,849,546
Excess (deficiency) of revenues and other sources over expenditures	206,211	(1,648,789)	(2,191,393)
Fund deficit, January 1, 2005	(3,193,646)	(3,193,646)	(3,193,646)
	<hr/>		
Fund deficit, December 31, 2005	\$ (2,987,435)	\$ (4,842,435)	\$ (5,385,039)
	<hr/> <hr/>		

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Various Purpose Funding Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 89,780	\$ 89,780	\$ -
Investment earnings	5,920	5,920	9,352
Governmental revenue	29,920	29,920	165,000
Service revenue	150,280	150,280	388,632
Miscellaneous revenue	684,860	684,860	349,464
	<u>960,760</u>	<u>960,760</u>	<u>912,448</u>
Other sources:			
Interfund transfers	24,904	24,904	98,166
Previous year's encumbrances	532,725	532,725	532,725
	<u>557,629</u>	<u>557,629</u>	<u>630,891</u>
Total revenues and other sources	1,518,389	1,518,389	1,543,339
Expenditures			
Expenditures:			
Finance:			
Other	5,000	5,000	-
Office of the Mayor:			
Other	326,472	326,472	226,472
Public Service:			
Wages/benefits	96,940	296,940	218,002
Other	1,472,843	1,472,843	1,448,106
Capital outlay	500,000	300,000	-
	<u>2,069,783</u>	<u>2,069,783</u>	<u>1,666,108</u>
Total expenditures	2,401,255	2,401,255	1,892,580
Deficiency of revenues and other sources over expenditures	(882,866)	(882,866)	(349,241)
Fund deficit, January 1, 2005	<u>(2,533,184)</u>	<u>(2,533,184)</u>	<u>(2,533,184)</u>
Fund deficit, December 31, 2005	<u>\$ (3,416,050)</u>	<u>\$ (3,416,050)</u>	<u>\$ (2,882,425)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Deposits Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Investment earnings	\$ 30,590	\$ 30,590	\$ 12,942
Licenses and permits	60,460	60,460	52,706
Miscellaneous revenue	789,290	789,290	1,357,029
	<u>880,340</u>	<u>880,340</u>	<u>1,422,677</u>
Other sources:			
Interfund transfers	145,679,113	145,679,113	1,936
Previous year's encumbrances	4,000	4,000	4,000
	<u>145,683,113</u>	<u>145,683,113</u>	<u>5,936</u>
Total revenues and other sources	146,563,453	146,563,453	1,428,613
Expenditures			
Expenditures:			
Finance:			
Other	142,541,000	142,541,000	1,413,502
Planning and Urban Development:			
Other	29,000	29,000	5,725
Public Service:			
Wages/benefits	10,000,000	10,000,000	-
Other	50,010,000	50,010,000	2,242,219
	<u>60,010,000</u>	<u>60,010,000</u>	<u>2,242,219</u>
Total expenditures	202,580,000	202,580,000	3,661,446
Deficiency of revenues and other sources over expenditures	(56,016,547)	(56,016,547)	(2,232,833)
Fund balance, January 1, 2005	2,973,293	2,973,293	2,973,293
Fund balance (deficit), December 31, 2005	<u>\$ (53,043,254)</u>	<u>\$ (53,043,254)</u>	<u>\$ 740,460</u>

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 928,463	\$ 928,463	\$ 391,103
Other sources:			
Previous year's encumbrances	3,338	3,338	3,338
Total revenues and other sources	931,801	931,801	394,441
Expenditures			
Expenditures:			
Finance:			
Wages/benefits	320,950	325,950	320,429
Other	95,898	95,898	91,790
Total expenditures	416,848	421,848	412,219
Excess (deficiency) of revenues and other sources over expenditures	514,953	509,953	(17,778)
Fund balance, January 1, 2005	289,898	289,898	289,898
Fund balance, December 31, 2005	\$ 804,851	\$ 799,851	\$ 272,120

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Non-appropriated Capital Projects Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 28,560	\$ 28,560	\$ -
Licenses and permits	6,740	6,740	-
Governmental revenue	42,630	42,630	-
Miscellaneous revenue	15,420	15,420	49,694
	<u>93,350</u>	<u>93,350</u>	<u>49,694</u>
Other sources:			
Note/Bond proceeds	378,950	378,950	745,000
Interfund transfers	72,165	72,165	12,781
Previous year's encumbrances	540,808	540,808	540,808
	<u>991,923</u>	<u>991,923</u>	<u>1,298,589</u>
Total revenues and other sources	1,085,273	1,085,273	1,348,283
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	20,000	20,000	-
Other	2,931,066	2,931,066	676,654
Capital outlay	489,743	489,743	798,578
	<u>3,440,809</u>	<u>3,440,809</u>	<u>1,475,232</u>
Total expenditures	3,440,809	3,440,809	1,475,232
Deficiency of revenues and other sources over expenditures	(2,355,536)	(2,355,536)	(126,949)
Fund deficit, January 1, 2005	<u>(2,227,106)</u>	<u>(2,227,106)</u>	<u>(2,227,106)</u>
Fund deficit, December 31, 2005	<u>\$ (4,582,642)</u>	<u>\$ (4,582,642)</u>	<u>\$ (2,354,055)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Road and Bridge Improvement Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 220,090	\$ 220,090	\$ -
Governmental revenue	5,425,360	5,425,360	5,981,660
Investment earnings	-	-	44,939
Note/Bond proceeds	-	-	740,000
Miscellaneous revenue	-	-	40,491
	<u>5,645,450</u>	<u>5,645,450</u>	<u>6,807,090</u>
Other sources:			
Previous year's encumbrances	<u>2,998,941</u>	<u>2,998,941</u>	<u>2,998,941</u>
Total revenues and other sources	8,644,391	8,644,391	9,806,031
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	20,000	20,000	18
Other	4,331,599	4,331,599	1,861,610
Capital outlay	<u>4,647,342</u>	<u>4,647,342</u>	<u>2,858,559</u>
Total expenditures	8,998,941	8,998,941	4,720,187
Excess (deficiency) of revenues and other sources over expenditures	(354,550)	(354,550)	5,085,844
Fund balance, January 1, 2005	<u>358,076</u>	<u>358,076</u>	<u>358,076</u>
Fund balance, December 31, 2005	<u>\$ 3,526</u>	<u>\$ 3,526</u>	<u>\$ 5,443,920</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Streets Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 657,040	\$ 657,040	\$ 18,966
Governmental revenue	8,377,070	8,377,070	2,378,439
Taxes and assessments	757,820	757,820	424,726
Miscellaneous revenue	538,490	538,490	536,037
	<u>10,330,420</u>	<u>10,330,420</u>	<u>3,358,168</u>
Other sources:			
Note/Bond proceeds	7,603,390	7,603,390	7,796,300
Interfund transfers	2,741,845	2,741,845	1,287,267
Previous year's encumbrances	6,447,599	6,447,599	6,447,599
	<u>16,792,834</u>	<u>16,792,834</u>	<u>15,531,166</u>
Total revenues and other sources	27,123,254	27,123,254	18,889,334
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	190,000	190,000	123,168
Other	7,306,124	8,806,124	8,765,893
Capital outlay	19,151,475	20,651,475	20,393,516
			<u>29,282,577</u>
Total expenditures	26,647,599	29,647,599	29,282,577
Excess (deficiency) of revenues and other sources over expenditures	475,655	(2,524,345)	(10,393,243)
Fund deficit, January 1, 2005	(10,943,963)	(10,943,963)	(10,943,963)
Fund deficit, December 31, 2005	<u>\$ (10,468,308)</u>	<u>\$ (13,468,308)</u>	<u>\$ (21,337,206)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Information Technology and Improvements Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Governmental revenue	\$ 85,710	\$ 85,710	\$ -
Other sources:			
Note/Bond proceeds	214,290	214,290	480,000
Previous year's encumbrances	28,600	28,600	28,600
	<u>242,890</u>	<u>242,890</u>	<u>508,600</u>
Total revenues and other sources	328,600	328,600	508,600
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	-	-	-
Other	800,000	800,000	100,795
Capital outlay	228,600	228,600	28,600
	<u>1,028,600</u>	<u>1,028,600</u>	<u>129,395</u>
Total expenditures	1,028,600	1,028,600	129,395
Excess (deficiency) of revenues and other sources over expenditures	(700,000)	(700,000)	379,205
Fund deficit, January 1, 2005	<u>(378,262)</u>	<u>(378,262)</u>	<u>(378,262)</u>
Fund balance (deficit), December 31, 2005	<u>\$ (1,078,262)</u>	<u>\$ (1,078,262)</u>	<u>\$ 943</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Transportation Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ 12,260	\$ 12,260	\$ -
Governmental revenue	2,363,970	2,363,970	917,042
Miscellaneous revenue	33,600	33,600	1,430
	<u>2,409,830</u>	<u>2,409,830</u>	<u>918,472</u>
Other sources:			
Note/Bond proceeds	3,352,170	3,352,170	3,960,000
Interfund transfers	83,987	83,987	-
Previous year's encumbrances	1,977,615	1,977,615	1,977,615
	<u>5,413,772</u>	<u>5,413,772</u>	<u>5,937,615</u>
Total revenues and other sources	7,823,602	7,823,602	6,856,087
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	20,000	20,000	18,301
Other	5,391,773	5,391,773	5,353,893
Capital outlay	2,065,842	2,065,842	415,412
	<u>7,477,615</u>	<u>7,477,615</u>	<u>5,787,606</u>
Total expenditures	7,477,615	7,477,615	5,787,606
Excess of revenues and other sources over expenditures	345,987	345,987	1,068,481
Fund deficit, January 1, 2005	<u>(4,193,141)</u>	<u>(4,193,141)</u>	<u>(4,193,141)</u>
Fund deficit, December 31, 2005	<u>\$ (3,847,154)</u>	<u>\$ (3,847,154)</u>	<u>\$ (3,124,660)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Parks and Recreation Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 14,080	\$ 14,080	\$ -
Governmental revenue	-	-	950,419
Miscellaneous revenue	461,714	461,714	283,904
	<u>475,794</u>	<u>475,794</u>	<u>1,234,323</u>
Other sources:			
Note/Bond proceeds	4,389,730	4,389,730	2,332,000
Previous year's encumbrances	583,882	583,882	583,882
	<u>4,973,612</u>	<u>4,973,612</u>	<u>2,915,882</u>
Total revenues and other sources	5,449,406	5,449,406	4,150,205
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	20,000	20,000	2,257
Other	6,053,507	6,053,507	3,923,028
Capital outlay	3,110,375	3,110,375	1,500,838
	<u>9,183,882</u>	<u>9,183,882</u>	<u>5,426,123</u>
Total expenditures	9,183,882	9,183,882	5,426,123
Deficiency of revenues and other sources over expenditures	(3,734,476)	(3,734,476)	(1,275,918)
Fund deficit, January 1, 2005	<u>(404,937)</u>	<u>(404,937)</u>	<u>(404,937)</u>
Fund deficit, December 31, 2005	<u>\$ (4,139,413)</u>	<u>\$ (4,139,413)</u>	<u>\$ (1,680,855)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Public Facilities and Improvements Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Income taxes	\$ -	\$ -	\$ 16,169
Governmental revenue	132,230	132,230	251,688
Miscellaneous revenue	201,481	201,481	386,477
	<u>333,711</u>	<u>333,711</u>	<u>654,334</u>
Other sources:			
Note/Bond proceeds	2,122,310	2,122,310	3,660,000
Previous year's encumbrances	764,433	764,433	764,433
	<u>2,886,743</u>	<u>2,886,743</u>	<u>4,424,433</u>
Total revenues and other sources	3,220,454	3,220,454	5,078,767
Expenditures			
Expenditures:			
Public Service:			
Wages/benefits	-	1,000	219
Other	3,355,759	4,855,759	4,699,309
Capital outlay	2,448,674	4,508,674	3,963,331
	<u>5,804,433</u>	<u>9,365,433</u>	<u>8,662,859</u>
Total expenditures	5,804,433	9,365,433	8,662,859
Deficiency of revenues and other sources over expenditures	(2,583,979)	(6,144,979)	(3,584,092)
Fund balance, January 1, 2005	1,121,601	1,121,601	1,121,601
Fund deficit, December 31, 2005	<u>\$ (1,462,378)</u>	<u>\$ (5,023,378)</u>	<u>\$ (2,462,491)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Public Parking Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Service revenues	\$ 1,430	\$ 1,430	\$ -
Miscellaneous revenue	642,858	642,858	-
	<u>644,288</u>	<u>644,288</u>	<u>-</u>
Other sources:			
Note/Bond proceeds	3,571,410	3,571,410	6,120,000
Previous year's encumbrances	1,339,461	1,339,461	1,339,461
	<u>4,910,871</u>	<u>4,910,871</u>	<u>7,459,461</u>
Total revenues and other sources	5,555,159	5,555,159	7,459,461
Expenditures			
Expenditures:			
Public Service:			
Other	2,895,827	2,895,827	2,310,597
Capital outlay	5,043,634	5,043,634	2,865,637
			<u>2,865,637</u>
Total expenditures	7,939,461	7,939,461	5,176,234
Excess (deficiency) of revenues and other sources over expenditures	(2,384,302)	(2,384,302)	2,283,227
Fund deficit, January 1, 2005	<u>(279,608)</u>	<u>(279,608)</u>	<u>(279,608)</u>
Fund balance (deficit), December 31, 2005	<u>\$ (2,663,910)</u>	<u>\$ (2,663,910)</u>	<u>\$ 2,003,619</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Economic Development Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 30,050	\$ 30,050	\$ -
Taxes and assessments	833,110	833,110	2,111,452
Governmental revenue	1,596,160	1,596,160	2,409,179
Miscellaneous revenue	760,600	760,600	5,038,921
	<u>3,219,920</u>	<u>3,219,920</u>	<u>9,559,552</u>
Other sources:			
Note/Bond proceeds	6,210,260	6,210,260	21,638,000
Interfund transfers	118,808	118,808	384,082
Previous year's encumbrances	2,662,734	2,662,734	2,662,734
	<u>8,991,802</u>	<u>8,991,802</u>	<u>24,684,816</u>
Total revenues and other sources	12,211,722	12,211,722	34,244,368
Expenditures			
Expenditures:			
Finance:			
Other	500,000	500,000	201,426
Capital Outlay	-	150,000	121,038
	<u>500,000</u>	<u>650,000</u>	<u>322,464</u>
Office of the Mayor:			
Other	20,000	20,000	-
	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Planning and Urban Development:			
Other	2,807,500	907,500	863,692
	<u>2,807,500</u>	<u>907,500</u>	<u>863,692</u>
Public Service:			
Wages/benefits	70,000	70,000	7,079
Other	11,221,746	19,021,746	19,015,686
Capital outlay	3,743,488	7,271,388	6,846,825
	<u>15,035,234</u>	<u>26,363,134</u>	<u>25,869,590</u>
Total expenditures	18,362,734	27,940,634	27,055,746
Excess (deficiency) of revenues and other sources over expenditures	(6,151,012)	(15,728,912)	7,188,622
Fund deficit, January 1, 2005	<u>(19,906,618)</u>	<u>(19,906,618)</u>	<u>(19,906,618)</u>
Fund deficit, December 31, 2005	<u>\$ (26,057,630)</u>	<u>\$ (35,635,530)</u>	<u>\$ (12,717,996)</u>

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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. The non-major Enterprise Funds are as follows:

- Oil and Gas
- Golf Course
- Airport

City of Akron, Ohio

Statement of Net Assets - Non-Major Enterprise Funds

December 31, 2005

	Oil and Gas	Golf Course	Airport	Total
Assets				
Pooled cash and investments	\$ 479,298	\$ -	\$ 37,268	\$ 516,566
Receivables, net of allowances for uncollectibles	40,699	353	16,360	57,412
Due from other governments	-	847	-	847
Due from other funds	6,810	-	-	6,810
Inventories, at cost	-	34,945	11,856	46,801
Property, plant and equipment, net of accumulated depreciation	395,485	1,627,012	8,362,581	10,385,078
Total assets	922,292	1,663,157	8,428,065	11,013,514
Liabilities				
Accounts payable	39,800	14,503	1,805	56,108
Due to other funds	7,775	386,837	4,354	398,966
Deferred grant revenue	-	-	1,298	1,298
Accrued liabilities	3,131	20,732	7,745	31,608
Accrued wages	2,957	11,752	6,990	21,699
Accrued vacation and leave	11,263	38,325	19,661	69,249
Noncurrent liabilities Due in more than one year	53,600	151,093	57,531	262,224
Total liabilities	118,526	623,242	99,384	841,152
Net assets				
Invested in capital assets net of related debt	395,485	1,627,012	8,362,581	10,385,078
Unrestricted (deficit)	408,281	(587,097)	(33,900)	(212,716)
Total net assets	\$ 803,766	\$ 1,039,915	\$ 8,328,681	\$ 10,172,362

City of Akron, Ohio

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

For the Year Ended December 31, 2005

	Oil and Gas	Golf Course	Airport	Total
Operating revenues				
Charges for services	\$ -	\$ 878,878	\$ 193,369	\$ 1,072,247
Other	447,805	95,684	134,952	678,441
	<u>447,805</u>	<u>974,562</u>	<u>328,321</u>	<u>1,750,688</u>
Operating expenses				
Personal services	117,783	797,214	325,231	1,240,228
Direct expenses	155,296	339,004	205,683	699,983
Rentals and lease	-	53,862	-	53,862
Utilities	509	100,333	14,986	115,828
Insurance	404	3,643	21,106	25,153
Depreciation, depletion and amortization	-	48,872	190,156	239,028
Royalty and expense	5,973	-	-	5,973
Other	2,032	1,215	-	3,247
	<u>281,997</u>	<u>1,344,143</u>	<u>757,162</u>	<u>2,383,302</u>
Operating income (loss)	165,808	(369,581)	(428,841)	(632,614)
Non-operating revenues (expenses)				
Interest expense	-	(28,196)	-	(28,196)
Gain on disposal of capital assets	-	-	150	150
	<u>-</u>	<u>(28,196)</u>	<u>150</u>	<u>(28,046)</u>
Income (loss) before transfers and contributions	165,808	(397,777)	(428,691)	(660,660)
Transfers-in	-	832,500	165,960	998,460
Capital contributions	-	210,428	-	210,428
	<u>-</u>	<u>1,042,928</u>	<u>165,960</u>	<u>1,208,888</u>
Changes in net assets	165,808	645,151	(262,731)	548,228
Net assets, January 1, 2005	<u>637,958</u>	<u>394,764</u>	<u>8,591,412</u>	<u>9,624,134</u>
Net assets, December 31, 2005	<u>\$ 803,766</u>	<u>\$ 1,039,915</u>	<u>\$ 8,328,681</u>	<u>\$ 10,172,362</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2005

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Enterprise Funds</u>
Operating activities				
Cash received from customers	\$ -	\$ 878,525	\$ 211,301	\$1,089,826
Cash payments to suppliers for goods and services	(127,550)	(493,426)	(241,304)	(862,280)
Cash paid for salaries and employee benefits	(114,415)	(790,102)	(406,003)	(1,310,520)
Other revenues	407,765	95,684	134,952	638,401
Other expenses	(2,032)	(1,215)	-	(3,247)
Net cash provided by (used for) operating activities	163,768	(310,534)	(301,054)	(447,820)
Non-capital financing activities				
Operating transfers from other funds	-	832,500	165,960	998,460
Transfers in for negative cash balances	-	381,796	-	381,796
Transfers out for negative cash balances	-	(261,382)	-	(261,382)
Net cash provided by non-capital financing activities	-	952,914	165,960	1,118,874
Capital and related financing activities				
Principal paid on bonds and loans	-	(595,000)	-	(595,000)
Interest paid on bonds and loans	-	(30,759)	-	(30,759)
Acquisition and construction of capital assets	-	(227,049)	150	(226,899)
Capital Contributions	-	210,428	-	210,428
Net cash used for capital and related financing activities	-	(642,380)	150	(642,230)
Net increase (decrease) in cash and cash equivalents	163,768	-	(134,944)	28,824
Cash and cash equivalents, January 1, 2005	315,530	-	172,212	487,742
Cash and cash equivalents, December 31, 2005	<u>\$ 479,298</u>	<u>\$ -</u>	<u>\$ 37,268</u>	<u>\$ 516,566</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2005
(continued)

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Enterprise Funds</u>
Operating income (loss)	\$ 165,808	\$ (369,581)	\$ (428,841)	\$ (632,614)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion and amortization	-	48,872	190,156	239,028
(Increase) decrease in operating assets:				
Receivables	(40,699)	(353)	15,524	(25,528)
Due from other funds	659	-	2,408	3,067
Inventories	-	1,886	3,096	4,982
Increase (decrease) in operating liabilities:				
Accounts payable	28,030	(2,456)	143	25,717
Due to other funds	6,602	3,986	(2,768)	7,820
Accrued liabilities	231	(787)	(1,745)	(2,301)
Accrued wages	58	463	(4,434)	(3,913)
Accrued vacation and leave	3,079	7,436	(74,593)	(64,078)
Net cash provided by (used for) operating activities	<u>\$ 163,768</u>	<u>\$ (310,534)</u>	<u>\$ (301,054)</u>	<u>\$ (447,820)</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
- Engineering Bureau
- Management Information Systems

Combining Statement of Net Assets - Internal Service Funds

December 31, 2005

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve
Assets			
Pooled cash and investments	\$ -	\$ -	\$ 3,989,850
Receivables, net of allowances for uncollectibles	64,110	60,547	-
Due from other funds	1,040,741	-	-
Inventories, at cost	888,215	-	-
Property, plant and equipment, net of accumulated depreciation	1,943,223	-	-
Total assets	3,936,289	60,547	3,989,850
Liabilities			
Accounts payable	336,376	1,246	5,724
Due to other funds	996,534	1,981,805	-
Accrued interest payable	660	-	-
Accrued liabilities	63,883	-	1,619,269
Accrued wages	61,194	-	-
Accrued vacation and leave	131,284	-	-
Obligations under capital lease	-	-	-
Liability for unpaid claims	-	2,404,227	2,161,775
Debt:			
General obligation bonds	13,339	-	-
Noncurrent liabilities			
Obligations under capital lease	-	-	-
Due in more than one year	290,598	-	6,670,354
Bonds, notes, loans	162,237	-	-
Total liabilities	2,056,105	4,387,278	10,457,122
Net assets			
Invested in capital assets net of related debt	1,767,647	-	-
Unrestricted (deficit)	112,537	(4,326,731)	(6,467,272)
Total net assets	\$ 1,880,184	\$ (4,326,731)	\$ (6,467,272)

Combining Statement of Net Assets - Internal Service Funds

December 31, 2005

Self- Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Management Information Systems	Total
\$ -	\$ -	\$ 262,176	\$ 475,983	\$ -	\$ 4,728,009
-	-	-	-	-	124,657
-	214,059	79,933	78,639	191,310	1,604,682
-	76,729	-	-	-	964,944
-	36,017	392,730	3,449	1,057,134	3,432,553
-	326,805	734,839	558,071	1,248,444	10,854,845
271	48,375	28,502	130,192	28,517	579,203
574,199	233,763	-	99,857	479,463	4,365,621
-	-	-	197	-	857
-	5,873	-	153,057	38,677	1,880,759
-	5,794	-	147,613	38,407	253,008
-	11,705	-	419,264	126,159	688,412
-	-	-	-	189,379	189,379
647,300	-	-	-	-	5,213,302
-	-	-	18,642	-	31,981
-	-	-	-	119,772	119,772
-	33,121	-	1,255,258	295,022	8,544,353
-	-	-	39,392	-	201,629
1,221,770	338,631	28,502	2,263,472	1,315,396	22,068,276
-	36,017	392,730	(54,585)	747,983	2,889,792
(1,221,770)	(47,843)	313,607	(1,650,816)	(814,935)	(14,103,223)
\$ (1,221,770)	\$ (11,826)	\$ 706,337	\$ (1,705,401)	\$ (66,952)	\$ (11,213,431)

City of Akron, Ohio

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

For the Year Ended December 31, 2005

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve
Operating revenues			
Charges for services	\$ 7,435,322	\$ 20,757,740	\$ 1,870,600
Other	-	299,287	40,592
	<u>7,435,322</u>	<u>21,057,027</u>	<u>1,911,192</u>
Operating expenses			
Personal services	2,299,719	-	-
Direct expenses	4,855,550	2,484,175	2,173,871
Claims	-	20,942,712	1,301,941
Rentals and lease	21,393	-	-
Utilities	81,973	-	-
Insurance	11,206	2	2,993
Depreciation, depletion and amortization	71,876	-	-
	<u>7,341,717</u>	<u>23,426,889</u>	<u>3,478,805</u>
Operating income (loss)	93,605	(2,369,862)	(1,567,613)
Non-operating revenues (expenses)			
Interest income	-	-	2,548
Interest expense	(8,444)	-	-
Capital contributions	10,246	-	-
Gain on disposal of capital assets	7,450	-	-
	<u>9,252</u>	<u>-</u>	<u>2,548</u>
Income (loss) before operating transfers	102,857	(2,369,862)	(1,565,065)
Transfers-in	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	102,857	(2,369,862)	(1,565,065)
Net assets, January 1, 2005	<u>1,777,327</u>	<u>(1,956,869)</u>	<u>(4,902,207)</u>
Net assets, December 31, 2005	<u>\$ 1,880,184</u>	<u>\$ (4,326,731)</u>	<u>\$ (6,467,272)</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2005

Self- Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Management Information Systems	Total
\$ -	\$ 1,378,640	\$ 598,259	\$ 6,188,244	\$ 3,443,545	\$ 41,672,350
238,489	262	22,675	459	-	601,764
238,489	1,378,902	620,934	6,188,703	3,443,545	42,274,114
-	220,903	-	5,520,565	1,393,524	9,434,711
271	1,178,049	220,280	810,885	750,943	12,474,024
31,011	-	-	-	-	22,275,664
-	107,428	-	-	54,718	183,539
-	3,292	147,466	17,805	222	250,758
-	-	-	12,928	1,212	28,341
-	4,565	33,843	127,012	684,085	921,381
31,282	1,514,237	401,589	6,489,195	2,884,704	45,568,418
207,207	(135,335)	219,345	(300,492)	558,841	(3,294,304)
-	-	-	-	-	2,548
(122,783)	-	-	(3,105)	-	(134,332)
-	-	-	-	-	10,246
-	-	900	450	-	8,800
(122,783)	-	900	(2,655)	-	(112,738)
84,424	(135,335)	220,245	(303,147)	558,841	(3,407,042)
2,380,000	-	-	-	-	2,380,000
2,380,000	-	-	-	-	2,380,000
2,464,424	(135,335)	220,245	(303,147)	558,841	(1,027,042)
(3,686,194)	123,509	486,092	(1,402,254)	(625,793)	(10,186,389)
\$ (1,221,770)	\$ (11,826)	\$ 706,337	\$ (1,705,401)	\$ (66,952)	\$ (11,213,431)

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2005

	Motor Equipment	Medical Self - Insurance	Workers' Compensation Reserve
Operating activities			
Cash received from customers	\$ 7,462,441	\$ 20,756,312	\$ 1,870,600
Cash payments to suppliers for goods and services	(5,081,810)	-	-
Cash paid for salaries and employee benefits	(2,330,680)	(22,778,617)	(2,777,655)
Other revenues	-	299,287	40,592
Net cash provided by (used for) operating activities	49,951	(1,723,018)	(866,463)
Non-capital financing activities			
Operating transfers from other funds	-	-	-
Transfers in for negative cash balances	988,351	1,980,734	-
Transfers out for negative cash balances	(738,775)	(257,716)	-
Principal paid on bonds and loans	-	-	-
Interest paid on bonds and loans	-	-	-
Net cash provided by (used for) non-capital financing activities	249,576	1,723,018	-
Capital and related financing activities			
Principal paid on bonds and loans	(13,096)	-	-
Interest paid on bonds and loans	(8,492)	-	-
Acquisition and construction of capital assets	(288,185)	-	-
Capital contributions	10,246	-	-
Net cash used for capital and related financing activities	(299,527)	-	-
Investing activities			
Proceeds from the sales and maturities of investment securities	-	-	2,548
Net cash provided by investing activities	-	-	2,548
Net increase (decrease) in cash and cash equivalents	-	-	(863,915)
Cash and cash equivalents, January 1, 2005	-	-	4,853,765
Cash and cash equivalents, December 31, 2005	\$ -	\$ -	\$ 3,989,850

City of Akron, Ohio
 Combining Statement of Cash Flows-Internal Service Funds
 For the Year Ended December 31, 2005

Self - Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Management Information Systems	Total
\$ -	\$ 1,256,283	\$ 600,795	\$ 6,185,319	\$ 3,252,235	\$ 41,383,985
(26,044)	(1,291,704)	(411,457)	(716,818)	(774,782)	(8,302,615)
-	(215,343)	-	(5,435,864)	(1,359,856)	(34,898,015)
238,489	262	22,675	459	-	601,764
212,445	(250,502)	212,013	33,096	1,117,597	(1,214,881)
2,380,000	-	-	-	-	2,380,000
574,199	231,774	-	-	450,513	4,225,571
(557,699)	-	-	-	(1,367,104)	(2,921,294)
(2,475,000)	-	-	-	-	(2,475,000)
(133,945)	-	-	-	-	(133,945)
(212,445)	231,774	-	-	(916,591)	1,075,332
-	-	-	(17,816)	-	(30,912)
-	-	-	(3,172)	-	(11,664)
-	-	(144,000)	450	(201,006)	(632,741)
-	-	-	-	-	10,246
-	-	(144,000)	(20,538)	(201,006)	(665,071)
-	-	-	-	-	2,548
-	-	-	-	-	2,548
-	(18,728)	68,013	12,558	-	(802,072)
-	18,728	194,163	463,425	-	5,530,081
\$ -	\$ -	\$ 262,176	\$ 475,983	\$ -	\$ 4,728,009

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2005
(continued)

	<u>Motor Equipment</u>	<u>Medical Self - Insurance</u>	<u>Workers' Compensation</u>
Operating income (loss)	\$ 93,605	\$ (2,369,862)	\$ (1,567,613)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation, depletion and amortization	71,876	-	-
(Increase) decrease in operating assets:			
Receivables	13,438	(1,428)	-
Due from other funds	13,681	-	-
Inventories	(43,293)	-	-
Increase (decrease) in operating liabilities:			
Accounts payable	(74,438)	(41,178)	482
Due to other funds	6,043	1,071	-
Accrued liabilities	3,956	-	-
Accrued wages	(12,082)	-	-
Accrued vacation and leave	(22,835)	-	-
Estimated liability for unpaid claims	-	688,379	700,668
Net cash provided by (used for) operating activities	<u>\$ 49,951</u>	<u>\$ (1,723,018)</u>	<u>\$ (866,463)</u>

City of Akron, Ohio
 Combining Statement of Cash Flows-Internal Service Funds
 For the Year Ended December 31, 2005
 (continued)

Self - Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Management Information Systems	Total
\$ 207,207	\$ (135,335)	\$ 219,345	\$ (300,492)	\$ 558,841	\$ (3,294,304)
-	4,565	33,843	127,012	684,085	921,381
-	-	-	-	-	12,010
-	(122,357)	2,536	(2,925)	(191,310)	(300,375)
-	(1,682)	-	-	-	(44,975)
(273)	(3,059)	(43,268)	122,783	5,680	(33,271)
-	1,806	(443)	2,017	26,633	37,127
-	1,595	-	9,531	4,043	19,125
-	1,046	-	(3,874)	1,317	(13,593)
-	2,919	-	79,044	28,308	87,436
5,511	-	-	-	-	1,394,558
<u>\$ 212,445</u>	<u>\$ (250,502)</u>	<u>\$ 212,013</u>	<u>\$ 33,096</u>	<u>\$ 1,117,597</u>	<u>\$ (1,214,881)</u>

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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. The City has the following Private Purpose Trust Funds:

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 Fiduciary Net Assets
Fiduciary Funds

December 31, 2005

	<u>Private Purpose Trust</u>				<u>Agency</u>
	<u>Claire Merrix Trust</u>	<u>Holocaust Memorial Trust</u>	<u>Police/Fire Beneficiary Trust</u>	<u>Total Private Purpose Trust Funds</u>	<u>Municipal Court</u>
Assets					
Cash and investments	\$ 810	\$ 1,806	\$ 2,000	\$ 4,616	\$ 865,350
Total assets	810	1,806	2,000	4,616	865,350
Liabilities					
Due to other governments	-	-	-	-	865,350
Total liabilities	-	-	-	-	865,350
Net assets	\$ 810	\$ 1,806	\$ 2,000	\$ 4,616	\$ -

City of Akron, Ohio

Combining Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2005

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Additions				
Contributions	\$ -	\$ 11,519	\$ 400	\$ 11,919
	-	11,519	400	11,919
Deductions				
Education and awareness	-	9,919	-	9,919
	-	9,919	-	9,919
Excess (deficiency) of revenues over expenditures	-	1,600	400	2,000
Net assets, January 1, 2005	810	206	1,600	2,616
Net assets, December 31, 2005	\$ 810	\$ 1,806	\$ 2,000	\$ 4,616

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended December 31, 2005

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
Municipal Court				
Assets				
Cash	\$ 639,727	\$ 225,623	\$ -	\$ 865,350
Liabilities				
Due to other governments	\$ 639,727	\$ 225,623	\$ -	\$ 865,350

Statistical Section

City of Akron, Ohio
 Net Assets by Component
 Last Five Fiscal Years
(accrual basis of accounting)

	2001	2002	2003	2004	2005
Governmental Activities					
Invested in Capital Assets, Net of Related Debt Restricted	\$ 330,404,704	\$ 322,483,517	\$ 342,937,788	\$ 347,553,024	\$ 354,911,430
Unrestricted	37,540,147	39,710,686	40,319,154	305,806,875	305,806,875
	<u>(36,817,038)</u>	<u>(44,766,982)</u>	<u>(68,256,422)</u>	<u>(342,848,212)</u>	<u>(342,622,082)</u>
Total Governmental Activities Net Assets	331,127,813	317,427,221	315,000,520	310,511,687	318,096,223
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt Restricted	268,152,473	285,012,294	298,087,580	305,496,572	312,958,242
Unrestricted	8,037,590	8,017,156	9,237,606	8,890,371	8,890,371
	<u>17,726,838</u>	<u>21,545,227</u>	<u>14,462,481</u>	<u>12,254,737</u>	<u>13,956,855</u>
Total Business-Type Activities Net Assets	293,916,901	314,574,677	321,787,667	326,641,680	335,805,468
Primary Government					
Invested in Capital Assets, Net of Related Debt Restricted	598,557,177	607,495,811	641,025,368	653,049,596	667,869,672
Unrestricted	45,577,737	47,727,842	49,556,760	314,697,246	314,697,246
	<u>(19,090,200)</u>	<u>(23,221,755)</u>	<u>(53,793,941)</u>	<u>(330,593,475)</u>	<u>(328,665,227)</u>
Total Primary Government Net Assets	\$ 625,044,714	\$ 632,001,898	\$ 636,788,187	\$ 637,153,367	\$ 653,901,691

Source: City of Akron, Ohio Finance Department

Schedule 2

City of Akron, Ohio
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	2001	2002	2003	2004	2005
Program Revenues					
Governmental Activities					
Charges for Services:					
General Government	\$ 13,063,377	\$ 9,724,962	\$ 10,558,403	\$ 10,199,944	\$ 8,768,534
Public Service	15,521,690	12,758,526	12,047,537	13,685,910	24,515,742
Public Safety	1,856,550	1,530,128	2,088,567	4,661,113	1,079,551
Community Environment	223,243	109,080	195,500	276,244	64,412
Public Health	2,506,311	4,051,803	5,459,085	3,302,809	583,033
Recreation and Parks	557,324	570,920	660,897	600,501	339,674
Operating Grants and Contributions	18,173,638	16,280,190	18,489,411	18,798,602	20,736,629
Capital Grants and Contributions	24,937,475	24,865,553	28,011,341	26,959,413	19,497,224
Total Governmental Activities Program Revenues	76,839,608	69,891,162	77,510,741	78,484,536	75,584,799
Business-Type Activities					
Charges for Services:					
Water	32,222,070	33,641,151	26,531,458	33,897,438	32,677,553
Sewer	32,297,145	35,249,456	32,592,485	34,489,974	36,365,900
Oil & Gas	11,168	4,126	3,938	-	-
Parking Facilities	4,139,961	4,252,628	4,187,879	4,109,336	4,921,793
Golf Course	815,239	792,900	866,188	889,957	878,878
Airport	143,747	156,507	144,498	180,169	193,369
Capital Grants and Contributions	17,586,440	8,379,210	15,866,870	11,952,537	6,356,588
Total Business-Type Activities Program Revenues	87,215,770	82,475,978	80,193,316	85,519,411	81,394,081
Total Primary Government Program Revenues	\$ 164,055,378	\$ 152,367,140	\$ 157,704,057	\$ 164,003,947	\$ 156,978,880
Expenses					
Governmental Activities					
General Government					
Public Service	\$ 38,768,317	\$ 35,442,919	\$ 41,985,779	\$ 33,154,330	\$ 53,063,391
Public Safety	55,687,143	55,103,262	56,239,734	57,321,381	54,923,173
Community Environment	93,139,875	102,587,713	101,498,621	106,914,744	104,848,506
Public Health	16,738,817	15,284,636	17,365,752	25,985,445	21,514,112
Recreation and Parks	14,907,272	16,170,030	17,534,327	16,556,343	15,832,640
Interest	4,859,938	5,570,393	4,895,539	5,035,419	7,603,460
Unallocated Depreciation	14,205,615	15,452,328	17,723,691	27,403,295	27,077,616
Capital Grants and Contributions	8,330,330	8,987,929	9,607,943	10,476,870	11,389,516
Total Governmental Activities Expenses	246,637,307	254,599,210	266,851,386	282,847,827	296,252,414
Business-Type Activities					
Charges for Services:					
Water	30,038,479	30,783,062	35,835,251	37,959,261	30,733,296
Sewer	30,546,848	34,227,439	32,068,358	37,797,875	37,224,648
Oil & Gas	322,762	289,546	224,349	286,140	284,733
Parking Facilities	4,222,739	4,297,816	5,126,582	5,637,623	5,966,776
Golf Course	859,773	908,845	1,302,587	1,366,476	1,381,619
Airport	619,396	696,180	576,004	712,909	764,876
Total Business-Type Activities Expenses	66,609,997	71,202,888	75,133,131	83,760,284	76,355,948
Total Primary Government Expenses	\$ 313,247,304	\$ 325,802,098	\$ 341,984,517	\$ 366,608,111	\$ 372,608,362

Schedule 2

City of Akron, Ohio
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)
(continued)

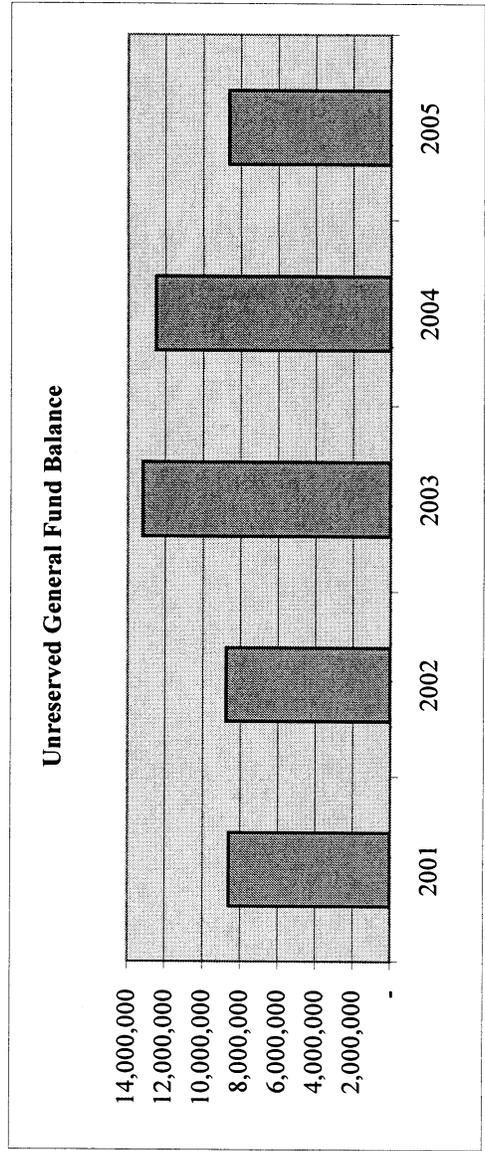
	2001	2002	2003	2004	2005
Net (Expense)/Revenue					
Governmental Activities	\$ (169,797,699)	\$ (184,708,048)	\$ (189,340,645)	\$ (204,363,291)	\$ (220,667,615)
Business-Type Activities	20,605,773	11,273,090	5,060,185	1,759,127	5,038,133
Total Primary Government Net Expense	<u>\$ (149,191,926)</u>	<u>\$ (173,434,958)</u>	<u>\$ (184,280,460)</u>	<u>\$ (202,604,164)</u>	<u>\$ (215,629,482)</u>
General Revenue and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Income Taxes	\$ 97,365,573	\$ 97,066,959	\$ 101,802,168	\$ 114,352,078	\$ 126,766,520
Property Taxes	26,511,099	31,443,342	30,374,275	28,193,761	27,850,829
JEDD Revenues	14,772,847	13,945,913	12,084,490	13,607,119	13,946,982
Investment Earnings	3,835,238	1,625,475	1,032,073	2,620,285	6,195,543
Shared Revenues	29,654,718	27,289,295	31,105,413	32,235,453	45,169,402
Miscellaneous	8,540,740	7,112,663	11,109,869	9,186,760	7,662,219
Gain (loss) on Sale of Capital Assets	(239,961)	884,970	-	(107,274)	1,659,116
Special Item - Loss on Debt Forgiveness	(6,250,000)	-	-	-	-
Transfers	791,379	(8,361,161)	(594,344)	(213,724)	(998,460)
Total Governmental Activities	<u>\$ 174,981,633</u>	<u>\$ 171,007,456</u>	<u>\$ 186,913,944</u>	<u>\$ 199,874,458</u>	<u>\$ 228,252,151</u>
Business-Type Activities:					
Investment Earnings	\$ 379,423	\$ 153,364	\$ 93,242	\$ 108,993	\$ 280,566
Miscellaneous	818,560	875,069	1,409,184	2,767,615	2,833,804
Gain (loss) on Sale of Capital Assets	(14,468)	(4,908)	56,035	4,554	12,825
Transfers	(791,379)	8,361,161	594,344	213,724	998,460
Total Business-Type Activities	<u>\$ 392,136</u>	<u>\$ 9,384,686</u>	<u>\$ 2,152,805</u>	<u>\$ 3,094,886</u>	<u>\$ 4,125,655</u>
Total Primary Government	<u>\$ 175,373,769</u>	<u>\$ 180,392,142</u>	<u>\$ 189,066,749</u>	<u>\$ 202,969,344</u>	<u>\$ 232,377,806</u>
Change in Net Assets					
Governmental Activities	\$ 5,183,934	\$ (13,700,592)	\$ (2,426,701)	\$ (4,488,833)	\$ 7,584,536
Business-Type Activities	20,997,909	20,657,776	7,212,990	4,854,013	9,163,788
Total Primary Government Change in Net Assets	<u>\$ 26,181,843</u>	<u>\$ 6,957,184</u>	<u>\$ 4,786,289</u>	<u>\$ 365,180</u>	<u>\$ 16,748,324</u>

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Fund Balances, Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)

Schedule 3

	2001	2002	2003	2004	2005
General Fund					
Reserved	\$ 2,320,635	\$ 3,053,854	\$ 1,233,303	\$ 1,680,684	\$ 2,403,155
Unreserved	8,596,094	8,753,973	13,198,625	12,516,302	8,608,934
Total General Fund	10,916,729	11,807,827	14,431,928	14,196,986	11,012,089
All Other Governmental Funds					
Reserved	41,873,934	53,376,063	41,592,028	35,591,716	35,336,754
Unreserved, Reported in:					
Special Revenue funds	26,756,707	28,104,809	23,238,226	148,315,752	155,814,840
Debt Service funds	12,793,227	15,386,870	14,290,672	89,894,236	84,744,936
Capital Projects funds	(36,831,939)	(54,266,570)	(53,474,079)	(65,862,884)	(35,950,447)
Total All Other Governmental Funds	44,591,929	42,601,172	25,646,847	207,938,820	239,946,083
Total Governmental Funds	\$ 55,508,658	\$ 54,408,999	\$ 40,078,775	\$ 222,135,806	\$ 250,958,172



Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Changes in Fund Balances, Governmental Funds
 Last Five Fiscal Years
 (modified accrual basis of accounting)

Schedule 4

	2001	2002	2003	2004	2005
Revenues					
Income Taxes	\$ 95,960,631	\$ 97,066,581	\$ 100,774,470	\$ 112,668,881	\$ 124,572,314
Property Taxes	26,511,099	31,443,342	30,374,275	28,193,761	27,896,871
JEDD Revenues	14,682,526	13,780,721	12,532,059	13,332,783	14,057,613
Special Assessments	14,919,707	11,783,730	12,786,836	13,924,427	13,236,631
Grants and Subsidies:					
Community Development	9,553,122	10,953,866	11,589,020	14,274,362	12,861,997
Other	18,668,284	18,208,147	22,567,077	17,559,226	13,843,621
Investment Earnings	4,050,994	1,933,869	1,384,938	2,921,080	7,267,257
Shared Revenues	30,606,210	26,812,007	33,095,237	32,461,563	46,266,621
Licenses, Fees and Fines	8,832,984	8,591,874	8,473,148	8,358,074	10,642,221
Charges for Services	21,896,781	20,130,987	21,913,831	23,544,847	24,283,315
Miscellaneous	8,701,161	8,730,850	11,904,151	11,503,832	10,681,121
Total Revenues	\$ 254,383,499	\$ 249,435,974	\$ 267,395,042	\$ 278,742,836	\$ 305,609,582
Expenditures					
Current:					
General Government	32,930,527	30,884,220	34,653,886	33,314,886	38,532,903
Public Service	49,245,754	63,233,069	75,365,244	69,852,895	87,267,701
Public Safety	95,298,619	99,840,890	96,926,410	102,644,931	104,460,027
Community Environment	15,130,825	14,283,130	14,248,628	28,624,126	23,995,474
Public Health	14,860,177	15,579,230	17,088,441	16,249,087	15,753,502
Recreation and Parks	4,892,662	5,523,417	4,907,828	4,746,079	7,580,781
Capital Outlay	57,248,672	43,234,027	41,238,897	16,986,611	192,958
Debt service:					
Principal Retirement	19,164,096	21,823,043	22,808,733	29,645,607	33,847,273
Interest	14,177,895	15,791,971	17,116,598	26,951,543	19,064,159
Bond Issuance Expenditures	571,774	734,940	453,922	1,441,316	2,215,424
Total Expenditures	\$ 303,521,001	\$ 310,927,937	\$ 324,808,587	\$ 330,457,081	\$ 332,910,202
Excess of Revenues Over (Under) Expenditures	\$ (49,137,502)	\$ (61,491,963)	\$ (57,413,545)	\$ (51,714,245)	\$ (27,300,620)

City of Akron, Ohio
 Changes in Fund Balances, Governmental Funds
 Last Five Fiscal Years
(modified accrual basis of accounting)
 (continued)

Schedule 4

	2001	2002	2003	2004	2005
Other Financing Sources (Uses)					
Issuance of General Obligation Bond	\$ -	\$ -	\$ -	\$ -	\$ 52,735,419
Issuance of General Obligation Notes	-	-	-	-	1,115,300
Proceeds of General Obligation Bonds	23,714,000	61,285,000	41,000,540	219,049,460	-
Proceeds of General Obligation Notes	6,494,940	3,428,300	1,871,200	3,418,530	-
Proceeds of Refunding Bonds	28,185,000	-	-	-	-
Proceeds of Refunding Bonds Premium	1,591,482	-	-	-	-
Loan proceeds	-	-	-	3,041,694	-
Premium on G.O. Debt	-	1,824,130	1,011,980	8,475,316	7,289,095
Proceeds of Refund Obligations	-	-	-	-	95,235,000
Payment for Refunding Obligations	-	-	-	-	(96,873,368)
Advance Refunding Escrow	(28,737,105)	-	-	-	-
Special Item - Loss on Debt Forgiveness	(6,250,000)	-	-	-	-
Transfers-in	38,409,368	54,033,835	2,806,868	5,756,980	16,040,091
Transfers-out	(35,463,472)	(60,178,961)	(3,607,267)	(5,970,704)	(19,418,551)
Total Other Financing Sources (Uses)	\$ 27,944,213	\$ 60,392,304	\$ 43,083,321	\$ 233,771,276	\$ 56,122,986
Net Change in Fund Balance	\$ (21,193,289)	\$ (1,099,659)	\$ (14,330,224)	\$ 182,057,031	\$ 28,822,366
Debt Service as a Percentage of Noncapital Expenditures	15.97%	16.72%	16.60%	22.72%	19.86%

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands of dollars)

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	
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
2004	2,725,682	7,787,663	323,378	1,293,512	126,329	504,569	3,175,389	9,585,744	33.13
2005	2,751,773	7,862,209	321,452	1,285,808	128,371	512,763	3,201,596	9,660,780	33.14
2006	3,004,852	8,585,291	234,182	936,728	116,085	463,549	3,355,119	9,985,568	33.60

Source: City of Akron, Ohio Finance Department

Note: For real property, the estimated actual value is derived by dividing the assessed value by 35%; for personal property, divide the assessed value by 25%.
 The assessed value estimated actual value for public utilities is the combination of two figures. The assessed value for public utilities real property is \$691,690 and personal property is \$115,393,420. To calculate the estimated actual value for real property, divide the assessed value by 35%, for personal property, divide by 25%.

City of Akron, Ohio
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Tax Collection Year	City Direct Rates						Overlapping Rates			
	Operating	Police Pension	Fire Pension	Debt Retirement	Total Direct Rate	Akron City School District	Summit County	Akron Metro Parks		
1997	8.15	0.30	0.30	0.25	9.00	54.86	11.43	0.85		
1998	8.15	0.30	0.30	0.29	9.04	54.86	12.67	0.85		
1999	8.15	0.30	0.30	0.30	9.05	54.86	13.21	0.85		
2000	8.15	0.30	0.30	0.29	9.04	54.86	12.81	0.85		
2001	8.15	0.30	0.30	0.29	9.04	54.86	13.61	0.85		
2002	8.15	0.30	0.30	0.34	9.09	63.76	13.57	0.85		
2003	8.15	0.30	0.30	0.34	9.09	63.76	13.81	0.85		
2004	8.15	0.30	0.30	0.34	9.09	63.76	13.00	0.85		
2005	9.15	0.30	0.30	0.55	10.30	63.76	14.36	0.85		
2006	9.28	0.30	0.30	0.42	10.30	63.76	14.26	0.85		

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Principal Property Tax Payers
12/31/2005 and 12/31/1996
(in thousands of dollars)

	December 31, 2005		December 31, 1996		
	Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value	
First Energy	\$ 60,861	1.81 %	Ohio Edison	\$ 89,062	3.34 %
SBC	27,193	0.81	Ohio Bell Telephone	59,983	2.25
Goodyear Tire & Rubber Co.	26,329	0.78	Goodyear Tire & Rubber Co.	38,708	1.45
Bridgestone/Firestone	19,397	0.58	Aircraft Braking Systems	23,300	0.87
Time Warner Entertainment	13,825	0.41	East Ohio Gas	22,302	0.84
American Transmission	12,984	0.39	Loral Systems Group	20,675	0.78
Dominion East Ohio	8,228	0.25	Bridgestone/Firestone	18,665	0.70
Noveon Inc.	7,174	0.21	F. W. Albrecht Co.	18,318	0.69
LMA Commerce	6,567	0.20	Rolling Acres Properties	11,662	0.44
Children's Hospital Medical Center	5,932	0.18	B.F. Goodrich Co.	10,709	0.40
	<u>\$188,490</u>	<u>5.62 %</u>		<u>\$313,384</u>	<u>11.76 %</u>

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Property Tax Levies and Collections
 Last Six Years

Fiscal Year Ending 12/31	Tax Levied For The Fiscal Year	Collected within the		Delinquent Tax Collections	Total Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 22,505,782	\$ 21,254,992	94.4 %	\$ 983,110	\$ 22,238,102	98.8 %
2001	22,651,092	21,172,023	93.5	1,048,160	22,220,183	98.1
2002	22,638,225	21,266,447	93.9	1,205,346	22,471,793	99.3
2003	26,092,082	23,970,195	91.9	1,423,773	25,393,968	97.3
2004	25,924,487	24,300,721	93.7	1,565,564	25,866,285	99.8
2005	29,665,733	27,657,423	93.2	1,528,312	29,185,735	98.4

Source: City of Akron, Ohio Finance Department

Note: Information prior to 2000 was not available.

City of Akron, Ohio
 Income Tax Collections by Annual Collection Amount (Withholding and Direct Accounts)
 Fiscal Years 2004 and 2005

Fiscal Year 2004			
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections
\$1,000 and under	23,349	79.38%	\$ 5,143,817.16
\$1,001 - \$2,500	2,807	9.54%	4,368,735.44
\$2,501 - \$5,000	1,315	4.47%	4,663,832.99
\$5,001 - \$10,000	808	2.75%	5,780,222.81
\$10,001 - \$50,000	876	2.98%	18,309,392.18
\$50,001 - \$100,000	140	0.48%	9,516,516.56
\$100,001 - \$250,000	79	0.27%	11,594,287.31
\$250,001 - \$1,000,000	27	0.09%	12,447,550.63
Over \$1,000,001	14	0.05%	36,721,556.67
	29,415	100.00%	\$ 108,545,911.75
			100.00%
Fiscal Year 2005			
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections
\$1,000 and under	36,487	84.82%	\$ 6,296,183.25
\$1,001 - \$2,500	3,125	7.26%	4,868,981.30
\$2,501 - \$5,000	1,346	3.13%	4,735,378.39
\$5,001 - \$10,000	845	1.96%	5,909,672.23
\$10,001 - \$50,000	928	2.16%	19,334,527.67
\$50,001 - \$100,000	157	0.36%	10,859,627.71
\$100,001 - \$250,000	80	0.19%	11,645,211.50
\$250,001 - \$1,000,000	35	0.08%	14,751,494.20
Over \$1,000,001	15	0.03%	46,637,985.35
	43,018	100.00%	\$ 125,039,061.60
			100.00%

Source: City of Akron, Ohio Finance Department

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

City of Akron, Ohio
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands of dollars, except per capita)

Schedule 10

Fiscal Year	Governmental Activities										Internal Service General Obligation	
	General Obligation	OPWC Loan	Development Loans	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment	SIB Loans				
1996	\$ 109,815,674	\$ 296,186	\$ -	\$ -	\$ -	\$ -	\$ 14,422,916	\$ -	\$ -	\$ -	\$ 3,835,256	
1997	120,797,994	1,026,791	745,245	-	-	-	14,189,379	-	-	-	8,646,345	
1998	126,154,666	2,654,023	702,378	-	-	-	14,638,028	-	-	-	14,031,702	
1999	134,142,190	3,770,233	658,207	-	9,950,000	-	13,009,037	-	-	-	12,886,327	
2000	139,560,038	4,672,353	612,692	32,770,000	9,705,000	-	13,797,818	-	-	-	10,763,904	
2001	152,905,041	5,475,764	565,793	31,585,000	9,450,000	27,285,000	11,796,009	-	-	-	8,593,232	
2002	173,398,605	5,201,518	517,467	30,350,000	9,185,000	51,945,000	11,473,873	-	-	-	6,343,299	
2003	198,325,413	5,797,627	978,212	29,065,000	8,910,000	50,260,000	11,924,332	-	-	-	4,032,034	
2004	184,235,042	5,336,703	1,416,362	27,725,000	220,625,000	48,325,000	15,807,918	7,758,500	7,758,500	2,739,522		
2005	194,652,842	8,232,378	1,363,491	26,325,000	217,585,000	46,315,000	15,582,562	9,955,500	9,955,500	233,610		

Fiscal Year	Governmental Activities cont'd					Business-Type Activities					Total Government	Per Capita ^a
	Economic Development	JEDD Revenue	General Obligation	Mortgage Revenue	Revenue	Revenue	OWDA	OPWC				
1996	\$ -	\$ -	\$ 17,059,070	\$ 58,050,000	\$ 25,000,000	\$ 50,581,538	\$ 3,164,572	\$ 282,225,212	\$ 1,265			
1997	35,000,000	-	16,529,285	56,015,000	36,965,000	48,469,498	3,453,763	341,838,300	1,533			
1998	35,000,000	-	7,601,880	65,655,000	53,985,000	46,195,988	3,401,108	370,019,773	1,659			
1999	33,905,000	-	6,534,355	62,915,000	51,980,000	44,759,413	3,000,044	377,509,806	1,693			
2000	-	27,650,000	5,483,554	60,065,000	49,935,000	50,271,144	3,735,163	409,021,666	1,884			
2001	-	-	5,528,796	57,095,000	47,840,000	47,615,793	3,545,533	409,280,961	1,885			
2002	-	-	4,661,456	53,830,000	45,690,000	47,009,590	3,376,903	442,982,711	2,041			
2003	-	-	3,763,196	59,045,000	43,465,000	43,091,983	3,229,272	461,887,069	2,128			
2004	-	-	2,856,881	54,035,000	41,135,000	60,518,215	3,059,266	675,573,409	3,112			
2005	-	-	1,339,672	49,205,000	42,485,000	56,302,243	3,141,885	672,719,183	3,099			

Source: City of Akron, Finance Department
^a See Schedule 13 for population data.

City of Akron, Ohio

Legal Debt Margin Information

Unvoted Debt Limit (5 1/2%)

Last Ten Years

	1996	1997	1998	1999	2000
Debt limit	\$ 146,611,685	\$ 146,555,640	\$ 147,886,475	\$ 159,284,125	\$ 159,307,830
Total net debt applicable to limit	92,345,712	80,945,087	84,136,627	83,764,463	86,266,920
Legal debt margin	<u>\$ 54,265,973</u>	<u>\$ 65,610,553</u>	<u>\$ 63,749,848</u>	<u>\$ 75,519,662</u>	<u>\$ 73,040,910</u>
Total net debt applicable to limit as a percentage of debt limit	62.99%	55.23%	56.89%	52.59%	54.15%
Total unvoted net debt as a percentage of total assessed value of all property	3.50%	3.00%	3.10%	2.90%	3.00%
	2001	2002	2003	2004	2005
Debt limit	\$ 161,094,725	\$ 179,382,775	\$ 174,646,395	\$ 176,087,780	\$ 184,531,545
Total net debt applicable to limit	96,745,413	104,342,094	127,795,447	148,161,046	134,204,723
Legal debt margin	<u>\$ 64,349,312</u>	<u>\$ 75,040,681</u>	<u>\$ 46,850,948</u>	<u>\$ 27,926,734</u>	<u>\$ 50,326,822</u>
Total net debt applicable to limit as a percentage of debt limit	60.05%	58.17%	73.17%	84.14%	72.73%
Total unvoted net debt as a percentage of total assessed value of all property	3.30%	3.20%	4.00%	4.60%	3.90%

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio

Legal Debt Margin Information

Schedule 12

Total Debt Limit (10 1/2%)

Last Ten Years

	1996	1997	1998	1999	2000
Debt limit	\$ 279,895,035	\$ 279,788,040	\$ 282,328,746	\$ 304,087,906	\$ 304,133,130
Total net debt applicable to limit	102,345,712	89,145,087	90,936,627	89,164,463	90,266,920
Legal debt margin	<u>\$ 177,549,323</u>	<u>\$ 190,642,953</u>	<u>\$ 191,392,119</u>	<u>\$ 214,923,443</u>	<u>\$ 213,866,210</u>
Total net debt applicable to limit as a percentage of debt limit	36.57%	31.86%	32.21%	29.32%	29.68%
Total net debt as a percentage of total assessed value of all property	3.80%	3.30%	3.40%	3.10%	3.10%
	2001	2002	2003	2004	2005
Debt limit	\$ 307,544,475	\$ 342,458,025	\$ 333,415,845	\$ 336,167,580	\$ 352,287,495
Total net debt applicable to limit	99,345,413	105,942,094	128,795,447	148,561,046	134,204,723
Legal debt margin	<u>\$ 208,199,062</u>	<u>\$ 236,515,931</u>	<u>\$ 204,620,398</u>	<u>\$ 187,606,534</u>	<u>\$ 218,082,772</u>
Total net debt applicable to limit as a percentage of debt limit	32.30%	30.94%	38.63%	44.19%	38.10%
Total net debt as a percentage of total assessed value of all property	3.40%	3.20%	4.10%	4.60%	3.90%

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Computation of Direct and Overlapping Debt
 As of December 31, 2005

Political Subdivision	Amount of Debt	Percent Applicable to City	City's Share
City of Akron	\$214,589,786 *	100.00 %	\$214,589,786
Summit County	121,546,392	26.40	32,088,247
Copley-Fairlawn City School District	4,544,990	3.94	179,073
Revere Local School District	11,436,561	2.72	311,074
Akron Metro Regional Transit Authority	1,345,000	26.40	355,080
Woodridge Local School District	14,326,176	30.94	4,432,519
Summit County Library District	58,721,401	38.91	22,848,497
	<u>\$426,510,306</u>		<u>\$274,804,276</u>

* Includes the following, all of which are secured by the City's ability to levy ad valorem property taxes:

General Obligation Bonds	\$211,767,928
General Obligation Notes	<u>2,821,858</u>
	<u>\$214,589,786</u>

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
(in thousands of dollars, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property		Per Capita ²
				\$	%	
1996	\$ 143,239	\$ 2,752	\$ 140,487	1.81	%	\$ 630
1997	158,000	2,902	155,098	2.00		696
1998	160,286	3,062	157,224	2.00		705
1999	164,748	3,754	160,994	1.91		722
2000	168,492	3,523	164,969	1.95		760
2001	178,233	3,906	174,327	2.01		803
2002	195,624	4,777	190,847	1.93		879
2003	217,948	3,458	214,490	2.24		988
2004	205,570	2,401	203,169	2.10		936
2005	211,768	2,552	209,216	2.10		964

Source: City of Akron, Ohio Finance Department

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See Schedule 5, Assessed Value and Estimated Actual Value of Taxable Property, for property value data.

² See Schedule 16, Demographics and Economic Statistics, for population data.

City of Akron, Ohio
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Sewer Revenue Bonds					Special Assessment Bonds				
	Sewer Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Special Assessments Collections	Debt Service		Coverage	
				Principal	Interest		Principal	Interest		
1996	\$ 35,091	\$ 24,861	\$ 10,230	\$ -	\$ 1,103	\$ 10,361	\$ 2,155	\$ 752	3.56	
1997	36,343	21,750	14,593	1,145	1,990	11,176	2,148	726	3.89	
1998	33,862	21,550	12,312	2,120	2,598	11,012	2,128	697	3.90	
1999	36,654	22,258	14,396	2,005	2,816	10,677	1,943	689	4.06	
2000	30,961	19,928	11,033	2,045	2,731	10,629	2,118	599	3.91	
2001	32,400	19,348	13,052	2,095	2,642	11,331	2,128	674	4.04	
2002	35,296	22,458	12,838	2,150	2,549	11,030	2,026	535	4.31	
2003	32,774	22,497	10,277	2,225	2,450	11,262	2,243	509	4.09	
2004	34,696	26,318	8,378	2,330	2,344	11,285	2,204	547	4.10	
2005	37,499	25,466	12,033	2,440	2,231	11,610	2,572	671	3.58	

Fiscal Year	Water Revenue Bonds					Coverage
	Water Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		
				Principal	Interest	
1996	\$ 33,466	\$ 28,502	\$ 4,964	\$ 1,845	\$ 3,552	0.92
1997	35,341	26,532	8,809	2,035	3,216	1.68
1998	33,297	27,169	6,128	2,125	3,309	1.13
1999	33,505	23,486	10,019	2,740	3,258	1.67
2000	32,452	22,767	9,685	2,850	3,139	1.62
2001	33,115	22,907	10,208	2,970	3,011	1.71
2002	34,192	23,470	10,722	3,265	2,871	1.75
2003	29,444	27,616	1,828	3,425	2,141	0.33
2004	35,616	30,151	5,465	5,010	2,530	0.72
2005	33,682	22,679	11,003	4,830	2,186	1.57

Source: City of Akron, Ohio Finance Department

¹Net of Depreciation

City of Akron, Ohio
Demographic and Economic Statistics
Last 10 Years

Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age* (1)	Education - Bachelor's Degree or Higher (1)	School Enrollment (1)	Unemployment Rate (2)
2005	217,074	\$ 3,819,634,104	\$ 17,596	\$ 31,835	34.2	18 %	59,258	6.6
2004	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	6.9
2003	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	8.2
2002	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	8.1
2001	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	6.7
2000	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	6.1
1999	223,019	2,679,573,285	12,015	31,835	N/A	14.9	58,099	5.9
1998	223,019	2,679,573,285	12,015	29,100	N/A	14.9	58,099	5.8
1997	223,019	2,679,573,285	12,015	29,100	N/A	14.9	58,099	6.3
1996	223,019	2,679,573,285	12,015	29,100	N/A	14.9	58,099	6.6

Source: 1) U. S. Census Bureau

3) Ohio Department of Job and Family Services

*Median Age was not available from the 1990 Census statistical information

Schedule 17

City of Akron, Ohio
Principal Employers
6/1/2005 and 4/15/1996

Employer	June 1, 2005			April 15, 1996		
	Full-Time Employees	Rank	Percentage of Total City Employment	Full-Time Employees	Rank	Percentage of Total City Employment
Summa Health System	4,690	1	4.68 %	5,650	1	5.35 %
County of Summit	4,090	2	4.08	4,330	2	4.10
Akron City School District	3,940	3	3.93	3,518	3	3.33
Akron General Health System	3,485	4	3.48	3,406	4	3.22
Goodyear Tire & Rubber Company	3,000	5	2.99	3,000	5	2.84
The City of Akron	2,315	6	2.31	2,800	6	2.65
The University of Akron	2,300	7	2.30	2,690	7	2.54
Children's Hospital Medical Center	2,120	8	2.12	2,603	8	2.46
FirstEnergy Corporate Headquarters	2,090	9	2.09	2,310	9	2.19
Sterling, Inc. Headquarters	1,815	10	1.81	1,548	10	1.46
	<u>29,845</u>		<u>29.79 %</u>	<u>31,855</u>		<u>30.14 %</u>

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last 7 years*

Schedule 18

Function/Program	1999	2000	2001	2002	2003	2004	2005
General Government:							
City Council	4	4	4	4	4	3	3
Courts	98	96	96	93	94	91	91
Mayor's Office - Administration	3	3	2	2	1	1	1
Elected and Appointed Officials	45	44	47	49	47	51	51
Economic Development	10	11	12	11	11	11	10
Labor Relations	3	3	3	3	3	2	2
Human Relations	3	4	3	3	3	2	-
Private Industrial Council (PIC)	6	-	-	-	-	-	-
Public Utilities Commission	1	1	-	-	-	-	-
Finance Department	106	102	102	98	97	96	94
Health Department	1	-	-	-	-	-	-
Civil/Criminal	13	13	13	11	12	12	13
Personnel Department	24	24	23	22	22	22	19
Planning Department	-	-	-	1	-	-	-
Police Department	-	-	1	1	1	-	-
Public Safety:							
Elected and Appointed Officials	1	1	1	1	1	-	-
Finance Department	3	2	2	2	2	2	2
Health Department	2.5	2.5	2.5	2.5	2.5	2	2
Building Inspection	25	24	23	21	21	22	20
Communications	20	20	19	19	19	18	19
Weights & Measures	4	4	4	4	4	4	3
Safety Communications	70	69	67	69	68	62	64
Fire Department	398	415	404	388	391	385	401
Police Department	548	526	506	542	528	521	511
Traffic Engineering	36	36	34	34	32	31	32
Public Health:							
Health Department	182.5	183.5	178.5	177.5	177.5	166	158

City of Akron, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last 7 years*
(continued)

Schedule 18

Function/Program	1999	2000	2001	2002	2003	2004	2005
Public Service:							
City Council	-	-	-	-	-	1	1
Elected and Appointed Officials	5	5	5	5	5	5	5
Planning Department	-	-	-	1	-	-	-
Fire Department	1	-	-	-	-	-	-
Public Service Administration	4	4	4	4	4	4	4
Customer Service	15	12	13	12	16	14	12
Plans and Permits Center	6	6	5	5	4	4	4
Customer Service Response	-	-	-	-	-	13	12
Engineering Bureau	80	80	78	81	79	71	68
Airport	6	6	6	6	6	6	5
Building Maintenance	34	35	37	32	30	30	27
Motor Equipment	46	46	45	47	44	38	39
Golf Course	4	4	4	4	5	6	6
Public Utilities Administration	3	3	3	3	4	3	3
Utilities Services	84	72	68	67	74	67	62
Water Department	280	255	229	220	272	270	260
Sewer Maintenance	77	70	61	67	-	-	-
Public Works Administration	6	6	6	6	7	7	7
Highway Maintenance	88	89	85	84	80	74	68
Sanitation Services	66	65	66	68	65	66	65
Street Cleaning	37	39	40	39	38	37	37
Parks Maintenance	33	32	34	33	30	30	30
Engineering Services	8	8	8	7	7	7	7
Community Environment							
Elected and Appointed Officials	1	2	2	2	2	2	2
Economic Development	-	-	-	1	1	-	-
Planning Department	89	88	86	82	81	76	70
Recreation Bureau	20	22	21	22	23	24	24
Totals:	2,600	2,537	2,453	2,456	2,418	2,359	2,314

Source: City of Akron, Ohio Finance Department

*Data prior to 1999 not available

City of Akron, Ohio
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Building Department:										
Commercial Plan Review	N/A	N/A	N/A	N/A	N/A	699	717	695	701	710
New House Permits	N/A	N/A	N/A	N/A	N/A	202	187	137	295	300
Zoning Complaint Investigation	N/A	260	347	350						
Total Number of Permits Issued	3,550	3,376	3,853	3,662	3,201	2,852	2,533	2,570	2,257	2,202
City Council Ordinances Passed	861	930	856	746	822	689	603	687	670	664
Fire										
Emergency Responses	29,905	29,053	29,556	29,620	29,735	29,859	30,274	30,945	31,373	31,112
Fire/Rescue	9,523	8,285	8,424	8,947	8,323	7,874	7,805	7,700	7,601	7,884
Police										
Calls for Service	268,629	260,300	260,974	255,995	260,072	254,768	254,367	264,008	260,113	257,085
Civil Division Cases Filed	11,240	11,706	11,059	10,781	11,117	12,030	12,807	13,602	13,651	14,846
Criminal/Traffic Division Cases Filed	49,187	46,548	47,442	44,566	50,981	46,461	44,424	45,666	43,157	42,114
Parking Division Cases Filed	21,223	18,135	18,277	19,877	21,730	25,803	20,731	20,958	22,815	26,645
Parks and Recreation										
Good Park Golf Course Attendance	42,470	46,905	48,992	44,416	42,888	39,144	38,034	34,438	31,219	33,100
*Mud Run Golf Course Attendance	-	-	-	-	-	-	-	6,577	9,302	9,350
Sewer										
Sewer Accounts	80,858	81,072	81,240	81,340	82,612	82,089	81,892	81,859	81,346	81,035
Sewer Amounts Billed (in thousands)	32,052	34,287	33,736	34,340	33,777	33,803	34,484	32,663	33,328	34,481
Water										
Water Accounts	81,847	82,164	82,544	83,211	83,789	82,827	82,939	83,134	82,955	82,448
Water Amounts Billed (in thousands)	27,352	29,500	28,893	29,168	28,162	28,609	30,627	27,633	27,508	30,060

*Mud Run Golf Course was not completed until 2003.

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Police										
Number of Uniformed Police Officers	N/A	N/A	473	505	481	461	499	484	477	468
Number of Districts	23	23	23	23	23	23	23	11	12	12
Fire										
Number of Firefighters and Officers	N/A	N/A	382	372	390	13	363	366	359	375
Number of Stations	13	13	13	13	13	13	13	13	13	13
Parks and Recreation										
City Park System (in acres)	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
City Owned/Operated Golf Courses	1	1	1	1	1	1	1	1	2	2
Water										
Miles of Pipe	1,030	1,040	1,075	1,085	1,097	1,097	1,097	1,213	1,213	1,215
Average Daily Pumpage (in millions of gallons)	43	42	41	42	40	41	40	41	38	37
Distribution-Storage Reservoirs	15	15	15	15	15	15	15	15	15	15
Sewer										
Sanitary Sewers (miles)	1,100	828	829	832	833	833	834	835	837	649
Storm Sewers (miles)	N/A	N/A	253	257	258	258	260	262	268	269
Storm and Combined Sewer Inlets (miles)	N/A	N/A	94	95	95	95	95	96	97	286
Pump Stations	N/A	29	29	29	29	33	33	33	33	33
Other Public Works										
Oil Wells	12	12	12	12	12	14	14	14	13	13
Parking Decks	8	8	8	8	8	8	8	8	10	10

Source: City of Akron, Ohio Finance Department

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**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

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 3, 2006**