



**Mary Taylor, CPA**  
Auditor of State



CITY OF AKRON  
SUMMIT COUNTY

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# Mary Taylor, CPA

Auditor of State

## 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 the City of Akron, Summit County, Ohio, (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 18, 2008. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the City's management in a separate letter dated July 18, 2008.

### **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 as items 2007-001 and 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated July 18, 2008.

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management, City Council, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

July 18, 2008



# Mary Taylor, CPA

Auditor of State

## 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, 2007. The summary of auditor's results section of the accompanying Schedule of Findings 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, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying Schedule of Findings as item 2007-003.

In a separate letter to the City's management dated July 18, 2008, we reported another matter related to federal noncompliance not requiring inclusion in this report.

### **Internal Control Over Compliance**

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as finding 2007-003 to be a significant deficiency.

A material weakness is significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. We did not consider the deficiency described in the accompanying Schedule of Findings to be a material weakness.

We also noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the City's Management in a separate letter dated July 18, 2008.

The City's response to the finding we identified is described in the accompanying Schedule of Findings. We did not audit the City's response and, accordingly, we express no opinion on it.

### **Supplemental Schedule of Expenditures of Federal Awards**

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2007, and have issued our report thereon dated July 18, 2008. Our audit was performed to form opinions 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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 18, 2008

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**CITY OF AKRON, OHIO**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>		
From the Ohio Department of Health:		
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	\$ 1,791,247
Child Nutrition Cluster:		
Summer Food Service Program for Children	10.559	136,419
Total Department of Agriculture		<u>1,927,666</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Direct Programs:		
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	10,028,479
Emergency Shelter Grants Program	14.231	287,663
HOME Investment Partnership Program	14.239	4,322,728
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	41,068
Lead-Based Paint:		
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	1,510,793
Lead Hazard Reduction Demonstration Grant Program	14.905	52,364
Total Department of Housing and Urban Development		<u>16,243,095</u>
<b>DEPARTMENT OF JUSTICE</b>		
Direct Programs:		
Juvenile Accountability Incentive Block Grants	16.523	7,876
Byrne Formula Grant Program	16.579	34,732
Local Law Enforcement Block Grants Program	16.592	77,979
From the Governor's Office of Criminal Justice Services:		
Executive Office for Weed and Seed	16.595	10,856
Bulletproof Vest Partnership Program	16.607	20,227
Public Safety Partnership and Community Policing Grants	16.710	2,865
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	16.735	250,005
Edward Byrne Memorial Justice Assistance Grant Program	16.738	33,601
Total Department of Justice		<u>438,141</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
From the Ohio E.P.A.:		
Air Pollution Control Program Support	66.001	221,475
Congressionally Mandated Projects	66.202	384,900
Brownfields Assessment and Cleanup	66.818	319,855
Total Environmental Protection Agency		<u>926,230</u>

**CITY OF AKRON, OHIO**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
<b>DEPARTMENT OF TRANSPORTATION</b>		
From the Federal Aviation Administration:		
Airport Improvement Program	20.106	153,414
From the Ohio Department of Highway Safety:		
State and Community Highway Safety	20.600	65,978
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	76,164
Highway Planning and Construction:		
Akron Metropolitan Area Transportation Study	20.205	1,105,321
ODOT - Stan Hywett Hall	20.205	130,975
ODOT - Manchester Road	20.205	1,204,407
ODOT - West Market Street	20.205	642,936
ODOT - West Market Street (Hawkins to Pershing)	20.205	1,581,974
ODOT - Tallmadge Avenue Widening Right of Way	20.205	396,705
ODOT - Tallmadge Avenue Signalization	20.205	487,252
ODOT - Canton Road Signalization	20.205	658,789
ODOT - Perkins Street Signalization	20.205	38,323
ODOT - Evans Avenue	20.205	124,650
ODOT - Cascade Locks Bikeway - Phase IIB	20.205	520,074
Total CFDA No. 20.205		<u>6,891,406</u>
Total Department of Transportation		<u>7,186,962</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
From the Ohio Department of Health:		
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	63,900
Childhood Lead Poisoning Prevention Projects - State and Local		
Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Children	93.197	60,846
Immunization Grants	93.268	52,166
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	646,386
Refugee and Entrant Assistance Discretionary Grants	93.576	42,580
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	434,102
HIV Prevention Activities - Health Department Based:		
Federal Aids Education	93.940	355,330
Block Grants for Prevention and Treatment of Substance Abuse	93.959	388,632
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	60,101
Preventive Health and Health Services Block Grant	93.991	32,962
Maternal and Child Health Services Block Grant to the States		
Child and Family Health Services	93.994	217,617
Dental Sealant Grant	93.994	32,395
Total CFDA No. 93.994		<u>250,012</u>
Total Department of Health and Human Services		<u>2,387,017</u>



**CITY OF AKRON, OHIO**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2007**

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<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA No.</b>	<b>Federal Expenditures</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
Direct Programs:		
Homeland Security Preparedness Technical Assistance Program	97.007	7,495
Buffer Zone Protection Program	97.078	95,498
From the U.S. Department of Health and Human Services		
Metropolitan Medical Response System	97.071	246,045
Total Department of Homeland Security		<u>349,038</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 29,458,149</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, 2007

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### 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:

<b>Program Title</b>	<b>Federal CFDA No.</b>	<b>Amount Provided to Subrecipients</b>
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	\$796,643
Emergency Shelter Grants Program	14.218	943,918
HOME Investment Partnership Program	14.231	293,231
Lead-Based Paint Hazard Control in Privately Owned Housing	14.239	798,376
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	14.900	897,051
Centers for Disease Control and Prevention Investigations and Technical Assistance	16.735	78,585
Outpatient Early Intervention Services - HIV Disease	93.283	412,992
HIV Prevention Activities	93.918	363,961
Preventive Health and Health Services Block Grant	93.940	199,639
Metropolitan Medical Response System	93.977	25,000
Buffer Zone Protection Program	97.071	13,551
	97.078	30,520

### 3. LOANS OUTSTANDING

The City of Akron, Ohio, had the following loan balances outstanding at December 31, 2007, which had continuing compliance requirements.

<b>Program Title</b>	<b>Federal CFDA No.</b>	<b>Balance Outstanding</b>
Community Development Block Grants/Entitlement Grants	14.218	\$ 95,598
Empowerment Zone Program	14.244	910,162
HOME Investment Partnership Program	14.239	2,452,877

**CITY OF AKRON  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2007**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grants/Entitlement Grants - CFDA #14.218 Highway Planning and Construction - CFDA #20.205 Lead Based Paint Hazard Control in Privately-Owned Housing – CFDA # 14.900
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$883,744 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**FINDING NUMBER 2007-001**

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.10(H)** requires 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, 2007, the following funds (aggregated at the level used for preparing the financial statements) had negative cash fund balances:

Fund Number	Fund Name	Cash Balance
2030	Street & Highway Maintenance	\$ (1,136,968)
2080	Community Development	(2,905,337)
2127	A.M.A.T.S	(32,045)
2140	Summer Lunch Program	(20,590)
2295	Police Grants	(865,136)
2300	Various Domestic Violence	(307,683)
2320	Equipment & Facilities Operating	(3,162,676)
2330	Various Purpose Funding	(350,827)
4048	Capital Projects W/ O/S Fund. Sources	(2,513,857)
4060	Streets	(17,721,641)
4155	Transportation	(2,051,253)
4160	Parks and Recreation	(2,595,636)
4165	Public Facilities and Improvements	(697,777)
4175	Economic Development	(2,098,720)
5015	Golf Course	(501,539)
5020	Airport	(49,759)
6000	Motor Equipment	(1,307,774)
6005	Liability Self-Insurance	(4,596,134)
6010	Storeroom	(567,039)
6025	Engineering	(488,183)

Negative cash fund balances are an indication that 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 2007-001 (Continued)**

Maintaining positive cash fund balances is not only required by statute but is a key control in the cash management process to assure funds are available to pay obligations. To improve controls over cash management and disbursements and to help reduce the possibility of the City's funds not having adequate balances to pay incurred obligations, we recommend the City monitor fund activity 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 has been working to minimize the amount of funds with negative cash balances at year-end and will continue to do so. The City has numerous reimbursable grant funds and capital project funds and 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 2007-002**

**Noncompliance Citation**

**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.

Total original appropriations exceeded total original estimated resources in the following funds:

<b>Fund Number</b>	<b>Fund Name</b>	<b>Original Estimated Resources</b>	<b>Original Appropriations</b>	<b>Variance</b>
2030	Street & Highway Maintenance	\$8,610,071	\$9,990,037	\$(1,379,966)
2080	Community Development	6,536,857	10,397,491	(3,860,634)
2095	Community Environment Grants	980,116	1,183,744	(203,628)
	Akron Metropolitan Area Transportation			
2127	Study	1,110,236	1,511,458	(401,222)
2140	Summer Lunch Program	136,070	165,342	(29,272)
2146	H.O.M.E. Program	4,716,689	6,882,417	(2,165,728)
2195	Tax Equivalency	625,699	626,225	(526)
2240	Joint Economic Development Districts	23,083,056	28,462,209	(5,379,153)
2295	Police Grants	433,779	956,942	(523,163)
2300	Various Domestic Violence	(78,093)	189,568	(267,661)
2315	Health Grants	6,604,846	7,042,978	(438,132)
2320	City Facilities Operating	6,920,170	10,592,382	(3,672,212)
2330	Various Purpose Funding	1,160,446	2,856,241	(1,695,795)
4048	Non-appropriated Capital Projects	(1,663,536)	932,224	(2,595,760)
4060	Streets	1,447,581	30,253,102	(28,805,521)
4155	Transportation	2,464,611	11,124,379	(8,659,768)
4160	Parks and Recreation	1,110,091	5,942,491	(4,832,400)
4165	Public Facilities and Improvements	3,234,520	11,272,611	(8,038,091)
4170	Public Parking	4,236,906	19,510,981	(15,274,075)
4175	Economic Development	12,116,563	29,985,883	(17,869,320)

Total appropriations exceeded total estimated resources at December 31, 2007 in the following funds:

<b>Fund Number</b>	<b>Fund Name</b>	<b>Estimated Resources</b>	<b>Appropriations</b>	<b>Variance</b>
1000	General Fund	\$155,767,043	\$159,016,374	\$(3,249,331)
2005	Emergency Medical Service	12,014,981	12,051,998	(37,017)
2010	Special Assessment	1,137,755	1,169,126	(31,371)
2030	Street & Highway Maintenance	8,610,071	10,120,037	(1,509,966)
2035	Street Assessment	10,987,155	11,306,199	(319,044)
2080	Community Development	6,536,857	11,247,491	(4,710,634)
2095	Community Environment Grants	980,116	1,183,744	(203,628)
	Akron Metropolitan Area Transportation			
2127	Study	1,110,236	1,511,458	(401,222)
2140	Summer Lunch Program	136,070	165,342	(29,272)
2146	H.O.M.E. Program	4,716,689	6,882,417	(2,165,728)
2195	Tax Equivalency	625,699	626,225	(526)
2240	Joint Economic Development Districts	23,083,056	28,462,209	(5,379,153)
2295	Police Grants	433,779	1,119,942	(686,163)
2300	Various Domestic Violence	(78,093)	189,568	(267,661)
2305	Safety Programs	1,888,756	2,448,913	(560,157)
2315	Health Grants	6,604,846	7,655,978	(1,051,132)
2320	City Facilities Operating	6,920,170	11,630,082	(4,709,912)
2330	Various Purpose Funding	1,160,446	5,086,241	(3,925,795)
4048	Non-appropriated Capital Projects	(1,663,536)	932,224	(2,595,760)
4060	Streets	1,447,581	30,253,102	(28,805,521)
4155	Transportation	2,464,611	13,274,379	(10,809,768)
4160	Parks and Recreation	1,110,091	6,642,491	(5,532,400)
4165	Public Facilities and Improvements	3,189,520	11,272,611	(8,083,091)
4170	Public Parking	4,236,906	19,510,981	(15,274,075)
4175	Economic Development	12,116,563	29,985,883	(17,869,320)
5005	Sewer	44,564,503	49,095,560	(4,531,057)
5030	Off-Street Parking	4,715,513	5,148,010	(432,497)
6005	Liability Self-Insurance	17,599,262	25,933,750	(8,334,488)

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.

Ensuring that total appropriations from each fund do not exceed the total official estimate or amended official estimate is not only required by statute but is a key control in the budgetary process to assure funds are not appropriated to be spent when there are not adequate resources available for the expenditures. To improve control over the budgetary process and to help avoid overspending, we recommend the City Council monitor appropriations versus estimated resources. In addition, the Finance Director should obtain the required certificate from the County Fiscal Officer when amending appropriations and estimated resources.

**Officials' Response:** It used to be that property taxes collected by the County of Summit were the primary revenue source for the City. However, with the implementation of a 1% local income tax in 1963 along with several subsequent ballot increases passed by voters, income taxes are by far the largest revenue source of the City. Since property taxes are no longer the City's primary source of income, it is not our standard practice to submit an amended official estimate of resources to the County.

<b>Finding Number</b>	<b>2007-003</b>
<b>CFDA Title and Number</b>	Community Development Block Grants/Entitlement Grants/ 14.218
<b>Federal Award Number / Year</b>	B-07-MC-39-0001 / 2007
<b>Federal Agency</b>	U.S. Department of Housing and Urban Development
<b>Pass-Through Agency</b>	N/A

**Federal Noncompliance/Significant Deficiency**

**24 C.F.R. Section 58.22** provides that Community Development Block Grant (CDBG) funds (and local funds to be repaid with CDBG funds) cannot be obligated or expended before receipt of the Department of Housing and Urban Development (HUD's) approval of a Request for Release of Funds (RROF) and environmental certification, except for exempt activities under 24 C.F.R. Section 58.34 and categorically excluded activities under section 58.35(b).

Program funds approximating \$46,669 (projected to be \$240,042) for 5 projects tested were expended prior to HUD's approval of the RROF and environmental certification. HUD subsequently approved all these projects. A key control in the disbursement process is to ensure projects are approved prior to the release of funds. To improve controls over federal disbursements the City should monitor the status of its RROF's to ensure that CDBG funds are not obligated or expended before HUD's approval of the RROF's.

**Officials' Response:** The Finance Department will meet with the Department of Planning and Urban Development to discuss the importance of not expending or obligating funds without receipt of the Department of Housing and Urban Development's approval of a Request for Release of Funds and environmental certification

**CITY OF AKRON  
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	<b>Ohio Rev. Code Section 5705.10</b> – Certain funds had negative cash fund balances which indicates that money from one fund was used to cover the expenditures of another fund.	No	Not Corrected, reissued as Finding 2007-001
2006-002	<b>Ohio Rev. Code Section 5705.39</b> – Certain funds had total appropriations that exceeded total estimated resources.	No	Not Corrected, reissued as Finding 2007-002
2006-003	<b>Questioned Cost/Significant Deficiency -OMB Circular A-87 Attachment A, Section C(1)(h)</b> 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 2006 the City reported approximately \$12,618 in Economic Development Facilities expenses related to in-house employee benefits charges for the Engineering Division.	Yes	Corrected



Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain</b>
2006-004	<b>Federal Noncompliance/Significant Deficiency- EDA Standard Terms and Conditions – Construction Program Requirement B.1.c, C.1.b, and C.1.c</b> requires all recipients of awards to submit required financial and performance reports.	Yes	Corrected
2006-005	<b>Federal Noncompliance/Significant Deficiency- 24 CFR 58.22</b> provides that Community Development Block Grant (CDBG) funds (and local funds to be repaid with CDBG funds) cannot be obligated or expended before receipt of the Department of Housing and Urban Development (HUD's) approval of a Request for Release of Funds (RROF) and environmental certification, except for exempt activities under 24 CFR 58.34 and categorically excluded activities under section 58.35(b).	No	Partially Corrected- similar comment issued as Finding 2007-003
2006-006	<b>Supplemental Schedule of Expenditures of Federal Awards</b> -Recording non-Federal expenditures, expenditures not in accordance with grant budget, and Federal expenditures in the incorrect fiscal year. The City should develop procedures to ensure that 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.	Yes	Corrected



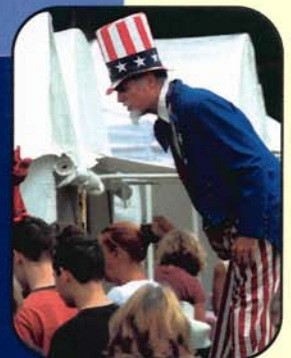
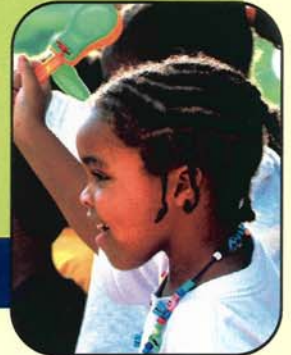
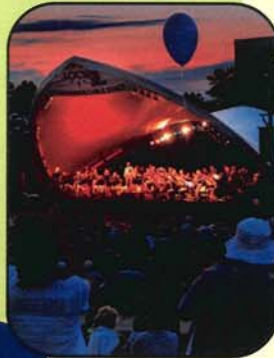
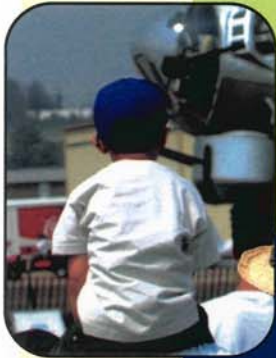
# COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF AKRON, OHIO

For the Fiscal Year Ended December 31, 2007



Donald L. Plusquellic  
Mayor





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



For the Fiscal Year Ended December 31, 2007  
**Donald L. Plusquellic, Mayor**

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Issued by The Department of Finance  
**Diane L. Miller-Dawson, Director**

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## ELECTED AND APPOINTED OFFICIALS

### MAYOR

**Donald L. Plusquellic**

### COUNCIL MEMBERS

<b>James P. Hurley III</b>	1st Ward
<b>Bruce Kilby</b>	2nd Ward
<b>Marco S. Sommerville</b> , Council President	3rd Ward
<b>Reneé L. Greene</b> , Council Vice President	4th Ward
<b>Kenneth L. Jones</b>	5th Ward
<b>Dr. Teresa H. Albanese</b>	6th Ward
<b>Tina Merlitti</b>	7th Ward
<b>Robert E. Keith</b> , President Pro-Tem	8th Ward
<b>Michael N. Freeman</b>	9th Ward
<b>Kelli Crawford</b>	10th Ward
<b>John R. Conti</b>	Councilman-at-Large
<b>James D. Shealey</b>	Councilman-at-Large
<b>Michael D. Williams</b>	Councilman-at-Large

### CABINET OF THE MAYOR

<b>Diane L. Miller-Dawson</b>	Director of Finance
<b>Catherine G. Watson</b>	Deputy Director of Finance
<b>Max Rothal</b>	Director of Law
<b>Richard A. Merolla</b>	Director of Public Service
<b>John W. Valle</b>	Deputy Director of Public Service
<b>Ronald Williamson</b>	Deputy Director of Public Service
<b>Warren L. Woolford</b>	Director of Planning and Urban Development
<b>Samuel D. DeShazor</b>	Deputy Director of Planning and Urban Development
<b>David A. Lieberth</b>	Deputy Mayor of Administration
<b>Laraine A. Duncan</b>	Deputy Mayor of Intergovernmental Relations
<b>Robert Y. Bowman</b>	Deputy Mayor of Economic Development
<b>Larry A. Givens</b>	Deputy Mayor of Public Safety
<b>Mark A. Williamson</b>	Communications Director
<b>James J. Masturzo</b>	Deputy Mayor of Labor Relations
<b>Billy Soule</b>	Assistant to the Mayor for Community Relations





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 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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**Donald L. Plusquellic**  
Mayor

**DEPARTMENT OF FINANCE**

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

July 18, 2008

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, 2007. This report presents financial and operating information about the City's activities during 2007 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.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. The cost of internal control should not exceed anticipated benefits; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Audit and Budget Division prepared all of the financial statements and assisted the external independent accountants in their performance of the annual audit. The Treasurer's Office assisted in drafting 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.

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, health, 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 9.39% in 2007. On a cash basis for 2007, property taxes in the general fund decreased by 1.38% and the state's local government revenue to the City decreased by approximately .11%. The strengths of the local economy are reflected by the growth over the past five years in the fields of medical and health services, legal and professional services, communications, public utilities, and finance and related service industries. Income tax receipts from the 12 largest economic sectors in the City have increased just over 11.5% since 2003 and, combined, account for nearly 83.36% of total tax collections. Receipts from the 13 fastest growing economic sectors have increased by more than 27.22%. No one sector makes up more than 17.83% of the total collected.

The number of building permits issued in 2007 increased by approximately 178% over the number of permits issued in 2006. The value of building permits increased by 119%. This significant increase in the value of building permits in 2007 is due to severe hail damage to many properties in June of 2007. Increases in permit valuations over the next several years will be attributed to the following: the University of Akron's area expansion and development, the

Goodyear Tire and Rubber Company's \$900 million development, the Metro \$15 million Intermodal Transit Center, the \$19 million Long-term Acute Care Facility on East Market Street, the \$12.6 million parking deck near the Federal Building, the \$15 million development on Main Street between Civic Theatre and Bowery, 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 12 years.

Despite the economy in 2007, 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 good considering it is one of only a few mid- to large-sized cities that have not been forced to lay off employees. The revenue collected from our four Joint Economic Development Districts (JEDDs), approximately \$17.8 million in 2007, is an additional funding source to encourage and promote economic development and to secure a solid tax base.

### Long-term Financial Policies

Unreserved, undesignated fund balance in the general fund (8.03% of the general fund revenues) falls within the policy guidelines set by the Administration for budgetary and planning purposes (i.e. between 5 and 10% of the total general fund revenues). The Administration intends to review this policy in the near future to determine if this policy meets the City's current needs.

The City completes a five-year capital budget that is updated annually. In this document, the City attempts to forecast its capital requirements for the next five years.

### Relevant Financial Policies

The City has a charter requirement that income tax, (the City's largest revenue source), used specifically for City services, 2%, be allocated so that 73% of net revenue is used for operations and the balance is used for capital needs.

### Major Initiatives

Defining the major initiatives for the City of Akron can be summed up into three which are, creating and retaining jobs, neighborhood growth and security, and alliance with other governments. In June Akron was named an All-American City for 2008, by the National Civic League. This was the third such award for Akron, previously having being named in 1981 and 1995.

The spring issue of *Site Selection* magazine placed Akron as second in the United States for the number of new or expanded business enterprises among mid-sized metropolitan areas. Helping Akron attain this distinction was the commitment between the Goodyear Tire and Rubber Company and the City. Goodyear's \$900 million private development was cited as one of the most "meaningful" of the 399 projects completed in the State of Ohio.

Akron's Global Business Accelerator was honored among 1,100 incubators in the US with their top award, The National Incubation Innovation Award, for our global technology commercialization initiative. Akron's Accelerator companies have attracted over \$16 million in new investment capital in the past year.

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 reducing assessments for public improvements. In 2007, the City completed 117 rehabilitation cases, reduced lead hazard in 63 units, and assisted 93 lower income homeowners with improvements, and demolished 449 dilapidated residential and commercial structures.

In 2007 the City and the Akron Public Schools opened Akron's first jointly owned Community Learning Center (CLC). The Helen Arnold CLC is attached to the Akron Urban League's new headquarters. Although separate entities, the combined facility will enable them to work together on many joint efforts. This is a unique model of community cooperation.

By the end of the 2007-2008 school year, Akron had opened ten CLC's. Currently, eight more are under construction and nine are in design phase. Also, 1,500 students make use of the City of Akron's After School Program. This program was chosen in February by the Ohio Department of Education as a statewide case model for after school study.

Safety is always a top priority in the City of Akron, and once again Akron is the safest big city in Ohio. To further keep this distinction, at the beginning of the year we brought the police force to its full authorized strength and we will hire additional firefighters during the summer.

The City of Akron Police Department and the County of Summit Sheriff's Department are working together to come up with ways to collaborate and work more effectively together. This will help to prevent and fight crime. It will also result in the saving of tax dollars for our community.

The City is striving to make downtown a leisure location, as well as a great place to work. Last year the City took over management of Lock 3 and set new attendance records. Over 100,000 attended concerts, the Hamburger Festival, and the Farmer's Markets. Over 70,000 visitors from all over the country attended the Chriskindl Market at Lock 3.

Later this year, the buildings in a development called "the Bowery" (between the Civic and the Landmark), will start to see improvements. This area will be just north of Lock 4 and will be home to new shops, restaurants, and 70 apartments.

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 is 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** – The 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 2007, the City had 28 Special Revenue Funds.

**Debt Service Funds** – The 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 2007, the City had 11 Debt Service Funds.

**Capital Projects Funds** – The 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 2007, the City had nine Capital Projects Funds.

**Permanent Funds** – The 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** – The 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 Enterprise Funds.

**Internal Service Funds** – The 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 – The Private Purpose Trust Funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. During 2007, the City had three Private Purpose Trust Funds.

Agency Funds – The 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 two Agency Funds during 2007.

Other Fiduciary Funds – The 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 2007, investment interest income averaged a yield of 4.87% compared to a yield of 4.63% in 2006. 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 131.38%.

### 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 Mary Taylor, CPA, 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, 2006. 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 23 consecutive years (1984 through 2006). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### Acknowledgments

The 2007 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 the Audit and Budget 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, 2006

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.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

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# Mary Taylor, CPA

Auditor of State

## 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, 2007, 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, 2007, 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 July 18, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparisons for the General Fund, Community Learning Centers Fund, and Income Tax Capital Improvement 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.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509  
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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 and 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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 18, 2008



## **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, 2007. 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, 2007 by \$714,193,282 (net assets). Of this amount \$145,735,049 is restricted for debt service.
- The governmental activities' total net assets increased by \$28,531,481 and the business-type activities' total net assets increased by \$6,595,517 for a net increase in the City's total net assets of \$35,126,998.
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$224,855,582, a decrease of \$12,456,695 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$12,649,039, or 8.53% of total general fund expenditures, and a 60.42% increase compared to the prior year.
- The City of Akron's total long-term debt decreased by \$13,920,114 (1.99%) during the current year. On December 3, 2007, the City of Akron issued \$20,735,000 of G.O. Bonds and on December 20, 2007 issued \$19,610,000 COPS. Also during the year, the City retired \$12,072,882 of 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, Income Tax Capital Improvement 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, Community Learning Centers Fund, and Income Tax Capital Improvement 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 48-99 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, Community Learning Centers Fund, and Income Tax Capital Improvement Fund budgetary comparison. Required Supplementary Information (RSI) can be found on pages 101-107 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 110-183 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 \$714,193,282 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 (20.41%) is restricted for the payment of debt service.

The City's net assets increased by \$35,126,998 during the current year. The net assets of the governmental activities increased by \$28,531,481 and business-type activities increased by \$6,595,517.

Summary Statement of Net Assets  
as of December 31, 2006 and 2007  
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
<b>Assets:</b>						
Current and other assets	\$ 445,371	\$ 432,820	\$ 41,131	\$ 36,849	\$ 486,502	\$ 469,669
Capital assets	758,200	813,615	471,710	469,908	1,229,910	1,283,523
Total assets	\$ 1,203,571	\$ 1,246,435	\$ 512,841	\$ 506,757	\$ 1,716,412	\$ 1,753,192
<b>Liabilities:</b>						
Long-term liabilities	658,167	676,534	146,211	132,418	804,378	808,952
Other liabilities	209,120	205,084	23,849	24,962	232,969	230,046
Total liabilities	\$ 867,287	\$ 881,618	\$ 170,060	\$ 157,380	\$ 1,037,347	\$ 1,038,998
<b>Net assets:</b>						
Invested in capital assets						
net of related debt	343,895	350,901	319,708	331,089	663,603	681,990
Restricted	154,998	136,131	9,763	9,603	164,761	145,734
Unrestricted	(162,608)	(122,216)	13,310	8,685	(149,298)	(113,531)
Total net assets	\$ 336,285	\$ 364,816	\$ 342,781	\$ 349,377	\$ 679,066	\$ 714,193

**Governmental activities.** Revenues exceeded expenses by \$27,954,000.

For the governmental activities, the unrestricted deficit results from having insufficient assets set aside 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.

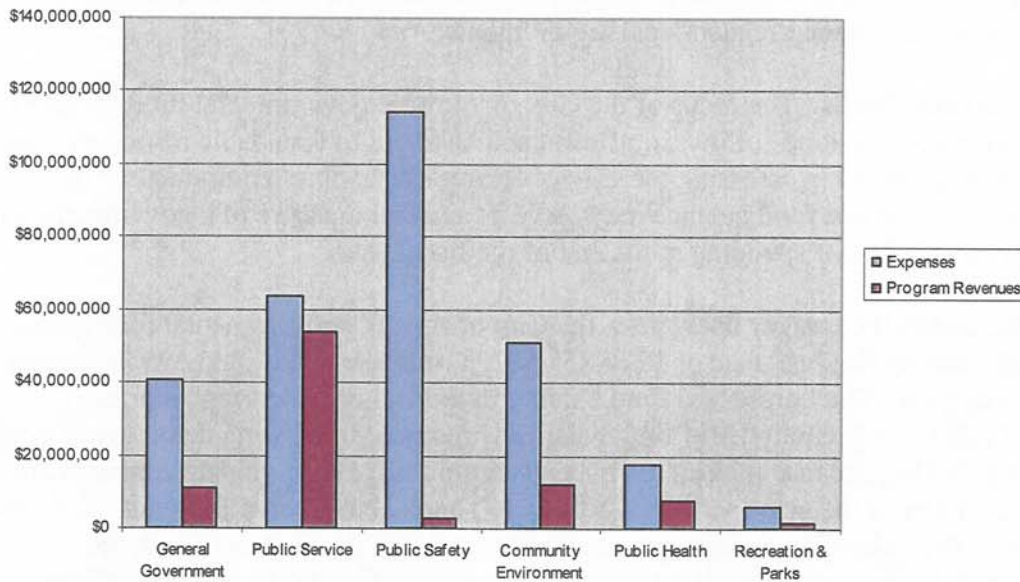
The following table shows total revenues for 2007 were \$22,470,000 lower than the prior year. Income tax revenue increased by \$22,773,000 from the prior year and shared revenues decreased by \$41,710,000 from 2006. Property taxes decreased by \$7,087,000 from 2006. For the remaining revenues, there was an increase of \$3,554,000 from 2006. Expenses for 2007 were \$32,505,000 lower than in 2006. The majority of the lower expenses were in community environment and higher expenses were primarily in public safety. Key events contributing to the changes are as follows:

- The increase in Income tax is attributed to the current state of the local economy.
- After a record high in 2006, shared revenues and community environment expenses decreased as a result of the decrease in the funding of the acquisition and construction costs associated with the Community Learning Centers.
- Tangible personal property used in business is being phased out over four years by the State of Ohio. The percentages are 18.75%, 12.50%, 6.25%, and 0.00% for 2006, 2007, 2008, and 2009, respectively.
- The Police and Fire unions settled their contract during the year and the mandated wage increase was 3.00% for all bargaining members.

**Changes in Net Assets**  
**For Fiscal Year Ended December 31, 2006 and 2007**  
(in thousands)

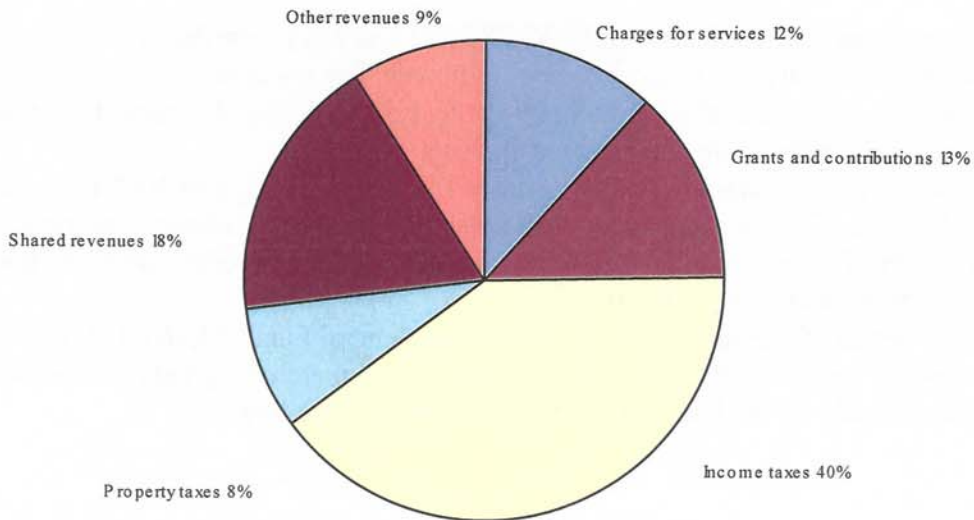
	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 39,963	\$ 42,478	\$ 75,851	\$ 75,463	\$ 115,814	\$ 117,941
Operating grants and contributions	20,086	21,939	-	-	20,086	21,939
Capital grants and contributions	22,024	24,823	4,537	5,918	26,561	30,741
General revenues:						
Income taxes	121,875	144,648	-	-	121,875	144,648
Property taxes	37,242	30,155	-	-	37,242	30,155
JEDD revenues	16,550	16,551	-	-	16,550	16,551
Investment earnings	6,546	4,821	461	504	7,007	5,325
Unrestricted shared revenues	106,744	65,034	-	-	106,744	65,034
Miscellaneous	12,788	10,899	946	2,092	13,734	12,991
<b>Total revenues</b>	<b>\$ 383,818</b>	<b>\$ 361,348</b>	<b>\$ 81,795</b>	<b>\$ 83,977</b>	<b>\$ 465,613</b>	<b>\$ 445,325</b>
<b>Expenses:</b>						
General government	\$ 38,207	\$ 40,750	\$ -	\$ -	\$ 38,207	\$ 40,750
Public service	64,832	63,896	-	-	64,832	63,896
Public safety	109,812	114,352	-	-	109,812	114,352
Community environment	94,413	50,882	-	-	94,413	50,882
Public health	17,204	17,569	-	-	17,204	17,569
Recreation and parks	2,552	5,801	-	-	2,552	5,801
Interest on debt	26,809	27,326	-	-	26,809	27,326
Unallocated depreciation	12,069	12,818	-	-	12,069	12,818
Water	-	-	33,312	33,460	33,312	33,460
Sewer	-	-	33,322	35,288	33,322	35,288
Oil & gas	-	-	180	204	180	204
Golf course	-	-	1,354	1,317	1,354	1,317
Airport	-	-	680	787	680	787
Off-street parking	-	-	5,702	5,974	5,702	5,974
<b>Total expenses</b>	<b>365,898</b>	<b>333,394</b>	<b>74,550</b>	<b>77,030</b>	<b>440,448</b>	<b>410,424</b>
<b>Changes in net assets before transfers</b>	<b>17,920</b>	<b>27,954</b>	<b>7,245</b>	<b>6,947</b>	<b>25,165</b>	<b>34,901</b>
Gain (loss) on sale of capital assets	-	224	-	-	-	224
Transfers	268	352	(268)	(352)	-	-
<b>Changes in net assets</b>	<b>\$ 18,188</b>	<b>\$ 28,530</b>	<b>\$ 6,977</b>	<b>\$ 6,595</b>	<b>\$ 25,165</b>	<b>\$ 35,125</b>
<b>Net assets - beginning</b>	<b>318,098</b>	<b>336,286</b>	<b>335,805</b>	<b>342,782</b>	<b>653,903</b>	<b>679,068</b>
<b>Net assets - ending</b>	<b>\$ 336,286</b>	<b>\$ 364,816</b>	<b>\$ 342,782</b>	<b>\$ 349,377</b>	<b>\$ 679,068</b>	<b>\$ 714,193</b>

### Expenses and Program Revenues - Governmental Activities



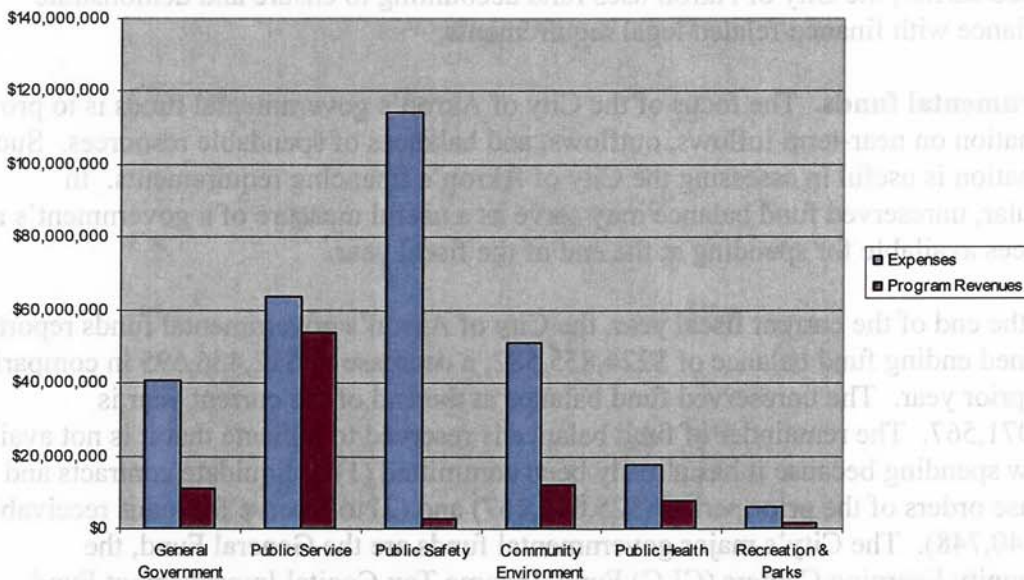
The above chart shows the revenue generated by the various programs of the City of Akron and the expenses relating to each program. As shown below, the primary source of revenue that funds these programs is reported in the financial statements as income taxes.

### Revenues By Sources Governmental Activities



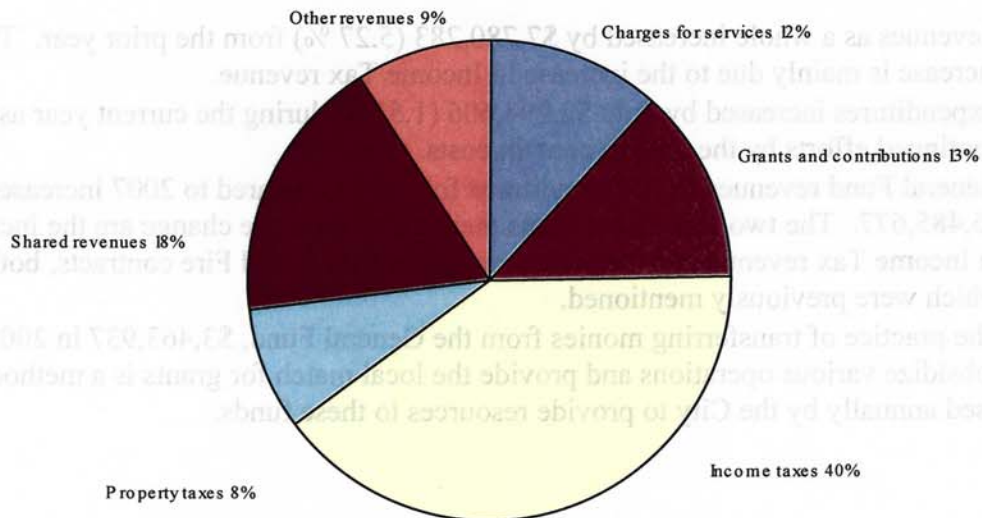


### Expenses and Program Revenues - Governmental Activities



The above chart shows the revenue generated by the various programs of the City of Akron and the expenses relating to each program. As shown below, the primary source of revenue that funds these programs is reported in the financial statements as income taxes.

### Revenues By Sources Governmental Activities





## 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 \$224,855,582, a decrease of \$12,456,695 in comparison to the prior year. The unreserved fund balance at the end of the current year is \$189,071,567. 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 (\$25,643,267) and (2) to reserve for loans receivable (\$10,140,748). The City's major governmental funds are the General Fund, the Community Learning Centers (CLC) Fund, Income Tax Capital Improvement Fund, Special Assessment Bond Payment Fund, and the CLC Bond Payment Fund.

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 \$12,649,039, while the total fund balance is \$13,612,405. 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 8.53% of total General Fund expenditures, while total fund balance represents 9.18% of that same amount.

The fund balance of the City of Akron's General Fund increased by \$3,712,803 during the current fiscal year. Key factors in this increase are as follows:

- Revenues as a whole increased by \$7,780,283 (5.27 %) from the prior year. The increase is mainly due to the increase in Income Tax revenue.
- Expenditures increased by only \$2,294,606 (1.57%) during the current year as continued efforts by the City to contain costs.
- General Fund revenues over expenditures for 2006 compared to 2007 increased by \$5,485,677. The two significant items that attributed to the change are the increase in Income Tax revenue and the settlement of the Police and Fire contracts, both of which were previously mentioned.
- The practice of transferring monies from the General Fund, \$3,463,937 in 2007, to subsidize various operations and provide the local match for grants is a method used annually by the City to provide resources to these funds.

The Community Learning Centers Fund has a total fund balance of \$84,041,352. The net decrease in the Community Learning Centers Fund from the prior year was \$7,307,925. The decrease in fund balance is due mainly to the following:

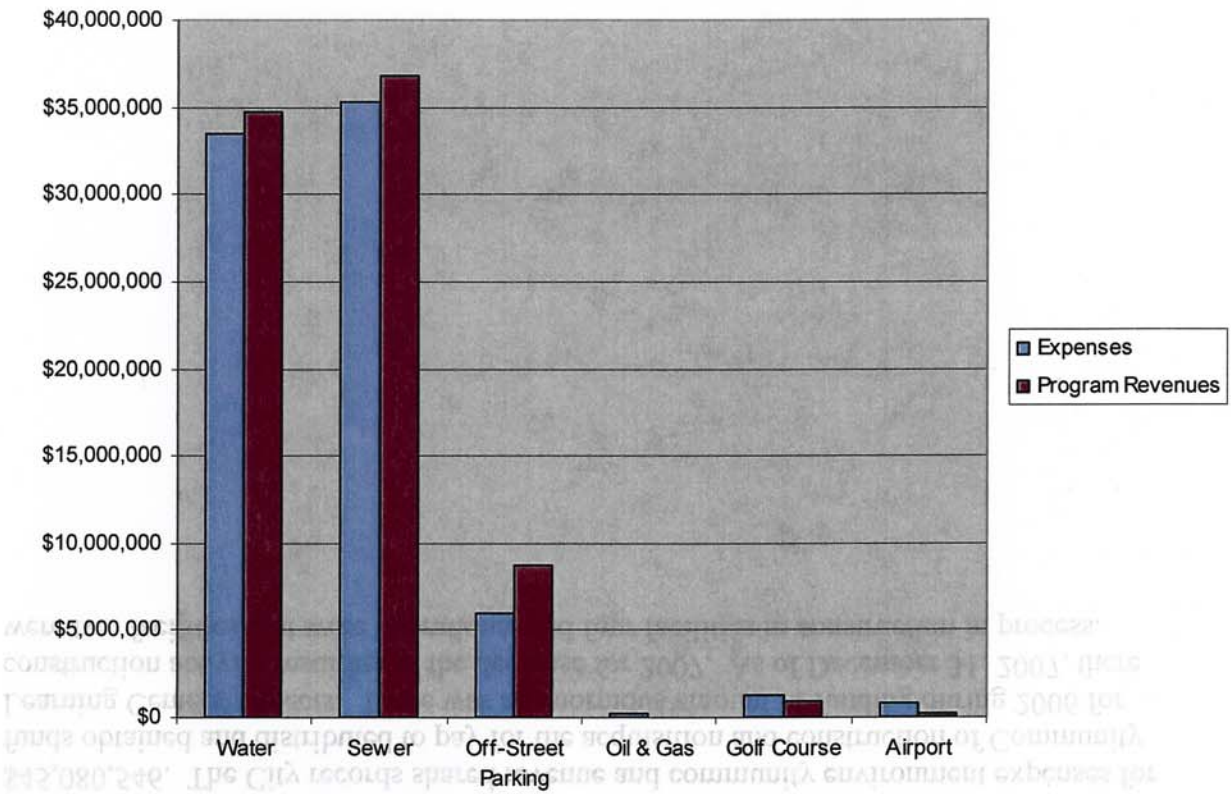
- Investment earnings were \$2,212,273 less than the prior year. As previously mentioned, the 2006 Community Learning Center project costs were funded by reducing the investments held directly impacting the amount of investment earnings.
- Community environment expenditures were \$10,937,760 in 2007 which reflect the decrease in Community Learning Center projects during the year.
- Debt service expenditures were \$10,431,252 in the current year.

The Income Tax Capital Improvement Fund has a total fund balance of \$9,443,279. Expenditures exceeded revenue by only \$527,063 in 2007. The change adheres to the City's desire to fully implement the annual Capital Budget Plan.

For fiscal year 2007 the Special Assessment Bond Payment Fund revenues and bond proceeds were less than expenditures by \$47,692. The City accumulates resources for the payment of debt and related costs at a balanced level.

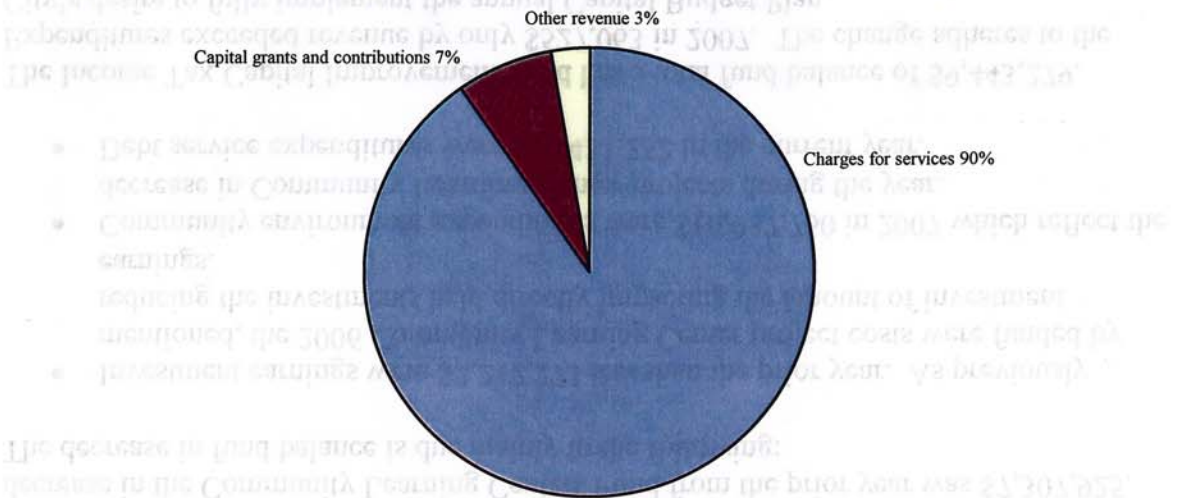
For the current fiscal year in the CLC Bond Payment Fund, expenditures exceeded revenues by \$19,988,669. This is directly related to the decrease in shared revenue of \$45,080,546. The City records shared revenue and community environment expenses for funds obtained and distributed to pay for the acquisition and construction of Community Learning Centers projects. There was an enormous amount of funding during 2006 for construction activity resulting in the decrease for 2007. As of December 31, 2007, there were two facilities that were operational and four facilities in construction in process.

**Expenses and Program Revenues - Business-type Activities**



The above chart shows the revenue generated by the various business-type activities of the City of Akron and the expenses relating to each activity. As shown below, 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**



**Business-type activities.** Business-type activities increased the City of Akron's net assets by \$6,595,517. Miscellaneous revenue increased by \$1,145,030 over the prior year. Capital grants and contributions were higher than the prior year by \$1,381,269.

**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. The City's major enterprise funds are the Water, Sewer, and Off-Street Parking.

Unrestricted net assets of the Water fund at the end of the year were \$5,793,664; for the Sewer fund \$5,845,331; and for the Off-Street Parking fund (\$417,068). Net income for the Water, Sewer and Off-Street Parking Funds were \$2,431,687, \$2,690,412, and \$1,888,514 respectively.

The Water Department services the City and 11 surrounding communities which account for 84,037 customer accounts and 1,213 miles of water mains. All bonds of the Water fund are paid from water enterprise revenues. A ten-year comparison of certain water enterprise data is shown in Schedule 15 of the Statistical Section. Water rates remained stable and results of operations yielded an increase in net assets due to cost containment.

The Sewer Department services the City and 12 surrounding communities which account for 79,721 customer accounts and 1,340 miles of sewer lines. All bonds of the Sewer fund are paid from sewer enterprise revenues. A ten-year comparison of certain sewer enterprise data is shown in Schedule 15 of the Statistical Section. Sewer rates remained virtually unchanged with only slight increases to a small population of non-resident customers and results of operations yielded an increase in net assets due again to cost containment.

The Off-Street Parking fund met expectations with an increase in charges for services. The rates for parking were increased effective April 1, 2007. The increase in revenues directly resulted in the increase in net assets along with capital contributions.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year, revenues and other sources exceeded budgetary estimates by \$4,578,481 (3.01%). Income Taxes were \$4,031,299 higher than budget, Local Government Fund revenues were \$1,684,856 higher than budget and Property Taxes were \$603,957 higher than budget. Other Revenue was \$1,061,339 higher than the estimated budget.

The revised expenditures final budget amount increased by \$3,380,600 (2.17%) over the original budget amount. The actual amount of expenditures were \$2,273,434 (1.43%) less than the final amended budget. Wages/benefits for Police and Fire expenditure final budget was more than original budget by \$1,400,000 (3.26%) and \$900,000 (3.55%) respectively.

Key events contributing to the changes in the General Fund budget amounts are as follows:

- As previously stated, Income Tax revenue has increased and was significantly higher than the 2% increase that was budgeted.
- The City took a conservative approach when estimating the Local government revenue; therefore, actual results exceeded budgeted amounts.
- As stated earlier both the Police and Fire unions settled their contract during the year and the impact of the new contract was not originally budgeted. The mandated wage increase was 3.00% for all bargaining members of the Police and Fire Departments.
- Another significant change also related to wages/benefits for the Division of Public Service. The two divisions that account for the majority of the increase are the Sanitation Division and Recycling Division. Both Divisions experienced higher than expected overtime for refuse and recycling pickup, respectively.

## 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, 2007, amounts to \$1,283,523,250 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the City of Akron's investment in capital assets for the current fiscal year was 4.36% (a 7.31% increase for governmental activities and a 0.38% decrease for business-type activities).

City of Akron Capital Assets (net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
Land	\$152,624,283	\$155,480,584	\$26,503,462	\$26,598,108	\$179,127,745	\$182,078,692
Construction in progress	81,054,723	72,431,297	32,099,359	33,566,109	113,154,082	105,997,406
Buildings	128,132,032	160,336,064	98,898,745	96,744,297	227,030,777	257,080,361
Improvements	88,461,233	96,971,541	222,095,996	214,825,507	310,557,229	311,797,048
Equipment	23,688,958	24,147,003	2,772,636	3,941,943	26,461,594	28,088,946
Infrastructure	284,238,647	304,248,975	89,339,926	94,231,822	373,578,573	398,480,797
	<u>\$758,199,876</u>	<u>\$813,615,464</u>	<u>\$471,710,124</u>	<u>\$469,907,786</u>	<u>\$1,229,910,000</u>	<u>\$1,283,523,250</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 65.

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

- Americans with Disabilities (ADA) Access Improvements - \$1,888,000.
- Cascade Locks Bikeway - \$2,012,000.
- Canton Road Signalization Project -\$1,111,000.
- Street Projects - West Market Street (\$3,848,000), East Market Street Widening (\$1,150,000), and Manchester Road (\$1,680,000).

**Long-term debt.** At the end of the current fiscal year, the City of Akron had total debt outstanding of \$686,720,000. All general obligation bonds are backed by the full faith and credit of the City. Special assessment bonds and notes are covered by special assessment collections and 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 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
General Obligation Bonds	\$207,280	\$216,063	\$922	\$801	\$ 208,202	\$ 216,864
OPWC Loan	9,931	10,361	2,853	2,651	12,784	13,012
Ohio Department of Development Loan	1,309	1,253	-	-	1,309	1,253
Non-Tax Revenue Bonds	44,360	42,330	-	-	44,360	42,330
Income Tax Revenue Bonds	214,130	210,160	-	-	214,130	210,160
Special Revenue Bonds	44,240	42,090	-	-	44,240	42,090
Special Assessment Bonds and Notes	17,433	16,286	-	-	17,433	16,286
SIB Loan	9,956	9,358	-	-	9,956	9,358
Mortgage Revenue Bonds	-	-	57,565	51,845	57,565	51,845
Revenue Bonds	-	-	39,665	37,380	39,665	37,380
OWDA Loan	-	-	50,997	46,142	50,997	46,142
	<u>\$ 548,639</u>	<u>\$ 547,901</u>	<u>\$ 152,002</u>	<u>\$ 138,819</u>	<u>\$ 700,641</u>	<u>\$ 686,720</u>

The City of Akron's total debt outstanding decreased by \$13,921,000 (1.99%) during the current fiscal year.

During the current fiscal year the City issued \$20,735,000 in general obligation bonds to pay for the cost of street improvements, improving municipal parks, improvements to municipal facilities for purchase of motor vehicles, and renovating the incubator building.

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 were originally 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 \$332,783,010 and the total unvoted net debt limit (5.5%) is \$174,314,910.

Additional information on the City of Akron's long-term debt can be found in Notes 10-12 on pages 73-87.

### **Economic Factors and Next Year's Budgets and Rates**

- Akron's average annual unemployment rate at year-end was 5.9%, which remained stable compared to the prior year.
- The City of Akron budgeted a 2% increase in income tax collections.

In the 2008 budget, the General Fund unencumbered fund balance is projecting a \$257,288 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**



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City of Akron, Ohio  
Statement of Net Assets  
December 31, 2007

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current assets</b>			
Pooled cash and investments	\$ 18,543,587	\$ 10,781,127	\$ 29,324,714
Restricted cash and investments	88,114,498	11,860,728	99,975,226
Receivables, net	101,676,358	9,547,110	111,223,468
Loans receivable	2,795,317	-	2,795,317
Due from other governments	21,473,967	2,425,757	23,899,724
Internal balances	4,041,142	(4,041,142)	-
Inventories, at cost	1,070,749	2,543,982	3,614,731
Total current assets	<u>237,715,618</u>	<u>33,117,562</u>	<u>270,833,180</u>
<b>Noncurrent assets:</b>			
Receivables, net	90,220,788	-	90,220,788
Loans receivable	7,345,431	-	7,345,431
Unamortized bond costs and deferred loss	5,486,822	3,731,160	9,217,982
Deposits	92,050,905	-	92,050,905
<b>Capital assets:</b>			
Land and construction in progress	227,911,881	60,164,217	288,076,098
Other capital assets, net	585,703,583	409,743,569	995,447,152
Total noncurrent assets	<u>1,008,719,410</u>	<u>473,638,946</u>	<u>1,482,358,356</u>
<b>Total assets</b>	<u>1,246,435,028</u>	<u>506,756,508</u>	<u>1,753,191,536</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and other accrued liabilities	23,634,568	4,569,243	28,203,811
Customer deposits	671,021	596,321	1,267,342
Due to other governments	4,122,732	342,952	4,465,684
Deferred revenue	122,122,798	-	122,122,798
Matured bonds and interest payable	145,609	-	145,609
Accrued interest payable	2,371,057	2,642,326	5,013,383
Accrued wages	3,988,249	550,997	4,539,246
Accrued vacation and leave	12,047,309	1,472,862	13,520,171
COPs and obligations under capital lease	5,400,512	-	5,400,512
Liability for unpaid claims	5,073,337	-	5,073,337
Bonds, notes and loans payable	25,507,213	14,787,094	40,294,307
Total current liabilities	<u>205,084,405</u>	<u>24,961,795</u>	<u>230,046,200</u>
<b>Noncurrent liabilities:</b>			
COPs and obligations under capital lease	79,220,245	-	79,220,245
Liabilities due in more than one year	65,232,858	6,193,676	71,426,534
Deferred charges and other liabilities	17,088,875	2,191,884	19,280,759
Bonds, notes and loans payable due in more than one year	514,992,510	124,032,006	639,024,516
Total noncurrent liabilities	<u>676,534,488</u>	<u>132,417,566</u>	<u>808,952,054</u>
<b>Total liabilities</b>	<u>881,618,893</u>	<u>157,379,361</u>	<u>1,038,998,254</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	350,900,710	331,088,686	681,989,396
Restricted for debt service	136,131,553	9,603,496	145,735,049
Unrestricted (deficit)	(122,216,128)	8,684,965	(113,531,163)
<b>Total net assets</b>	<u>\$ 364,816,135</u>	<u>\$ 349,377,147</u>	<u>\$ 714,193,282</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, 2007

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 40,750,017	\$ 11,187,070	\$ -	\$ -	\$ (29,562,947)	\$ -	\$ (29,562,947)
Public service	63,895,682	28,739,656	136,420	24,822,927	(10,196,679)	-	(10,196,679)
Public safety	114,350,511	1,499,758	1,412,948	-	(111,437,805)	-	(111,437,805)
Community environment	50,882,056	13,466	12,096,236	-	(38,772,354)	-	(38,772,354)
Public health	17,568,811	674,598	6,773,599	-	(10,120,614)	-	(10,120,614)
Recreation and parks	5,800,662	363,552	1,520,094	-	(3,917,016)	-	(3,917,016)
Interest	27,325,682	-	-	-	(27,325,682)	-	(27,325,682)
Unallocated depreciation*	12,818,481	-	-	-	(12,818,481)	-	(12,818,481)
Total governmental activities	333,391,902	42,478,100	21,939,297	24,822,927	(244,151,578)	-	(244,151,578)
<b>Business-type activities:</b>							
Water	33,459,745	33,313,008	-	1,431,810	-	1,285,073	1,285,073
Sewer	35,287,533	36,113,694	-	679,620	-	1,505,781	1,505,781
Oil & gas	204,153	18,544	-	-	-	(185,609)	(185,609)
Golf course	1,317,386	891,709	-	-	-	(425,677)	(425,677)
Airport	786,711	143,520	-	62,555	-	(580,636)	(580,636)
Parking facilities	5,974,113	4,982,704	-	3,744,614	-	2,753,205	2,753,205
Total business-type activities	77,029,641	75,463,179	-	5,918,599	-	4,352,137	4,352,137
Total Government	\$ 410,421,543	\$ 117,941,279	\$ 21,939,297	\$ 30,741,526	\$ (244,151,578)	\$ 4,352,137	\$ (239,799,441)

General Revenues:

Taxes:			
Income taxes	\$ 144,647,307	\$ -	\$ 144,647,307
Property taxes	30,154,104	-	30,154,104
JEDD revenues	16,551,588	-	16,551,588
Investment earnings	4,820,973	504,738	5,325,711
Unrestricted shared revenues	65,033,815	-	65,033,815
Miscellaneous	10,899,487	2,090,792	12,990,279
Gain on sale of capital assets	223,635	-	223,635
Transfers	352,150	(352,150)	-
Total general revenues and transfers	272,683,059	2,243,380	274,926,439
Change in net assets	28,531,481	6,595,517	35,126,998
Net assets - beginning	336,284,654	342,781,630	679,066,284
Net assets - ending	\$ 364,816,135	\$ 349,377,147	\$ 714,193,282

\* 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, 2007

	General	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	CLC Bond Payment Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Pooled cash and investments	\$ -	\$ 1,092,779	\$ -	\$ -	\$ -	\$ 20,138,704	\$ 21,231,483
Restricted cash and investments	-	70,223,564	-	243,800	18,857	17,628,277	88,114,498
Receivables, net of allowances for uncollectibles	56,043,757	81,257,886	6,995,518	24,080,274	-	21,125,556	189,502,991
Loans receivable	663,134	-	-	-	-	9,477,614	10,140,748
Due from other governments	-	-	-	-	-	9,847,414	9,847,414
Due from other funds	7,060,691	12,231,730	5,993,601	-	-	26,013,327	51,299,349
Deposits	-	-	-	-	92,050,905	-	92,050,905
<b>Total assets</b>	<b>\$ 63,767,582</b>	<b>\$ 164,805,959</b>	<b>\$ 12,989,119</b>	<b>\$ 24,324,074</b>	<b>\$ 92,069,762</b>	<b>\$ 104,230,892</b>	<b>\$ 462,187,388</b>
<b>Liabilities</b>							
Accounts payable	\$ 1,843,309	\$ 19,314	\$ 161,142	\$ -	\$ -	\$ 11,297,372	\$ 13,321,137
Customer deposits	-	-	-	-	-	671,021	671,021
Due to other governments	1,297,970	7,995	5,735	-	-	6,058,936	7,370,636
Due to other funds	1,154,827	1,673,786	57,590	-	-	41,653,626	44,539,829
Due to others	-	-	-	-	-	936,125	936,125
Deferred grant revenue	-	-	-	-	-	333,002	333,002
Deferred revenue	40,449,636	79,063,424	3,233,474	22,080,274	-	15,915,215	160,742,023
Matured bonds payable	-	-	-	-	-	95,000	95,000
Matured interest payable	-	-	-	-	-	50,609	50,609
Accrued liabilities	2,371,692	-	61,367	-	-	2,901,668	5,334,727
Accrued wages	2,853,183	88	26,532	-	-	860,049	3,739,852
Accrued vacation and leave	184,560	-	-	-	-	13,285	197,845
<b>Total liabilities</b>	<b>50,155,177</b>	<b>80,764,607</b>	<b>3,545,840</b>	<b>22,080,274</b>	<b>-</b>	<b>80,785,908</b>	<b>237,331,806</b>
<b>Fund balances</b>							
Reserved for encumbrances	300,232	107,600	306,236	-	-	24,929,199	25,643,267
Reserved for loans receivable	663,134	-	-	-	-	9,477,614	10,140,748
Unreserved designated for pre-encumbrances reported in general fund	157,010	-	-	-	-	-	157,010
Unreserved designated for pre-encumbrances reported in special revenue funds	-	-	108,200	-	-	170,540	278,740
Unreserved designated for pre-encumbrances reported in capital project funds	-	-	-	-	-	61	61
Unreserved reported in general fund	12,492,029	-	-	-	-	-	12,492,029
Unreserved reported in special revenue funds	-	83,933,752	9,028,843	-	-	5,733,864	98,696,459
Unreserved reported in debt service funds	-	-	-	2,243,800	92,069,762	13,664,133	107,977,695
Deficit reported in capital project funds	-	-	-	-	-	(30,530,427)	(30,530,427)
<b>Total fund balances</b>	<b>13,612,405</b>	<b>84,041,352</b>	<b>9,443,279</b>	<b>2,243,800</b>	<b>92,069,762</b>	<b>23,444,984</b>	<b>224,855,582</b>
<b>Total liabilities and fund balances</b>	<b>\$ 63,767,582</b>	<b>\$ 164,805,959</b>	<b>\$ 12,989,119</b>	<b>\$ 24,324,074</b>	<b>\$ 92,069,762</b>	<b>\$ 104,230,892</b>	<b>\$ 462,187,388</b>

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, 2007

Total fund balances for governmental funds (Exhibit 3)		\$ 224,855,582
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.		(7,401,063)
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		810,639,967
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Income taxes	13,039,255	
JEDD revenues	879,363	
Special assessments	10,951,100	
Property taxes	5,136,138	
Shared revenues	<u>8,946,371</u>	
		38,952,227
Long-term accounts receivables are not available to pay for current period expenditures.		2,307,570
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		(14,639,521)
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	(5,840,324)	
Due to other governments	(3,905,000)	
Accrued interest payable	(2,370,427)	
Accrued vacation and leave	(53,371,074)	
Bonds, notes and loans payable	(540,331,509)	
Obligations under capital lease	(84,104,793)	
Unamortized bond premium	(17,088,875)	
Unamortized bond issue cost	<u>5,486,822</u>	
		(701,525,180)
OPWC loan funds not drawn down, therefore, receivable not reflected in the funds.		11,626,553
		<hr/>
Total net assets of governmental activities (Exhibit 1)		<u><u>\$ 364,816,135</u></u>

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

## City of Akron, Ohio

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

For the Year Ended December 31, 2007

	General	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	CLC Bond Payment Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Income taxes	\$ 83,527,383	\$ 13,074,383	\$ 35,009,307	\$ -	\$ -	\$ 11,321,930	\$ 142,933,003
Property taxes	19,425,348	-	-	-	-	10,361,269	29,786,617
JEDD revenues	2,992,000	-	1,825,000	-	-	13,012,829	17,829,829
Special assessments	54,018	-	-	3,782,106	-	9,942,600	13,778,724
Grants and subsidies:							
Community development	-	-	-	-	-	12,478,212	12,478,212
Other	3,330	-	130,274	-	-	20,049,484	20,183,088
Investment earnings	451,000	2,793,134	-	239,103	99,596	1,651,602	5,234,435
Shared revenues	21,433,917	-	-	-	28,374,060	15,699,642	65,507,619
Licenses, fees and fines	8,655,487	-	225	-	-	1,487,010	10,142,722
Charges for services	17,692,652	-	149,999	-	-	10,957,356	28,800,007
Miscellaneous	1,241,773	71,341	275,692	-	-	11,163,362	12,752,168
	<u>155,476,908</u>	<u>15,938,858</u>	<u>37,390,497</u>	<u>4,021,209</u>	<u>28,473,656</u>	<u>118,125,296</u>	<u>359,426,424</u>
<b>Expenditures</b>							
Current:							
General government	20,724,860	1,874,384	12,894	528,776	5,527	16,977,765	40,124,206
Public service	21,712,994	3,387	416,076	-	-	81,432,692	103,565,149
Public safety	93,094,202	-	81,428	-	-	16,945,013	110,120,643
Community environment	1,427,744	10,937,760	9,105,832	-	45,359,988	14,910,438	81,741,762
Public health	7,705,599	-	15,356	-	-	9,195,425	16,916,380
Recreation and parks	3,533,779	-	-	-	-	2,034,041	5,567,820
Capital outlay	-	-	11,387	-	-	209,442	220,829
Debt service:							
Principal retirement	70,567	3,650,000	17,362,324	3,864,438	-	4,405,599	29,352,928
Interest	30,423	6,781,252	10,912,263	560,687	3,096,810	6,930,235	28,311,670
Bond issuance expenditures	-	-	-	-	-	1,096,121	1,096,121
	<u>148,300,168</u>	<u>23,246,783</u>	<u>37,917,560</u>	<u>4,953,901</u>	<u>48,462,325</u>	<u>154,136,771</u>	<u>417,017,508</u>
Excess (deficiency) of revenues over (under) expenditures	7,176,740	(7,307,925)	(527,063)	(932,692)	(19,988,669)	(36,011,475)	(57,591,084)
<b>Other financing sources (uses)</b>							
Issuance of general obligation bonds	-	-	83,000	885,000	-	38,791,106	39,759,106
Issuance of general obligation notes	-	-	-	-	-	1,831,645	1,831,645
Issuance of loans	-	-	130,663	-	-	2,155,155	2,285,818
Issuance of COPs	-	-	-	-	-	1,470,894	1,470,894
Premium on G.O. Debt	-	-	-	-	-	419,776	419,776
Transfers-in	-	-	-	-	-	5,329,997	5,329,997
Transfers-out	(3,463,937)	-	-	-	-	(2,498,910)	(5,962,847)
	<u>(3,463,937)</u>	<u>-</u>	<u>213,663</u>	<u>885,000</u>	<u>-</u>	<u>47,499,663</u>	<u>45,134,389</u>
Net change in fund balance	3,712,803	(7,307,925)	(313,400)	(47,692)	(19,988,669)	11,488,188	(12,456,695)
Fund balances, January 1, 2007	9,899,602	91,349,277	9,756,679	2,291,492	112,058,431	11,956,796	237,312,277
Fund balances, December 31, 2007	<u>\$ 13,612,405</u>	<u>\$ 84,041,352</u>	<u>\$ 9,443,279</u>	<u>\$ 2,243,800</u>	<u>\$ 92,069,762</u>	<u>\$ 23,444,984</u>	<u>\$ 224,855,582</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, 2007

Net changes in fund balances - total governmental funds (Exhibit 4) \$(12,456,695)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$79,785,038) exceeded depreciation (\$20,542,143) in the current period. 55,602,217

The net effect of selling capital assets increased net assets. 223,635

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 5,057,681

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.

Issuance of debt	(45,347,463)	
Payment of debt	29,352,928	
Premium on debt	(419,776)	
Bond issuance expenditures	1,096,121	
		(15,318,190)

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. (2,383,180)

The revenues and expenses of the internal service funds are included in the governmental activities in the statement of activities. (2,193,987)

Increase in net assets of governmental activities (Exhibit 2) \$ 28,531,481

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, 2007

	Water	Sewer	Off-Street Parking	Other Enterprise Funds
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 7,933,830	\$ 2,263,599	\$ 76,299	\$ 507,399
Restricted cash and investments	5,191,708	6,669,020	-	-
Receivables, net of allowances for uncollectibles	4,120,763	5,373,430	30,374	22,543
Due from other governments	89,539	2,273,663	-	62,555
Due from other funds	192,273	7,315	-	3,939
Inventories, at cost	1,404,081	1,067,344	-	72,557
<b>Total current assets</b>	<b>18,932,194</b>	<b>17,654,371</b>	<b>106,673</b>	<b>668,993</b>
Noncurrent assets				
Deferred loss on early retirement	1,440,650	913,294	-	-
Unamortized bond discount	165,236	-	-	-
Unamortized bond issue costs	738,690	473,290	-	-
Property, plant and equipment, net of accumulated depreciation	142,899,215	242,503,467	74,120,463	10,384,641
<b>Total noncurrent assets</b>	<b>145,243,791</b>	<b>243,890,051</b>	<b>74,120,463</b>	<b>10,384,641</b>
<b>Total assets</b>	<b>164,175,985</b>	<b>261,544,422</b>	<b>74,227,136</b>	<b>11,053,634</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	882,840	963,299	270,162	211,688
Customer deposits	596,321	-	-	-
Due to other governments	119,337	29,076	194,539	-
Due to other funds	1,056,944	505,033	56,140	567,805
Accrued interest payable	1,669,722	969,704	2,900	-
Accrued liabilities	327,278	1,901,822	-	12,154
Accrued wages	330,657	199,080	-	21,260
Accrued vacation and leave	888,178	533,611	-	51,073
Obligations under capital lease	-	-	-	-
Liability for unpaid claims	-	-	-	-
Debt:				
General obligation bonds	58,968	34,264	33,636	-
Mortgage revenue bonds	6,000,000	-	-	-
Revenue bonds	-	2,955,000	-	-
OWDA loans	1,013,890	4,489,822	-	-
OPWC loans	95,958	105,556	-	-
<b>Total current liabilities</b>	<b>13,040,093</b>	<b>12,686,267</b>	<b>557,377</b>	<b>863,980</b>
Noncurrent liabilities				
Obligations under capital lease	-	-	-	-
Due in more than one year	3,419,960	2,490,488	-	283,228
Deferred charges and other liabilities	1,055,913	1,135,971	-	-
Bonds, notes, and loans	56,753,524	66,604,558	673,924	-
<b>Total noncurrent liabilities</b>	<b>61,229,397</b>	<b>70,231,017</b>	<b>673,924</b>	<b>283,228</b>
<b>Total liabilities</b>	<b>74,269,490</b>	<b>82,917,284</b>	<b>1,231,301</b>	<b>1,147,208</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	78,976,875	168,314,267	73,412,903	10,384,641
Restricted for debt service	5,135,956	4,467,540	-	-
Unrestricted (deficit)	5,793,664	5,845,331	(417,068)	(478,215)
<b>Total net assets</b>	<b>\$ 89,906,495</b>	<b>\$ 178,627,138</b>	<b>\$ 72,995,835</b>	<b>\$ 9,906,426</b>

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, 2007

<u>Total</u>	<b>Governmental Activities- Internal Service Funds</b>
\$ 10,781,127	\$ 4,713,167
11,860,728	-
9,547,110	86,585
2,425,757	-
203,527	2,533,804
2,543,982	1,070,749
<u>37,362,231</u>	<u>8,404,305</u>
2,353,944	-
165,236	-
1,211,980	-
469,907,786	2,975,497
<u>473,638,946</u>	<u>2,975,497</u>
<u>511,001,177</u>	<u>11,379,802</u>
2,327,989	630,809
596,321	-
342,952	-
2,185,922	7,310,929
2,642,326	630
2,241,254	2,150,165
550,997	248,397
1,472,862	670,630
-	185,508
-	5,073,337
126,868	35,086
6,000,000	-
2,955,000	-
5,503,712	-
201,514	-
<u>27,147,717</u>	<u>16,305,491</u>
-	330,456
6,193,676	11,308,995
2,191,884	-
124,032,006	133,128
<u>132,417,566</u>	<u>11,772,579</u>
<u>159,565,283</u>	<u>28,078,070</u>
331,088,686	2,807,283
9,603,496	-
<u>10,743,712</u>	<u>(19,505,551)</u>
	<u>\$ (16,698,268)</u>
(2,058,747)	
<u>\$ 349,377,147</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, 2007

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
<b>Operating revenues</b>						
Charges for services	\$ 33,313,008	\$ 36,113,694	\$ 4,982,704	\$ 1,053,773	\$ 75,463,179	\$ 47,133,009
Other	723,402	658,476	21,499	687,415	2,090,792	539,060
	<u>34,036,410</u>	<u>36,772,170</u>	<u>5,004,203</u>	<u>1,741,188</u>	<u>77,553,971</u>	<u>47,672,069</u>
<b>Operating expenses</b>						
Personal services	13,324,293	7,863,548	-	1,269,342	22,457,183	9,827,295
Direct expenses	8,466,459	13,962,004	2,687,300	598,206	25,713,969	15,651,705
Claims	-	-	-	-	-	24,309,219
Rentals and lease	405,765	2,209	-	63,168	471,142	225,105
Utilities	1,634,890	2,107,223	620,233	96,800	4,459,146	325,185
Insurance	150,716	204,609	55,190	20,249	430,764	25,619
Depreciation, depletion and amortization	5,309,117	7,767,028	2,189,226	227,730	15,493,101	479,983
Other	271,411	54,563	389,631	6,073	721,678	2,575
	<u>29,562,651</u>	<u>31,961,184</u>	<u>5,941,580</u>	<u>2,281,568</u>	<u>69,746,983</u>	<u>50,846,686</u>
Operating income (loss)	<u>4,473,759</u>	<u>4,810,986</u>	<u>(937,377)</u>	<u>(540,380)</u>	<u>7,806,988</u>	<u>(3,174,617)</u>
<b>Non-operating revenues (expenses)</b>						
Interest income	140,009	364,729	-	-	504,738	4,576
Interest expense	(3,613,891)	(3,164,923)	(36,413)	-	(6,815,227)	(8,946)
	<u>(3,473,882)</u>	<u>(2,800,194)</u>	<u>(36,413)</u>	<u>-</u>	<u>(6,310,489)</u>	<u>(4,370)</u>
Gain (loss) before transfers and contributions	999,877	2,010,792	(973,790)	(540,380)	1,496,499	(3,178,987)
Transfers-in	-	-	-	530,160	530,160	985,000
Transfers-out	-	-	(882,310)	-	(882,310)	-
Capital contributions	1,431,810	679,620	3,744,614	62,555	5,918,599	-
	<u>1,431,810</u>	<u>679,620</u>	<u>2,862,304</u>	<u>592,715</u>	<u>5,566,449</u>	<u>985,000</u>
Net change in net assets	2,431,687	2,690,412	1,888,514	52,335	7,062,948	(2,193,987)
Net assets, January 1, 2007	87,474,808	175,936,726	71,107,321	9,854,091		(14,504,281)
Net assets, December 31, 2007	<u>\$ 89,906,495</u>	<u>\$ 178,627,138</u>	<u>\$ 72,995,835</u>	<u>\$ 9,906,426</u>		<u>\$ (16,698,268)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. Change in net assets of business-type activities				(467,431)		
				<u>6,595,517</u>		

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, 2007

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
<b>Operating activities</b>						
Cash received from customers	\$ 33,338,607	\$ 36,398,832	\$ 5,032,057	\$ 1,065,798	\$ 75,835,294	\$ 47,029,001
Cash payments to suppliers for goods and services	(10,202,711)	(16,371,584)	(3,230,368)	(726,028)	(30,530,691)	(17,645,558)
Cash paid for salaries and employee benefits	(12,993,303)	(7,714,110)	-	(1,223,937)	(21,931,350)	(30,928,214)
Other revenues	723,402	658,476	21,499	687,415	2,090,792	539,060
Other expenses	(271,411)	(54,563)	(389,631)	(6,073)	(721,678)	(2,575)
Net cash provided by (used for) operating activities	10,594,584	12,917,051	1,433,557	(202,825)	24,742,367	(1,008,286)
<b>Non-capital financing activities</b>						
Transfers from other funds	-	-	-	530,160	530,160	985,000
Transfers in for negative cash balances	-	-	-	551,301	551,301	7,207,003
Transfers out for negative cash balances	-	-	(289,263)	(470,123)	(759,386)	(6,892,562)
Transfers to other funds	-	-	(882,310)	-	(882,310)	-
Net cash provided by (used for) non-capital financing activities	-	-	(1,171,573)	611,338	(560,235)	1,299,441
<b>Capital and related financing activities</b>						
Principal paid on bonds and loans	(6,844,345)	(6,306,152)	(32,024)	-	(13,182,521)	(33,414)
Interest paid on bonds and loans	(2,919,499)	(3,444,142)	(36,560)	-	(6,400,201)	(9,072)
Acquisition and construction of capital assets	(4,643,168)	(4,511,731)	(3,861,715)	(427,148)	(13,443,762)	(164,287)
Capital contributions	1,431,810	679,620	3,744,614	62,555	5,918,599	-
Net cash used for capital and related financing activities	(12,975,202)	(13,582,405)	(185,685)	(364,593)	(27,107,885)	(206,773)
<b>Investing activities</b>						
Purchase of investment securities	(20,832,695)	(47,828,726)	-	-	(68,661,421)	-
Proceeds from sales and maturities of investment securities	20,832,695	47,828,726	-	-	68,661,421	-
Interest on investments	140,009	364,729	-	-	504,738	4,576
Net cash provided by investing activities	140,009	364,729	-	-	504,738	4,576
Net increase (decrease) in cash and cash equivalents	(2,240,609)	(300,625)	76,299	43,920	(2,421,015)	88,958
Cash and cash equivalents, January 1, 2007	15,366,147	9,233,244	-	463,479	25,062,870	4,624,209
Cash and cash equivalents, December 31, 2007	\$ 13,125,538	\$ 8,932,619	\$ 76,299	\$ 507,399	\$ 22,641,855	\$ 4,713,167

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, 2007  
(continued)

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating income (loss)	\$ 4,473,759	\$ 4,810,986	\$ (937,377)	\$ (540,380)	\$ 7,806,988	\$ (3,174,617)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation, depletion and amortization						
(Increase) decrease in operating assets:						
Receivables	5,309,117	7,767,028	2,189,226	227,730	15,493,101	479,983
Due from other funds	(121)	176,052	49,353	6,157	231,441	(4,852)
Inventories	25,720	109,086	-	5,868	140,674	(99,156)
Increase (decrease) in operating liabilities:						
Accounts payable	307,948	27,439	-	(28,108)	307,279	(253,485)
Due to other funds	(473,292)	(89,077)	(64,462)	85,050	(541,781)	(1,157,663)
Due to other governments	501,126	(13,632)	2,278	(4,547)	485,225	(6,796)
Accrued liabilities	119,337	(20,269)	194,539	-	293,607	-
Accrued wages	245,440	168,688	-	16,746	430,874	127,530
Accrued vacation and leave	4,940	(188)	-	(383)	4,369	(4,011)
Estimated liability for unpaid claims	80,610	(19,062)	-	29,042	90,590	(88,468)
Net cash provided by (used for) operating activities	<u>\$ 10,594,584</u>	<u>\$ 12,917,051</u>	<u>\$ 1,433,557</u>	<u>\$ (202,825)</u>	<u>\$ 24,742,367</u>	<u>\$ (1,008,286)</u>

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, 2007

	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and investments	\$ 4,598	\$ 789,789
	<u>                    </u>	<u>                    </u>
Total assets	<u>4,598</u>	<u>789,789</u>
<b>Liabilities</b>		
Due to other governments	-	774,789
Due to others	-	15,000
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>-</u>	<u>789,789</u>
<b>Net assets</b>	<u>\$ 4,598</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, 2007

	<b>Private Purpose Trust Funds</b>
	<u>                    </u>
<b>Additions</b>	
Contributions	\$ 7,142
	<u>7,142</u>
<b>Deductions</b>	
Education and awareness	6,124
	<u>6,124</u>
Change in net assets	<u>1,018</u>
Net assets, January 1, 2007	<u>3,580</u>
Net assets, December 31, 2007	<u><u>\$ 4,598</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, 2007**

**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 and related organizations. These organizations are presented in Notes 23 and 24 to the basic financial statements. These organizations are the Akron Metropolitan Area Transportation Study (AMATS), the Akron/Summit Convention and Visitors' Bureau and the Summit Medina Business Alliance (SMBA). 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, Income Tax Capital Improvement 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 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, interest and funding from the 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.

The Income Tax Capital Improvement Fund is used to account for the accumulation of income tax revenue and the payments of costs for items specifically designated as project costs and payment of debt service. The primary revenue source is income tax revenue and some debt proceeds.

## 1. Summary of Significant Accounting Policies (Continued)

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 Water Enterprise Fund accounts for financial activity related to operating the City's water supply, treatment and distribution system. In addition to over 84,000 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.

## 1. Summary of Significant Accounting Policies (Continued)

2. **Special Revenue Funds** – Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each Special Revenue Fund are specified by City ordinances or federal or state statutes.
3. **Debt Service Funds** – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
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 has two Agency Funds, the first one 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. The second one is the Police Property Monetary Evidence Fund and is used to account for funds held by the Police Department that will be returned to other agencies.

## 1. Summary of Significant Accounting Policies (Continued)

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.

### 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.

## 1. Summary of Significant Accounting Policies (Continued)

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the City follows GASB guidance as applicable to its governmental and business-type activities, and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements. The City 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 2007, 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 recorded as the equivalent of expenditures. Unencumbered appropriations lapse at year-end.
- (6) The majority of all funds have a legally adopted annual budget.
- (7) The City appropriates an annual budget for the Police Pension Employer's Liability Fund and the Fire Pension Employer's Liability Fund which are required due to their funding source. On a GAAP basis, the two funds are combined with the General Fund.

### 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

## 1. Summary of Significant Accounting Policies (Continued)

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 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	3-20
CLC Building Equity Interest	70

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, 2007 are presented in Note 5. Interfund transfers are presented in Note 20.

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, the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees (see note 9).

## 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*** – In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Benefits*. 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 City's financial statements have been prepared in conformance with this Statement.

In June 2005, the GASB issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting standards for voluntary and involuntary termination benefits. For the City, this Statement is effective for periods beginning after June 15, 2005. The City has no termination benefits that need to be recorded at this time.

In September 2006, the GASB issued Statement No. 48, *Accounting and Financial Reporting for Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*. This statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing. For the City, this statement is effective for periods beginning after December 15, 2006. The City's financial statements have been prepared in conformance with this statement.

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Costs*. This statement establishes criteria that governments will use to ascertain when and how to report a liability related to pollution remediation. This statement enhances the ability of financial information users to access a government's obligation by requiring both earlier reporting of obligations and recognition of obligations that may not have been reported. For the City, this Statement is effective for periods beginning after December 15, 2007. The future impact is currently being evaluated by the City.

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures an amendment of GASB Statements No. 25 and No. 27*. This statement amends statements No. 25 and No. 27 by requiring the City to include additional disclosures to the notes of the financial statements about funding policy for each defined benefit pension plan. Also, for each defined benefit plan the legal or contractual maximum contribution rates should be listed in the notes to the financial statements. For the City, this statement is effective for periods beginning after June 15, 2007. 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.



## 2. Pooled Cash and Investments (Continued)

### *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. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City does not have a deposit policy for custodial credit risk. The Ohio Revised Code requires banks to secure all of their public deposits over and above the \$100,000 FDIC coverage.

At December 31, 2007, the carrying amount of the City's deposits was \$8,771,871 (including certificates of deposit of \$7,000,000), and the bank balance was \$12,923,109. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$205,534 was covered by federal depository insurance, and \$12,717,575 was uninsured but collateralized with unregistered securities held by the pledging financial institution's trust department in the City's name.

Total cash and investments are reported as follows:

Balance Sheet - Governmental Funds:	
Pooled cash and investments	\$ 21,231,483
Restricted cash and investments	88,114,498
Statement of Net Assets - Proprietary Funds:	
Enterprise Funds	
Pooled cash and investments	10,781,127
Restricted cash and investments	11,860,728
Internal Service Funds	
Pooled cash and investments	4,713,167
Statement of Net Assets - Fiduciary Funds:	<u>794,387</u>
Total	<u>\$ 137,495,390</u>

Investments in City of Akron bonds and notes amounting to \$7,401,063 are eliminated in the government-wide statement of net assets at December 31, 2007.

### *Investments:*

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

Under the fair value method of recording investments, the City is required to report realized and unrealized gains and losses arising from market fluctuations as well as the sale and maturity of various investments above or below their beginning-of-the-year fair value or their purchase price, when purchased during the current fiscal year. 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 (\$86,641 net unrealized loss in 2007) is reflected in the investment income on the operating statement of the appropriate fund.

The repurchase agreement investment maturity is less than one year.

## **2. Pooled Cash and Investments (Continued)**

**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, 2007, 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, 2007.

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, 2007, \$99,975,226 of cash and investments was restricted for the following purposes: \$54,384 was restricted for lease costs for Canal Park Stadium; \$4,131,916 was restricted for Off-Street Parking Deck COPs; \$25,565,362 was restricted solely for retirement of City obligations; and the balance of \$70,223,564 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, 2007 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	\$ 8,700,000	\$ 8,700,000	\$ -	\$ -
U.S. Treasuries or Agencies	12,470,506	12,470,506	-	-
STAROhio	5,000,000	5,000,000	-	-
Municipal Bonds	1,479,105	391,717	562,388	525,000
City of Akron Assessment Debt	7,401,063	1,155,800	5,798,872	446,391
Investments held by bond trustees:				
U.S. Government Securities	9,514,013	9,514,013	-	-
U.S. Treasuries or Agencies	12,120,160	12,120,160	-	-
Tax Exempt Ohio Municipals	54,386	54,386	-	-
Municipal Bonds and Notes	1,805,786	1,805,786	-	-
Investments held by Community Learning Center trustees:				
U.S. Treasuries or Agencies	15,543,695	15,543,695	-	-
Municipal Bonds and Notes	54,634,805	48,174,442	6,460,363	-
Total	<u>\$ 128,723,519</u>	<u>\$ 114,930,505</u>	<u>\$ 12,821,623</u>	<u>\$ 971,391</u>

### 3. Receivables

Receivables, including water and sewer unbilled charges for services, of approximately \$4,528,000 and \$494,000, respectively, consist of the following at December 31, 2007:

	Taxes	Customer Charges, Special Assessments, and Others	Accrued Interest	Gross Receivables	Allowance for Uncol- lectibles	Net
<b>Governmental Activities:</b>						
<b>Governmental Funds:</b>						
General Fund	\$ 44,888,170	\$ 12,293,927	\$ 129,245	\$ 57,311,342	\$ (1,267,585)	\$ 56,043,757
Community Learning Centers	2,299,964	78,000,000	957,922	81,257,886	-	81,257,886
Income Tax Capital Improvement	6,993,328	2,190	-	6,995,518	-	6,995,518
Special Assessment Bond Payment	-	26,171,888	-	26,171,888	(2,091,614)	24,080,274
Other Governmental Funds	11,816,478	9,309,078	-	21,125,556	-	21,125,556
<b>Total Governmental Funds</b>	<b>65,997,940</b>	<b>125,777,083</b>	<b>1,087,167</b>	<b>192,862,190</b>	<b>(3,359,199)</b>	<b>189,502,991</b>
Internal Service Funds	-	86,585	-	86,585	-	86,585
<b>Total Governmental Activities</b>	<b>65,997,940</b>	<b>125,863,668</b>	<b>1,087,167</b>	<b>192,948,775</b>	<b>(3,359,199)</b>	<b>189,589,576</b>
<b>Business-type Activities:</b>						
<b>Enterprise Funds:</b>						
Water	-	9,585,947	-	9,585,947	(5,465,184)	4,120,763
Sewer	-	11,977,260	-	11,977,260	(6,603,830)	5,373,430
Off-Street Parking	-	30,374	-	30,374	-	30,374
Other Enterprise Funds	-	22,543	-	22,543	-	22,543
<b>Total Enterprise Funds/ Business-type Activities</b>	<b>-</b>	<b>21,616,124</b>	<b>-</b>	<b>21,616,124</b>	<b>(12,069,014)</b>	<b>9,547,110</b>
<b>Total Receivables</b>	<b>\$ 65,997,940</b>	<b>\$ 147,479,792</b>	<b>\$ 1,087,167</b>	<b>\$ 214,564,899</b>	<b>\$ (15,428,213)</b>	<b>\$ 199,136,686</b>

**3. Receivables (Continued)**

Delinquent special assessment receivables amounted to \$2,091,614 at December 31, 2007 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:

<b>Governmental Funds:</b>	
General Fund	
Property Tax Receivable	\$ 25,980,282
Intergovernmental Receivable	5,726,997
Income Tax Receivable	<u>8,742,357</u>
	40,449,636
Community Learning Centers	
Income Tax Receivable	1,063,424
Community Learning Centers Receivable	<u>78,000,000</u>
	79,063,424
Income Tax Capital Improvement	
Income Tax Receivable	<u>3,233,474</u>
	3,233,474
Special Assessment Bond Payment	
Special Assessment Receivable	<u>22,080,274</u>
	22,080,274
Other Governmental Funds	
Property Tax Receivable	11,816,478
Intergovernmental Receivable	3,219,374
JEDD Receivable	<u>879,363</u>
	15,915,215
	<u><u>\$ 160,742,023</u></u>

#### 4. Due From/To Other Governments

Amounts due from other governments at December 31, 2007 primarily represent amounts related to Ohio Public Works Commission (OPWC) loans and grant activity and consist of the following:

	Federal	State	Total
<b>Governmental Activities:</b>			
Governmental Funds:			
Other Governmental Funds	\$ 7,448,784	\$ 2,398,630	\$ 9,847,414
Total Governmental Funds	7,448,784	2,398,630	9,847,414
The following amounts are also included in the government-wide statement of net assets:			
OPWC loan funds receivable	-	11,626,553	11,626,553
<b>Total Governmental Activities</b>	<b>\$ 7,448,784</b>	<b>\$ 14,025,183</b>	<b>\$ 21,473,967</b>
<b>Business-type Activities:</b>			
Enterprise Funds:			
Water	\$ 50,875	\$ 38,664	\$ 89,539
Sewer	-	2,273,663	2,273,663
Other Enterprise Funds	62,555	-	62,555
<b>Total Enterprise Funds/Business-type Activities</b>	<b>\$ 113,430</b>	<b>\$ 2,312,327</b>	<b>\$ 2,425,757</b>

#### 4. Due From/To Other Governments (Continued)

Amounts due to other governments at December 31, 2007 consist of the following:

	Federal	State	County	Local	Total
<b>Governmental Activities:</b>					
Governmental Funds:					
General Fund	\$ -	\$ -	\$ 1,297,970	\$ -	\$ 1,297,970
Community Learning Center	-	-	7,995	-	7,995
Income Tax Capital Improvement	-	-	5,735	-	5,735
Other Governmental Funds	<u>3,075,000</u>	<u>1,000,000</u>	<u>579,761</u>	<u>1,404,175</u>	<u>6,058,936</u>
Total Governmental Funds	3,075,000	1,000,000	1,891,461	1,404,175	7,370,636
The following amounts are also included in the government-wide statement of net assets:					
Due to other governments	-	-	379,000	250,000	629,000
Liabilities due in more than one year (Note 14)	<u>-</u>	<u>-</u>	<u>3,026,000</u>	<u>250,000</u>	<u>3,276,000</u>
<b>Total Governmental Activities</b>	<u>\$ 3,075,000</u>	<u>\$ 1,000,000</u>	<u>\$ 5,296,461</u>	<u>\$ 1,904,175</u>	<u>\$ 11,275,636</u>
Of the \$3,075,000 Federal and the \$1,000,000 State amounts shown in Other Governmental Funds, \$198,096 is shown in the government-wide statement of net assets as Due to other governments. The remaining \$3,876,904 is shown as liabilities due in more than one year.					
<b>Business-type Activities:</b>					
Enterprise Funds:					
Water	\$ -	\$ -	\$ 119,337	\$ -	\$ 119,337
Sewer	-	-	29,076	-	29,076
Off-Street Parking	<u>-</u>	<u>-</u>	<u>194,539</u>	<u>-</u>	<u>194,539</u>
Total Enterprise Funds	-	-	342,952	-	342,952
The following amounts are also included in the government-wide and proprietary statement of net assets:					
Liabilities due in more than one year (Note 14)	<u>-</u>	<u>-</u>	<u>378,482</u>	<u>-</u>	<u>378,482</u>
<b>Total Enterprise Funds/ Business-type Activities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 721,434</u>	<u>\$ -</u>	<u>\$ 721,434</u>

The statement of fiduciary net assets also includes \$774,789 as due to other governments.

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

The state amount is comprised of an Ohio Department of Development loan.

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, 2007 consist of the following individual fund receivables and payables:

	Receivable	Payable
<b>Governmental Funds:</b>		
General Fund	\$ 7,060,691	\$ 1,154,827
Community Learning Centers	12,231,730	1,673,786
Income Tax Capital Improvement	5,993,601	57,590
Other Governmental Funds	<u>26,013,327</u>	<u>41,653,626</u>
	<u>\$ 51,299,349</u>	<u>\$ 44,539,829</u>
<b>Proprietary Funds:</b>		
Enterprise Funds:		
Water	\$ 192,273	\$ 1,056,944
Sewer	7,315	505,033
Off-Street Parking	-	56,140
Other Enterprise Funds	<u>3,939</u>	<u>567,805</u>
	<u>\$ 203,527</u>	<u>\$ 2,185,922</u>
Internal Service Funds	<u>\$ 2,533,804</u>	<u>\$ 7,310,929</u>
Total	<u>\$ 54,036,680</u>	<u>\$ 54,036,680</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, 2007, the District had \$92,050,905 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, 2007 was as follows:

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 152,624,283	\$ 3,538,116	\$ 681,815	\$ 155,480,584
Construction in progress	51,705,478	24,962,301	33,708,233	42,959,546
CLC Building Equity Interest	29,349,245	27,203,815	27,081,309	29,471,751
Total capital assets, not being depreciated	<u>233,679,006</u>	<u>55,704,232</u>	<u>61,471,357</u>	<u>227,911,881</u>
Capital assets, being depreciated:				
Buildings	183,930,394	9,410,731	200,995	193,140,130
CLC Building Equity Interest	4,332,248	27,027,056	-	31,359,304
Improvements other than buildings	113,467,912	12,381,905	-	125,849,817
Equipment	98,250,541	15,090,059	13,379,123	99,961,477
Infrastructure	492,319,985	32,992,117	-	525,312,102
Total capital assets, being depreciated	<u>892,301,080</u>	<u>96,901,868</u>	<u>13,580,118</u>	<u>975,622,830</u>
Less accumulated depreciation for:				
Buildings	60,129,453	3,863,766	163,827	63,829,392
CLC Building Equity Interest	1,157	332,821	-	333,978
Improvements other than buildings	25,006,679	3,871,597	-	28,878,276
Equipment	74,561,583	3,784,312	2,531,421	75,814,474
Infrastructure	208,081,338	12,981,789	-	221,063,127
Total accumulated depreciation	<u>367,780,210</u>	<u>24,834,285</u>	<u>2,695,248</u>	<u>389,919,247</u>
Total capital assets, being depreciated, net	<u>524,520,870</u>	<u>72,067,583</u>	<u>10,884,870</u>	<u>585,703,583</u>
Governmental activities capital assets, net	<u>\$ 758,199,876</u>	<u>\$ 127,771,815</u>	<u>\$ 72,356,227</u>	<u>\$ 813,615,464</u>

**7. Capital Assets (Continued)**

	<b>Balance January 1, 2007</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2007</b>
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 26,503,462	\$ 94,646	\$ -	\$ 26,598,108
Construction in progress	<u>32,099,359</u>	<u>9,290,813</u>	<u>7,824,063</u>	<u>33,566,109</u>
Total capital assets, not being depreciated	58,602,821	9,385,459	7,824,063	60,164,217
Capital assets, being depreciated:				
Buildings	165,375,837	578,918	-	165,954,755
Improvements other than buildings	446,985,641	381,451	-	447,367,092
Equipment	32,057,708	3,868,103	615,244	35,310,567
Infrastructure	<u>101,021,736</u>	<u>7,468,040</u>	<u>-</u>	<u>108,489,776</u>
Total capital assets, being depreciated	<u>745,440,922</u>	<u>12,296,512</u>	<u>615,244</u>	<u>757,122,190</u>
Less accumulated depreciation for:				
Buildings	66,477,092	2,733,366	-	69,210,458
Improvements other than buildings	224,889,645	7,651,940	-	232,541,585
Equipment	29,285,072	2,531,651	448,099	31,368,624
Infrastructure	<u>11,681,810</u>	<u>2,576,144</u>	<u>-</u>	<u>14,257,954</u>
Total accumulated depreciation	<u>332,333,619</u>	<u>15,493,101</u>	<u>448,099</u>	<u>347,378,621</u>
Total capital assets, being depreciated, net	<u>413,107,303</u>	<u>(3,196,589)</u>	<u>167,145</u>	<u>409,743,569</u>
Business-type activities capital assets, net	<u>\$ 471,710,124</u>	<u>\$ 6,188,870</u>	<u>\$ 7,991,208</u>	<u>\$ 469,907,786</u>

**7. Capital Assets (Continued)**

Depreciation expense was charged during 2007 to functions of the government as follows:

**Governmental Activities:**

General government	\$ 2,210,844
Public service	4,941,219
Public safety	1,432,612
Community environment	2,641,866
Public health	309,280
Unallocated depreciation	12,818,481
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>479,983</u>
Total depreciation expense charged to governmental activities	<u>\$ 24,834,285</u>

**Business-type Activities:**

Water	\$ 5,309,117
Sewer	7,767,028
Off-Street Parking	2,189,226
Other Business-type activities	<u>227,730</u>
Total depreciation, deletion and amortization expense charged to business-type activities	<u>\$ 15,493,101</u>

**7. Capital Assets (Continued)**

Construction in progress and remaining capital commitments (including capitalized interest of \$1,541,945, of which \$404,555 was capitalized in 2007) are comprised of the following:

	<b>Project Authorization</b>	<b>Expended to December 31, 2007</b>	<b>Committed</b>
Governmental Activities:			
Governmental	\$ 51,540,014	\$ 44,184,189	\$ 7,355,825
Business-type Activities:			
Water	14,148,452	5,194,053	8,954,399
Sewer	25,007,363	29,631,733	(4,624,370)
Other Business-type activities	5,866,409	4,493,167	1,373,242
	<u>\$ 96,562,238</u>	<u>\$ 83,503,142</u>	<u>\$ 13,059,096</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, 2007 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, 2007, 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:

	<b>Balance January 1, 2007</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2007</b>
<b>Governmental Activities:</b>				
Governmental Funds:				
General Fund	\$ 8,418,837	\$ 8,748,600	\$ (8,418,837)	\$ 8,748,600
Other Governmental Activities	2,519,136	2,628,079	(2,519,136)	2,628,079
<b>Total Governmental Funds</b>	<b>10,937,973</b>	<b>11,376,679</b>	<b>(10,937,973)</b>	<b>11,376,679</b>
Internal Service Funds	716,200	670,630	(716,200)	670,630
<b>Total Governmental Activities</b>	<b>11,654,173</b>	<b>12,047,309</b>	<b>(11,654,173)</b>	<b>12,047,309</b>
<b>Business-type Activities:</b>				
Enterprise Funds:				
Water	906,099	888,178	(906,099)	888,178
Sewer	524,513	533,611	(524,513)	533,611
Other Enterprise Funds	55,818	51,073	(55,818)	51,073
<b>Total Enterprise Funds/ Business-type Activities</b>	<b>1,486,430</b>	<b>1,472,862</b>	<b>(1,486,430)</b>	<b>1,472,862</b>
	<b>\$ 13,140,603</b>	<b>\$ 13,520,171</b>	<b>\$ (13,140,603)</b>	<b>\$ 13,520,171</b>

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

<b>Governmental Activities:</b>				
Other Governmental Activities	\$ 40,582,471	\$ 16,325,399	\$ (14,715,630)	\$ 42,192,240
Internal Service Funds	1,926,198	1,024,042	(1,066,940)	1,883,300
<b>Total Governmental Activities</b>	<b>42,508,669</b>	<b>17,349,441</b>	<b>(15,782,570)</b>	<b>44,075,540</b>
<b>Business-type Activities:</b>				
Water	2,850,331	1,352,365	(1,253,834)	2,948,862
Sewer	1,850,482	1,147,956	(1,176,116)	1,822,322
Other Business-type Activities	216,111	80,892	(47,105)	249,898
<b>Total Business-type Activities</b>	<b>4,916,924</b>	<b>2,581,213</b>	<b>(2,477,055)</b>	<b>5,021,082</b>
	<b>\$ 47,425,593</b>	<b>\$ 19,930,654</b>	<b>\$ (18,259,625)</b>	<b>\$ 49,096,622</b>

## 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 9.5% of their covered payroll to OPERS. The 2007 and 2006 employer contribution rate for local government employer units was 13.85% and 13.70%, respectively, of covered payroll including 5.0% from January 1 through June 30, 2007, 6.0 % from July 1 through December 31, 2007 and 4.5% in 2006, 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, 2007, 2006, and 2005 were \$6,093,645, \$6,718,768, and \$6,932,558, 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 2007 and 2006, \$4,002,467 and \$3,286,843, 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, 2006. 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 annually, not to exceed a 12% corridor. Other significant actuarial assumptions include a rate of return on investments of 6.5% and a salary increase of 4.0% for inflation and between .5% 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 0.5% to 5.0% 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 374,979 active contributing participants as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130. 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, 2006 (latest information available) were approximately \$12.0 billion. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were approximately \$30.7 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, 2007, 2006, and 2005 were \$3,579,976, \$3,261,595, and \$3,137,410, 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, 2007, 2006, and 2005 were \$3,924,754, \$3,727,172, and \$3,559,328, 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 6.75% in 2007 and 2006, 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 \$120.4 million, which was net of member contributions of \$58.5 million, for the year ended December 31, 2006 (latest information available). The City's contributions for Police for 2007 and 2006 used to pay post-retirement health care were \$1,893,993 and \$2,147,352, respectively. The City's contributions for Fire for 2007 and 2006 used to pay post-retirement health care were \$1,533,874 and \$1,778,752, respectively. Eligible benefit recipients totaled 14,120 and 10,563 for uniformed police and fire personnel, respectively, for the year ended December 31, 2006 for the entire fund.

### Other Post-retirement Benefits (OPEB)

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, 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, 1894 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 the years ended 2007, 2006 and 2005 those costs were \$3,510,910, \$3,149,495 and \$2,925,265 respectively.

Eligibility for OPEB benefits is receiving a pension benefit from OPERS, OP&F, or disability retirement. Former employees who are term-vested for pension benefits are not eligible.

The City provides lifetime supplemental health coverage to OPERS and OP&F retirees and their qualified dependents. The coverage is a single self-insured plan, administered through Medical Mutual, which provides medical, prescription drugs, dental, and vision benefits. The major medical portion of the coverage, which includes prescription drugs, ends at age 65. All other benefits continue for the lifetime of the participant. The health benefits are self-insured.

The City also provides life insurance for the participant during retirement. The life insurance amounts are dependent on age at retirement and the retiree's collective bargaining unit. All life insurance amounts are reduced by 50% after the first year of retirement. Dependents are not eligible for life insurance during retirement. The life insurance is fully insured.

Pursuant to GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Benefits*, the City has recorded liabilities of \$3,354,804 and \$583,145 in the government-wide statement of net assets, as liabilities due in more than one year for Governmental Activities and Business-type Activities, respectively.



**10. Notes Payable**

The following is a summary of note transactions for the year ended December 31, 2007 reflected in governmental activities in the government-wide financial statements:

	<b>Governmental Activities Special Assessment</b>
Notes Payable at January 1, 2007	\$ 2,846,500
New notes issued	921,700
Notes retired	<u>(989,300)</u>
Notes Payable at December 31, 2007	<u><u>\$ 2,778,900</u></u>

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2007 (in thousands):

<b>Fiscal Year Ending December 31</b>	<b>Governmental Activities</b>		<b>Total</b>
	<b>Special Assessment Notes</b>		
	<b>Notes</b>	<b>Interest</b>	
2008	\$ -	\$ 111	\$ 111
2009	259	107	366
2010	599	80	679
2011	999	10	1,009
2012	922	-	922
	<u>\$ 2,779</u>	<u>\$ 308</u>	<u>\$ 3,087</u>

## 10. Notes Payable (Continued)

Notes payable at December 31, 2007, are comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
<b>Special Assessment Notes:</b>				
<u>Governmental Activities:</u>				
Paving Notes:				
May 10, 2004	4.00	1-04	May 10, 2009	109,900
October 22, 2004	4.00	3-04	October 22, 2009	57,100
October 22, 2004	4.00	4-04	October 22, 2009	92,300
March 14, 2005	4.00	2-05	March 14, 2010	49,600
April 27, 2005	4.00	5-05	April 27, 2010	485,900
December 8, 2006	4.00	9-06	December 8, 2011	179,200
December 8, 2006	4.00	10-06	December 8, 2011	193,500
December 8, 2006	4.00	11-06	December 8, 2011	203,000
April 18, 2007	4.00	1-07	April 18, 2012	21,000
September 26, 2007	4.00	2-07	September 26, 2012	172,000
September 26, 2007	4.00	4-07	September 26, 2012	116,700
September 26, 2007	4.00	5-07	September 26, 2012	441,700
Sidewalk Notes:				
March 14, 2005	4.00	3-05	March 14, 2010	63,500
September 26, 2007	4.00	3-07	September 26, 2012	170,300
Resurfacing Notes:				
June 5, 2006	4.00	1-06	June 5, 2011	231,700
Utilities Notes:				
December 8, 2006	4.00	7-06	December 8, 2011	160,000
December 8, 2006	4.00	8-06	December 8, 2011	31,500
Total Special Assessment Notes				\$ 2,778,900

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, 2007 was 4.00%.

## 11. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2007:

	Governmental Activities					
	General Obligation	OPWC Loans	Ohio Department of Development Loans	Non-Tax Revenue	Income Tax Revenue	
Long-term debt payable at January 1, 2007	\$ 207,077,924	\$ 9,931,118	\$ 1,309,013	\$ 44,360,000	\$ 214,130,000	
New Issues:						
Street Improvements	-	836,200	-	-	-	
Various Purpose Improvements	20,735,000	-	-	-	-	
Retirements	(11,918,038)	(406,170)	(56,136)	(2,030,000)	(3,970,000)	
Long-term debt payable at December 31, 2007	<u>\$ 215,894,886</u>	<u>\$ 10,361,148</u>	<u>\$ 1,252,877</u>	<u>\$ 42,330,000</u>	<u>\$ 210,160,000</u>	
	Governmental Activities					
	Special Revenue	Special Assessment	SIB Loans	Internal Service General Obligation		
Long-term debt payable at January 1, 2007	\$ 44,240,000	\$ 14,586,695	\$ 9,955,500	\$ 201,629		
New Issues:						
Street Improvements	-	1,794,945	-	-		
Various Purpose Improvements	-	-	-	-		
Retirements	(2,150,000)	(2,875,137)	(597,242)	(33,415)		
Long-term debt payable at December 31, 2007	<u>\$ 42,090,000</u>	<u>\$ 13,506,503</u>	<u>\$ 9,358,258</u>	<u>\$ 168,214</u>		
	Business-type Activities					
	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Total
Long-term debt payable at January 1, 2007	\$ 922,222	\$ 57,565,000	\$ 39,665,000	\$ 50,996,798	\$ 2,852,601	\$ 697,793,500
New Issues:						
Street Improvements	-	-	-	-	-	2,631,145
Various Purpose Improvements	-	-	-	-	-	20,735,000
Retirements	(121,430)	(5,720,000)	(2,285,000)	(4,854,577)	(201,514)	(37,218,659)
Long-term debt payable at December 31, 2007	<u>\$ 800,792</u>	<u>\$ 51,845,000</u>	<u>\$ 37,380,000</u>	<u>\$ 46,142,221</u>	<u>\$ 2,651,087</u>	<u>\$ 683,940,986</u>

Included in the Governmental Activities Special Assessment is one ten-year Special Assessment Resurfacing Projects Notes: Series 1999, in the amount of \$1,282.

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2007 amounting to \$7,401,063 (see Note 2) are eliminated in the government-wide statement of net assets.

## 11. Long-Term Debt (Continued)

Long-term debt at December 31, 2007 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
<b><u>Governmental Activities:</u></b>				
<b><u>General Obligation Bonds:</u></b>				
Urban Renewal Public Improvement Bonds:				
February 21, 1991	8	Series 1990	December 1, 2020	\$ 835,232
December 10, 1991	8	Series 1991	December 1, 2021	1,448,000
Various Purpose Improvement Bonds:				
August 1, 1995	4.9 to 5.5	-	December 1, 2008	225,000
December 1, 1998	4.25 to 4.75	-	December 1, 2019	6,867,835
November 1, 2001	3.0 to 5.5	-	December 1, 2022	30,213,820
December 1, 2002	2.0 to 5.25	-	December 1, 2023	26,910,000
October 1, 2003	2.0 to 5.25	-	December 1, 2024	33,400,000
September 1, 2005	3.5 to 5.0	Series 2005	December 1, 2026	72,819,999
December 21, 2006	3.75 to 5.0		December 1, 2027	22,440,000
December 3, 2007	3.75 to 5.0		December 1, 2028	20,735,000
				<b>\$ 215,894,886</b>
 <u>OPWC Loans:</u>				
July 1, 1997	0	Boxwood Ave.	July 1, 2018	\$ 399,000
July 1, 1998	0	Lakeshore Blvd.	January 1, 2020	633,750
July 1, 1998	0	Tallmadge Ave.	July 1, 2021	533,527
July 1, 1999	0	Lakeshore Blvd.	July 1, 2022	171,358
July 1, 1999	0	Bye Street	July 1, 2022	197,438
July 1, 1999	0	Wooster/East Ave.	July 1, 2022	418,950
July 1, 2000	0	Bishop Street	July 1, 2022	88,450
July 1, 2000	0	NW Storm Outlets	July 1, 2022	335,179
July 1, 2000	0	N. Arlington Bridge	July 1, 2022	240,345
July 1, 2001	0	Darrow Road	July 1, 2023	659,031
July 1, 2003	0	US 244 Phase II	July 1, 2024	780,030
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	1,784,100
July 1, 2005	0	E. Market St Widening	July 1, 2027	1,123,000
July 1, 2006	0	W. Market Street	July 1, 2028	988,000
July 1, 2006	0	Tallmadge Ave Singalization	July 1, 2027	179,790
July 1, 2006	0	Brown and Power St.	July 1, 2027	834,000
July 1, 2007	0	Tallmadge Ave Widening	July 1, 2028	836,200
				<b>\$ 10,361,148</b>

## 11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<b>Governmental Activities (Continued)</b>				
<u>Ohio Department of Development Loans:</u>				
November 26, 1996	3	1997	February 1, 2012	\$ 252,877
March 1, 2003	1/2 Prime	2003 Univ Tech Pk	March 1, 2018	<u>1,000,000</u>
				<u>\$ 1,252,877</u>
 <u>Non-Tax Revenue Bonds:</u>				
November 1, 1997	4 to 6	1997	December 1, 2018	\$ 23,330,000
December 15, 2006	5.01 to 5.61	2006	December 1, 2026	<u>19,000,000</u>
				<u>\$ 42,330,000</u>
 <u>Income Tax Revenue:</u>				
April 15, 1999	3.3 to 5.25	1999	December 1, 2023	\$ 7,705,000
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	<u>37,455,000</u>
				<u>\$ 210,160,000</u>
 <u>Special Revenue:</u>				
July 1, 2000	4.55 to 5.625	2000	December 1, 2020	\$ 10,625,000
August 1, 2000	4.45 to 6	2000	December 1, 2020	10,635,000
September 1, 2002	2.0 to 5.25	2002	December 1, 2022	12,735,000
November 1, 2002	2.0 to 5.25	2002	December 1, 2022	<u>8,095,000</u>
				<u>\$ 42,090,000</u>

## 11. Long-Term Debt (Continued)

<u>Issued</u>	<u>Rate %</u>	<u>Issue</u>	<u>Final Maturity</u>	<u>Amount</u>
<b><u>Governmental Activities (Continued):</u></b>				
<b><u>Special Assessment Obligations:</u></b>				
Resurfacing Notes:				
April 1, 1999	6	1999	December 1, 2008	1,282
Street Improvement Bonds:				
September 1, 1978	7.25	Rosemary Blvd.	September 1, 2014	21,000
August 15, 1998	4.25 to 4.55	1998	December 1, 2008	325,000
August 15, 1999	4.1 to 5.5	1999	December 1, 2009	155,000
April 1, 2000	6	1999	December 1, 2009	6,368
August 15, 2000	4.375 to 4.875	2000	December 1, 2010	1,115,000
November 1, 2001	3.0 to 5.5	2001	December 1, 2022	304,340
September 1, 2002	1.5 to 3.375	2002	December 1, 2012	1,090,000
September 1, 2003	2 to 4	2003	December 1, 2013	1,820,000
September 1, 2004	4	2004	December 1, 2014	2,615,000
March 1, 2004	4	2004	December 1, 2013	330,835
December 1, 2004	4	2004B	December 1, 2014	523,907
September 29, 2005	3.707	2005	December 1, 2015	1,980,000
March 1, 2006	4	2006	December 1, 2015	379,615
September 14, 2006	4.0 to 5.5	2006	December 1, 2016	1,210,000
March 1, 2007	4	2007	December 1, 2016	744,156
September 5, 2007	4.1	2007	December 1, 2017	885,000
				<b>\$ 13,506,503</b>
<b><u>State Infrastructure Bank (SIB) Loans:</u></b>				
July 12, 2004	0.0 to 3.0	U.S. 224	September 1, 2014	\$ 3,953,220
September 30, 2004	0.0 to 3.0	Bridges	September 30, 2014	3,141,634
June 21, 2005	0.0 to 3.0	Bikeway	September 1, 2016	2,263,404
				<b>\$ 9,358,258</b>
<b><u>Internal Service General Obligation Bonds:</u></b>				
Municipal Facility Bonds:				
December 1, 1998	4.25 to 4.75	-	December 1, 2019	\$ 142,165
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	26,049
				<b>\$ 168,214</b>

**11. Long-Term Debt (Continued)**

Enterprise General Obligation Bonds:

Off-Street Parking Facility Bonds:

November 1, 2001	3.0 to 5.5	Canal/Tell	December 1, 2022	\$ 707,560
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Radio Communications System Bonds:

November 1, 2001	3.0 to 5.5	-	December 1, 2022	<u>93,232</u>
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\$ 800,792

Enterprise Mortgage Revenue Bonds:

Waterworks System Bonds:

January 15, 1996	3.5 to 4.875	1996	March 1, 2012	\$ 12,375,000
February 1, 1998	3.65 to 5	1998	March 1, 2018	7,685,000
July 1, 2003	2 to 5	2003	September 1, 2014	18,855,000
August 1, 2006	4 to 4.5	2006	March 1, 2026	<u>12,930,000</u>

\$ 51,845,000

Enterprise Revenue Bonds:

Sewer System Improvement Bonds:

April 1, 1998	3.7 to 5.5	1998	December 1, 2017	\$ 5,205,000
December 1, 2005	3.5 to 5.00	2005	December 1, 2018	<u>32,175,000</u>

\$ 37,380,000

## 11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<b><u>Business-type Activities (Continued):</u></b>				
<b><u>Enterprise OWDA Loans:</u></b>				
May 6, 1982	12	Sewer	January 1, 2010	\$ 1,967,973
March 30, 1995	4.56	Sewer	July 1, 2015	7,812,675
April 27, 1995	4.56	Sewer	July 1, 2015	9,109,586
September 30, 1999	2.01	Water	July 1, 2019	844,336
May 25, 2000	4.64	Water	July 1, 2021	6,065,331
April 26, 2001	3.9	Water	July 1, 2011	241,963
July 25, 2002	3.89	Water	July 1, 2021	1,542,072
January 29, 2004	3.5	Water	January 1, 2014	1,997,405
September 30, 2004	3.81	Sewer	July 1, 2015	6,824,112
December 16, 2004	3.35	Sewer	July 1, 2014	9,736,768
				<u>\$ 46,142,221</u>
<b><u>Enterprise OPWC Loans:</u></b>				
July 1, 1995	0	Water	July 1, 2016	\$ 588,890
December 1, 1995	0	Sewer	January 1, 2017	223,750
July 1, 1996	0	Sewer	July 1, 2017	544,359
July 1, 1997	0	Sewer	July 1, 2018	386,750
July 1, 2000	0	Water	July 1, 2021	738,375
July 1, 2005	0	Sewer	July 1, 2025	168,963
				<u>\$ 2,651,087</u>



## 11. Long-Term Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2007 (in thousands):

Fiscal Year Ending December 31	Governmental Activities					
	General Obligation Bonds		OPWC Loan		Ohio Department of Development Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 13,105	\$ 9,889	\$ 517	\$ -	\$ 116	\$ 29
2009	13,008	9,402	608	-	118	26
2010	13,168	8,920	608	-	122	23
2011	13,139	8,383	608	-	125	19
2012	13,458	7,811	608	-	73	17
2013-2017	62,593	30,388	3,039	-	332	65
2018-2022	56,334	15,662	2,665	-	367	30
2023-2027	29,935	3,718	1,617	-	-	-
2028-2032	1,155	52	91	-	-	-
2033-2037	-	-	-	-	-	-
	<u>\$ 215,895</u>	<u>\$ 94,225</u>	<u>\$ 10,361</u>	<u>\$ -</u>	<u>\$ 1,253</u>	<u>\$ 209</u>

Fiscal Year Ending December 31	Non-Tax Revenue Bonds		Income Tax Revenue		Special Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2008	\$ 2,130	\$ 2,262	\$ 4,500	\$ 10,176	\$ 2,235
2009	2,205	2,158	5,005	10,057	2,320	1,985
2010	2,350	2,035	5,550	9,919	2,420	1,888
2011	2,510	1,899	6,125	9,752	2,535	1,774
2012	2,620	1,755	6,220	9,448	2,650	1,659
2013-2017	16,070	6,477	33,830	42,179	15,210	6,274
2018-2022	8,515	2,788	37,085	33,461	14,720	1,971
2023-2027	5,930	854	43,925	23,464	-	-
2028-2032	-	-	55,150	11,689	-	-
2033-2037	-	-	12,770	639	-	-
	<u>\$ 42,330</u>	<u>\$ 20,228</u>	<u>\$ 210,160</u>	<u>\$ 160,784</u>	<u>\$ 42,090</u>	<u>\$ 17,628</u>

Fiscal Year Ending December 31	Special Assessment Bonds		State Infrastructure Bank Loans		Internal Service General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2008	\$ 2,847	\$ 546	\$ 1,180	\$ 272	\$ 35
2009	2,340	424	1,215	236	10	6
2010	2,075	330	1,252	185	10	6
2011	1,614	247	1,290	147	10	5
2012	1,482	185	1,329	107	11	5
2013-2017	3,149	260	3,092	98	63	16
2018-2022	-	-	-	-	29	2
2023-2027	-	-	-	-	-	-
2028-2032	-	-	-	-	-	-
2033-2037	-	-	-	-	-	-
	<u>\$ 13,507</u>	<u>\$ 1,992</u>	<u>\$ 9,358</u>	<u>\$ 1,045</u>	<u>\$ 168</u>	<u>\$ 48</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
2008	\$ 127	\$ 39	\$ 6,000	\$ 2,164	\$ 2,955	\$ 1,674
2009	35	33	6,220	1,916	3,515	1,565
2010	37	32	6,515	1,651	3,650	1,434
2011	39	31	6,765	1,359	3,790	1,292
2012	40	29	6,220	1,045	3,955	1,125
2013-2017	228	116	11,840	2,865	19,515	2,691
2018-2022	295	48	4,625	1,269	-	-
2023-2027	-	-	3,660	338	-	-
2028-2032	-	-	-	-	-	-
2033-2037	-	-	-	-	-	-
	<u>\$ 801</u>	<u>\$ 328</u>	<u>\$ 51,845</u>	<u>\$ 12,607</u>	<u>\$ 37,380</u>	<u>\$ 9,781</u>

Fiscal Year Ending December 31	OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
	2008	\$ 5,504	\$ 1,890	\$ 201
2009	5,785	1,645	202	-
2010	5,604	1,385	201	-
2011	5,385	1,145	202	-
2012	5,573	925	201	-
2013-2017	16,318	1,697	1,008	-
2018-2022	1,973	152	537	-
2023-2027	-	-	99	-
2028-2032	-	-	-	-
2033-2037	-	-	-	-
	<u>\$ 46,142</u>	<u>\$ 8,839</u>	<u>\$ 2,651</u>	<u>\$ -</u>

Fiscal Year Ending December 31	Governmental Activities Total		Business-type Activities Total		Grand Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2008	\$ 26,665	\$ 25,259	\$ 14,787	\$ 5,767	\$ 41,452
2009	26,829	24,294	15,757	5,159	42,586	29,453
2010	27,555	23,306	16,007	4,502	43,562	27,808
2011	27,956	22,226	16,181	3,827	44,137	26,053
2012	28,451	20,987	15,989	3,124	44,440	24,111
2013-2017	137,378	85,757	48,909	7,369	186,287	93,126
2018-2022	119,715	53,914	7,430	1,469	127,145	55,383
2023-2027	81,407	28,036	3,759	338	85,166	28,374
2028-2032	56,396	11,741	-	-	56,396	11,741
2033-2037	12,770	639	-	-	12,770	639
	<u>\$ 545,122</u>	<u>\$ 296,159</u>	<u>\$ 138,819</u>	<u>\$ 31,555</u>	<u>\$ 683,941</u>	<u>\$ 327,714</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 \$142,899,215 at December 31, 2007. 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, the Waterworks System Mortgage Revenue Improvement and Refunding Bonds dated July 1, 2003, and the Waterworks System Mortgage Revenue Improvement Bond dated August 10, 2006 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 \$1,217,306 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, 2007 were as follows:

	Waterworks System 1996 Issue	Waterworks System 1998 Issue	Waterworks System 2003 Issue	Waterworks System 2006 Issue	Sewer System 1996, 1997, and 1998 Issues
Minimum balance of debt service reserve fund	\$ -	\$ -	\$ -	\$ -	\$ 1,217,306
Actual balance of debt service reserve fund	<u>1,853,350</u>	<u>508,405</u>	<u>2,284,642</u>	<u>489,558</u>	<u>4,467,540</u>
Excess	<u>\$ 1,853,350</u>	<u>\$ 508,405</u>	<u>\$ 2,284,642</u>	<u>\$ 489,558</u>	<u>\$ 3,250,234</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, 2007, the City's total net debt amounted to 4.95% of the total assessed value of all property within the City and unvoted net debt amounted to 4.95% of the total assessed value of all property within the City.

## 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, 2007:

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/07
		Defeased	Escrowed	
Waterworks System First Mortgage Revenue Bonds Series 1991	1996	\$ 19,090,000	\$ 20,726,104	\$ 11,835,000
Sewer System Improvement General Obligation Bonds	1998	7,800,000	8,317,677	1,800,000
Various Purpose Improvement Bonds, Series 1991	2001	1,265,000	1,330,320	460,000
Various Purpose Improvement Bonds, Series 1992	2001	10,785,000	11,869,971	3,890,000
Street Improvement Bonds, Series 1992	2001	1,940,000	2,135,164	300,000
Various Purpose Improvement Bonds, Series 1994	2001	15,825,000	18,761,930	6,910,000
Waterworks System Mortgage Revenue Bonds Series 1994	2003	19,405,000	20,820,490	14,720,000
Various Purpose Improvement Bonds, Series 1993	2005	5,555,000		3,990,000
Various Purpose Improvement Bonds, Series 1995-2	2005	3,855,000		2,565,000
Various Purpose Improvement Bonds, Series 1996	2005	2,600,000		2,250,000
Various Purpose Improvement Bonds, Series 1996-2	2005	7,900,000		6,510,000
Various Purpose Improvement Bonds, Series 1997	2005	11,960,000		9,620,000
Various Purpose Improvement Bonds, Series 1999	2005	14,310,000		12,450,000
Various Purpose Improvement Bonds, Series 2000	2005	14,265,000		13,050,000
		<u>60,445,000</u>	<u>40,208,751</u>	<u>50,435,000</u>
Sanitary Sewer System Revenue Bonds, Series 1996	2005	12,655,000		11,055,000
Sanitary Sewer System Revenue Bonds, Series 1997	2005	11,245,000		10,995,000
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>28,215,000</u>
				<u><u>\$ 118,565,000</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, 2007, the principal amount outstanding was \$14,381,070. 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, 2007.

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, 2007, 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, 2007.

During 2006, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of Hiney Acquico LLC for the Summit County Port Authority Bonds, Series 2006B. As of December 31, 2007, the principal amount outstanding was \$1,420,000. The City believes that Hiney Acquico LLC is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining two-year guarantee term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2007.

During 2006, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of MemPro Ceramics Corporation for the loan issued by The Huntington National Bank. As of December 31, 2007, the principal amount outstanding was \$245,506. The City believes that MemPro Ceramics Corporation is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the loan; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2007.

During 2007, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of Akron Community Service Center and Urban League, Inc. for Summit County Port Authority Bonds, Series 2007. As of December 31, 2007, the principal amount outstanding was \$3,600,000. The City believes that the Akron Community Service Center and Urban League, Inc. is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the loan; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2007.

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, 2007, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$720,000.

**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 \$54,000 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, 2007. 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, 2007:

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/07
		Defeased	Escrowed	
Certificates of Participation, Series 1996	2005	\$31,515,000	\$33,661,685	\$25,780,000

The City also has three other capital leases, one for computer hardware, software and licenses, one for emergency vehicle radio equipment and one for the redesign of the City’s sanitation trash collection system. The cost of the computer lease agreement is \$515,964 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 cost of the sanitation redesign equipment is \$9,050,203 and is included in the City’s capital assets in the Statement of Net Assets – Governmental Activities.

## 12. Obligations Under Capitalized Leases (Continued)

The following is a summary of the capital lease transactions for the year ended December 31, 2007:

	<u>Governmental Activities</u>			<u>Internal Service</u>
	<u>COPS</u>	<u>Sanitation Redesign</u>	<u>Radio Equipment</u>	<u>Computer Equipment</u>
Capital Lease at January 1, 2007	\$ 55,711,758	\$ 9,050,203	\$ 412,562	\$ 108,145
Additions	19,610,000	-	-	515,964
Retirements	<u>(4,060,000)</u>	<u>(1,152,972)</u>	<u>(258,719)</u>	<u>(108,145)</u>
Capital Lease at December 31, 2007	<u>\$ 71,261,758</u>	<u>\$ 7,897,231</u>	<u>\$ 153,843</u>	<u>\$ 515,964</u>

Future lease payments are as follows as of December 31, 2007:

<u>Year</u>	<u>Governmental Activities</u>			<u>Internal Service</u>
	<u>COPS Stadium</u>	<u>COPS Parking</u>	<u>Sanitation Redesign</u>	<u>Computer Equipment</u>
2008	\$ 3,831,000	\$ 3,698,045	\$ 1,152,972	\$ 227,526
2009	3,827,500	4,359,863	1,152,972	195,022
2010	3,828,000	4,331,713	1,152,972	162,519
2011	3,827,000	4,291,338	1,152,972	-
2012	3,834,250	4,259,063	1,152,972	-
2013-2017	15,318,750	21,050,238	4,611,888	-
2018-2022	-	16,459,006	-	-
2023-2027	-	9,366,275	-	-
2028-2032	-	1,466,469	-	-
Total lease payments	34,466,500	69,282,009	10,376,748	585,067
Less amount representing interest	<u>7,246,500</u>	<u>20,707,009</u>	<u>2,003,600</u>	<u>69,103</u>
Present value of lease payments	<u>\$ 27,220,000</u>	<u>\$ 48,575,000</u>	<u>\$ 8,373,148</u>	<u>\$ 515,964</u>
Net book value of leased assets	* <u>\$ 23,116,052</u>	<u>\$ 50,157,761</u>	<u>\$ 7,692,673</u>	<u>\$ 464,368</u>

\*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 1,256 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.

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 \$2,773,886, \$10,721,419 and \$712,910 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2007, 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.



**13. Self-Insurance Funds (Continued)**

Changes in the funds' claims liabilities (both current and long-term) amounts in fiscal 2006 and 2007 were:

	<b>Beginning of Year Liability</b>	<b>Current Period Claims</b>	<b>Claim Payments</b>	<b>Balance at End of Year</b>
<u>Medical Self-Insurance Fund</u>				
2006	\$ 2,404,227	\$21,552,108	\$(21,561,654)	\$ 2,394,681
2007	2,394,681	22,933,049	(22,553,844)	2,773,886
<u>Workers' Compensation Reserve Fund</u>				
2006	8,832,129	1,811,299	(2,161,776)	8,481,652
2007	8,481,652	3,840,947	(1,601,180)	10,721,419
<u>Self-Insurance Settlement Fund</u>				
2006	647,300	660,860	(743,845)	564,315
2007	564,315	1,392,848	(1,244,253)	712,910

## 14. Long-term Liabilities

The City reports the following amounts relating to the government's long-term liabilities for the year ended December 31, 2007:

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
<b>Governmental Activities:</b>				
Governmental Funds:				
Accrued vacation and leave (Note 8)	\$ 40,582,471	\$ 16,325,399	\$ (14,715,630)	\$ 42,192,240
Due to other governments (Note 4)	7,975,000	-	(822,096)	7,152,904
Accrued OPERS	-	1,383,414	-	1,383,414
OPEB liability	-	3,486,122	-	3,486,122
<b>Total Governmental Funds</b>	<b>48,557,471</b>	<b>21,194,935</b>	<b>(15,537,726)</b>	<b>54,214,680</b>
Internal Service Funds:				
Accrued vacation and leave (Note 8)	1,926,198	1,024,042	(1,066,940)	1,883,300
Estimated liability for unpaid claims	6,880,472	3,840,947	(1,586,541)	9,134,878
<b>Total Internal Service Funds</b>	<b>8,806,670</b>	<b>4,864,989</b>	<b>(2,653,481)</b>	<b>11,018,178</b>
<b>Total Governmental Activities</b>	<b>57,364,141</b>	<b>26,059,924</b>	<b>(18,191,207)</b>	<b>65,232,858</b>
<b>Business-type Activities:</b>				
Enterprise Funds:				
Water				
Accrued vacation and leave (Note 8)	2,850,331	1,352,365	(1,253,834)	2,948,862
Accrued OPERS	-	206,792	-	206,792
OPEB liability	-	264,306	-	264,306
Sewer				
Accrued vacation and leave (Note 8)	1,850,482	1,147,956	(1,176,116)	1,822,322
Due to other governments (Note 4)	398,804	8,754	(29,076)	378,482
Accrued OPERS	-	119,653	-	119,653
OPEB liability	-	170,031	-	170,031
Other Business-type Activities				
Accrued vacation and leave (Note 8)	216,111	80,892	(47,105)	249,898
Accrued OPERS	-	15,840	-	15,840
OPEB liability	-	17,490	-	17,490
<b>Total Enterprise Funds/ Business-type Activities</b>	<b>5,315,728</b>	<b>3,384,079</b>	<b>(2,506,131)</b>	<b>6,193,676</b>
<b>Total</b>	<b>\$ 62,679,869</b>	<b>\$ 29,444,003</b>	<b>\$ (20,697,338)</b>	<b>\$ 71,426,534</b>

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.

**B. Deficit fund balances**

The following funds have fund balance deficits or net assets deficits at December 31, 2007:

**Special Revenue Funds:**

Community Development	\$ 437,027
Various Purpose Funding	566,195
Summer Lunch Program	406
Deposits	1,381,670
Police Grants	976,149
Various Domestic Violence	94,444
Street Assessment Fund	1,063,932
City Facilities Operating	3,561,153

**Capital Project Funds:**

Non-appropriated Capital Projects	2,521,576
Streets	18,880,060
Transportation	2,520,904
Parks and Recreation	2,088,888
Public Facilities and Improvements	1,218,480

**Internal Service Funds:**

Medical Self-Insurance	7,622,313
Workers' Compensation Reserve	9,139,574
Self-Insurance Settlement	704,985
Storeroom	255,059
Engineering Bureau	1,888,551

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.

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 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 2008. 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.

**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.

Tangible personal property used in business (except for certain public utility tangible personal property) is being phased out over four years by the State of Ohio. Previously, machinery, equipment and fixtures were generally taxed at 25% of true value and inventory was taxed at 23%. These percentages are being decreased as follows:

<b>Tax Year</b>	<b>Percentage</b>
2006	18.75%
2007	12.50%
2008	6.25%
2009	0.00%

## **17. Property Taxes (Continued)**

To compensate for foregone revenue as the tangible personal property tax is phased out, the state will make distributions to taxing subdivisions from revenue generated by a newly enacted commercial activity tax. Generally, these distributions are expected to fully compensate taxing subdivisions for such tax losses through 2010 with gradual reductions in the reimbursement from 2011 through 2017.

The assessed value upon which the 2007 property tax was based aggregated \$3,280,161,000. The assessed value for 2007 (upon which the 2008 property tax will be based) is approximately \$3,169,362,000.

Under the current allocation method, the City's share was 1.030% (10.30 mills) of assessed value in 2007 for collection in 2008. 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, 2007, including delinquencies from prior years, were 95.7% and 100.6%, respectively, of the current year tax levy. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue, while the remainder of the tax receivable is deferred.

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. Commencing January 1, 2000, Bath Township will receive an annual payment of \$250,000 for ten years from the City. The City has recorded the \$500,000 remaining balance as of December 31, 2007 due to Bath Township on the financial statements with \$250,000 as a current liability and a noncurrent liability of \$250,000.

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. Pledged Revenues

Pursuant to GASB No. 48, *Accounting and Financial Reporting for Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*, the City holds different types of pledged revenue. Pledged revenues of the City are broken down into water system revenues, sewer system revenues, JEDD revenues, non-tax revenues, income tax revenues, and CLC income tax revenues.

### Water System Revenues

The City has pledged future water customer revenues, net of specified operating expenses to repay \$96.7 million in water system revenue bonds issued at various dates ranging from January 15, 1996 thru August 10, 2006. Proceeds from the bonds provided financing for various water projects. The bonds are payable solely from water customer net revenues and are payable in various maturity dates ranging from January 1, 2011 thru March 1, 2026. The total principal and interest remaining to be paid on the bonds as of December 31, 2007 is \$77,891,078. Principal and interest paid for 2007 and total customer net revenues were \$9,607,983 and \$12,489,891, respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
01/15/96	\$ 21,175,000	Various Water Projects	03/01/12	\$ 2,798,145	\$ 13,945,668
02/01/98	18,700,000	Various Water Projects	03/01/18	905,955	9,947,036
09/28/99	1,129,038	Water Mains	07/01/20	83,709	1,073,965
05/02/00	8,127,549	Sedimentation Basin	07/01/20	626,574	8,145,462
04/16/01	476,826	Water Force Main	01/01/11	58,592	260,634
07/10/02	2,809,223	Water Force Main	07/01/12	341,785	1,708,925
07/01/03	28,045,000	Various Water Projects	03/01/14	3,446,275	21,581,038
01/29/04	2,900,272	Post Chemical Bldg.	01/01/14	346,242	2,250,573
08/10/06	13,340,000	Various Water Projects	03/01/26	1,000,706	18,977,777
	<u>\$ 96,702,908</u>			<u>\$ 9,607,983</u>	<u>\$ 77,891,078</u>

### Sewer System Revenues

The City has pledged future sewer customer revenues, net of specified operating expenses to repay \$112.9 million in sewer system revenue bonds issued at various dates ranging from May 6, 1982 thru December 1, 2005. Proceeds from the bonds provided financing for various sewer projects. The bonds are payable solely from sewer customer net revenues and are payable in various maturity dates ranging from January 1, 2010 thru December 1, 2017. The total principal and interest remaining to be paid on the bonds as of December 31, 2007 is \$88,960,960. Principal and interest paid for 2007 and total customer net revenues were \$9,703,857 and \$12,662,536, respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
05/06/82	\$ 7,544,333	Sewage Treatment	01/01/10	\$ 831,104	\$ 2,222,776
01/26/95	15,328,600	Sewage Treatment	07/01/15	1,176,439	9,411,512
03/30/95	17,873,932	Relief Sewers	07/01/15	1,371,789	10,974,312
04/01/98	19,140,000	Various Sewer Projects	12/01/13	1,170,060	6,282,089
09/30/04	8,231,733	Meter Replacement	07/01/15	997,645	7,981,160
12/16/04	10,951,961	Storage Basin - CSO	07/01/14	1,274,557	11,301,371
12/01/05	33,855,000	Various Sewer Projects	12/01/17	2,882,263	40,879,262
	<u>\$ 112,925,559</u>			<u>\$ 9,703,857</u>	<u>\$ 89,052,482</u>

**19. Pledged Revenues (Continued)**

**JEDD Revenues**

The City has pledged future JEDD revenues to repay \$53.2 million in JEDD revenue bonds issued at various dates ranging from July 1, 2000 thru November 1, 2002. Proceeds from the bonds provided financing for various water projects. The bonds are payable solely from JEDD revenues and are payable in various maturity dates ranging from December 1, 2020 thru December 1, 2022. The total principal and interest remaining to be paid on the bonds as of December 31, 2007 is \$59,714,676. Principal and interest paid for the 2007 and total JEDD revenues were \$4,306,222 and \$11,905,374 respectively.

<b>Issued</b>	<b>Amount of Issue</b>	<b>Purpose of Issue</b>	<b>Final Maturity</b>	<b>Debt Service</b>	<b>Future Debt Service</b>
07/01/00	\$ 13,825,000	Various Water Projects	12/01/20	\$ 1,165,948	\$ 15,148,992
08/01/00	13,825,000	Various Sewer Projects	12/01/20	1,159,238	15,134,240
09/01/02	15,550,000	Various Water Projects	12/01/22	1,197,293	17,943,492
11/01/02	<u>10,000,000</u>	Various Sewer Projects	12/01/22	<u>783,743</u>	<u>11,487,952</u>
	<u>\$ 53,200,000</u>			<u>\$ 4,306,222</u>	<u>\$ 59,714,676</u>

**Non-Tax Revenues**

The City has pledged future non-tax revenues, to repay \$54.5 million in non-tax revenue bonds issued November 1, 1997 and December 15, 2006. Proceeds from the bonds provided financing for various economic development and renovation projects. The bonds are payable from non-tax revenue including fees of licenses, fines and interest earnings. The maturity dates are December 1, 2018 and December 1, 2026. The total principal and interest remaining to be paid on the bonds as of December 31, 2007 is \$62,557,646. Principal and interest paid for 2007 and total non-tax revenues were \$4,348,260 and \$27,863,625 respectively.

<b>Issued</b>	<b>Amount of Issue</b>	<b>Purpose of Issue</b>	<b>Final Maturity</b>	<b>Debt Service</b>	<b>Future Debt Service</b>
11/01/97	\$ 35,000,000	O'Neil's Bldg. Renovation	12/01/18	\$ 2,834,350	\$ 31,188,640
12/15/06	<u>19,500,000</u>	Various Econ. Dev. Proj.	12/01/26	<u>1,513,910</u>	<u>31,369,006</u>
	<u>\$ 54,500,000</u>			<u>\$ 4,348,260</u>	<u>\$ 62,557,646</u>

## 19. Pledged Revenues (Continued)

### Income Tax Revenues

The City has pledged future income tax revenues, to repay \$94.2 million in income tax revenue bonds issued at various dates ranging from November 1, 1992 thru December 3, 2007. Proceeds from the bonds provided financing for various liabilities, equipment, facilities, and improvements. The bonds are payable solely from income tax revenues and are payable in various maturity dates ranging from December 1, 2008 thru December 1, 2028. The total principal and interest remaining to be paid on the bonds as of December 31, 2007 is \$80,409,152. Principal and interest paid for 2007 and total income tax revenues were \$7,474,726 and \$119,389,280 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
11/01/92	\$ 900,000	Balch St. Community Ctr.	12/01/13	\$ 70,519	\$ 452,018
11/01/92	6,500,000	Convention Center	12/01/13	528,786	3,245,314
10/15/93	7,000,000	Inventors Hall of Fame	12/01/13	456,549	2,438,452
06/15/94	8,715,000	Various Community Ctrs.	12/01/14	636,898	3,761,973
12/01/96	1,200,000	H.K. Stubbs Justice Ctr.	12/01/17	93,365	771,305
12/01/96	1,110,000	Northwest Fire Station	12/01/17	85,419	705,662
12/01/96	1,060,000	Various Community Ctrs.	12/01/17	80,121	662,201
12/01/97	2,025,000	Motor Equipment	12/01/08	235,245	226,327
12/01/97	1,175,000	Var. Municipal Facilities	12/01/08	140,356	135,035
12/01/97	3,300,000	Street Improvements	12/01/18	260,641	2,358,389
12/01/98	1,275,000	Motor Equipment	12/01/09	164,125	324,550
12/01/98	1,660,000	Municipal Facilities	12/01/19	127,175	1,570,138
12/01/98	4,685,000	Recreational Facilities	12/01/19	361,475	4,434,020
12/01/98	3,095,000	Street Improvements	12/01/19	236,360	2,922,450
04/15/99	10,090,000	Pension Accrued Liability	12/01/23	707,658	11,295,210
11/01/99	765,000	Motor Equipment	12/01/10	107,484	324,790
11/01/99	2,280,000	Var. Municipal Facilities	12/01/10	323,658	978,020
11/01/99	8,165,000	Recreational Facilities	12/01/20	678,398	8,992,002
11/01/00	1,300,000	Recreational Facilities	12/01/21	108,669	1,501,603
11/01/00	2,300,000	Street Improvements	12/01/21	193,402	2,672,457
11/01/00	885,000	Var. Municipal Facilities	12/01/21	74,680	1,031,939
11/01/01	3,320,000	Motor Equipment	12/01/12	409,748	2,063,340
11/01/01	1,807,000	Recreational Facilities	12/01/22	144,780	2,177,573
12/01/02	2,300,000	Equipment Replacement	12/01/23	286,911	1,701,586
12/01/02	11,775,000	Recreational Facilities	12/01/23	962,304	14,796,403
12/03/07	1,745,000	Municipal Complex	12/01/28	-	2,781,530
12/03/07	540,000	Municipal Service Center	12/01/28	-	858,329
12/03/07	2,895,000	Recreational Facilities	12/01/28	-	4,607,720
12/03/07	390,000	Var. Fire Dept. Facilities	12/01/28	-	618,816
	<u>\$ 94,257,000</u>			<u>\$ 7,474,726</u>	<u>\$ 80,409,152</u>



**19. Pledged Revenues (Continued)**

**CLC Income Tax Revenues**

The City's income tax rate includes .25% Community Learning Center (CLC) income tax revenue. This 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 (CLC) in Akron. In 2004 the City issued bonds totaling \$215 million and are payable through 2014 and 2033. The Akron Public Schools' annual contribution towards this debt is \$3,000,000. The City has committed each year, from the supplemental income tax revenue, amounts sufficient to cover the City's portion of the principal and interest requirements. Total principal and interest remaining on bonds are \$281,648,571. For 2007 total principal and interest paid by the City was \$10,528,063 and current net revenues were \$14,737,185.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service*	Future Debt Service
01/01/04	\$ 50,000,000	Community Learning Centers	12/01/14	\$ 5,276,775	\$ 44,680,635
01/01/04	<u>165,000,000</u>	Community Learning Centers	12/01/33	<u>5,251,288</u>	<u>236,967,936</u>
	<u>\$ 215,000,000</u>			<u>\$ 10,528,063</u>	<u>\$ 281,648,571</u>

\* Net of \$3,000,000 annual contribution from Akron City School District.

**20. Transfers**

For the year ended December 31, 2007 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				Total
	Transfers Out	Other Governmental Funds	Other Enterprise Funds	Internal Service Funds	
<b>Governmental Activities:</b>					
General Fund	\$3,463,937	\$ -	\$ -	\$ -	\$ -
Other Governmental Funds	<u>2,498,910</u>	<u>5,329,997</u>	<u>-</u>	<u>985,000</u>	<u>6,314,997</u>
	5,962,847	5,329,997	-	985,000	6,314,997
<b>Business-type Activities:</b>					
Off-Street Parking	882,310	-	-	-	-
Other Enterprise Funds	<u>-</u>	<u>-</u>	<u>530,160</u>	<u>-</u>	<u>530,160</u>
	882,310	-	530,160	-	530,160
	<u>\$6,845,157</u>	<u>\$ 5,329,997</u>	<u>\$ 530,160</u>	<u>\$ 985,000</u>	<u>\$6,845,157</u>

## **21. 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.

### **(3) Other Obligations**

On December 14, 2007 City Council passed ordinance number 632-007 approving and authorizing execution of a Development Agreement among the City of Akron (City), County of Summit (County), and IRG Rubber City, LLC (Developer) and approving and authorizing a Development and Retention Agreement among the City of Akron, County of Summit and The Goodyear Tire and Rubber Company. The City shall provide \$2.5 million, which includes any costs incurred in the acquisition of property. As stated in this agreement each party, (the City, County, and Developer), agrees to use their best efforts to secure different funding sources; however, these funding sources are preliminary and may not be committable or achievable. Therefore, in the event that any supplemental funding sources are not attainable, the City, per the above stated ordinance, agrees to contribute 1/3 of any unattainable funds (City maximum \$17.5 million).

## **22. 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.

**23. 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.

**24. Related Organization**

The City of Akron, in conjunction with Summit County, University of Akron, Medina County, and Greater Akron Chamber of Commerce, agreed to form the Summit Medina Business Alliance (SMBA). SMBA is a not-for-profit corporation which supports economic development of the region. The organization entered into an agreement with the Kent Regional Business Alliance to carry out activities in cooperation with the Ohio Department of Development and the Small Business Administration. The Mayor of the City of Akron appoints three of the five voting members of the board of trustees of the Summit Medina Business Alliance. The SMBA does not pose a financial burden on the City of Akron since it receives revenues from the City and other governments in the area. During 2007, the City paid SMBA \$195,020 for operating expenses.

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## 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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ 78,580,000	\$ 78,580,000	\$ 82,611,299
Investment earnings	950,000	950,000	125,000
Local government	12,733,469	12,733,469	14,418,325
Other revenue	29,930,931	29,930,931	30,992,270
Property taxes	22,451,294	22,451,294	23,055,251
State taxes	5,123,241	5,123,241	3,145,271
	<u>149,768,935</u>	<u>149,768,935</u>	<u>154,347,416</u>
Other sources:			
Previous year's encumbrances	<u>2,567,845</u>	<u>2,567,845</u>	<u>2,567,845</u>
Total revenues and other sources	152,336,780	152,336,780	156,915,261
<b>Expenditures and other uses</b>			
Expenditures:			
Civil Service Commission:			
Wages/benefits	1,110,150	1,030,150	1,011,945
Other	113,924	113,924	69,191
Capital outlay	10,000	10,000	4,666
	<u>1,234,074</u>	<u>1,154,074</u>	<u>1,085,802</u>
Finance:			
Wages/benefits	2,518,910	2,448,910	2,414,874
Other	5,574,786	4,933,006	4,814,745
	<u>8,093,696</u>	<u>7,381,916</u>	<u>7,229,619</u>
Law:			
Wages/benefits	3,469,250	3,379,250	3,295,486
Other	1,101,734	1,101,734	1,009,833
	<u>4,570,984</u>	<u>4,480,984</u>	<u>4,305,319</u>
Legislative:			
Wages/benefits	838,740	838,740	815,885
Other	246,840	246,840	224,570
	<u>1,085,580</u>	<u>1,085,580</u>	<u>1,040,455</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, 2007  
(continued)

	<b>Budgeted Amounts</b>		
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>
<b>Municipal Court - Clerk:</b>			
Wages/benefits	\$ 2,865,950	\$ 2,865,950	\$ 2,768,285
Other	374,299	374,299	360,716
Capital outlay	16,000	16,000	8,514
	<u>3,256,249</u>	<u>3,256,249</u>	<u>3,137,515</u>
<b>Municipal Court - Judges:</b>			
Wages/benefits	3,235,830	3,235,830	3,157,321
Other	197,462	277,462	272,745
	<u>3,433,292</u>	<u>3,513,292</u>	<u>3,430,066</u>
<b>Office of the Mayor:</b>			
Wages/benefits	2,503,090	2,533,090	2,516,581
Other	351,820	351,820	333,953
	<u>2,854,910</u>	<u>2,884,910</u>	<u>2,850,534</u>
<b>Planning:</b>			
Wages/benefits	1,505,080	1,485,080	1,451,673
Other	169,578	200,578	189,778
	<u>1,674,658</u>	<u>1,685,658</u>	<u>1,641,451</u>
<b>Public Health:</b>			
Wages/benefits	6,615,950	6,515,950	6,385,226
Other	1,487,965	1,517,965	1,500,810
	<u>8,103,915</u>	<u>8,033,915</u>	<u>7,886,036</u>
<b>Public Safety:</b>			
Wages/benefits	8,396,120	8,196,120	8,082,637
Other	10,559,775	11,470,555	11,194,276
Capital outlay	25,416	25,416	25,390
	<u>18,981,311</u>	<u>19,692,091</u>	<u>19,302,303</u>
<b>Public Service:</b>			
Wages/benefits	12,466,940	13,066,940	12,914,905
Other	16,487,548	16,787,548	16,569,743
	<u>28,954,488</u>	<u>29,854,488</u>	<u>29,484,648</u>
<b>Fire:</b>			
Wages/benefits	25,322,060	26,222,060	26,055,238
Other	1,192,421	1,262,421	1,184,430
	<u>26,514,481</u>	<u>27,484,481</u>	<u>27,239,668</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, 2007  
(continued)

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Police:			
Wages/benefits	\$ 42,893,850	\$ 44,293,850	\$ 43,938,469
Other	3,984,286	4,214,886	4,171,055
	<u>46,878,136</u>	<u>48,508,736</u>	<u>48,109,524</u>
Total expenditures	155,635,774	159,016,374	156,742,940
Excess (deficiency) of revenues and other sources over expenditures	(3,298,994)	(6,679,594)	172,321
Fund balance, January 1, 2007	<u>3,430,263</u>	<u>3,430,263</u>	<u>3,430,263</u>
Fund balance (deficit), December 31, 2007	<u>\$ 131,269</u>	<u>\$ (3,249,331)</u>	<u>\$ 3,602,584</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ 9,223,250	\$ 9,223,250	\$ 14,534,331
Investment earnings	338,190	338,190	703,445
Miscellaneous revenue	2,210	2,210	71,341
	<u>9,563,650</u>	<u>9,563,650</u>	<u>15,309,117</u>
Other sources:			
Note/Bond proceeds	2,499,640	2,499,640	-
Interfund transfers	2,867,230	2,867,230	1,714,454
Previous year's encumbrances	97,106	97,106	97,106
	<u>5,463,976</u>	<u>5,463,976</u>	<u>1,811,560</u>
Total revenues and other sources	15,027,626	15,027,626	17,120,677
<b>Expenditures</b>			
Finance:			
Other	19,165,206	19,165,206	12,359,994
Public Service:			
Wages/benefits	11,000	26,000	25,208
Other	1,225,000	1,225,000	858,122
Capital outlay	200,000	700,000	539,590
	<u>1,436,000</u>	<u>1,951,000</u>	<u>1,422,920</u>
Total expenditures	20,601,206	21,116,206	13,782,914
Excess (deficiency) of revenues and other sources over expenditures	(5,573,580)	(6,088,580)	3,337,763
Fund balance, January 1, 2007	9,147,654	9,147,654	9,147,654
Fund balance, December 31, 2007	<u>\$ 3,574,074</u>	<u>\$ 3,059,074</u>	<u>\$ 12,485,417</u>



## City of Akron, Ohio

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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ 25,654,140	\$ 25,654,140	\$ 27,226,622
JEDD revenues	1,146,990	1,146,990	1,825,000
Governmental revenues	19,160	19,160	280,274
Miscellaneous	251,300	251,300	275,684
	<u>27,071,590</u>	<u>27,071,590</u>	<u>29,607,580</u>
Other sources:			
Note/Bond proceeds	3,932,530	3,932,530	83,000
Interfund transfers	53,260	53,260	1,923,113
Previous year's encumbrances	710,197	710,197	710,197
	<u>4,695,987</u>	<u>4,695,987</u>	<u>2,716,310</u>
Total revenues and other sources	31,767,577	31,767,577	32,323,890
<b>Expenditures</b>			
Expenditures:			
Planning and Urban Development:			
Wages/benefits	1,001,480	1,001,480	966,982
Other	29,196,253	30,696,253	28,776,684
	<u>30,197,733</u>	<u>31,697,733</u>	<u>29,743,666</u>
Public Service:			
Wages/benefits	6,000	6,000	-
Other	3,375,999	1,875,999	1,444,387
Capital outlay	2,247,684	2,247,684	1,628,169
	<u>5,629,683</u>	<u>4,129,683</u>	<u>3,072,556</u>
Total expenditures	35,827,416	35,827,416	32,816,222
Deficiency of revenues and other sources over expenditures	(4,059,839)	(4,059,839)	(492,332)
Fund balance, January 1, 2007	<u>5,980,184</u>	<u>5,980,184</u>	<u>5,980,184</u>
Fund balance, December 31, 2007	<u>\$ 1,920,345</u>	<u>\$ 1,920,345</u>	<u>\$ 5,487,852</u>

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**City of Akron, Ohio**

**Notes to the Budgetary Comparison Schedule**

**General Fund, Community Learning Centers Fund and Income Tax Capital Improvement Fund**

**For the Year Ended December 31, 2007**

**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, the Community Learning Centers Fund, and Income Tax Capital Improvement 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.

	<u>General</u>	<u>Community Learning Centers</u>	<u>Income Tax Capital Improvement</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 172,321	\$ 3,337,763	\$ (492,332)
Adjustments:			
To adjust revenues for accruals	(1,438,353)	(1,181,819)	5,066,607
To adjust expenditures for accruals	2,312,797	(9,571,469)	(5,393,420)
To adjust for encumbrances	<u>2,666,038</u>	<u>107,600</u>	<u>505,745</u>
Net change in fund balance (GAAP basis)	<u><u>\$ 3,712,803</u></u>	<u><u>\$ (7,307,925)</u></u>	<u><u>\$ (313,400)</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	Akron Muni. Court Information System
Emergency Medical Service	Canal Park Stadium COPs
Special Assessment	Off-Street Parking COPs
Street and Highway Maintenance	Public Health
Street Assessment	Safety Programs
Tax Equivalency	City Facilities Operating
E.D.A. Revolving Loans	Various Purpose Funding
Joint Economic Development Districts	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
- Taxable Revenue 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, 2007

<b>Special Revenue Funds</b>							
	<b>Income Tax Collection</b>	<b>Emergency Medical Service</b>	<b>Special Assessment</b>	<b>Street and Highway Maintenance</b>	<b>Street Assessment</b>	<b>Community Development</b>	<b>Air Pollution Control</b>
<b>Assets</b>							
Pooled cash and investments	\$ -	\$ 9,997	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	11,031,038	-	3,535,485	-	-	27,240
Loans receivable	-	-	-	-	-	95,598	-
Due from other governments	-	-	-	-	-	2,267,524	35,504
Due from other funds	5,427,184	234,042	246,546	320,646	804,992	500,435	2,535,987
<b>Total assets</b>	<b>\$ 5,427,184</b>	<b>\$ 11,275,077</b>	<b>\$ 246,546</b>	<b>\$ 3,856,131</b>	<b>\$ 804,992</b>	<b>\$ 2,863,557</b>	<b>\$ 2,598,731</b>
<b>Liabilities</b>							
Accounts payable	\$ 351,274	\$ 42,948	\$ 16,704	\$ 181,851	\$ 1,515,079	\$ 194,774	\$ 1,920
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	106,512	-
Due to other funds	62,575	38,383	12,259	1,256,624	242,571	2,953,943	6,872
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	10,274,618	-	1,496,641	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	432,479	-	-	-	-	-
Accrued wages	55,229	252,796	7,873	188,323	111,274	45,355	33,584
Accrued vacation and leave	886	-	-	12,399	-	-	-
<b>Total liabilities</b>	<b>469,964</b>	<b>11,041,224</b>	<b>36,836</b>	<b>3,135,838</b>	<b>1,868,924</b>	<b>3,300,584</b>	<b>42,376</b>
<b>Fund balances</b>							
Fund balance:							
Reserved for encumbrances	81,631	166,986	6,765	143,810	229,549	411,664	8,776
Reserved for loans receivable	-	-	-	-	-	95,598	-
Unreserved designated for pre-encumbrances	793	20,391	440	53,652	-	-	11,200
Unreserved reported in special revenue funds	4,874,796	46,476	202,505	522,831	(1,293,481)	(944,289)	2,536,379
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>4,957,220</b>	<b>233,853</b>	<b>209,710</b>	<b>720,293</b>	<b>(1,063,932)</b>	<b>(437,027)</b>	<b>2,556,355</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,427,184</b>	<b>\$ 11,275,077</b>	<b>\$ 246,546</b>	<b>\$ 3,856,131</b>	<b>\$ 804,992</b>	<b>\$ 2,863,557</b>	<b>\$ 2,598,731</b>



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

December 31, 2007  
 (continued)

	Akron						E.D.A. Revolving Loans
	Community Environment Grants	Metro. Area Transportation Study	Summer Lunch Program	H.O.M.E. Program	K.A.B. Litter Control	Tax Equivalency	
<b>Special Revenue Funds</b>							
<b>Assets</b>							
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,971
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-
Loans receivable	935,786	-	-	2,452,877	-	-	42,521
Due from other governments	258,616	352,253	20,736	472,197	-	468,128	-
Due from other funds	140,569	-	-	661,101	-	576,072	-
<b>Total assets</b>	<b>\$ 1,334,971</b>	<b>\$ 352,253</b>	<b>\$ 20,736</b>	<b>\$ 3,586,175</b>	<b>\$ -</b>	<b>\$ 1,044,200</b>	<b>\$ 47,492</b>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ 1,842	\$ -	\$ 319,485	\$ -	\$ 87,638	\$ -
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	15,000	40,213	21,142	390,000	-	2,422	-
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Accrued wages	-	30,926	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>15,000</b>	<b>72,981</b>	<b>21,142</b>	<b>709,485</b>	<b>-</b>	<b>90,060</b>	<b>-</b>
<b>Fund balances</b>							
Fund balance:							
Reserved for encumbrances	129,394	6,844	-	1,231,612	-	23,127	-
Reserved for loans receivable	935,786	-	-	2,452,877	-	-	42,521
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-
Unreserved reported in special revenue funds	254,791	272,428	(406)	(807,799)	-	931,013	4,971
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,319,971</b>	<b>279,272</b>	<b>(406)</b>	<b>2,876,690</b>	<b>-</b>	<b>954,140</b>	<b>47,492</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,334,971</b>	<b>\$ 352,253</b>	<b>\$ 20,736</b>	<b>\$ 3,586,175</b>	<b>\$ -</b>	<b>\$ 1,044,200</b>	<b>\$ 47,492</b>

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007  
(continued)

	Special Revenue Funds							
	Joint Economic Development Districts	Akron Muni. Court Information System	Canal Park Stadium COPs	Off-Street Parking COPs	Public Health	Police Grants	Various Domestic Violence	
<b>Assets</b>								
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Restricted cash and investments	-	-	54,384	4,131,916	-	-	-	
Receivables, net of allowances for uncollectibles	2,225,936	21,542	-	-	12,797	-	-	
Loans receivable	-	-	-	-	-	-	-	
Due from other governments	-	-	-	-	-	5,727	230,591	
Due from other funds	6,266,209	677,905	-	-	706,465	5,765	-	
<b>Total assets</b>	<b>\$ 8,492,145</b>	<b>\$ 699,447</b>	<b>\$ 54,384</b>	<b>\$ 4,131,916</b>	<b>\$ 719,262</b>	<b>\$ 11,492</b>	<b>\$ 230,591</b>	
<b>Liabilities</b>								
Accounts payable	\$ 1,007,990	\$ 39,115	\$ -	\$ -	\$ 9,582	\$ 55,355	\$ 16,686	
Customer deposits	-	-	-	-	-	-	-	
Due to other governments	1,425,780	-	-	-	-	-	-	
Due to other funds	2,453,105	7,031	-	-	7,014	865,231	308,349	
Due to others	-	-	-	-	-	-	-	
Deferred grant revenue	-	-	-	-	-	63,592	-	
Deferred revenue	879,363	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	
Accrued liabilities	192,363	-	-	-	-	2,313	-	
Accrued wages	10,315	-	-	-	14,487	1,150	-	
Accrued vacation and leave	-	-	-	-	-	-	-	
<b>Total liabilities</b>	<b>5,968,916</b>	<b>46,146</b>	<b>-</b>	<b>-</b>	<b>31,083</b>	<b>987,641</b>	<b>325,035</b>	
<b>Fund balances</b>								
Fund balance:								
Reserved for encumbrances	501,933	428	-	-	22,007	51,652	43,798	
Reserved for loans receivable	-	-	-	-	-	-	-	
Unreserved designated for pre-encumbrances	6,720	71,140	-	-	3,008	-	-	
Unreserved reported in special revenue funds	2,014,576	581,733	54,384	4,131,916	663,164	(1,027,801)	(138,242)	
Unreserved reported in debt service funds	-	-	-	-	-	-	-	
Unreserved reported in capital project funds	-	-	-	-	-	-	-	
<b>Total fund balances (deficits)</b>	<b>2,523,229</b>	<b>653,301</b>	<b>54,384</b>	<b>4,131,916</b>	<b>688,179</b>	<b>(976,149)</b>	<b>(94,444)</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 8,492,145</b>	<b>\$ 699,447</b>	<b>\$ 54,384</b>	<b>\$ 4,131,916</b>	<b>\$ 719,262</b>	<b>\$ 11,492</b>	<b>\$ 230,591</b>	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007  
(continued)

	Special Revenue Funds				Debt Service Funds			Debt Service Bond Payment
	Safety Programs	Health Grants	City Facilities Operating	Various Purpose Funding	Deposits	General Bond Payment		
<b>Assets</b>								
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 321,553	\$ -
Restricted cash and investments	-	-	-	-	-	-	-	3,254,480
Receivables, net of allowances for uncollectibles	12,065	-	6,055	44,260	114,469	-	1,617,480	-
Loans receivable	-	-	-	-	-	-	-	-
Due from other governments	47,400	271,438	-	102,705	-	-	-	-
Due from other funds	2,572,924	496,761	9,622	34,984	2,668,574	-	-	-
<b>Total assets</b>	<b>\$ 2,632,389</b>	<b>\$ 768,199</b>	<b>\$ 15,677</b>	<b>\$ 181,949</b>	<b>\$ 2,783,043</b>	<b>\$ 1,939,033</b>	<b>\$ 3,254,480</b>	
<b>Liabilities</b>								
Accounts payable	\$ 72,526	\$ 366,680	\$ 313,150	\$ 324,290	\$ 146,872	\$ 16,680	\$ -	\$ -
Customer deposits	-	-	-	-	671,021	-	-	-
Due to other governments	-	180,543	75,937	-	-	-	-	-
Due to other funds	638	15,606	3,182,220	397,659	1,477,140	864	-	-
Due to others	-	-	-	-	936,125	-	-	-
Deferred grant revenue	269,410	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	1,541,860	-	95,000
Matured bonds payable	-	-	-	-	-	-	-	50,609
Matured interest payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	933,555	-	-	-
Accrued wages	7,430	69,630	5,523	15,595	-	9,314	-	-
Accrued vacation and leave	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>350,004</b>	<b>632,459</b>	<b>3,576,830</b>	<b>748,144</b>	<b>4,164,713</b>	<b>1,568,718</b>	<b>145,609</b>	
<b>Fund balances</b>								
Fund balance:								
Reserved for encumbrances	663,689	45,034	2,009,485	1,329,564	4,220	2,550	-	-
Reserved for loans receivable	-	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	3,196	-	-	-	-	-	-	-
Unreserved reported in special revenue funds	1,615,500	90,706	(5,570,638)	(1,895,759)	(1,385,890)	-	-	-
Unreserved reported in debt service funds	-	-	-	-	-	367,765	-	3,108,871
Unreserved reported in capital project funds	-	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>2,282,385</b>	<b>135,740</b>	<b>(3,561,153)</b>	<b>(566,195)</b>	<b>(1,381,670)</b>	<b>370,315</b>	<b>3,108,871</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 2,632,389</b>	<b>\$ 768,199</b>	<b>\$ 15,677</b>	<b>\$ 181,949</b>	<b>\$ 2,783,043</b>	<b>\$ 1,939,033</b>	<b>\$ 3,254,480</b>	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007  
(continued)

Debt Service Funds										
	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	Taxable Revenue Bond Payment			
<b>Assets</b>										
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Restricted cash and investments	427,195	3,009	4	3,048,346	113,454	4,789,703	1,805,786			
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-			
Loans receivable	-	-	-	-	-	-	-			
Due from other governments	-	-	-	-	-	-	-			
Due from other funds	-	-	-	-	-	-	-			
<b>Total assets</b>	\$ 427,195	\$ 3,009	\$ 4	\$ 3,048,346	\$ 113,454	\$ 4,789,703	\$ 1,805,786			
<b>Liabilities</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Customer deposits	-	-	-	-	-	-	-			
Due to other governments	-	-	-	-	-	-	-			
Due to other funds	-	-	-	-	-	-	-			
Due to others	-	-	-	-	-	-	-			
Deferred grant revenue	-	-	-	-	-	-	-			
Deferred revenue	-	-	-	-	-	-	-			
Matured bonds payable	-	-	-	-	-	-	-			
Matured interest payable	-	-	-	-	-	-	-			
Accrued liabilities	-	-	-	-	-	-	-			
Accrued wages	-	-	-	-	-	-	-			
Accrued vacation and leave	-	-	-	-	-	-	-			
<b>Total liabilities</b>	-	-	-	-	-	-	-			
<b>Fund balances</b>										
Fund balance:										
Reserved for encumbrances	-	-	-	-	-	-	-			
Reserved for loans receivable	-	-	-	-	-	-	-			
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-			
Unreserved reported in special revenue funds	-	-	-	-	-	-	-			
Unreserved reported in debt service funds	427,195	3,009	4	3,048,346	113,454	4,789,703	1,805,786			
Unreserved reported in capital project funds	-	-	-	-	-	-	-			
<b>Total fund balances (deficits)</b>	\$ 427,195	\$ 3,009	\$ 4	\$ 3,048,346	\$ 113,454	\$ 4,789,703	\$ 1,805,786			
<b>Total liabilities and fund balances</b>	\$ 427,195	\$ 3,009	\$ 4	\$ 3,048,346	\$ 113,454	\$ 4,789,703	\$ 1,805,786			

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007  
(continued)

<b>Capital Project Funds</b>		<b>Road and Bridge Improvements</b>	<b>Streets</b>	<b>Information Technology and Improvements</b>	<b>Transportation</b>	<b>Parks and Recreation</b>	<b>Public Facilities and Improvements</b>
<b>Assets</b>							
Pooled cash and investments	\$ -	\$ 3,720,331	\$ -	\$ 29,542	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	2,338,844	138,345	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	1,497,207	-	933,865	241,582	-
Due from other funds	-	195,254	108,066	-	-	504,482	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 6,254,429</b>	<b>\$ 1,743,618</b>	<b>\$ 29,542</b>	<b>\$ 933,865</b>	<b>\$ 746,064</b>	<b>\$ -</b>
<b>Liabilities</b>							
Accounts payable	\$ 7,718	\$ 45	\$ 2,023,517	\$ -	\$ 1,169,150	\$ 34,945	\$ 288,990
Customer deposits	-	-	-	-	-	-	-
Due to other governments	-	-	1,421	-	986	6,765	-
Due to other funds	2,513,858	14,982	18,003,917	-	2,165,459	2,625,166	742,361
Due to others	-	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	1,722,733	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	7,497	594,201	-	119,174	167,922	187,129
Accrued wages	-	180	622	-	-	154	-
Accrued vacation and leave	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>2,521,576</b>	<b>1,745,437</b>	<b>20,623,678</b>	<b>-</b>	<b>3,454,769</b>	<b>2,834,952</b>	<b>1,218,480</b>
<b>Fund balances</b>							
Fund balance:							
Reserved for encumbrances	152,771	137,912	3,828,977	-	3,856,625	2,786,942	770,184
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-
Unreserved reported in special revenue funds	-	-	-	-	-	-	-
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	(2,674,347)	4,371,080	(22,709,037)	29,542	(6,377,529)	(4,875,830)	(1,988,664)
<b>Total fund balances (deficits)</b>	<b>(2,521,576)</b>	<b>4,508,992</b>	<b>(18,880,060)</b>	<b>29,542</b>	<b>(2,520,904)</b>	<b>(2,088,888)</b>	<b>(1,218,480)</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 6,254,429</b>	<b>\$ 1,743,618</b>	<b>\$ 29,542</b>	<b>\$ 933,865</b>	<b>\$ 746,064</b>	<b>\$ -</b>

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007  
(continued)

	<u>Capital Project Funds</u>		
	<u>Public Parking</u>	<u>Economic Development</u>	<u>Total</u>
<b>Assets</b>			
Pooled cash and investments	\$ 16,052,310	\$ -	\$ 20,138,704
Restricted cash and investments	-	-	17,628,277
Receivables, net of allowances for uncollectibles	-	-	21,125,556
Loans receivable	-	5,950,832	9,477,614
Due from other governments	-	2,641,941	9,847,414
Due from other funds	-	318,742	26,013,327
<b>Total assets</b>	<b>\$ 16,052,310</b>	<b>\$ 8,911,515</b>	<b>\$ 104,230,892</b>
<b>Liabilities</b>			
Accounts payable	\$ 396,747	\$ 2,293,819	\$ 11,297,372
Customer deposits	-	-	671,021
Due to other governments	-	4,260,992	6,058,936
Due to other funds	28,096	1,802,926	41,653,626
Due to others	-	-	936,125
Deferred grant revenue	-	-	333,002
Deferred revenue	-	-	15,915,215
Matured bonds payable	-	-	95,000
Matured interest payable	-	-	50,609
Accrued liabilities	206,827	47,608	2,901,668
Accrued wages	-	289	860,049
Accrued vacation and leave	-	-	13,285
<b>Total liabilities</b>	<b>631,670</b>	<b>8,405,634</b>	<b>80,785,908</b>
<b>Fund balances</b>			
Fund balance:			
Reserved for encumbrances	1,555,954	4,725,316	24,929,199
Reserved for loans receivable	-	5,950,832	9,477,614
Unreserved designated for pre-encumbrances	61	-	170,601
Unreserved reported in special revenue funds	-	-	5,733,864
Unreserved reported in debt service funds	-	-	13,664,133
Unreserved reported in capital project funds	13,864,625	(10,170,267)	(30,530,427)
<b>Total fund balances (deficits)</b>	<b>15,420,640</b>	<b>505,881</b>	<b>23,444,984</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,052,310</b>	<b>\$ 8,911,515</b>	<b>\$ 104,230,892</b>

City of Akron, Ohio

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

Year Ended December 31, 2007

Special Revenue Funds							
	Income Tax Collection	Emergency Medical Service	Special Assessment	Street and Highway Maintenance	Street Assessment	Community Development	Air Pollution Control
<b>Revenues</b>							
Income taxes	\$ 8,014,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	7,690,535	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	1,049,990	-	7,661,055	-	-
Grants and subsidies:							
Community development	-	-	-	-	-	8,349,867	-
Other	-	-	-	-	-	-	713,199
Investment earnings	-	234,042	-	-	-	-	-
Shared revenues	-	1,824,097	-	4,333,334	-	-	-
Licenses, fees and fines	-	-	-	46,899	128	879	130,122
Charges for services	150,277	1,427,043	-	3,579,798	58,994	104,353	736,909
Miscellaneous	60	2,298	512	75,751	13,826	630,635	-
	8,164,498	11,178,015	1,050,502	8,035,782	7,754,003	9,085,734	1,580,230
<b>Expenditures</b>							
Current:							
General government	4,061,847	9,291	1,122,656	-	-	-	-
Public service	-	1,807	-	8,276,885	9,983,310	834,290	-
Public safety	-	11,730,112	-	1,110,926	-	-	-
Community environment	-	-	-	-	-	7,272,044	-
Public health	-	-	-	-	-	65,075	1,415,239
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal Retirement	-	-	-	49,962	19,722	361,967	-
Interest	-	4,155	-	4,363	1,722	468,420	-
Bond issuance expenditures	-	-	-	-	-	-	-
	4,061,847	11,745,365	1,122,656	9,442,136	10,004,754	9,001,796	1,415,239
	4,102,651	(567,330)	(72,154)	(1,406,354)	(2,270,751)	83,938	164,991
Excess (deficiency) of revenues over expenditures							
<b>Other financing sources (uses)</b>							
Issuance of general obligation bonds	-	-	-	-	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-
Issuance of Loans	-	-	-	-	-	-	-
Issuance of COP's	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-
Transfers-in	-	622,560	-	1,999,920	-	-	-
Transfers-out	-	-	-	-	-	-	-
	-	622,560	-	1,999,920	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,102,651	55,210	(72,154)	593,566	(2,270,751)	83,938	164,991
Fund balances (deficits), January 1, 2007	854,569	178,643	281,864	120,727	1,206,819	(520,965)	2,391,364
Fund balances (deficits), December 31, 2007	\$ 4,957,220	\$ 233,853	\$ 209,710	\$ 720,293	\$ (1,063,932)	\$ (437,027)	\$ 2,556,355





City of Akron, Ohio

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

Year Ended December 31, 2007  
(continued)

	Special Revenue Funds							Police Grants	Public Health	Off-Street Parking COPs	Canal Park Stadium COPs	Akron Muni. Court Information System	Joint Economic Development Districts	Various Domestic Violence
	Revenues	Income taxes	Property taxes	JEDD revenues	Special assessments	Grants and subsidies:	Community development							
	\$	1,187,540	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
		-		-		-		-		-		-		-
		12,996,894		-		-		-		-		-		-
		-		-		-		-		-		-		-
		-		-		-		-		-		-		-
		-		-		-		-		-		-		-
		-		-		-		-		-		-		-
		60,000		-		4,251		133,696		-		-		109,890
		-		-		-		-		-		-		-
		566,332		-		-		-		153,754		-		-
		654,028		-		301,102		-		496,023		-		5,765
		15,464,794		-		301,102		133,696		47,853		-		32,823
										697,630				109,890
<b>Expenditures</b>														
Current:														
		8,039,877		-		118,712		-		352		40,000		110,208
		5,907,368		-		-		-		-		-		16,800
		-		-		-		-		-		-		552,188
		1,661,575		-		-		-		-		-		-
		1,326		-		-		-		-		867,626		-
		351,859		-		-		-		-		-		-
		15,576		-		-		-		-		-		-
		2,372,389		-		-		68,584		-		-		-
		2,196,909		-		-		945,765		-		-		-
		-		-		-		-		-		-		-
		20,546,879		-		118,712		1,014,349		907,626		568,988		110,208
		(5,082,085)		-		182,390		(880,653)		(209,996)		126,656		(318)
<b>Other financing sources (uses)</b>														
		-		-		-		-		-		-		-
		-		-		-		-		-		-		-
		-		-		-		-		-		-		-
		-		-		-		1,470,894		-		-		-
		-		-		-		-		-		-		-
		-		-		-		882,310		-		110,000		-
		-		-		-		-		-		-		-
		-		-		-		2,353,204		-		110,000		-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>														
		(5,082,085)		-		182,390		22,223		1,472,551		(209,996)		236,656
<b>Fund balances (deficits), January 1, 2007</b>														
		7,605,314		-		470,911		32,161		2,659,365		898,175		(1,212,805)
<b>Fund balances (deficits), December 31, 2007</b>														
		2,523,229		\$		653,301		\$		4,131,916		\$		(976,149)
														(94,444)

City of Akron, Ohio

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

Year Ended December 31, 2007  
(continued)

	Special Revenue Funds				Debt Service Funds			
	Safety Programs	Health Grants	City Facilities Operating	Various Purpose Funding	Deposits	General Bond Payment	Debt Service Bond Payment	
<b>Revenues</b>	\$ -	\$ -	\$ 38,877	\$ 301,682	\$ -	\$ -	\$ -	
Income taxes	-	-	-	-	-	-	1,438,768	
Property taxes	-	-	-	-	-	206,565	-	
JEDD revenues	-	-	-	-	-	-	-	
Special assessments	-	-	445,201	-	-	-	-	
Grants and subsidies:								
Community development	-	-	-	-	-	-	-	
Other	50,401	1,166,047	-	95,000	-	-	-	
Investment earnings	30,161	5,033,708	-	456,297	-	-	-	
Shared revenues	709,957	14,898	-	4,984	29,704	-	267,971	
Licenses, fees and fines	46,525	22,662	188,833	-	-	261,678	-	
Charges for services	1,374,376	644,180	747,800	-	37,139	-	-	
Miscellaneous	342,357	17,898	594,612	870,392	-	-	-	
	2,553,777	6,899,393	1,471,888	238,447	3,312,489	-	26,477	
			3,287,211	1,966,802	3,379,332	468,243	1,733,216	
<b>Expenditures</b>								
Current:								
General government	-	-	220,342	807,189	1,564,830	526,797	172,169	
Public service	-	5,963	3,828,423	1,113,896	-	-	-	
Public safety	1,176,590	-	2,052,881	-	-	-	-	
Community environment	-	-	555,449	263,161	3,470	-	-	
Public health	-	6,617,907	226,440	1,812	-	-	-	
Recreation and parks	-	-	531,738	481,160	-	-	-	
Capital outlay	-	-	1,424	10,600	-	-	-	
Debt service:								
Principal Retirement	14,209	-	28,068	-	-	-	490,422	
Interest	1,241	-	4,606	-	-	-	1,742,044	
Bond issuance expenditures	-	-	-	-	-	-	365,203	
	1,192,040	6,623,870	7,449,371	2,677,818	1,568,300	526,797	2,769,838	
	1,361,737	275,523	(4,162,160)	(711,016)	1,811,032	(58,554)	(1,036,622)	
Excess (deficiency) of revenues over expenditures								
<b>Other financing sources (uses)</b>								
Issuance of general obligation bonds	-	-	2,500,000	-	-	-	1,085,000	
Issuance of general obligation notes	-	-	-	-	-	-	-	
Issuance of Loans	-	-	-	-	-	-	-	
Issuance of COP's	-	-	-	-	-	-	-	
Premium on G.O. Debt	-	-	-	-	-	-	-	
Transfers-in	27,700	-	150,000	-	-	-	277,964	
Transfers-out	-	-	-	-	-	-	(985,000)	
	27,700	-	2,650,000	-	-	-	377,964	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,389,437	275,523	(1,512,160)	(711,016)	1,811,032	(58,554)	(658,658)	
<b>Fund balances (deficits), January 1, 2007</b>	892,948	(139,783)	(2,048,993)	144,821	(3,192,702)	428,869	3,767,529	
<b>Fund balances (deficits), December 31, 2007</b>	\$ 2,282,385	\$ 135,740	\$ (3,561,153)	\$ (566,195)	\$ (1,381,670)	\$ 370,315	\$ 3,108,871	

City of Akron, Ohio

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

Year Ended December 31, 2007  
(continued)

	Debt Service Funds						
	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	Taxable Revenue Bond Payment
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-
Property taxes	317,743	-	-	-	707,658	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Investment earnings	20,180	-	-	125,688	25,160	365,493	104,153
Shared revenues	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
	337,923	-	-	125,688	732,818	365,493	104,153
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal Retirement	166,157	-	-	-	320,000	-	-
Interest	94,651	-	-	-	387,658	306,831	-
Bond issuance expenditures	-	-	-	-	-	-	-
	260,808	-	-	-	707,658	306,831	-
	77,115	-	-	125,688	25,160	58,662	104,153
Excess (deficiency) of revenues over expenditures							
<b>Other financing sources (uses)</b>							
Issuance of general obligation bonds	-	-	-	-	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-
Issuance of Loans	-	-	-	-	-	-	-
Issuance of COPs	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	1,513,910
Transfers-out	-	-	-	-	-	-	(1,513,910)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	77,115	-	-	125,688	25,160	58,662	104,153
<b>Fund balances (deficits), January 1, 2007</b>	350,080	3,009	4	2,922,658	88,294	4,731,041	1,701,633
<b>Fund balances (deficits), December 31, 2007</b>	\$ 427,195	\$ 3,009	\$ 4	\$ 3,048,346	\$ 113,454	\$ 4,789,703	\$ 1,805,786

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

Year Ended December 31, 2007  
 (continued)

	Capital Project Funds						
	Non-appropriated Capital Projects	Road and Bridge Improvements	Streets	Information Technology and Improvements	Transportation	Parks and Recreation	Public Facilities and Improvements
<b>Revenues</b>	\$ 11,801	\$ -	\$ 391,248	\$ -	\$ 133,566	\$ -	\$ 264,091
Income taxes	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	15,935	-
Special assessments	-	-	526,499	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-
Community development	-	-	800,772	-	-	-	-
Other	130,975	-	3,696,054	-	5,093,606	1,520,094	-
Investment earnings	-	195,254	-	-	-	-	-
Shared revenues	-	4,101,742	175,246	-	916,337	-	-
Licenses, fees and fines	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	30,368	-
Miscellaneous	17,770	-	770,808	-	5,587	624,952	138,456
	160,546	4,296,996	6,360,627	-	6,149,096	2,191,349	402,547
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public service	548,219	10,215,126	13,529,903	-	7,161,163	3,101,967	3,688,075
Public safety	-	-	-	-	-	-	218,716
Community environment	-	-	-	-	-	5,391	-
Public health	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	537,167	-
Capital outlay	7,670	-	-	-	23,508	31,631	1,134
Debt service:							
Principal Retirement	-	-	-	-	-	-	-
Interest	-	103,838	166,392	-	-	66,404	-
Bond issuance expenditures	-	-	-	-	-	-	-
	555,889	10,318,964	13,696,295	-	7,184,671	3,742,560	3,907,925
	(395,343)	(6,021,968)	(7,335,668)	-	(1,035,575)	(1,551,211)	(3,505,378)
<b>Excess (deficiency) of revenues over expenditures</b>							
<b>Other financing sources (uses)</b>							
Issuance of general obligation bonds	-	318,000	3,591,662	-	1,836,338	1,723,000	4,172,000
Issuance of general obligation notes	-	-	1,831,645	-	-	-	-
Issuance of Loans	354,387	103,838	1,630,526	-	-	66,404	-
Issuance of COPs	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-	-
	354,387	421,838	7,053,833	-	1,836,338	1,789,404	4,172,000
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(40,956)	(5,600,130)	(281,835)	-	800,763	238,193	666,622
<b>Fund balances (deficits), January 1, 2007</b>	(2,480,620)	10,109,122	(18,598,225)	29,542	(3,321,667)	(2,327,081)	(1,885,102)
<b>Fund balances (deficits), December 31, 2007</b>	<u>\$ (2,521,576)</u>	<u>\$ 4,508,992</u>	<u>\$ (18,880,060)</u>	<u>\$ 29,542</u>	<u>\$ (2,520,904)</u>	<u>\$ (2,088,888)</u>	<u>\$ (1,218,480)</u>

City of Akron, Ohio

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

Year Ended December 31, 2007  
(continued)

Capital Project Funds			
	Public Parking	Economic Development	Total
<b>Revenues</b>			
Income taxes	\$ 676,788	\$ 275,856	\$ 11,321,930
Property taxes	-	-	10,361,269
JEDD revenues	-	-	13,012,829
Special assessments	-	259,855	9,942,600
Grants and subsidies:			
Community development	-	-	12,478,212
Other	-	866,941	20,049,484
Investment earnings	-	94,670	1,651,602
Shared revenues	-	2,717,557	15,699,642
Licenses, fees and fines	-	-	1,487,010
Charges for services	-	318,742	10,957,356
Miscellaneous	-	1,661,918	11,163,362
	<u>676,788</u>	<u>6,195,539</u>	<u>118,125,296</u>
<b>Expenditures</b>			
Current:			
General government	-	9,520	16,977,765
Public service	3,201,948	9,938,894	81,432,692
Public safety	-	103,600	16,945,013
Community environment	-	803,373	14,910,438
Public health	-	-	9,195,425
Recreation and parks	-	-	2,034,041
Capital outlay	117,899	-	209,442
Debt service:			
Principal Retirement	-	469,837	4,405,599
Interest	-	292,507	6,930,235
Bond issuance expenditures	730,918	-	1,096,121
	<u>4,050,765</u>	<u>11,617,731</u>	<u>154,136,771</u>
	(3,373,977)	(5,422,192)	(36,011,475)
Excess (deficiency) of revenues over expenditures			
<b>Other financing sources (uses)</b>			
Issuance of general obligation bonds	18,178,106	5,387,000	38,791,106
Issuance of general obligation notes	-	-	1,831,645
Issuance of Loans	-	-	2,155,155
Issuance of COPs	-	-	1,470,894
Premium on G.O. Debt	141,812	-	419,776
Transfers-in	-	-	5,329,997
Transfers-out	-	-	(2,498,910)
	<u>18,319,918</u>	<u>5,387,000</u>	<u>47,499,663</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	14,945,941	(35,192)	11,488,188
Fund balances (deficits), January 1, 2007	474,699	541,073	11,956,796
Fund balances (deficits), December 31, 2007	<u>\$ 15,420,640</u>	<u>\$ 505,881</u>	<u>\$ 23,444,984</u>

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ 7,238,580	\$ 7,238,580	\$ 6,446,457
Miscellaneous	-	-	152,983
	<u>7,238,580</u>	<u>7,238,580</u>	<u>6,599,440</u>
Other sources:			
Previous year's encumbrances	<u>74,467</u>	<u>74,467</u>	<u>74,467</u>
Total revenues and other sources	7,313,047	7,313,047	6,673,907
<b>Expenditures</b>			
Expenditures:			
General Governmental:			
Finance:			
Wages/benefits	2,221,130	2,221,130	2,188,325
Other	3,476,837	3,476,837	3,065,608
	<u>5,697,967</u>	<u>5,697,967</u>	<u>5,253,933</u>
Total expenditures	5,697,967	5,697,967	5,253,933
Excess of revenues and other sources over expenditures	1,615,080	1,615,080	1,419,974
Fund balance, January 1, 2007	<u>2,248,806</u>	<u>2,248,806</u>	<u>2,248,806</u>
Fund balance, December 31, 2007	<u>\$ 3,863,886</u>	<u>\$ 3,863,886</u>	<u>\$ 3,668,780</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, 2007

	<b>Budgeted Amounts</b>		
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>
<b>Revenues and other sources</b>			
Revenues:			
Property taxes	\$ 9,701,177	\$ 9,701,177	\$ 9,422,958
Miscellaneous	1,680,000	1,680,000	1,590,757
	<u>11,381,177</u>	<u>11,381,177</u>	<u>11,013,715</u>
Other sources:			
Interfund transfers	500,000	500,000	622,560
Previous year's encumbrances	241,038	241,038	241,038
	<u>741,038</u>	<u>741,038</u>	<u>863,598</u>
Total revenues and other sources	12,122,215	12,122,215	11,877,313
<b>Expenditures</b>			
Expenditures:			
Emergency Medical Services:			
Fire:			
Wages/benefits	10,380,460	10,705,460	10,686,815
Other	1,346,538	1,346,538	1,283,288
	<u>11,726,998</u>	<u>12,051,998</u>	<u>11,970,103</u>
Total expenditures	11,726,998	12,051,998	11,970,103
Excess (deficiency) of revenues and other sources over expenditures	395,217	70,217	(92,790)
Fund deficit, January 1, 2007	(107,234)	(107,234)	(107,234)
Fund balance (deficit), December 31, 2007	<u>\$ 287,983</u>	<u>\$ (37,017)</u>	<u>\$ (200,024)</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance-Budget and Actual-  
Special Assesment Fund, Non-GAAP Budget Basis  
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Special assessments	\$ 825,000	\$ 825,000	\$ 1,050,502
Other sources:			
Previous year's encumbrances	12,086	12,086	12,086
Total revenues and other sources	837,086	837,086	1,062,588
<b>Expenditures</b>			
Expenditures:			
General Governmental:			
Finance:			
Wages/benefits	371,550	396,620	371,326
Other	747,506	772,506	752,592
Total expenditures	1,119,056	1,169,126	1,123,918
Deficiency of revenues and other sources over expenditures	(281,970)	(332,040)	(61,330)
Fund balance, January 1, 2007	300,669	300,669	300,669
Fund balance (deficit), December 31, 2007	\$ 18,699	\$ (31,371)	\$ 239,339



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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues</b>			
Revenues:			
Property taxes	\$ 1,039,410	\$ 1,039,410	\$ 369,603
Total revenues	1,039,410	1,039,410	369,603
<b>Expenditures</b>			
Expenditures:			
Public Safety:			
Police:			
Other	368,900	368,900	368,006
Total expenditures	368,900	368,900	368,006
Excess of revenues over expenditures	670,510	670,510	1,597
Fund balance, January 1, 2007	6,527	6,527	6,527
Fund balance, December 31, 2007	\$ 677,037	\$ 677,037	\$ 8,124

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues</b>			
Revenues:			
Property taxes	\$ 1,039,410	\$ 1,039,410	\$ 369,603
Total revenues	1,039,410	1,039,410	369,603
<b>Expenditures</b>			
Expenditures:			
Public Safety:			
Fire:			
Other	368,900	368,900	368,006
Total expenditures	368,900	368,900	368,006
Excess of revenues over expenditures	670,510	670,510	1,597
Fund balance, January 1, 2007	6,527	6,527	6,527
Fund balance, December 31, 2007	\$ 677,037	\$ 677,037	\$ 8,124

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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Gasoline tax	\$ 2,390,650	\$ 2,390,650	\$ 2,884,901
Motor vehicle license tax	1,019,400	1,019,400	1,297,626
Sales and service revenue	459,240	459,240	351,425
Transfer from State of Ohio	3,198,990	3,198,990	1,808,405
	<u>7,068,280</u>	<u>7,068,280</u>	<u>6,342,357</u>
Other sources:			
Interfund transfers	1,531,720	1,531,720	1,999,920
Previous year's encumbrances	307,567	307,567	307,567
	<u>1,839,287</u>	<u>1,839,287</u>	<u>2,307,487</u>
Total revenues and other sources	8,907,567	8,907,567	8,649,844
<b>Expenditures</b>			
Expenditures:			
Public Safety:			
Wages/benefits	956,840	936,840	919,540
Other	287,735	307,735	276,010
	<u>1,244,575</u>	<u>1,244,575</u>	<u>1,195,550</u>
Public Service:			
Wages/benefits	5,384,190	5,514,190	5,472,354
Other	3,361,272	3,361,272	3,127,929
	<u>8,745,462</u>	<u>8,875,462</u>	<u>8,600,283</u>
Total expenditures	9,990,037	10,120,037	9,795,833
Deficiency of revenues and other sources over expenditures	(1,082,470)	(1,212,470)	(1,145,989)
Fund deficit, January 1, 2007	<u>(297,496)</u>	<u>(297,496)</u>	<u>(297,496)</u>
Fund deficit, December 31, 2007	<u>\$ (1,379,966)</u>	<u>\$ (1,509,966)</u>	<u>\$ (1,443,485)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Special assessments	\$ 6,007,920	\$ 6,007,920	\$ 7,660,355
Miscellaneous	55,230	55,230	75,059
	<u>6,063,150</u>	<u>6,063,150</u>	<u>7,735,414</u>
Other sources:			
Note/Bond proceeds	1,936,850	1,936,850	-
Previous year's encumbrances	774,149	774,149	774,149
	<u>2,710,999</u>	<u>2,710,999</u>	<u>774,149</u>
Total revenues and other sources	8,774,149	8,774,149	8,509,563
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	3,022,990	3,272,990	3,166,827
Other	7,933,209	8,033,209	8,019,629
Total expenditures	10,956,199	11,306,199	11,186,456
Deficiency of revenues and other sources over expenditures	(2,182,050)	(2,532,050)	(2,676,893)
Fund balance, January 1, 2007	<u>2,213,006</u>	<u>2,213,006</u>	<u>2,213,006</u>
Fund balance (deficit), December 31, 2007	<u>\$ 30,956</u>	<u>\$ (319,044)</u>	<u>\$ (463,887)</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Licenses and permits	\$ 52,340	\$ 52,340	\$ 879
Governmental revenue	8,243,180	8,243,180	7,652,322
Miscellaneous revenue	841,650	841,650	638,550
	<u>9,137,170</u>	<u>9,137,170</u>	<u>8,291,751</u>
Other sources:			
Interfund transfers	562,830	562,830	2,251,366
Previous year's encumbrances	399,731	399,731	399,731
	<u>962,561</u>	<u>962,561</u>	<u>2,651,097</u>
Total revenues and other sources	10,099,731	10,099,731	10,942,848
<b>Expenditures</b>			
Expenditures:			
Planning and Urban Development:			
Wages/benefits	2,070,720	1,988,720	1,887,067
Other	661,657	741,657	658,390
	<u>2,732,377</u>	<u>2,730,377</u>	<u>2,545,457</u>
Public Health:			
Wages/benefits	53,710	55,710	55,708
Other	11,680	11,680	11,115
	<u>65,390</u>	<u>67,390</u>	<u>66,823</u>
Public Service:			
Wages/benefits	10,000	10,000	3,010
Other	6,989,724	7,639,724	7,394,000
Capital Outlay	600,000	800,000	765,278
	<u>7,599,724</u>	<u>8,449,724</u>	<u>8,162,288</u>
Total expenditures	10,397,491	11,247,491	10,774,568
Excess (deficiency) of revenues and other sources over expenditures	(297,760)	(1,147,760)	168,280
Fund deficit, January 1, 2007	<u>(3,562,874)</u>	<u>(3,562,874)</u>	<u>(3,562,874)</u>
Fund deficit, December 31, 2007	<u>\$ (3,860,634)</u>	<u>\$ (4,710,634)</u>	<u>\$ (3,394,594)</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Local emisison/asbestos fees	\$ 175,090	\$ 175,090	\$ 127,149
Federal grant	426,900	426,900	353,914
State general revenue	157,040	157,040	152,820
State permit fees	1,144,570	1,144,570	946,408
Other revenue	1,120	1,120	1,225
	<u>1,904,720</u>	<u>1,904,720</u>	<u>1,581,516</u>
Other sources:			
Interfund transfers	55,280	55,280	45,000
Previous year's encumbrances	17,014	17,014	17,014
	<u>72,294</u>	<u>72,294</u>	<u>62,014</u>
Total revenues and other sources	1,977,014	1,977,014	1,643,530
<b>Expenditures</b>			
Expenditures:			
Public Health:			
Wages/benefits	1,244,160	1,244,160	1,238,083
Other	357,424	357,424	275,596
	<u>1,601,584</u>	<u>1,601,584</u>	<u>1,513,679</u>
Total expenditures	1,601,584	1,601,584	1,513,679
Excess of revenues and other sources over expenditures	375,430	375,430	129,851
Fund balance, January 1, 2007	<u>2,386,157</u>	<u>2,386,157</u>	<u>2,386,157</u>
Fund balance, December 31, 2007	<u>\$ 2,761,587</u>	<u>\$ 2,761,587</u>	<u>\$ 2,516,008</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Governmental revenue	\$ 746,450	\$ 746,450	\$ 476,710
Miscellaneous revenue	253,550	253,550	34,338
	<u>1,000,000</u>	<u>1,000,000</u>	<u>511,048</u>
Other sources:			
Previous year's encumbrances	133,743	133,743	133,743
	<u>1,133,743</u>	<u>1,133,743</u>	<u>644,791</u>
<b>Expenditures</b>			
Expenditures:			
Planning and Urban Development:			
Other	471,379	471,379	308,625
	<u>712,365</u>	<u>712,365</u>	<u>171,364</u>
Public Service:			
Other	712,365	712,365	171,364
	<u>1,183,744</u>	<u>1,183,744</u>	<u>479,989</u>
Excess (deficiency) of revenues and other sources over expenditures	(50,001)	(50,001)	164,802
Fund deficit, January 1, 2007	<u>(153,627)</u>	<u>(153,627)</u>	<u>(153,627)</u>
Fund balance (deficit), December 31, 2007	<u>\$ (203,628)</u>	<u>\$ (203,628)</u>	<u>\$ 11,175</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Grants and subsidies	\$ 1,266,850	\$ 1,266,850	\$ 1,466,236
Miscellaneous	3,450	3,450	935
	<u>1,270,300</u>	<u>1,270,300</u>	<u>1,467,171</u>
Other sources:			
Previous year's encumbrances	21,388	21,388	21,388
	<u>1,291,688</u>	<u>1,291,688</u>	<u>1,488,559</u>
<b>Expenditures</b>			
Expenditures:			
AMATS:			
Planning:			
Wages/benefits	1,247,910	1,247,910	1,134,017
Other	263,548	263,548	211,977
	<u>1,511,458</u>	<u>1,511,458</u>	<u>1,345,994</u>
Total expenditures			
	1,511,458	1,511,458	1,345,994
Excess (deficiency) of revenues and other sources over expenditures			
	(219,770)	(219,770)	142,565
Fund deficit, January 1, 2007			
	<u>(181,452)</u>	<u>(181,452)</u>	<u>(181,452)</u>
Fund deficit, December 31, 2007			
	<u>\$ (401,222)</u>	<u>\$ (401,222)</u>	<u>\$ (38,887)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues</b>			
Revenues:			
Service revenue	\$ 150,330	\$ 150,330	\$ 129,943
Miscellaneous revenue	-	-	146
	<u>150,330</u>	<u>150,330</u>	<u>130,089</u>
Other sources:			
Previous year's encumbrances	<u>15,232</u>	<u>15,232</u>	<u>15,232</u>
Total revenues and other sources	165,562	165,562	145,321
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	32,800	35,800	34,834
Other	<u>132,542</u>	<u>129,542</u>	<u>101,585</u>
Total expenditures	165,342	165,342	136,419
Excess of revenues and other sources over expenditures	220	220	8,902
Fund deficit, January 1, 2007	<u>(29,492)</u>	<u>(29,492)</u>	<u>(29,492)</u>
Fund deficit, December 31, 2007	<u>\$ (29,272)</u>	<u>\$ (29,272)</u>	<u>\$ (20,590)</u>

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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Governmental revenue	\$ 2,475,210	\$ 2,475,210	\$ 2,473,447
Miscellaneous revenue	259,390	259,390	273,638
	<u>2,734,600</u>	<u>2,734,600</u>	<u>2,747,085</u>
Other sources:			
Interfund transfers	198,320	198,320	437,971
Previous year's encumbrances	482,417	482,417	482,417
	<u>680,737</u>	<u>680,737</u>	<u>920,388</u>
Total revenues and other sources	3,415,337	3,415,337	3,667,473
<b>Expenditures</b>			
Expenditures:			
Planning and Urban Development:			
Other	2,000,000	2,000,000	1,787,956
Public Service:			
Other	4,882,417	4,882,417	4,083,384
	<u>6,882,417</u>	<u>6,882,417</u>	<u>5,871,340</u>
Total expenditures	6,882,417	6,882,417	5,871,340
Deficiency of revenues and other sources over expenditures	(3,467,080)	(3,467,080)	(2,203,867)
Fund balance, January 1, 2007	<u>1,301,352</u>	<u>1,301,352</u>	<u>1,301,352</u>
Fund deficit, December 31, 2007	<u>\$ (2,165,728)</u>	<u>\$ (2,165,728)</u>	<u>\$ (902,515)</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, 2007

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>
	<b>Original</b>	<b>Final</b>	
<b>Revenues and other sources</b>			
Revenues:			
Governmental revenue	\$ 146,080	\$ 146,080	\$ -
Miscellaneous revenue	4,670	4,670	502
	<u>150,750</u>	<u>150,750</u>	<u>502</u>
Other sources:			
Interfund transfers	-	-	23,596
	<u>-</u>	<u>-</u>	<u>23,596</u>
Total revenues and other sources	150,750	150,750	24,098
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Other	9,560	9,560	8,535
	<u>9,560</u>	<u>9,560</u>	<u>8,535</u>
Total expenditures	9,560	9,560	8,535
Excess of revenues and other sources over expenditures	141,190	141,190	15,563
Fund deficit, January 1, 2007	<u>(15,563)</u>	<u>(15,563)</u>	<u>(15,563)</u>
Fund balance, December 31, 2007	<u>\$ 125,627</u>	<u>\$ 125,627</u>	<u>\$ -</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 26,320
Taxes and assessments	283,330	283,330	410,862
Miscellaneous revenue	131,670	131,670	330,578
	<u>415,000</u>	<u>415,000</u>	<u>767,760</u>
Other sources:			
Interfund transfers	-	-	39,006
Previous year's encumbrances	26,125	26,125	26,125
	<u>26,125</u>	<u>26,125</u>	<u>65,131</u>
Total revenues and other sources	441,125	441,125	832,891
<b>Expenditures</b>			
Expenditures:			
Finance:			
Other	211,794	211,794	204,828
Planning and Urban Development:			
Other	201,439	201,439	200,641
Public Service:			
Other	212,992	212,992	59,050
Total expenditures	626,225	626,225	464,519
Excess (deficiency) of revenues and other sources over expenditures	(185,100)	(185,100)	368,372
Fund balance, January 1, 2007	184,574	184,574	184,574
Fund balance (deficit), December 31, 2007	<u>\$ (526)</u>	<u>\$ (526)</u>	<u>\$ 552,946</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues</b>			
Previous year's encumbrances	-	-	-
Total revenues	-	-	-
<b>Expenditures</b>			
Other	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	-	-	-
Fund balance, January 1, 2007	4,970	4,970	4,970
Fund balance, December 31, 2007	<u>\$ 4,970</u>	<u>\$ 4,970</u>	<u>\$ 4,970</u>

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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 1,187,540
JEDD revenue	9,619,670	9,619,670	11,742,588
Governmental revenue	6,070	6,070	42,171
Service revenue	325,530	325,530	562,108
Miscellaneous revenue	3,334,090	3,334,090	615,828
	<u>13,285,360</u>	<u>13,285,360</u>	<u>14,150,235</u>
Other sources:			
Note/Bond proceeds	676,500	676,500	-
Interfund transfers	2,038,140	2,038,140	-
Previous year's encumbrances	2,192,009	2,192,009	2,192,009
	<u>4,906,649</u>	<u>4,906,649</u>	<u>2,192,009</u>
Total revenues and other sources	18,192,009	18,192,009	16,342,244
<b>Expenditures</b>			
Expenditures:			
Finance:			
Wages/benefits	11,000	26,000	24,308
Other	15,767,317	15,752,317	10,921,004
Capital Outlay	284,000	284,000	283,313
	<u>16,062,317</u>	<u>16,062,317</u>	<u>11,228,625</u>
Public Service:			
Wages/benefits	22,100	22,100	14,805
Other	7,107,782	7,107,782	2,676,810
Capital Outlay	5,270,010	5,270,010	3,603,338
	<u>12,399,892</u>	<u>12,399,892</u>	<u>6,294,953</u>
Total expenditures	28,462,209	28,462,209	17,523,578
Deficiency of revenues and other sources under expenditures	(10,270,200)	(10,270,200)	(1,181,334)
Fund balance, January 1, 2007	4,891,047	4,891,047	4,891,047
Fund balance (deficit), December 31, 2007	<u>\$ (5,379,153)</u>	<u>\$ (5,379,153)</u>	<u>\$ 3,709,713</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Service revenue	\$ 276,430	\$ 276,430	\$ 301,052
Other sources:			
Previous year's encumbrances	59,175	59,175	59,175
	59,175	59,175	59,175
Total revenues and other sources	335,605	335,605	360,227
<b>Expenditures</b>			
Expenditures:			
Court Clerk:			
Other	250,240	250,240	91,778
Judges:			
Other	238,085	238,085	100,126
Total expenditures	488,325	488,325	191,904
Excess (deficiency) of revenues and other sources over expenditures	(152,720)	(152,720)	168,323
Fund balance, January 1, 2007	398,898	398,898	398,898
Fund balance, December 31, 2007	\$ 246,178	\$ 246,178	\$ 567,221

Schedule of Revenues, Expenditures and  
Changes in Fund Balance-Budget and Actual-  
Public Health Fund, Non-GAAP Budget Basis  
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Licenses and permits	\$ 133,620	\$ 133,620	\$ 127,487
Governmental revenue	154,370	154,370	43,133
Service revenue	455,420	455,420	540,215
Miscellaneous revenue	39,720	39,720	58,249
	<u>783,130</u>	<u>783,130</u>	<u>769,084</u>
Other sources:			
Previous year's encumbrances	43,911	43,911	43,911
	<u>43,911</u>	<u>43,911</u>	<u>43,911</u>
Total revenues and other sources	827,041	827,041	812,995
<b>Expenditures</b>			
Expenditures:			
Court Clerk:			
Other	40,000	40,000	40,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Public Health:			
Wages/benefits	580,610	610,610	603,476
Other	339,711	349,711	306,914
	<u>920,321</u>	<u>960,321</u>	<u>910,390</u>
Total expenditures	960,321	1,000,321	950,390
Deficiency of revenues and other sources over expenditures	(133,280)	(173,280)	(137,395)
Fund balance, January 1, 2007	809,507	809,507	809,507
	<u>809,507</u>	<u>809,507</u>	<u>809,507</u>
Fund balance, December 31, 2007	<u>\$ 676,227</u>	<u>\$ 636,227</u>	<u>\$ 672,112</u>



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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Governmental revenue	\$ 972,110	\$ 972,110	\$ 701,996
Other sources:			
Interfund transfers	527,890	527,890	303,974
Previous year's encumbrances	143,492	143,492	143,492
	<u>671,382</u>	<u>671,382</u>	<u>447,466</u>
Total revenues and other sources	1,643,492	1,643,492	1,149,462
<b>Expenditures</b>			
Expenditures:			
Police:			
Wages/benefits	186,820	306,820	157,807
Other	735,122	775,122	729,686
Capital Outlay	35,000	38,000	37,720
	<u>956,942</u>	<u>1,119,942</u>	<u>925,213</u>
Total expenditures	956,942	1,119,942	925,213
Excess of revenues and other sources over expenditures	686,550	523,550	224,249
Fund deficit, January 1, 2007	<u>(1,209,713)</u>	<u>(1,209,713)</u>	<u>(1,209,713)</u>
Fund deficit, December 31, 2007	<u>\$ (523,163)</u>	<u>\$ (686,163)</u>	<u>\$ (985,464)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Governmental revenue	\$ 42,130	\$ 42,130	\$ 35,100
Miscellaneous revenue	33,300	33,300	-
	<u>75,430</u>	<u>75,430</u>	<u>35,100</u>
Other sources:			
Interfund transfers	83,250	83,250	-
Previous year's encumbrances	1,188	1,188	1,188
	<u>84,438</u>	<u>84,438</u>	<u>1,188</u>
Total revenues and other sources	159,868	159,868	36,288
<b>Expenditures</b>			
Expenditures:			
Law:			
Other	189,568	189,568	166,495
	<u>189,568</u>	<u>189,568</u>	<u>166,495</u>
Total expenditures	189,568	189,568	166,495
Deficiency of revenues and other sources over expenditures	(29,700)	(29,700)	(130,207)
Fund deficit, January 1, 2007	<u>(237,961)</u>	<u>(237,961)</u>	<u>(237,961)</u>
Fund deficit, December 31, 2007	<u>\$ (267,661)</u>	<u>\$ (267,661)</u>	<u>\$ (368,168)</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Investment earnings	\$ 6,440	\$ 6,440	\$ 15,499
Governmental revenue	432,710	432,710	1,267,396
Service revenue	213,740	213,740	872,108
Miscellaneous revenue	97,110	97,110	342,356
	<u>750,000</u>	<u>750,000</u>	<u>2,497,359</u>
Other sources:			
Interfund transfers	-	-	27,700
Previous year's encumbrances	541,083	541,083	541,083
	<u>541,083</u>	<u>541,083</u>	<u>568,783</u>
Total revenues and other sources	1,291,083	1,291,083	3,066,142
<b>Expenditures</b>			
Expenditures:			
Public Safety:			
Other	519,348	472,848	118,746
Capital Outlay	418,054	763,054	762,436
	<u>937,402</u>	<u>1,235,902</u>	<u>881,182</u>
Fire:			
Other	387,802	331,302	188,662
Police:			
Wages/benefits	11,500	11,500	87
Other	357,209	737,209	684,253
Capital Outlay	20,000	133,000	124,040
	<u>388,709</u>	<u>881,709</u>	<u>808,380</u>
Total expenditures	1,713,913	2,448,913	1,878,224
Excess (deficiency) of revenues and other sources over expenditures	(422,830)	(1,157,830)	1,187,918
Fund balance, January 1, 2007	597,673	597,673	597,673
Fund balance (deficit), December 31, 2007	<u>\$ 174,843</u>	<u>\$ (560,157)</u>	<u>\$ 1,785,591</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Investment earnings	\$ 17,690	\$ 17,690	\$ 18,332
Licenses and permits	4,490	4,490	22,662
Governmental revenue	4,815,390	4,815,390	5,739,152
Service revenue	747,200	747,200	384,658
Miscellaneous revenue	285,340	285,340	17,898
	<u>5,870,110</u>	<u>5,870,110</u>	<u>6,182,702</u>
Other sources:			
Interfund transfers	76,650	76,650	195,000
Previous year's encumbrances	778,068	778,068	778,068
	<u>854,718</u>	<u>854,718</u>	<u>973,068</u>
Total revenues and other sources	6,724,828	6,724,828	7,155,770
<b>Expenditures</b>			
Expenditures:			
Public Health:			
Wages/benefits	2,753,230	2,753,230	2,603,998
Other	4,189,688	4,802,688	4,394,516
Capital Outlay	100,060	100,060	100,060
	<u>7,042,978</u>	<u>7,655,978</u>	<u>7,098,574</u>
Total expenditures	7,042,978	7,655,978	7,098,574
Excess (deficiency) of revenues and other sources over expenditures	(318,150)	(931,150)	57,196
Fund deficit, January 1, 2007	<u>(119,982)</u>	<u>(119,982)</u>	<u>(119,982)</u>
Fund deficit, December 31, 2007	<u>\$ (438,132)</u>	<u>\$ (1,051,132)</u>	<u>\$ (62,786)</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 38,877
Taxes and assessments	529,830	529,830	634,034
Licenses and permits	474,420	474,420	747,800
Governmental revenue	100,240	100,240	147,455
Service revenue	211,780	211,780	234,098
Miscellaneous revenue	3,771,520	3,771,520	1,469,520
	<u>5,087,790</u>	<u>5,087,790</u>	<u>3,271,784</u>
Other sources:			
Note/Bond proceeds	2,262,910	2,262,910	2,500,000
Interfund transfers	1,215,250	1,215,250	1,629,180
Interfund service revenue	14,660	14,660	6,796
Previous year's encumbrances	2,963,393	2,963,393	2,963,393
	<u>6,456,213</u>	<u>6,456,213</u>	<u>7,099,369</u>
Total revenues and other sources	11,544,003	11,544,003	10,371,153
<b>Expenditures</b>			
Expenditures:			
Finance:			
Other	251,000	248,000	212,306
Municipal Court Judges			
Capital outlay	75,000	75,000	72,495
Planning and Urban Development:			
Other	12,179	12,179	6,915
Capital outlay	45,000	49,700	49,610
	<u>57,179</u>	<u>61,879</u>	<u>56,525</u>
Public Health:			
Other	378,734	287,234	265,134
Capital outlay	-	94,500	94,061
	<u>378,734</u>	<u>381,734</u>	<u>359,195</u>
Public Safety:			
Capital outlay	39,280	151,280	150,836

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, 2007  
(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Public Service:			
Wages/benefits	375,550	396,550	396,545
Other	4,588,137	4,088,137	4,086,312
Capital outlay	2,454,881	3,444,881	3,441,194
	<u>7,418,568</u>	<u>7,929,568</u>	<u>7,924,051</u>
Fire:			
Capital outlay	991,798	1,331,798	1,326,777
Police:			
Capital outlay	1,380,823	1,450,823	1,450,383
Total expenditures	10,592,382	11,630,082	11,552,568
Excess (deficiency) of revenues and other sources over expenditures	951,621	(86,079)	(1,181,415)
Fund deficit, January 1, 2007	(4,623,833)	(4,623,833)	(4,623,833)
Fund deficit, December 31, 2007	<u>\$ (3,672,212)</u>	<u>\$ (4,709,912)</u>	<u>\$ (5,805,248)</u>

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 301,682
Investment earnings	4,990	4,990	18,154
Governmental revenue	104,010	104,010	337,129
Service revenue	273,430	273,430	782,817
Miscellaneous revenue	309,890	309,890	619,270
	<u>692,320</u>	<u>692,320</u>	<u>2,059,052</u>
Other sources:			
Note/Bond proceeds	291,660	291,660	-
Interfund transfers	26,620	26,620	458,306
Previous year's encumbrances	611,581	611,581	611,581
	<u>929,861</u>	<u>929,861</u>	<u>1,069,887</u>
Total revenues and other sources	1,622,181	1,622,181	3,128,939
<b>Expenditures</b>			
Expenditures:			
Legislative:			
Other	10,000	-	-
	<u>10,000</u>	<u>-</u>	<u>-</u>
Court Clerk:			
Other	400,000	-	-
	<u>400,000</u>	<u>-</u>	<u>-</u>
Municipal Court Judges			
Wages/benefits	97,500	97,500	69,704
Other	46,160	46,160	11,606
	<u>143,660</u>	<u>143,660</u>	<u>81,310</u>
Office of the Mayor:			
Other	325,383	405,383	367,300
	<u>325,383</u>	<u>405,383</u>	<u>367,300</u>
Public Service:			
Wages/benefits	176,750	236,750	232,560
Other	1,300,448	3,800,448	3,589,196
Capital outlay	500,000	500,000	406,739
	<u>1,977,198</u>	<u>4,537,198</u>	<u>4,228,495</u>
Total expenditures	2,856,241	5,086,241	4,677,105
Deficiency of revenues and other sources over expenditures	(1,234,060)	(3,464,060)	(1,548,166)
Fund deficit, January 1, 2007	(461,735)	(461,735)	(461,735)
Fund deficit, December 31, 2007	<u>\$ (1,695,795)</u>	<u>\$ (3,925,795)</u>	<u>\$ (2,009,901)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Investment earnings	\$ -	\$ -	\$ 11,491
Licenses and permits	51,190	51,190	37,139
Miscellaneous revenue	1,023,900	1,023,900	1,110,125
	<u>1,075,090</u>	<u>1,075,090</u>	<u>1,158,755</u>
Other sources:			
Interfund transfers	13,924,910	13,924,910	155,864
Previous year's encumbrances	1,365	1,365	1,365
	<u>13,926,275</u>	<u>13,926,275</u>	<u>157,229</u>
Total revenues and other sources	15,001,365	15,001,365	1,315,984
<b>Expenditures</b>			
Expenditures:			
Finance:			
Other	4,615,000	4,615,000	(883,566)
Planning and Urban Development:			
Other	3,365	8,365	7,690
Public Service:			
Other	10,001,000	10,001,000	-
Total expenditures	14,619,365	14,624,365	(875,876)
Excess of revenues and other sources over expenditures	382,000	377,000	2,191,860
Fund balance, January 1, 2007	470,354	470,354	470,354
Fund balance, December 31, 2007	<u>\$ 852,354</u>	<u>\$ 847,354</u>	<u>\$ 2,662,214</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Property taxes	\$ 1,455,177	\$ 1,455,177	\$ 454,491
Other sources:			
Previous year's encumbrances	4,095	4,095	4,095
Total revenues and other sources	1,459,272	1,459,272	458,586
<b>Expenditures</b>			
Expenditures:			
Finance:			
Wages/benefits	350,670	430,770	421,754
Other	99,335	109,335	100,229
Total expenditures	450,005	540,105	521,983
Excess (deficiency) of revenues and other sources over expenditures	1,009,267	919,167	(63,397)
Fund balance, January 1, 2007	382,402	382,402	382,402
Fund balance, December 31, 2007	\$ 1,391,669	\$ 1,301,569	\$ 319,005

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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 11,801
Governmental revenue	-	-	130,975
Miscellaneous revenue	52,630	52,630	17,770
	<u>52,630</u>	<u>52,630</u>	<u>160,546</u>
Other sources:			
Note/Bond proceeds	751,860	751,860	-
Interfund transfers	3,010	3,010	43,728
Previous year's encumbrances	169,224	169,224	169,224
	<u>924,094</u>	<u>924,094</u>	<u>212,952</u>
Total revenues and other sources	976,724	976,724	373,498
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	7,000	7,000	-
Other	611,151	611,151	262,715
Capital outlay	314,073	314,073	144,822
	<u>932,224</u>	<u>932,224</u>	<u>407,537</u>
Total expenditures	932,224	932,224	407,537
Excess (deficiency) of revenues and other sources over expenditures	44,500	44,500	(34,039)
Fund deficit, January 1, 2007	<u>(2,640,260)</u>	<u>(2,640,260)</u>	<u>(2,640,260)</u>
Fund deficit, December 31, 2007	<u>\$ (2,595,760)</u>	<u>\$ (2,595,760)</u>	<u>\$ (2,674,299)</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Governmental revenue	\$ 6,581,940	\$ 6,581,940	\$ 3,664,773
Investment earnings	218,060	218,060	386,306
	<u>6,800,000</u>	<u>6,800,000</u>	<u>4,051,079</u>
Other sources:			
Note/Bond proceeds	-	-	318,000
Interfund transfers	-	-	1,259,584
Previous year's encumbrances	383,877	383,877	383,877
	<u>383,877</u>	<u>383,877</u>	<u>1,961,461</u>
Total revenues and other sources	7,183,877	7,183,877	6,012,540
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	7,000	7,000	1,751
Other	8,554,617	12,554,617	11,678,705
Capital outlay	4,170,261	170,261	13,102
			<u>11,693,558</u>
Total expenditures	12,731,878	12,731,878	11,693,558
Deficiency of revenues and other sources over expenditures	(5,548,001)	(5,548,001)	(5,681,018)
Fund balance, January 1, 2007	<u>9,263,437</u>	<u>9,263,437</u>	<u>9,263,437</u>
Fund balance, December 31, 2007	<u>\$ 3,715,436</u>	<u>\$ 3,715,436</u>	<u>\$ 3,582,419</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 391,248
Governmental revenue	4,507,070	4,507,070	2,659,696
Taxes and assessments	527,740	527,740	526,499
Miscellaneous revenue	654,040	654,040	1,018,812
	<u>5,688,850</u>	<u>5,688,850</u>	<u>4,596,255</u>
Other sources:			
Note/Bond proceeds	7,415,750	7,415,750	5,423,307
Interfund transfers	3,395,400	3,395,400	11,283,937
Previous year's encumbrances	7,633,102	7,633,102	7,633,102
	<u>18,444,252</u>	<u>18,444,252</u>	<u>24,340,346</u>
Total revenues and other sources	24,133,102	24,133,102	28,936,601
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	105,000	105,000	52,644
Other	6,401,696	8,401,696	8,088,034
Capital outlay	23,746,406	21,746,406	21,688,716
	<u>30,253,102</u>	<u>30,253,102</u>	<u>29,829,394</u>
Total expenditures	30,253,102	30,253,102	29,829,394
Deficiency of revenues and other sources over expenditures	(6,120,000)	(6,120,000)	(892,793)
Fund deficit, January 1, 2007	<u>(22,685,521)</u>	<u>(22,685,521)</u>	<u>(22,685,521)</u>
Fund deficit, December 31, 2007	<u>\$ (28,805,521)</u>	<u>\$ (28,805,521)</u>	<u>\$ (23,578,314)</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Other sources</b>			
Other sources:			
Note/Bond proceeds	\$ 50,000	\$ 50,000	\$ -
Total other sources	50,000	50,000	-
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Other	21,000	21,000	-
Capital outlay	30,000	30,000	-
Total expenditures	51,000	51,000	-
Deficiency of other sources over expenditures	(1,000)	(1,000)	-
Fund balance, January 1, 2007	29,543	29,543	29,543
Fund balance, December 31, 2007	<u>\$ 28,543</u>	<u>\$ 28,543</u>	<u>\$ 29,543</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 133,566
Governmental revenue	1,658,420	1,658,420	5,738,629
Miscellaneous revenue	36,500	36,500	58,389
	<u>1,694,920</u>	<u>1,694,920</u>	<u>5,930,584</u>
Other sources:			
Note/Bond proceeds	3,091,090	3,091,090	1,836,338
Interfund transfers	93,990	93,990	864,947
Previous year's encumbrances	3,554,380	3,554,380	3,554,380
	<u>6,739,460</u>	<u>6,739,460</u>	<u>6,255,665</u>
Total revenues and other sources	8,434,380	8,434,380	12,186,249
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	65,000	65,000	33,106
Other	3,528,239	4,178,239	4,135,982
Capital outlay	7,531,140	9,031,140	8,877,638
	<u>11,124,379</u>	<u>13,274,379</u>	<u>13,046,726</u>
Total expenditures	11,124,379	13,274,379	13,046,726
Deficiency of revenues and other sources over expenditures	(2,689,999)	(4,839,999)	(860,477)
Fund deficit, January 1, 2007	<u>(5,969,769)</u>	<u>(5,969,769)</u>	<u>(5,969,769)</u>
Fund deficit, December 31, 2007	<u>\$ (8,659,768)</u>	<u>\$ (10,809,768)</u>	<u>\$ (6,830,246)</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Governmental revenue	\$ 859,230	\$ 859,230	\$ 1,408,481
Miscellaneous revenue	342,600	342,600	166,773
	<u>1,201,830</u>	<u>1,201,830</u>	<u>1,575,254</u>
Other sources:			
Interfund transfers	-	-	120,202
Note/Bond proceeds	2,398,170	2,398,170	1,723,000
Previous year's encumbrances	1,012,490	1,012,490	1,012,490
	<u>3,410,660</u>	<u>3,410,660</u>	<u>2,855,692</u>
Total revenues and other sources	4,612,490	4,612,490	4,430,946
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	7,000	7,000	769
Other	1,779,287	2,479,287	2,390,199
Capital outlay	4,156,204	4,156,204	3,954,297
	<u>5,942,491</u>	<u>6,642,491</u>	<u>6,345,265</u>
Total expenditures	5,942,491	6,642,491	6,345,265
Deficiency of revenues and other sources over expenditures	(1,330,001)	(2,030,001)	(1,914,319)
Fund deficit, January 1, 2007	<u>(3,502,399)</u>	<u>(3,502,399)</u>	<u>(3,502,399)</u>
Fund deficit, December 31, 2007	<u>\$ (4,832,400)</u>	<u>\$ (5,532,400)</u>	<u>\$ (5,416,718)</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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 264,091
Governmental revenue	660	660	-
Miscellaneous revenue	994,470	994,470	138,456
	<u>995,130</u>	<u>995,130</u>	<u>402,547</u>
Other sources:			
Interfund transfers	-	-	2,501,537
Note/Bond proceeds	3,314,870	3,314,870	4,172,000
Previous year's encumbrances	1,732,611	1,732,611	1,732,611
	<u>5,047,481</u>	<u>5,047,481</u>	<u>8,406,148</u>
Total revenues and other sources	6,042,611	6,042,611	8,808,695
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	5,000	5,000	-
Other	6,989,020	6,984,020	3,498,391
Capital outlay	4,278,591	4,283,591	4,247,826
	<u>11,272,611</u>	<u>11,272,611</u>	<u>7,746,217</u>
Total expenditures	11,272,611	11,272,611	7,746,217
Excess (deficiency) of revenues and other sources over expenditures	(5,230,000)	(5,230,000)	1,062,478
Fund deficit, January 1, 2007	<u>(2,808,091)</u>	<u>(2,808,091)</u>	<u>(2,808,091)</u>
Fund deficit, December 31, 2007	<u>\$ (8,038,091)</u>	<u>\$ (8,038,091)</u>	<u>\$ (1,745,613)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 676,788
Miscellaneous revenue	-	-	28,480
	-	-	705,268
Other sources:			
Note/Bond proceeds	3,500,000	3,500,000	17,589,000
Previous year's encumbrances	1,635,982	1,635,982	1,635,982
	5,135,982	5,135,982	19,224,982
Total revenues and other sources	5,135,982	5,135,982	19,930,250
<b>Expenditures</b>			
Expenditures:			
Public Service:			
Wages/benefits	5,000	5,000	7
Other	440,333	2,940,333	2,473,538
Capital outlay	19,065,648	16,565,648	2,458,081
Total expenditures	19,510,981	19,510,981	4,931,626
Excess (deficiency) of revenues and other sources over expenditures	(14,374,999)	(14,374,999)	14,998,624
Fund deficit, January 1, 2007	(899,076)	(899,076)	(899,076)
Fund balance (deficit), December 31, 2007	\$ (15,274,075)	\$ (15,274,075)	\$ 14,099,548

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, 2007

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
<b>Revenues and other sources</b>			
Revenues:			
Income taxes	\$ -	\$ -	\$ 275,856
Taxes and assessments	1,090,320	1,090,320	2,977,413
Governmental revenue	73,930	73,930	47,443
Miscellaneous revenue	2,267,320	2,267,320	1,781,543
	<u>3,431,570</u>	<u>3,431,570</u>	<u>5,082,255</u>
Other sources:			
Note/Bond proceeds	8,904,950	8,904,950	5,387,000
Interfund transfers	187,480	187,480	165,472
Previous year's encumbrances	7,103,183	7,103,183	7,103,183
	<u>16,195,613</u>	<u>16,195,613</u>	<u>12,655,655</u>
Total revenues and other sources	19,627,183	19,627,183	17,737,910
<b>Expenditures</b>			
Expenditures:			
Finance:			
Other	40,000	40,000	-
Capital Outlay	10,000	10,000	-
	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Planning and Urban Development:			
Other	700,000	700,000	587,923
	<u>700,000</u>	<u>700,000</u>	<u>587,923</u>
Public Service:			
Wages/benefits	12,000	22,000	15,277
Other	14,750,354	14,740,354	11,602,175
Capital outlay	14,473,529	14,473,529	6,258,347
	<u>29,235,883</u>	<u>29,235,883</u>	<u>17,875,799</u>
Total expenditures	29,985,883	29,985,883	18,463,722
Deficiency of revenues and other sources over expenditures	(10,358,700)	(10,358,700)	(725,812)
Fund deficit, January 1, 2007	<u>(7,510,620)</u>	<u>(7,510,620)</u>	<u>(7,510,620)</u>
Fund deficit, December 31, 2007	<u>\$ (17,869,320)</u>	<u>\$ (17,869,320)</u>	<u>\$ (8,236,432)</u>

## **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, 2007

	Oil and Gas	Golf Course	Airport	Total
<b>Assets</b>				
Pooled cash and investments	\$ 507,399	\$ -	\$ -	\$ 507,399
Receivables, net of allowances for uncollectibles	18,544	346	3,653	22,543
Due from other governments	-	-	62,555	62,555
Due from other funds	3,939	-	-	3,939
Inventories, at cost	-	39,498	33,059	72,557
Property, plant and equipment, net of accumulated depreciation	395,485	1,556,057	8,433,099	10,384,641
<b>Total assets</b>	<b>925,367</b>	<b>1,595,901</b>	<b>8,532,366</b>	<b>11,053,634</b>
<b>Liabilities</b>				
Accounts payable	9,597	16,368	185,723	211,688
Due to other funds	3,779	503,503	60,523	567,805
Accrued liabilities	449	9,145	2,560	12,154
Accrued wages	1,346	11,274	8,640	21,260
Accrued vacation and leave	3,164	28,444	19,465	51,073
Noncurrent liabilities Due in more than one year	24,903	168,466	89,859	283,228
<b>Total liabilities</b>	<b>43,238</b>	<b>737,200</b>	<b>366,770</b>	<b>1,147,208</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	395,485	1,556,057	8,433,099	10,384,641
Unrestricted (deficit)	486,644	(697,356)	(267,503)	(478,215)
<b>Total net assets</b>	<b>\$ 882,129</b>	<b>\$ 858,701</b>	<b>\$ 8,165,596</b>	<b>\$ 9,906,426</b>

## City of Akron, Ohio

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

For the Year Ended December 31, 2007

	<b>Oil and Gas</b>	<b>Golf Course</b>	<b>Airport</b>	<b>Total</b>
<b>Operating revenues</b>				
Charges for services	\$ 18,544	\$ 891,709	\$ 143,520	\$ 1,053,773
Other	406,984	34,241	246,190	687,415
	<u>425,528</u>	<u>925,950</u>	<u>389,710</u>	<u>1,741,188</u>
<b>Operating expenses</b>				
Personal services	69,211	820,224	379,907	1,269,342
Direct expenses	126,639	286,058	185,509	598,206
Rentals and lease	-	63,168	-	63,168
Utilities	3,840	83,051	9,909	96,800
Insurance	500	3,994	15,755	20,249
Depreciation, depletion and amortization	-	43,246	184,484	227,730
Other	1,772	451	3,850	6,073
	<u>201,962</u>	<u>1,300,192</u>	<u>779,414</u>	<u>2,281,568</u>
Operating income (loss)	223,566	(374,242)	(389,704)	(540,380)
Income (loss) before transfers and contributions	223,566	(374,242)	(389,704)	(540,380)
Transfers-in	-	300,000	230,160	530,160
Capital contributions	-	-	62,555	62,555
	<u>-</u>	<u>300,000</u>	<u>292,715</u>	<u>592,715</u>
Changes in net assets	223,566	(74,242)	(96,989)	52,335
Net assets, January 1, 2007	<u>658,563</u>	<u>932,943</u>	<u>8,262,585</u>	<u>9,854,091</u>
Net assets, December 31, 2007	<u>\$ 882,129</u>	<u>\$ 858,701</u>	<u>\$ 8,165,596</u>	<u>\$ 9,906,426</u>

City of Akron, Ohio  
Combining Statement of Cash Flows  
Non-Major Enterprise Funds  
For the Year Ended December 31, 2007

	<b>Oil and Gas</b>	<b>Golf</b>	<b>Airport</b>	<b>Total Non-Major Enterprise Funds</b>
<b>Operating activities</b>				
Cash received from customers	\$ 29,657	\$ 893,224	\$ 142,917	\$1,065,798
Cash payments to suppliers for goods and services	(123,522)	(457,955)	(144,551)	(726,028)
Cash paid for salaries and employee benefits	(83,171)	(801,326)	(339,440)	(1,223,937)
Other revenues	406,984	34,241	246,190	687,415
Other expenses	(1,772)	(451)	(3,850)	(6,073)
Net cash provided by (used for) operating activities	228,176	(332,267)	(98,734)	(202,825)
<b>Non-capital financing activities</b>				
Operating transfers from other funds	-	300,000	230,160	530,160
Transfers in for negative cash balances	-	501,543	49,758	551,301
Transfers out for negative cash balances	-	(470,123)	-	(470,123)
Net cash provided by non-capital financing activities	-	331,420	279,918	611,338
<b>Capital and related financing activities</b>				
Acquisition and construction of capital assets	-	847	(427,995)	(427,148)
Capital Contributions	-	-	62,555	62,555
Net cash provided by (used for) capital and related financing activities	-	847	(365,440)	(364,593)
Net increase (decrease) in cash and cash equivalents	228,176	-	(184,256)	43,920
Cash and cash equivalents, January 1, 2007	279,223	-	184,256	463,479
Cash and cash equivalents, December 31, 2007	<u>\$ 507,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,399</u>

City of Akron, Ohio  
Combining Statement of Cash Flows  
Non-Major Enterprise Funds  
For the Year Ended December 31, 2007  
(continued)

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Enterprise Funds</u>
Operating income (loss)	\$ 223,566	\$ (374,242)	\$ (389,704)	\$ (540,380)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion and amortization	-	43,246	184,484	227,730
(Increase) decrease in operating assets:				
Receivables	7,106	(346)	(603)	6,157
Due from other funds	4,007	1,861	-	5,868
Inventories	-	(5,172)	(22,936)	(28,108)
Increase (decrease) in operating liabilities:				
Accounts payable	7,655	(4,793)	82,188	85,050
Due to other funds	(198)	(11,719)	7,370	(4,547)
Accrued liabilities	2,315	8,272	6,159	16,746
Accrued wages	(626)	(693)	936	(383)
Accrued vacation and leave	(15,649)	11,319	33,372	29,042
Net cash provided by (used for) operating activities	<u>\$ 228,176</u>	<u>\$ (332,267)</u>	<u>\$ (98,734)</u>	<u>\$ (202,825)</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, 2007

	<b>Motor Equipment</b>	<b>Medical Self- Insurance</b>	<b>Workers' Compensation Reserve</b>
<b>Assets</b>			
Pooled cash and investments	\$ -	\$ -	\$ 3,646,958
Receivables, net of allowances for uncollectibles	86,585	-	-
Due from other funds	1,295,191	-	-
Inventories, at cost	988,927	-	-
Property, plant and equipment, net of accumulated depreciation	1,815,081	-	-
<b>Total assets</b>	<b>4,185,784</b>	<b>-</b>	<b>3,646,958</b>
<b>Liabilities</b>			
Accounts payable	415,527	1,136	6,040
Due to other funds	1,314,504	4,847,291	6
Accrued interest payable	564	-	-
Accrued liabilities	26,749	-	2,059,067
Accrued wages	65,664	-	-
Accrued vacation and leave	116,597	-	-
Obligations under capital lease	-	-	-
Liability for unpaid claims	-	2,773,886	1,586,541
Debt:			
General obligation bonds	14,978	-	-
Noncurrent liabilities			
Obligations under capital lease	-	-	-
Due in more than one year	427,544	-	9,134,878
Bonds, notes, loans	133,128	-	-
<b>Total liabilities</b>	<b>2,515,255</b>	<b>7,622,313</b>	<b>12,786,532</b>
<b>Net assets</b>			
Invested in capital assets net of related debt	1,666,975	-	-
Unrestricted (deficit)	3,554	(7,622,313)	(9,139,574)
<b>Total net assets</b>	<b>\$ 1,670,529</b>	<b>\$ (7,622,313)</b>	<b>\$ (9,139,574)</b>

## Combining Statement of Net Assets - Internal Service Funds

December 31, 2007

Self- Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Management Information Systems	Total
\$ 17,240	\$ -	\$ 825,098	\$ -	\$ 223,871	\$ 4,713,167
-	-	-	-	-	86,585
-	301,310	93,382	547,294	296,627	2,533,804
-	81,822	-	-	-	1,070,749
-	29,524	343,741	130,887	656,264	2,975,497
17,240	412,656	1,262,221	678,181	1,176,762	11,379,802
9,315	24,213	64,973	74,795	34,810	630,809
-	569,461	-	565,187	14,480	7,310,929
-	-	-	66	-	630
-	2,654	-	49,187	12,508	2,150,165
-	7,008	-	139,681	36,044	248,397
-	15,763	-	398,930	139,340	670,630
-	-	-	-	185,508	185,508
712,910	-	-	-	-	5,073,337
-	-	-	20,108	-	35,086
-	-	-	-	330,456	330,456
-	48,616	-	1,318,778	379,179	11,308,995
-	-	-	-	-	133,128
722,225	667,715	64,973	2,566,732	1,132,325	28,078,070
-	29,524	343,741	110,779	656,264	2,807,283
(704,985)	(284,583)	853,507	(1,999,330)	(611,827)	(19,505,551)
\$ (704,985)	\$ (255,059)	\$ 1,197,248	\$ (1,888,551)	\$ 44,437	\$ (16,698,268)

## City of Akron, Ohio

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

For the Year Ended December 31, 2007

	<b>Motor Equipment</b>	<b>Medical Self- Insurance</b>	<b>Workers' Compensation Reserve</b>
<b>Operating revenues</b>			
Charges for services	\$ 8,347,937	\$ 24,844,359	\$ 2,753,259
Other	110,661	345,182	64,724
	<u>8,458,598</u>	<u>25,189,541</u>	<u>2,817,983</u>
<b>Operating expenses</b>			
Personal services	2,553,042	-	-
Direct expenses	5,720,760	2,630,231	4,374,643
Claims	-	22,553,844	1,601,180
Rentals and lease	-	-	-
Utilities	124,360	-	-
Insurance	10,119	-	-
Depreciation, depletion and amortization	76,088	-	-
Other	1,050	-	-
	<u>8,485,419</u>	<u>25,184,075</u>	<u>5,975,823</u>
Operating income (loss)	(26,821)	5,466	(3,157,840)
<b>Non-operating revenues (expenses)</b>			
Interest income	-	-	4,576
Interest expense	(7,336)	-	-
	<u>(7,336)</u>	<u>-</u>	<u>4,576</u>
Gain (loss) before transfers	(34,157)	5,466	(3,153,264)
Transfers-in	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in assets	(34,157)	5,466	(3,153,264)
Net assets, January 1, 2007	1,704,686	(7,627,779)	(5,986,310)
Net assets, December 31, 2007	<u>\$ 1,670,529</u>	<u>\$ (7,622,313)</u>	<u>\$ (9,139,574)</u>

## City of Akron, Ohio

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

For the Year Ended December 31, 2007

Self- Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Management Information Systems	Total
\$ -	\$ 1,597,802	\$ 871,325	\$ 5,970,326	\$ 2,748,001	\$ 47,133,009
15,000	338	1,497	1,638	20	539,060
15,000	1,598,140	872,822	5,971,964	2,748,021	47,672,069
-	277,954	-	5,601,706	1,394,593	9,827,295
2,315	1,318,833	289,627	333,966	981,330	15,651,705
154,195	-	-	-	-	24,309,219
-	120,200	-	-	104,905	225,105
-	3,711	172,616	22,383	2,115	325,185
-	-	-	14,000	1,500	25,619
-	2,368	27,214	4,064	370,249	479,983
-	-	-	1,525	-	2,575
156,510	1,723,066	489,457	5,977,644	2,854,692	50,846,686
(141,510)	(124,926)	383,365	(5,680)	(106,671)	(3,174,617)
-	-	-	-	-	4,576
-	-	-	(1,610)	-	(8,946)
-	-	-	(1,610)	-	(4,370)
(141,510)	(124,926)	383,365	(7,290)	(106,671)	(3,178,987)
985,000	-	-	-	-	985,000
985,000	-	-	-	-	985,000
843,490	(124,926)	383,365	(7,290)	(106,671)	(2,193,987)
(1,548,475)	(130,133)	813,883	(1,881,261)	151,108	(14,504,281)
\$ (704,985)	\$ (255,059)	\$ 1,197,248	\$ (1,888,551)	\$ 44,437	\$ (16,698,268)

City of Akron, Ohio  
Combining Statement of Cash Flows-Internal Service Funds  
For the Year Ended December 31, 2007

	<b>Motor Equipment</b>	<b>Medical Self - Insurance</b>	<b>Workers' Compensation Reserve</b>
<b>Operating activities</b>			
Cash received from customers	\$ 7,973,724	\$ 24,926,092	\$ 2,753,259
Cash payments to suppliers for goods and services	(5,908,208)	(2,635,843)	(4,375,455)
Cash paid for salaries and employee benefits	(2,474,967)	(22,174,639)	1,044,269
Other revenues	110,661	345,182	64,724
Other expenses	(1,050)	-	-
Net cash provided by (used for) operating activities	(299,840)	460,792	(513,203)
<b>Non-capital financing activities</b>			
Transfers from other funds	-	-	-
Transfers in for negative cash balances	1,307,776	4,844,002	-
Transfers out for negative cash balances	(965,781)	(5,304,794)	-
Net cash provided by (used for) non-capital financing activities	341,995	(460,792)	-
<b>Capital and related financing activities</b>			
Principal paid on bonds and loans	(14,130)	-	-
Interest paid on bonds and loans	(7,388)	-	-
Acquisition and construction of capital assets	(20,637)	-	-
Net cash provided by (used for) capital and related financing activities	(42,155)	-	-
<b>Investing activities</b>			
Interest on investments	-	-	4,576
Net cash provided by investing activities	-	-	4,576
Net increase (decrease) in cash and cash equivalents	-	-	(508,627)
Cash and cash equivalents, January 1, 2007	-	-	4,155,585
Cash and cash equivalents, December 31, 2007	\$ -	\$ -	\$ 3,646,958

City of Akron, Ohio  
Combining Statement of Cash Flows-Internal Service Funds  
For the Year Ended December 31, 2007

Self - Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Management Information Systems	Total
\$ -	\$ 1,496,108	\$ 865,312	\$ 6,186,107	\$ 2,828,399	\$ 47,029,001
(977,400)	(1,492,629)	(427,661)	(637,847)	(1,190,515)	(17,645,558)
(5,600)	(268,985)	-	(5,706,973)	(1,341,319)	(30,928,214)
15,000	338	1,497	1,638	20	539,060
-	-	-	(1,525)	-	(2,575)
(968,000)	(265,168)	439,148	(158,600)	296,585	(1,008,286)
985,000	-	-	-	-	985,000
-	567,040	-	488,185	-	7,207,003
-	(313,370)	-	(308,617)	-	(6,892,562)
985,000	253,670	-	179,568	-	1,299,441
-	-	-	(19,284)	-	(33,414)
-	-	-	(1,684)	-	(9,072)
-	11,498	(14,499)	-	(140,649)	(164,287)
-	11,498	(14,499)	(20,968)	(140,649)	(206,773)
-	-	-	-	-	4,576
-	-	-	-	-	4,576
17,000	-	424,649	-	155,936	88,958
240	-	400,449	-	67,935	4,624,209
\$ 17,240	\$ -	\$ 825,098	\$ -	\$ 223,871	\$ 4,713,167

City of Akron, Ohio  
Combining Statement of Cash Flows-Internal Service Funds  
For the Year Ended December 31, 2007  
(continued)

	<b>Motor Equipment</b>	<b>Medical Self - Insurance</b>	<b>Workers' Compensation</b>
Operating income (loss)	\$ (26,821)	\$ 5,466	\$ (3,157,840)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation, depletion and amortization	76,088	-	-
(Increase) decrease in operating assets:			
Receivables	(86,585)	81,733	-
Due from other funds	(287,628)	-	-
Inventories	(259,952)	-	-
Increase (decrease) in operating liabilities:			
Accounts payable	209,379	(7,928)	(818)
Due to other funds	(2,396)	2,316	6
Accrued liabilities	38,777	-	-
Accrued wages	6,021	-	-
Accrued vacation and leave	33,277	-	-
Estimated liability for unpaid claims	-	379,205	2,645,449
Net cash provided by (used for) operating activities	<u>\$ (299,840)</u>	<u>\$ 460,792</u>	<u>\$ (513,203)</u>



City of Akron, Ohio  
Combining Statement of Cash Flows-Internal Service Funds  
For the Year Ended December 31, 2007  
(continued)

Self - Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Management Information Systems	Total
\$ (141,510)	\$ (124,926)	\$ 383,365	\$ (5,680)	\$ (106,671)	\$ (3,174,617)
-	2,368	27,214	4,064	370,249	479,983
-	-	-	-	-	(4,852)
-	(101,694)	(6,013)	215,781	80,398	(99,156)
-	6,467	-	-	-	(253,485)
(975,085)	(54,944)	34,582	(266,945)	(95,904)	(1,157,663)
-	(1,408)	-	(553)	(4,761)	(6,796)
-	7,011	-	58,756	22,986	127,530
-	112	-	(10,320)	176	(4,011)
-	1,846	-	(153,703)	30,112	(88,468)
148,595	-	-	-	-	3,173,249
<u>\$ (968,000)</u>	<u>\$ (265,168)</u>	<u>\$ 439,148</u>	<u>\$ (158,600)</u>	<u>\$ 296,585</u>	<u>\$ (1,008,286)</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.

**Police Property Monetary Evidence Fund** - is used to account for funds held by the Police Department that will be returned to other agencies.

## City of Akron, Ohio

Combining Statement of Fiduciary Net Assets  
Private Purpose Trust Funds

December 31, 2007

	<b>Claire Merrix Trust</b>	<b>Holocaust Memorial Trust</b>	<b>Police/Fire Beneficiary Trust</b>	<b>Total</b>
<b>Assets</b>				
Cash and investments	\$ 810	\$ 888	\$ 2,900	\$ 4,598
Total assets	810	888	2,900	4,598
<b>Liabilities</b>				
Due to other governments	-	-	-	-
Total liabilities	-	-	-	-
<b>Net assets</b>	<b>\$ 810</b>	<b>\$ 888</b>	<b>\$ 2,900</b>	<b>\$ 4,598</b>
Total liabilities, equity and other credits	<b>\$ 810</b>	<b>\$ 888</b>	<b>\$ 2,900</b>	<b>\$ 4,598</b>

## City of Akron, Ohio

Combining Statement of Fiduciary Net Assets  
Agency Funds

December 31, 2007

	<b>Municipal Court</b>	<b>Police Property Monetary Evidence</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 774,789	\$ 15,000	\$ 789,789
Total assets	<u>774,789</u>	<u>15,000</u>	<u>789,789</u>
<b>Liabilities</b>			
Due to other governments	774,789	-	774,789
Due to others	-	15,000	15,000
Total liabilities	<u>774,789</u>	<u>15,000</u>	<u>789,789</u>
<b>Net assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities, equity and other credits	<u>\$ 774,789</u>	<u>\$ 15,000</u>	<u>\$ 789,789</u>

## City of Akron, Ohio

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

For the Year Ended December 31, 2007

	<b>Claire Merrix Trust</b>	<b>Holocaust Memorial Trust</b>	<b>Police/Fire Beneficiary Trust</b>	<b>Total</b>
<b>Additions</b>				
Contributions	\$ -	\$ 6,742	\$ 400	\$ 7,142
	-	6,742	400	7,142
<b>Deductions</b>				
Education and awareness	-	6,124	-	6,124
	-	6,124	-	6,124
Excess of revenues over expenditures	-	618	400	1,018
Net assets, January 1, 2007	810	270	2,500	3,580
Net assets, December 31, 2007	\$ 810	\$ 888	\$ 2,900	\$ 4,598

## City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities  
Agency Funds

For the Year Ended December 31, 2007

	<b>Balance January 1, 2007</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2007</b>
<b>Municipal Court</b>				
Assets				
Cash	\$ 712,246	\$ 62,543	\$ -	\$ 774,789
Liabilities				
Due to other governments	\$ 712,246	\$ 62,543	\$ -	\$ 774,789
<b>Police Property Monetary Evidence</b>				
Assets				
Cash	\$ 15,000	\$ -	\$ -	\$ 15,000
Liabilities				
Due to others	\$ 15,000	\$ -	\$ -	\$ 15,000
<b>Total All Agency Funds</b>				
Assets				
Cash	\$ 727,246	\$ 62,543	\$ -	\$ 789,789
Liabilities				
Due to other governments	\$ 712,246	\$ 62,543	\$ -	\$ 774,789
Due to others	15,000	-	-	15,000
	\$ 727,246	\$ 62,543	\$ -	\$ 789,789

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# Statistical Section

This part of the City of Akron's (City) comprehensive annual financial report presents detailed historical information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>187</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources are income tax and property tax.	<b>193</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>198</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the City.	<b>204</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>206</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Schedule 1

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

	2001	2002	2003	2004	2005	2006	2007
<b>Governmental Activities</b>							
Invested in Capital Assets, Net of Related Debt	\$ 330,404,704	\$ 322,483,517	\$ 342,937,788	\$ 347,553,024	\$ 354,911,430	\$ 343,894,860	\$ 350,900,710
Restricted	37,540,147	39,710,686	40,319,154	305,806,875	305,806,875	154,998,029	136,131,553
Unrestricted	<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>	<u>(162,608,235)</u>	<u>(122,216,128)</u>
<b>Total Governmental Activities Net Assets</b>	<u>331,127,813</u>	<u>317,427,221</u>	<u>315,000,520</u>	<u>310,511,687</u>	<u>318,096,223</u>	<u>336,284,654</u>	<u>364,816,135</u>
<b>Business-Type Activities</b>							
Invested in Capital Assets, Net of Related Debt	268,152,473	285,012,294	298,087,580	305,496,572	312,958,242	319,708,498	331,088,686
Restricted	8,037,590	8,017,156	9,237,606	8,890,371	8,890,371	9,762,791	9,603,496
Unrestricted	<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>	<u>13,310,341</u>	<u>8,684,965</u>
<b>Total Business-Type Activities Net Assets</b>	<u>293,916,901</u>	<u>314,574,677</u>	<u>321,787,667</u>	<u>326,641,680</u>	<u>335,805,468</u>	<u>342,781,630</u>	<u>349,377,147</u>
<b>Primary Government</b>							
Invested in Capital Assets, Net of Related Debt	598,557,177	607,495,811	641,025,368	653,049,596	667,869,672	663,603,358	681,989,396
Restricted	45,577,737	47,727,842	49,556,760	314,697,246	314,697,246	164,760,820	145,735,049
Unrestricted	<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>	<u>(149,297,894)</u>	<u>(113,531,163)</u>
<b>Total Primary Government Net Assets</b>	<u>\$ 625,044,714</u>	<u>\$ 632,001,898</u>	<u>\$ 636,788,187</u>	<u>\$ 637,153,367</u>	<u>\$ 653,901,691</u>	<u>\$ 679,066,284</u>	<u>\$ 714,193,282</u>

Source: City of Akron, Ohio Finance Department

Note: Information prior to 2001 is not comparable due to the implementation of GASB 34.

Schedule 2

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

	2001	2002	2003	2004	2005	2006	2007
<b>Program Revenues</b>							
Governmental Activities							
Charges for Services:							
General Government	\$ 13,063,377	\$ 9,724,962	\$ 10,558,403	\$ 10,199,944	\$ 8,768,534	\$ 10,203,648	\$ 11,187,070
Public Service	15,521,690	12,758,526	12,047,537	13,685,910	24,515,742	1,221,943	28,739,656
Public Safety	1,856,550	1,530,128	2,088,567	4,661,113	1,079,551	634,517	1,499,758
Community Environment	223,243	109,080	195,500	276,244	64,412	27,488,539	13,466
Public Health	2,506,311	4,051,803	5,459,085	3,302,809	583,033	27,244	674,598
Recreation and Parks	557,324	570,920	660,897	600,501	339,674	387,161	363,552
Operating Grants and Contributions	18,173,638	16,280,190	18,489,411	18,798,602	20,736,629	20,085,504	21,939,297
Capital Grants and Contributions	24,937,475	24,865,553	28,011,341	26,959,413	19,497,224	22,023,997	24,822,927
<b>Total Governmental Activities Program Revenues</b>	<b>76,839,608</b>	<b>69,891,162</b>	<b>77,510,741</b>	<b>78,484,536</b>	<b>75,584,799</b>	<b>82,072,553</b>	<b>89,240,324</b>
Business-Type Activities							
Charges for Services:							
Water	32,222,070	33,641,151	26,531,458	33,897,438	32,677,553	34,203,720	33,313,008
Sewer	32,297,145	35,249,456	32,592,485	34,489,974	36,365,900	35,658,036	36,113,694
Oil & Gas	11,168	4,126	3,938	-	-	1,136	18,544
Parking Facilities	4,139,961	4,252,628	4,187,879	4,109,336	4,921,793	4,921,561	4,982,704
Golf Course	815,239	792,900	866,188	889,957	878,878	903,859	891,709
Airport	143,747	156,507	144,498	180,169	193,369	162,557	143,520
Capital Grants and Contributions	17,586,440	8,379,210	15,866,870	11,952,537	6,356,588	4,537,330	5,918,599
<b>Total Business-Type Activities Program Revenues</b>	<b>87,215,770</b>	<b>82,475,978</b>	<b>80,193,316</b>	<b>85,519,411</b>	<b>81,394,081</b>	<b>80,388,199</b>	<b>81,381,778</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 164,055,378</b>	<b>\$ 152,367,140</b>	<b>\$ 157,704,057</b>	<b>\$ 164,003,947</b>	<b>\$ 156,978,880</b>	<b>\$ 162,460,752</b>	<b>\$ 170,622,102</b>
<b>Expenses</b>							
Governmental Activities							
General Government	\$ 38,768,317	\$ 35,442,919	\$ 41,985,779	\$ 33,154,330	\$ 53,063,391	\$ 38,206,653	\$ 40,750,017
Public Service	55,687,143	55,103,262	56,239,734	57,321,381	54,923,173	64,832,236	63,895,682
Public Safety	93,139,875	102,587,713	101,498,621	106,914,744	104,848,506	109,812,346	114,350,511
Community Environment	16,738,817	15,284,636	17,365,752	25,985,445	21,514,112	94,412,587	50,882,056
Public Health	14,907,272	16,170,030	17,534,327	16,556,343	15,832,640	17,204,170	17,568,811
Recreation and Parks	4,859,938	5,570,393	4,895,539	5,035,419	7,603,460	2,552,319	5,800,662
Interest	14,205,615	15,452,328	17,723,691	27,403,295	27,077,616	26,808,875	27,325,682
Unallocated Depreciation	8,330,330	8,987,929	9,607,943	10,476,870	11,389,516	12,069,428	12,818,481
<b>Total Governmental Activities Expenses</b>	<b>246,637,307</b>	<b>254,599,210</b>	<b>266,851,386</b>	<b>282,847,827</b>	<b>296,252,414</b>	<b>365,898,614</b>	<b>333,391,902</b>
Business-Type Activities							
Water	30,038,479	30,783,062	35,835,251	37,959,261	30,733,296	33,312,219	33,459,745
Sewer	30,546,848	34,227,439	32,068,358	37,797,875	37,224,648	33,322,391	35,287,533
Oil & Gas	322,762	289,546	224,349	286,140	284,733	179,995	204,153
Parking Facilities	4,222,739	4,297,816	5,126,582	5,637,623	5,966,776	5,702,299	1,317,386
Golf Course	859,773	908,845	1,302,587	1,366,476	1,381,619	1,353,676	786,711
Airport	619,396	696,180	576,004	712,909	764,876	679,883	5,974,113
<b>Total Business-Type Activities Expenses</b>	<b>66,609,997</b>	<b>71,202,888</b>	<b>75,133,131</b>	<b>83,760,284</b>	<b>76,355,948</b>	<b>74,550,163</b>	<b>77,029,641</b>
<b>Total Primary Government Expenses</b>	<b>\$ 313,247,304</b>	<b>\$ 325,802,098</b>	<b>\$ 341,984,517</b>	<b>\$ 366,608,111</b>	<b>\$ 372,608,362</b>	<b>\$ 440,448,777</b>	<b>\$ 410,421,543</b>

Schedule 2

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

	2001	2002	2003	2004	2005	2006	2007
<b>Net (Expense)/Revenue</b>							
Governmental Activities	\$ (169,797,699)	\$ (184,708,048)	\$ (189,340,645)	\$ (204,365,291)	\$ (220,667,615)	\$ (283,826,061)	\$ (244,151,578)
Business-Type Activities	20,605,773	11,273,090	5,060,185	1,759,127	5,038,133	5,838,036	4,352,137
<b>Total Primary Government Net Expense</b>	<b>\$ (149,191,926)</b>	<b>\$ (173,434,958)</b>	<b>\$ (184,280,460)</b>	<b>\$ (202,604,164)</b>	<b>\$ (215,629,482)</b>	<b>\$ (277,988,025)</b>	<b>\$ (239,799,441)</b>
<b>General Revenue and Other Changes in Net Assets</b>							
Governmental Activities:							
Taxes:							
Income Taxes	\$ 97,365,573	\$ 97,066,959	\$ 101,802,168	\$ 114,352,078	\$ 126,766,520	\$ 121,875,043	\$ 144,647,307
Property Taxes	26,511,099	31,443,342	30,374,275	28,193,761	27,850,829	37,242,477	30,154,104
JEDD Revenues	14,772,847	13,945,913	12,084,490	13,607,119	13,946,982	16,550,254	16,551,588
Investment Earnings	3,835,238	1,625,475	1,032,073	2,620,285	6,195,543	6,546,494	4,820,973
Shared Revenues	29,654,718	27,289,295	31,105,413	32,235,453	45,169,402	106,744,240	65,033,815
Miscellaneous	8,540,740	7,112,663	11,109,869	9,186,760	7,662,219	12,787,733	10,899,487
Gain (loss) on Sale of Capital Assets	(239,961)	884,970	-	(107,274)	1,659,116	-	223,635
Transfers	791,379	(8,361,161)	(594,344)	(213,724)	(998,460)	268,251	352,150
<b>Total Governmental Activities</b>	<b>\$ 174,981,633</b>	<b>\$ 171,007,456</b>	<b>\$ 186,913,944</b>	<b>\$ 199,874,458</b>	<b>\$ 228,252,151</b>	<b>\$ 302,014,492</b>	<b>\$ 272,683,059</b>
Business-Type Activities:							
Investment Earnings	\$ 379,423	\$ 153,364	\$ 93,242	\$ 108,993	\$ 280,566	\$ 460,615	\$ 504,738
Miscellaneous	818,560	875,069	1,409,184	2,767,615	2,833,804	945,762	2,090,792
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	(268,251)	(352,150)
<b>Total Business-Type Activities</b>	<b>\$ 392,136</b>	<b>\$ 9,384,686</b>	<b>\$ 2,152,805</b>	<b>\$ 3,094,886</b>	<b>\$ 4,125,655</b>	<b>\$ 1,138,126</b>	<b>\$ 2,243,380</b>
<b>Total Primary Government</b>	<b>\$ 175,373,769</b>	<b>\$ 180,392,142</b>	<b>\$ 189,066,749</b>	<b>\$ 202,969,344</b>	<b>\$ 232,377,806</b>	<b>\$ 303,152,618</b>	<b>\$ 274,926,439</b>
<b>Change in Net Assets</b>							
Governmental Activities	\$ 5,183,934	\$ (13,700,592)	\$ (2,426,701)	\$ (4,488,833)	\$ 7,584,536	\$ 18,188,431	\$ 28,531,481
Business-Type Activities	20,997,909	20,657,776	7,212,990	4,854,013	9,163,788	6,976,162	6,595,517
<b>Total Primary Government Change in Net Assets</b>	<b>\$ 26,181,843</b>	<b>\$ 6,957,184</b>	<b>\$ 4,786,289</b>	<b>\$ 365,180</b>	<b>\$ 16,748,324</b>	<b>\$ 25,164,593</b>	<b>\$ 35,126,998</b>

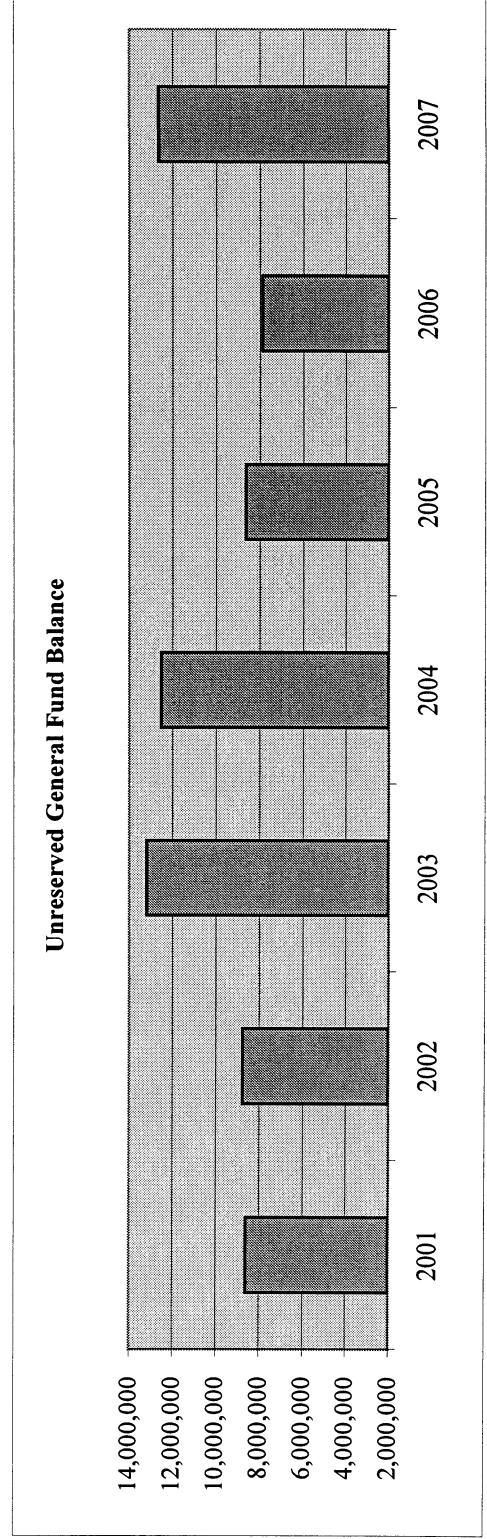
Source: City of Akron, Ohio Finance Department

Note: Information prior to 2001 is not comparable due to the implementation of GASB 34.

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

Schedule 3

	2001	2002	2003	2004	2005	2006	2007
<b>General Fund</b>							
Reserved	\$ 2,320,635	\$ 3,053,854	\$ 1,233,303	\$ 1,680,684	\$ 2,403,155	\$ 2,014,480	\$ 963,366
Unreserved	8,596,094	8,753,973	13,198,625	12,516,302	8,608,934	7,885,122	12,649,039
<b>Total General Fund</b>	<b>10,916,729</b>	<b>11,807,827</b>	<b>14,431,928</b>	<b>14,196,986</b>	<b>11,012,089</b>	<b>9,899,602</b>	<b>13,612,405</b>
<b>All Other Governmental Funds</b>							
Reserved	41,873,934	53,376,063	41,592,028	35,591,716	35,336,754	32,654,441	34,820,649
Unreserved, Reported in:							
Special Revenue funds	26,756,707	28,104,809	23,238,226	148,315,752	155,814,840	105,278,827	98,975,199
Debt Service funds	12,793,227	15,386,870	14,290,672	89,894,236	84,744,936	128,340,399	107,977,695
Capital Projects funds	(36,831,939)	(54,266,570)	(53,474,079)	(65,862,884)	(35,950,447)	(38,860,992)	(30,530,366)
<b>Total All Other Governmental Funds</b>	<b>44,591,929</b>	<b>42,601,172</b>	<b>25,646,847</b>	<b>207,938,820</b>	<b>239,946,083</b>	<b>227,412,675</b>	<b>211,243,177</b>
<b>Total Governmental Funds</b>	<b>\$ 55,508,658</b>	<b>\$ 54,408,999</b>	<b>\$ 40,078,775</b>	<b>\$ 222,135,806</b>	<b>\$ 250,958,172</b>	<b>\$ 237,312,277</b>	<b>\$ 224,855,582</b>



Source: City of Akron, Ohio Finance Department

Note: Information prior to 2001 is not comparable due to the implementation of GASB 34.

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

Schedule 4

	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>							
Income Taxes	\$ 95,960,631	\$ 97,066,581	\$ 100,774,470	\$ 112,668,881	\$ 124,572,314	\$ 127,928,669	\$ 142,933,003
Property Taxes	26,511,099	31,443,342	30,374,275	28,193,761	27,896,871	32,427,784	29,786,617
JEDD Revenues	14,682,526	13,780,721	12,532,059	13,332,783	14,057,613	16,861,380	17,829,829
Special Assessments	14,919,707	11,783,730	12,786,836	13,924,427	13,236,631	12,754,375	13,778,724
Grants and Subsidies:							
Community Development	9,553,122	10,953,866	11,589,020	14,274,362	12,861,997	11,605,228	12,478,212
Other	18,668,284	18,208,147	22,567,077	17,559,226	13,843,621	17,604,596	20,183,088
Investment Earnings	4,050,994	1,933,869	1,384,938	2,921,080	7,267,257	7,389,680	5,234,435
Shared Revenues	30,606,210	26,812,007	33,095,237	32,461,563	46,266,621	105,766,818	65,507,619
Licenses, Fees and Fines	8,832,984	8,591,874	8,473,148	8,358,074	10,642,221	9,623,800	10,142,722
Charges for Services	21,896,781	20,130,987	21,913,831	23,544,847	24,283,315	28,670,461	28,800,007
Miscellaneous	8,701,161	8,730,850	11,904,151	11,503,832	10,681,121	12,655,993	12,752,168
<b>Total Revenues</b>	<b>\$ 254,383,499</b>	<b>\$ 249,435,974</b>	<b>\$ 267,395,042</b>	<b>\$ 278,742,836</b>	<b>\$ 305,609,582</b>	<b>\$ 383,288,784</b>	<b>\$ 359,426,424</b>
<b>Expenditures</b>							
Current:							
General Government	32,930,527	\$ 30,884,220	\$ 34,653,886	\$ 33,314,886	\$ 38,532,903	\$ 41,985,087	\$ 39,506,173
Public Service	49,245,754	63,233,069	75,365,244	69,852,895	87,267,701	106,364,245	59,444,922
Public Safety	95,298,619	99,840,890	96,926,410	102,644,931	104,460,027	108,252,675	107,412,983
Community Environment	15,130,825	14,283,130	14,248,628	28,624,126	23,995,474	112,504,139	49,594,950
Public Health	14,860,177	15,579,230	17,088,441	16,249,087	15,753,502	16,571,533	16,727,074
Recreation and Parks	4,892,662	5,523,417	4,907,828	4,746,079	7,580,781	2,420,510	5,567,820
Capital Outlay	57,248,672	43,234,027	41,238,897	16,986,611	192,958	3,022,789	80,002,867
Debt service:							
Principal Retirement	19,164,096	21,823,043	22,808,733	29,645,607	33,847,273	24,356,115	29,352,928
Interest	14,177,895	15,791,971	17,116,598	26,951,543	19,064,159	27,795,926	28,311,670
Bond Issuance Expenditures	571,774	734,940	453,922	1,441,316	2,215,424	413,476	1,096,121
<b>Total Expenditures</b>	<b>\$ 303,521,001</b>	<b>\$ 310,927,937</b>	<b>\$ 324,808,587</b>	<b>\$ 330,457,081</b>	<b>\$ 332,910,202</b>	<b>\$ 443,686,495</b>	<b>\$ 417,017,508</b>
<b>Excess of Revenues Under Expenditures</b>	<b>\$ (49,137,502)</b>	<b>\$ (61,491,963)</b>	<b>\$ (57,413,545)</b>	<b>\$ (51,714,245)</b>	<b>\$ (27,300,620)</b>	<b>\$ (60,397,711)</b>	<b>\$ (57,591,084)</b>

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

Schedule 4

	2001	2002	2003	2004	2005	2006	2007
<b>Other Financing Sources (Uses)</b>							
Issuance of General Obligation Bond	\$ -	\$ -	\$ -	\$ -	\$ 52,735,419	\$ 43,250,000	\$ 39,759,106
Issuance of General Obligation Notes	-	-	-	-	1,115,300	2,072,575	1,831,645
Issuance of Loans	-	-	-	-	-	-	2,285,818
Issuance of COP's	-	-	-	-	-	-	1,470,894
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	-	1,241,581	-
Premium on G.O. Debt	-	1,824,130	1,011,980	8,475,316	7,289,095	456,909	419,776
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)	-	-	-	-	-	-
Issuance of Capital Lease	-	-	-	-	-	9,050,203	-
Lease - Financed Capital Assets	-	-	-	-	-	(9,050,203)	-
Transfers-in	38,409,368	54,033,835	2,806,868	5,756,980	16,040,091	3,231,801	5,329,997
Transfers-out	(35,463,472)	(60,178,961)	(3,607,267)	(5,970,704)	(19,418,551)	(3,501,050)	(5,962,847)
<b>Total Other Financing Sources (Uses)</b>	\$ 27,944,213	\$ 60,392,304	\$ 43,083,321	\$ 233,771,276	\$ 56,122,986	\$ 46,751,816	\$ 45,134,389
<b>Net Change in Fund Balance</b>	\$ (21,193,289)	\$ (1,099,659)	\$ (14,330,224)	\$ 182,057,031	\$ 28,822,366	\$ (13,645,895)	\$ (12,456,695)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	13.77%	14.33%	14.24%	18.51%	16.57%	11.93%	17.44%

Source: City of Akron, Ohio Finance Department

Note: Information prior to 2001 is not comparable due to the implementation of GASB 34.



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	
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
2007	3,006,951	8,591,289	160,595	642,380	112,615	450,190	3,280,161	9,683,859	33.87
2008	2,991,842	8,548,120	80,493	321,972	97,027	312,223	3,169,362	9,182,315	34.52

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.

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		
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		
2007	9.28	0.30	0.30	0.42	10.30	71.66	15.14	1.46		
2008	9.28	0.30	0.30	0.42	10.30	71.66	14.87	1.46		

Source: City of Akron, Ohio Finance Department



City of Akron, Ohio  
 Property Tax Levies and Collections  
 Last Eight Fiscal 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
2006	32,145,893	29,413,676	91.5	1,829,441	31,243,117	97.2
2007	32,131,608	29,150,861	90.7	1,590,480	30,741,341	95.7

Source: City of Akron, Ohio Finance Department

Note: Information prior to 2000 is not available.

City of Akron, Ohio  
 Income Tax Collections by Annual Collection Amount (Withholding and Direct Accounts)  
 Fiscal Years 2006 and 2007

Fiscal Year 2006				
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections	Percentage of Total
\$1,000 and under	34,337	84.15 %	\$ 6,001,611	4.92 %
\$1,001 - \$2,500	3,027	7.42	4,716,280	3.86
\$2,501 - \$5,000	1,350	3.31	4,785,272	3.92
\$5,001 - \$10,000	851	2.09	5,960,577	4.88
\$10,001 - \$50,000	952	2.33	20,032,655	16.41
\$50,001 - \$100,000	156	0.38	10,905,811	8.93
\$100,001 - \$250,000	83	0.20	12,492,833	10.23
\$250,001 - \$1,000,000	35	0.09	15,561,534	12.75
Over \$1,000,001	13	0.03	41,626,229	34.10
	40,804	100.00 %	\$ 122,082,803	100.00 %

Fiscal Year 2007				
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections	Percentage of Total
\$1,000 and under	32,035	83.25 %	\$ 5,815,130	4.34 %
\$1,001 - \$2,500	2,956	7.68	4,668,366	3.48
\$2,501 - \$5,000	1,364	3.54	4,825,571	3.60
\$5,001 - \$10,000	852	2.21	5,990,042	4.47
\$10,001 - \$50,000	984	2.56	20,829,199	15.53
\$50,001 - \$100,000	147	0.38	10,168,727	7.58
\$100,001 - \$250,000	96	0.25	14,040,366	10.47
\$250,001 - \$1,000,000	34	0.09	13,607,126	10.14
Over \$1,000,001	17	0.04	54,181,938	40.39
	38,485	100.00 %	\$ 134,126,465	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 and Capital Leases by Type  
Last Ten Fiscal Years

Schedule 10

Fiscal Year	Governmental Activities										Internal Service General Obligation
	General Obligation	OPWC Loan	Ohio Depart. of Development Loans	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment	Capital Leases	SIB Loans	Total Government	
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	25,923,095	-	-	8,593,232
2002	173,398,605	5,201,518	517,467	30,350,000	9,185,000	51,945,000	11,473,873	24,809,589	-	-	6,343,299
2003	198,325,413	5,797,627	978,212	29,065,000	8,910,000	50,260,000	11,924,332	23,666,965	-	-	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	23,378,407	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	59,023,039	9,955,500	9,955,500	233,610
2006	207,077,924	9,931,118	1,309,013	44,360,000	214,130,000	44,240,000	14,586,695	69,784,688	9,955,500	9,955,500	201,629
2007	215,894,886	10,361,148	1,252,877	42,330,000	210,160,000	42,090,000	13,506,503	84,418,159	9,358,258	9,358,258	168,214

Fiscal Year	Business-Type Activities										Total Government	Per Capita <sup>a</sup>
	Economic Development	JEDD Revenue	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Capital Leases	Total Government	Per Capita <sup>a</sup>		
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	-	435,204,056	2,005		
2002	-	-	4,661,456	53,830,000	45,690,000	47,009,590	3,376,903	893,688	468,685,988	2,159		
2003	-	-	3,763,196	59,045,000	43,465,000	43,091,983	3,229,272	711,163	486,265,197	2,240		
2004	-	-	2,856,881	54,035,000	41,135,000	60,518,215	3,059,266	510,157	699,461,973	3,222		
2005	-	-	1,339,672	49,205,000	42,485,000	56,302,243	3,141,885	309,151	732,051,373	3,372		
2006	-	-	922,222	57,565,000	39,665,000	50,996,798	2,852,601	180,539	767,758,727	3,537		
2007	-	-	800,792	51,845,000	37,380,000	46,142,221	2,651,087	515,964	768,875,109	3,542		

Source: City of Akron, Finance Department  
<sup>a</sup> See Schedule 16 for population data.

City of Akron, Ohio

Legal Debt Margin Information

Unvoted Debt Limit (5 1/2%)

Last Ten Fiscal Years

	1998	1999	2000	2001	2002
Debt limit	\$ 147,886,475	\$ 159,284,125	\$ 159,307,830	\$ 161,094,725	\$ 179,382,775
Total net debt applicable to limit	84,136,627	83,764,463	86,266,920	96,745,413	104,342,094
Legal debt margin	\$ 63,749,848	\$ 75,519,662	\$ 73,040,910	\$ 64,349,312	\$ 75,040,681
Total net debt applicable to limit as a percentage of debt limit	56.89%	52.59%	54.15%	60.05%	58.17%
Total unvoted net debt as a percentage of total assessed value of all property	3.10%	2.90%	3.00%	3.30%	3.20%
	2003	2004	2005	2006	2007
Debt limit	\$ 174,646,395	\$ 176,087,780	\$ 184,531,545	\$ 180,408,855	\$ 174,314,910
Total net debt applicable to limit	127,795,447	148,161,046	134,204,723	149,035,885	157,065,630
Legal debt margin	\$ 46,850,948	\$ 27,926,734	\$ 50,326,822	\$ 31,372,970	\$ 17,249,280
Total net debt applicable to limit as a percentage of debt limit	73.17%	84.14%	72.73%	82.61%	90.10%
Total unvoted net debt as a percentage of total assessed value of all property	4.00%	4.60%	3.90%	4.50%	4.95%

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio  
 Legal Debt Margin Information  
 Total Debt Limit (10 1/2%)  
 Last Ten Fiscal Years

Schedule 12

	1998	1999	2000	2001	2002
Debt limit	\$ 282,328,746	\$ 304,087,906	\$ 304,133,130	\$ 307,544,475	\$ 342,458,025
Total net debt applicable to limit	<u>90,936,627</u>	<u>89,164,463</u>	<u>90,266,920</u>	<u>99,345,413</u>	<u>105,942,094</u>
Legal debt margin	<u>\$ 191,392,119</u>	<u>\$ 214,923,443</u>	<u>\$ 213,866,210</u>	<u>\$ 208,199,062</u>	<u>\$ 236,515,931</u>
Total net debt applicable to limit as a percentage of debt limit	32.21%	29.32%	29.68%	32.30%	30.94%
Total net debt as a percentage of total assessed value of all property	3.40%	3.10%	3.10%	3.40%	3.20%
	2003	2004	2005	2006	2007
Debt limit	\$ 333,415,845	\$ 336,167,580	\$ 352,287,495	\$ 344,416,905	\$ 332,783,010
Total net debt applicable to limit	<u>128,795,447</u>	<u>148,561,046</u>	<u>134,204,723</u>	<u>149,035,885</u>	<u>157,065,630</u>
Legal debt margin	<u>\$ 204,620,398</u>	<u>\$ 187,606,534</u>	<u>\$ 218,082,772</u>	<u>\$ 195,381,020</u>	<u>\$ 175,717,380</u>
Total net debt applicable to limit as a percentage of debt limit	38.63%	44.19%	38.10%	43.27%	47.20%
Total net debt as a percentage of total assessed value of all property	4.10%	4.60%	3.90%	4.50%	4.95%

Source: City of Akron, Ohio Finance Department



City of Akron, Ohio  
 Computation of Direct and Overlapping Debt  
 As of December 31, 2007

Political Subdivision	Amount of Debt	Percent Applicable to City	City's Share
City of Akron	\$233,149,295 *	100.00 %	\$233,149,295
Summit County	97,129,229	25.79	25,049,628
Copley-Fairlawn City School District	4,270,000	3.84	163,968
Revere Local School District	9,724,201	3.30	320,899
Akron Metro Regional Transit Authority	650,000	25.79	167,635
Woodridge Local School District	14,095,000	30.42	4,287,699
Summit County Library District	53,825,000	37.86	20,378,145
	<u>\$412,842,725</u>		<u>\$283,517,269</u>

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

General Obligation Bonds	\$230,369,113
General Obligation Notes	<u>2,780,182</u>
	<u>\$233,149,295</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 <sup>1</sup> of Property	Per Capita <sup>2</sup>
	\$	\$	\$		\$
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
2006	222,777	3,383	219,394	2.27	1,011
2007	230,369	2,526	227,843	2.48	1,050

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.

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

<sup>2</sup> 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			Sewer Revenue Bonds			Special Assessment Bonds			
	Sewer Gross Revenue	Less: Operating Expenses <sup>1</sup>	Net Available Revenue	Principal	Debt Service Interest	Coverage	Special Assessment Collections	Debt Service Principal	Debt Service Interest	Coverage
1998	\$ 33,862	\$ 21,550	\$ 12,312	\$ 2,120	\$ 2,598	2.61	\$ 11,012	\$ 2,128	\$ 697	3.90
1999	36,654	22,258	14,396	2,005	2,816	2.99	10,677	1,943	689	4.06
2000	30,961	19,928	11,033	2,045	2,731	2.31	10,629	2,118	599	3.91
2001	32,400	19,348	13,052	2,095	2,642	2.76	11,331	2,128	674	4.04
2002	35,296	22,458	12,838	2,150	2,549	2.73	11,030	2,026	535	4.31
2003	32,774	22,497	10,277	2,225	2,450	2.20	11,262	2,243	509	4.09
2004	34,696	26,318	8,378	2,330	2,344	1.79	11,285	2,204	547	4.10
2005	37,499	25,466	12,033	2,440	2,231	2.58	11,610	2,572	671	3.58
2006	35,800	22,730	13,070	2,820	1,922	2.76	12,568	2,865	655	3.57
2007	36,772	24,194	12,578	2,285	1,767	3.10	13,023	2,699	593	3.96

Fiscal Year	Water Revenue Bonds			Water Revenue Bonds		
	Water Gross Revenue	Less: Operating Expenses <sup>1</sup>	Net Available Revenue	Principal	Debt Service Interest	Coverage
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
2006	34,720	25,276	9,444	4,980	2,034	1.35
2007	34,036	24,254	9,782	5,720	2,431	1.20

Source: City of Akron, Ohio Finance Department

<sup>1</sup>Net of Depreciation

City of Akron, Ohio  
Demographic and Economic Statistics  
Last Ten Fiscal 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)
2007	217,074	\$ 3,819,634,104	\$ 17,596	\$ 31,835	34.2	18 %	59,258	5.9
2006	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	5.9
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

Source: (1) U. S. Census Bureau

(2) Ohio Department of Job and Family Services

\*Median Age is not available from the 1990 Census statistical information

City of Akron, Ohio  
Principal Employers  
6/1/2007 and 12/31/1998

Schedule 17

Employer	June 1, 2007			December 31, 1998			
	Full-Time Employees	Rank	Percentage of Total City Employment	Employer	Full-Time Employees	Rank	Percentage of Total City Employment
Summa Health System	6,100	1	5.93 %	Goodyear Tire & Rubber Company	4,700	1	4.43 %
Akron General Health System	4,260	2	4.14	Summa Health System	3,650	2	3.44
County of Summit	3,470	3	3.37	County of Summit	3,510	3	3.31
Goodyear Tire & Rubber Company	3,500	4	3.40	Akron City School District	3,000	4	2.83
Akron City School District	3,050	5	2.96	Akron General Medical Center	2,794	5	2.64
The University of Akron	2,845	6	2.76	The City of Akron	2,583	6	2.44
First Merit Corporation	2,695	7	2.62	The University of Akron	2,094	7	1.98
Children's Hospital Medical Center	2,565	8	2.49	Acme (Fred Albrecht Co.)	2,000	8	1.89
FirstEnergy Corporate Headquarters	2,415	9	2.35	Roadway Express, Inc.	1,500	9	1.42
The City of Akron	2,245	10	2.18	FirstMerit Corporation	1,475	10	1.39
	<u>33,145</u>		32.21 %		<u>27,306</u>		25.76 %

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio  
 Full-Time Equivalent City Government Employees by Function/Program  
 Last Nine Fiscal Years

Schedule 18

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government:</b>									
City Council	4	4	4	4	4	3	3	2	2
Courts	98	96	96	93	94	91	91	92	95
Mayor's Office - Administration	3	3	2	2	1	1	1	1	1
Elected and Appointed Officials	45	44	47	49	47	51	51	51	52
Economic Development	10	11	12	11	11	11	10	9	8
Labor Relations	3	3	3	3	3	2	2	2	1
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	105	102
Health Department	1	-	-	-	-	-	-	-	-
Civil/Criminal	13	13	13	11	12	12	13	11	10
Personnel Department	24	24	23	22	22	22	19	14	15
Planning Department	-	-	-	1	-	-	-	1	1
Police Department	-	-	1	1	1	-	-	-	-
<b>Public Safety:</b>									
Elected and Appointed Officials	1	1	1	1	1	-	-	-	-
Finance Department	3	2	2	2	2	2	2	1	1
Health Department	2.5	2.5	2.5	2.5	2.5	2	2	2	2
Building Inspection	25	24	23	21	21	22	20	19	20
Communications	20	20	19	19	19	18	19	20	19
Weights & Measures	4	4	4	4	4	4	3	1	-
Safety Communications	70	69	67	69	68	62	64	63	64
Fire Department	398	415	404	388	391	385	401	389	379
Police Department	548	526	506	542	528	521	511	494	517
Traffic Engineering	36	36	34	34	32	31	32	30	30
Customer Service	-	-	-	-	-	-	-	2	-
Engineering Bureau	-	-	-	-	-	-	-	-	1
<b>Public Health:</b>									
Health Department	182.5	183.5	178.5	177.5	177.5	166	158	156	154

City of Akron, Ohio  
 Full-Time Equivalent City Government Employees by Function/Program  
 Last Nine Years  
 (continued)  
 Schedule 18

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Public Service:</b>									
City Council	-	-	-	-	-	1	1	1	-
Elected and Appointed Officials	5	5	5	5	5	5	5	4	4
Building Inspection	-	-	-	-	-	-	-	-	1
Planning Department	-	-	-	1	-	-	-	-	-
Fire Department	1	-	-	-	-	-	-	-	-
Public Service Administration	4	4	4	4	4	4	4	4	4
Customer Service	15	12	13	12	16	14	12	10	8
Plans and Permits Center	6	6	5	5	4	4	4	4	3
Customer Service Response	-	-	-	-	-	13	12	12	13
Engineering Bureau	80	80	78	81	79	71	68	66	60
Airport	6	6	6	6	6	6	5	5	5
Building Maintenance	34	35	37	32	30	30	27	27	32
Motor Equipment	46	46	45	47	44	38	39	36	35
Golf Course	4	4	4	4	5	6	6	6	6
Public Utilities Administration	3	3	3	3	4	3	3	3	3
Utilities Services	84	72	68	67	74	67	62	58	56
Water Department	280	255	229	220	272	270	260	246	251
Sewer Maintenance	77	70	61	67	-	-	-	-	-
Public Works Administration	6	6	6	6	7	7	7	7	9
Highway Maintenance	88	89	85	84	80	74	68	64	70
Sanitation Services	66	65	66	68	65	66	65	63	45
Street Cleaning	37	39	40	39	38	37	37	34	37
Parks Maintenance	33	32	34	33	30	30	30	28	29
Engineering Services	8	8	8	7	7	7	7	6	6
<b>Community Environment:</b>									
Elected and Appointed Officials	1	2	2	2	2	2	2	2	2
Economic Development	-	-	-	1	1	-	-	1	1
Planning Department	89	88	86	82	81	76	70	67	66
Recreation Bureau	20	22	21	22	23	24	24	23	23
<b>Totals:</b>	2,600	2,537	2,453	2,456	2,418	2,359	2,314	2,242	2,243

Source: City of Akron, Ohio Finance Department  
 Note: Data prior to 1999 is not available

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

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government</b>										
<b>Building Department:</b>										
Commercial & Right Away Plan Review	N/A	N/A	N/A	699	717	695	701	710	876	1,229
New House Permits	N/A	N/A	N/A	202	187	137	295	300	111	114
Zoning Complaint Investigation	N/A	N/A	N/A	N/A	N/A	260	347	350	377	576
Total Number of Permits Issued	3,853	3,662	3,201	2,852	2,533	2,570	2,257	2,202	2,165	6,031
City Council Ordinances Passed	856	746	822	689	603	687	670	664	621	649
<b>Fire</b>										
Emergency Responses	29,556	29,620	29,735	29,859	30,274	30,945	31,373	31,112	31,533	32,422
Fire/Rescue	8,424	8,947	8,323	7,874	7,805	7,700	7,601	7,884	7,280	7,930
<b>Police</b>										
Calls for Service	260,974	255,995	260,072	254,768	254,367	264,008	260,113	257,085	246,202	255,135
Civil Division Cases Filed	11,059	10,781	11,117	12,030	12,807	13,602	13,651	14,846	15,088	15,435
Criminal/Traffic Division Cases Filed	47,442	44,566	50,981	46,461	44,424	45,666	43,157	42,114	40,690	38,880
Parking Division Cases Filed	18,277	19,877	21,730	25,803	20,731	20,958	22,815	26,645	23,636	20,201
<b>Parks and Recreation</b>										
Good Park Golf Course Attendance	48,992	44,416	42,888	39,144	38,034	34,438	31,219	33,100	32,931	31,681
*Mud Run Golf Course Attendance	-	-	-	-	-	6,577	9,302	9,350	10,913	10,661
<b>Sewer</b>										
Sewer Accounts	81,240	81,340	82,612	82,089	81,892	81,859	81,346	81,035	80,909	79,721
Sewer Amounts Billed (in thousands)	33,736	34,340	33,777	33,803	34,484	32,663	33,328	34,481	32,074	37,120
<b>Water</b>										
Water Accounts	82,544	83,211	83,789	82,827	82,939	83,134	82,955	82,448	82,944	84,037
Water Amounts Billed (in thousands)	28,893	29,168	28,162	28,609	30,627	27,633	27,508	30,060	29,022	28,316

\*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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Police</b>										
Number of Uniformed Police Officers	473	505	481	461	499	484	477	468	451	474
Number of Districts	23	23	23	23	23	11	12	12	12	12
<b>Fire</b>										
Number of Firefighters and Officers	382	372	390		363	366	359	375	359	353
Number of Stations	13	13	13	13	13	13	13	13	13	13
<b>Parks and Recreation</b>										
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	2	2	2	2
<b>Water</b>										
Miles of Pipe	1,075	1,085	1,097	1,097	1,097	1,213	1,213	1,215	1,213	1,213
Average Daily Pumpage (in millions of gallons)	41	42	40	41	40	41	38	37	35	38
Distribution-Storage Reservoirs	15	15	15	15	15	15	15	15	15	15
<b>Sewer</b>										
Sanitary Sewers (miles)	829	832	833	833	834	835	837	649	701	649
Storm Sewers (miles)	253	257	258	258	260	262	268	269	382	382
Storm and Combined Sewer Inlets (miles)	94	95	95	95	95	96	97	286	309	309
Pump Stations	29	29	29	33	33	33	33	33	33	33
<b>Other Public Works</b>										
Oil Wells	12	12	12	14	14	14	13	13	13	13
Parking Decks	8	8	8	8	8	8	10	10	10	10

Source: City of Akron, Ohio Finance Department

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Mary Taylor, CPA  
Auditor of State

**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  
SEPTEMBER 30, 2008**