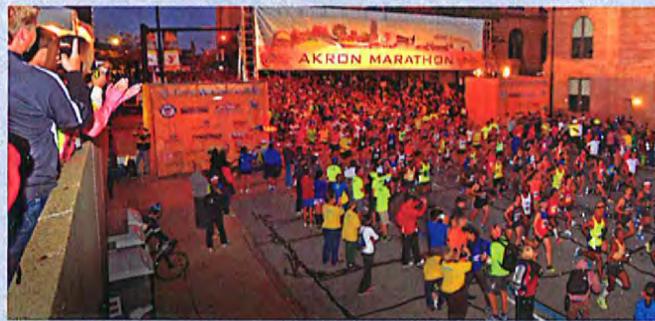
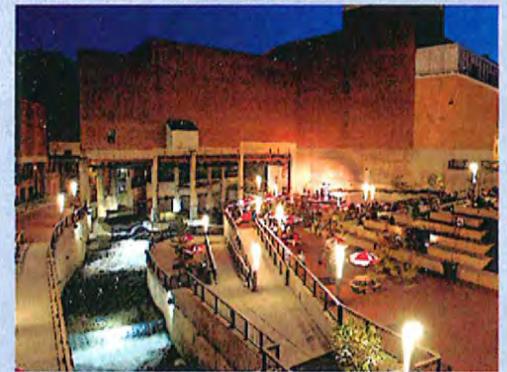


Comprehensive Annual Financial Report City of Akron, Ohio

For the Fiscal Year Ended December 31, 2013



Donald L. Plusquellic, Mayor



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



For the Fiscal Year Ended December 31, 2013
Donald L. Plusquellic, Mayor

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

(This page intentionally left blank)

Introductory Section



ELECTED AND APPOINTED OFFICIALS

MAYOR

Donald L. Plusquellic

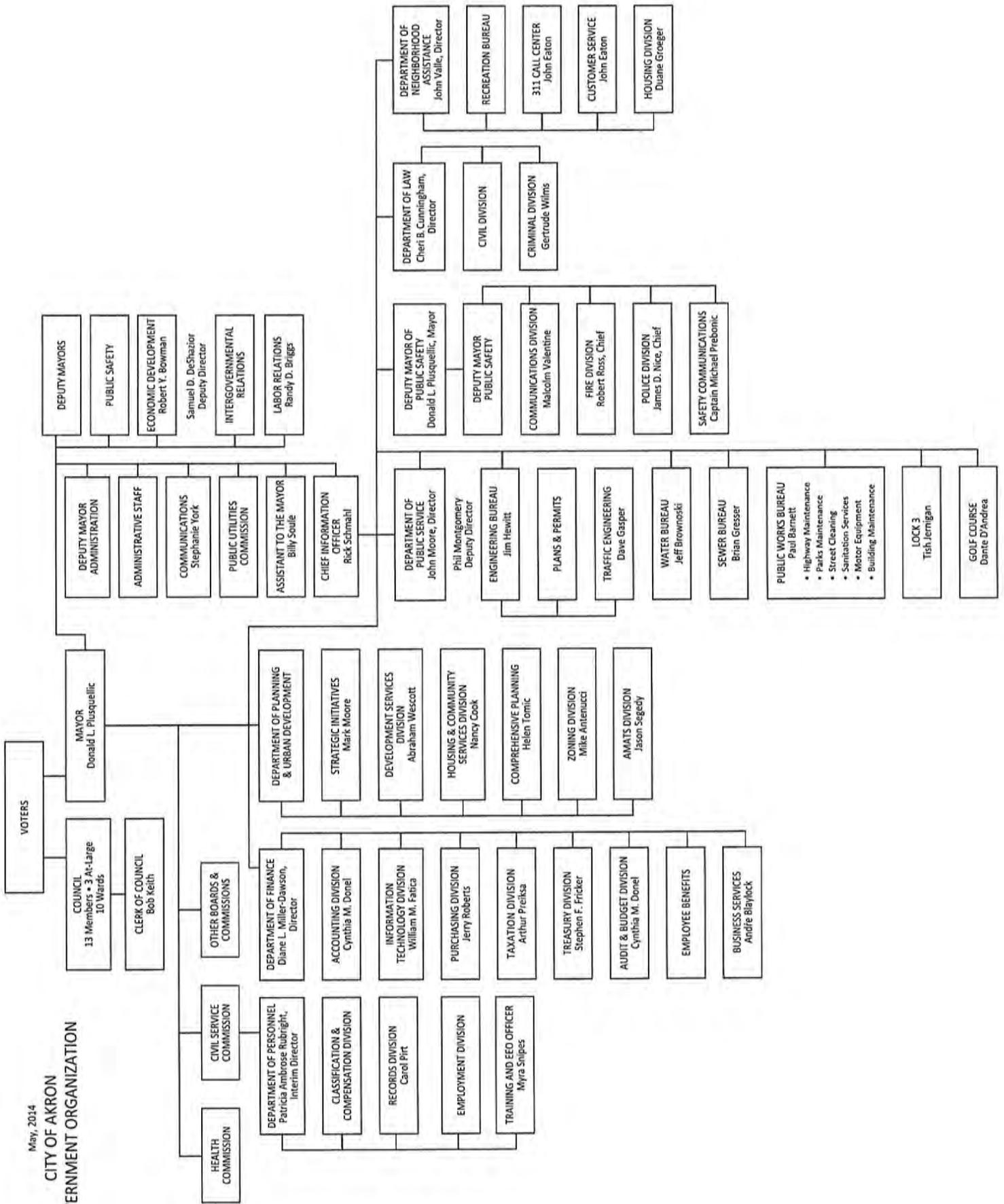
COUNCIL MEMBERS

Rich Swirsky	1st Ward
James P. Hurley III	2nd Ward
Margo M. Sommerville	3rd Ward
Russel C. Neal, Jr.	4th Ward
Tara Mosley-Samples	5th Ward
Robert E. Hoch	6th Ward
Donnie J. Kammer	7th Ward
Marilyn L. Keith	8th Ward
Michael N. Freeman	9th Ward
Garry L. Money Penny, Council President	10th Ward
Jeff C. Fusco	Councilman-at-Large
Linda F. R. Omobien	Councilman-at-Large
Michael D. Williams	Councilman-at-Large

CABINET OF THE MAYOR

Diane L. Miller-Dawson	Director of Finance
Cheri B. Cunningham	Director of Law
John O. Moore	Director of Public Service
John W. Valle	Director of Neighborhood Assistance
Phillip J. Montgomery	Deputy Director of Public Service
Marco S. Sommerville	Director of Planning and Urban Development
Samuel D. DeShazior	Deputy Director of Planning and Urban Development
Laraine A. Duncan	Deputy Mayor of Intergovernmental Relations
Robert Y. Bowman	Deputy Mayor of Economic Development
Billy Soule	Assistant to the Mayor for Community Relations
Richard A. Schmahl	Chief Information Officer
Randy D. Briggs	Deputy Mayor for Labor Relations
Stephanie H. York	Communications - Assistant Director of Law
Dr. Teresa H. Albanese	Assistant to the Mayor for Education, Health and Families

CITY OF AKRON GOVERNMENT ORGANIZATION



**CITY OF AKRON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS**

	<u>Exhibit</u>	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>		
List of Officials		1
Organization Chart		2
Table of Contents		3
Finance Director's Letter of Transmittal		7
Certificate of Achievement for Excellence in Financial Reporting		15
 <u>FINANCIAL SECTION:</u>		
Independent Auditor's Report		17
Management's Discussion and Analysis		21
 <u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position	1	38
Statement of Activities	2	39
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	40
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	3a	41
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4	42
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	4a	43
Statement of Net Position - Proprietary Funds	5	44
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	6	45
Statement of Cash Flows - Proprietary Funds	7	46
Statement of Net Position - Fiduciary Funds	8	47
Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds	9	48
 Notes to the Financial Statements:		
1. Summary of Significant Accounting Policies		49
2. Pooled Cash and Investments		60
3. Receivables		63
4. Due From/To Other Governments		64
5. Due From/To Other Funds		65
6. Deposits		65
7. Capital Assets		66
8. Accrued Vacation and Leave		69
9. Pension and Other Post-Retirement Benefit Plans		71
10. Notes Payable		77
11. Long-Term Debt		79
12. Obligations Under Capitalized Leases and Certificates of Participation (COPs)		92

**CITY OF AKRON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 (Continued)**

	<u>Exhibit</u>	<u>Page</u>
Notes to the Financial Statements (Continued):		
13. Self-Insurance Funds		95
14. Long-Term Liabilities		97
15. Compliance and Accountability		98
16. Income Taxes		99
17. Property Taxes		99
18. JEDD Revenues		100
19. Pledged Revenues		101
20. Pollution Remediation		105
21. Deferred Inflows / Deferred Outflows of Resources		106
22. Transfers and Advances		107
23. Contingencies		108
24. Closure and Post-Closure Care Costs		108
25. Jointly Governed Organizations		108
26. Related Organization		109
27. Restatement of Beginning Balances		109
28. Fund Balance		110
29. Fiscal Analysis		111
30. Subsequent Events		111
 <u>Required Supplementary Information</u>		
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Non-GAAP Budget Basis		
• General Fund	A-1	113
• Community Learning Centers Fund	A-2	116
• Income Tax Capital Improvement Fund	A-3	117
Notes to the Budgetary Comparison Schedule		
• Budgetary Data		118
 <u>Supplementary Information</u>		
Non-Major Governmental Funds:		120
Combining Balance Sheet - Non-Major Governmental Funds	B-1	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	B-2	127
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Non-GAAP Budget Basis		
• Income Tax Collection Fund	B-3	132
• Emergency Medical Service Fund	B-4	133
• Special Assessment Fund	B-5	134
• Police Pension Employer's Liability Fund	B-6	135
• Fire Pension Employer's Liability Fund	B-7	136
• Street and Highway Maintenance Fund	B-8	137
• Street Assessment Fund	B-9	138
• Community Development Fund	B-10	139
• Community Environment Grants Fund	B-11	140
• Akron Metropolitan Area Transportation Study Fund	B-12	141
• H.O.M.E. Program Fund	B-13	142
• Tax Equivalency Fund	B-14	143

**CITY OF AKRON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 (Continued)**

	<u>Exhibit</u>	<u>Page</u>
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Non-GAAP Budget Basis (Continued)		
• E.D.A. Revolving Loans Fund	B-15	144
• Joint Economic Development Districts Fund	B-16	145
• Akron Municipal Court Information System Fund	B-17	146
• Public Health Fund	B-18	147
• Police Grants Fund	B-19	148
• Safety Programs Fund	B-20	149
• Health Grants Fund	B-21	150
• City Facilities Operating Fund	B-22	151
• Various Purpose Funding Fund	B-23	152
• Deposits Fund	B-24	153
• General Bond Payment Fund	B-25	154
• Non-appropriated Capital Projects Fund	B-26	155
• Streets Fund	B-27	156
• Information Technology and Improvements Fund	B-28	157
• Parks and Recreation Fund	B-29	158
• Public Facilities and Improvements Fund	B-30	159
• Public Parking Fund	B-31	160
• Economic Development Fund	B-32	161
 Non-Major Enterprise Funds:		 163
Combining Statement of Net Position - Non-Major Enterprise Funds	C-1	164
Combining Statement of Revenues, Expenses and Changes in Net Position - Non-Major Enterprise Funds	C-2	165
Combining Statement of Cash Flows - Non-Major Enterprise Funds	C-3	166
 Internal Service Funds:		 169
Combining Statement of Net Position - Internal Service Funds	D-1	170
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	D-2	172
Combining Statement of Cash Flows - Internal Service Funds	D-3	174
 Fiduciary Funds:		 179
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds	E-1A	180
Combining Statement of Fiduciary Net Position - Agency Funds	E-1B	181
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds	E-2	182
Combining Statement of Changes in Assets and Liabilities - Agency Funds	E-3	183

CITY OF AKRON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
(Continued)

STATISTICAL SECTION:

Schedule Page

Statistical Section:		185
Net Position by Component, Last Ten Fiscal Years	1	187
Changes in Net Position, Last Ten Fiscal Years	2	188
Fund Balances, Governmental Funds, Last Ten Fiscal Years	3	190
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	4	192
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	5	194
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	6	195
Principal Property Tax Payers 12/31/2013 and 12/31/2004	7	196
Property Tax Levies and Collections, Last Ten Years	8	197
Income Tax Collections by Annual Collection Amount (Withholding and Direct Accounts), Fiscal Years 2012 and 2013	9	198
Ratios of Outstanding Debt and Capital Leases by Type, Last Ten Fiscal Years	10	199
Legal Debt Margin Information Unvoted Debt Limit (5 1/2%), Last Ten Fiscal Years	11	200
Legal Debt Margin Information Total Debt Limit (10 1/2%), Last Ten Fiscal Years	12	201
Computation of Direct and Overlapping Debt as of December 31, 2013	13	202
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	14	203
Pledged-Revenue Coverage, Last Ten Fiscal Years	15	204
Demographic and Economic Statistics, Last Ten Fiscal Years	16	206
Principal Employers 12/31/2013 and 12/31/2004	17	207
Full-Time Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years	18	208
Operating Indicators by Function/Program, Last Ten Fiscal Years	19	210
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	20	211

Diane L. Miller-Dawson
Director of Finance
E-mail: DMiller-Dawson@akronohio.gov



Tina A. Vick
Executive Assistant

Donald L. Plusquellic
Mayor

DEPARTMENT OF FINANCE

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

June 20, 2014

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, 2013. This report presents financial and operating information about the City's activities during 2013 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 Auditor's 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 2010 Census population of 199,110. 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, employee benefits, 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 approximately 5.4% in 2013. On a cash basis for 2013, property taxes in the general fund increased by 2.6% and the state's local government revenue to the City decreased by approximately 23.4%. Income tax receipts from the 12 largest economic sectors in the City have increased by 12% since 2009 and, combined, account for over 78% of total tax collections. Receipts from the 12 fastest growing economic sectors have increased by 38%. No one sector makes up more than 19% of the total collected.

Despite economic concerns in 2013, the City of Akron remains in a stable financial state. Efforts to reduce expenses and operate more efficiently have allowed the City to function at a continuously high service level at lower costs. These efforts ensure the City will be in strong position for growth as the economy rebounds. The revenue collected from the four Joint Economic Development Districts (JEDDs) is an additional funding source to encourage and promote economic development and to secure a solid tax base.

Long-term Financial Policies

Unassigned fund balance in the general fund (6.5% of the general fund expenditures) is over the City's 5% threshold policy guidelines set by the Administration for budgetary and planning purposes. 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 the 2% income tax (the City's largest revenue source) used specifically for City services, 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 parts: creating and retaining jobs, neighborhood growth and security and alliance with other governmental entities.

In 2013, the Akron Biomedical Corridor continued to attract international companies looking to commercialize their products and enter into the North American market. Through international trade shows and collaboration with business incubators throughout the world, Akron has been successful in landing companies such as Quest Medical Imaging, a biomedical company from the Netherlands that located its U.S. headquarters in the City's Akron Global Business Accelerator in 2013. Quest received funding from The Akron BioInvestments Fund, an initiative started in 2012, to commercialize its Artemis Handheld System. This device is the world's first simultaneous full-color and fluorescent medical imaging system that helps surgeons reduce damage to healthy tissues and nerves while performing surgeries. The Akron BioMedical Corridor website itself received a Gold Excellence in Economic Development Award from the International Economic Development Council in 2013.

The Community Learning Center building project, a partnership between the City of Akron and Akron Public Schools, completed its twenty-eighth building with the opening of the Hatton and Seiberling CLCs in 2013. The Community Learning Centers are being used to expand opportunities for all citizens, as the City and APS have partnered with Stark State College to offer adults low cost educational programs at various CLC's, helping them to prepare for jobs as skilled workers in high-demand fields. In addition, more than 2,000 events were hosted at the CLC's providing children's programs, meeting places for neighborhood groups, and exercise classes.

The City was also successful in helping current companies to grow and stay in Akron. In 2013, construction began on the new Mustard Seed Market grocery store at West Market Street and North Portage Path in the Highland Square neighborhood. The City had applied for and received

a Section 108 loan through the Community Development Block Grant program run by the U.S. Department of Housing and Urban Development to help build the new store. The City also provided FirstMerit Bank with a jobs creation grant of approximately \$550,000 and agreed to construct \$4.6M in improvements to the Cascade Parking Deck to keep FirstMerit's headquarters downtown. The bank, which merged with Citizens Republic Bancorp of Michigan in 2013, will keep 1,196 jobs in Akron and will add up to 150 more full time employees. Other companies such as Or Derv Foods and Steelastic relocated operations to the City-owned Ascot Industrial Park.

In 2013, the City replaced the Public Utilities Bureau with a new Water Supply Bureau, which includes the Divisions of Watershed, Water Plant, and Water Distribution. The new Bureau hosted the 2013 American Water Works Association District Seminar at the Akron Drinking Water Treatment Facility. More than 200 water professionals throughout the State of Ohio attended, including officials from the Environmental Protection Agency, municipal water supply operators, scientists, biologists, engineers, and technicians. Investments were made in the Water Distribution system including the installation of sensors at strategic locations to monitor water levels and quality at the East Branch Reservoir, LaDue Reservoir, and Lake Rockwell. Detailed plans for a new Water Distribution facility were made as well. Akron finalized a 100-year water agreement with the Village of Mogadore and also initiated discussions with the City of Hudson to establish a similar deal, hoping to expand a service that already serves 280,000 drinking water customers in Akron and many neighboring communities.

The City continues to implement initiatives to engage and energize the community. The City launched a newly designed website in 2013 to provide residents, visitors, and businesses with greater accessibility to City departments, news, and information. The Department of Neighborhood Assistance established 24 new Block Watches throughout the City to encourage citizens to report crime and support anti-crime efforts. The "My Neighborhood, Our Akron" program was launched to clean up City parks and neighborhoods, targeting a different area each Saturday from May to October. Volunteers worked on various projects including collecting trash and debris at Rolling Acres mall and Mount Hope Cemetery, and installing a brick patio and spreading mulch at Forest Lodge Park.

To keep neighborhoods safe, the City bolstered its safety forces in 2013. The Akron Police Department hired and extended conditional job offers to 35 new police officer candidates. Akron Police worked with the Ohio Attorney General in the Safe Neighborhoods Initiative. Through this prevention program, a coalition of federal, state, and county law enforcement partners used shared data analysis to identify individuals most likely to be perpetrators or victims of violent crime. The City also established a joint work space for all law enforcement task forces in Summit County enabling them to work together more effectively. The Akron Fire Department hired 42 new firefighter/medics in 2013, with 38 of them funded by a federal SAFER grant. Every firefighter was given new turnout gear, and new defibrillators and hydraulic rescue equipment was deployed. In addition, Akron Fire was able to place four new ambulances and a new Hazardous Materials response vehicle in service.

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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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 2013, the City had 24 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 2013, the City had 10 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 2013, the City had 6 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 2013, 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. During 2013, the City had three Agency Funds.

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 an allocation 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 2013, investment interest income averaged a yield of 0.26% compared to a yield of 0.36% in 2012. The interest earnings are maximized by investing to projected payment dates on a competitive bid basis and by investing bank balances daily.

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 Dave Yost and his 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, 2012. 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 29 consecutive years (1984 through 2012). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The 2013 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/tav



Government Finance Officers Association

**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, 2012

Executive Director/CEO

(This page intentionally left blank)

Financial Section

THIS PAGE INTENTIONALLY LEFT BLANK.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and *required budgetary comparison schedules* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 20, 2014

(This page intentionally left blank)

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, 2013. Please read it in conjunction with the transmittal letter on page 7 and the City's financial statements, which begin on page 38.

FINANCIAL OVERVIEW

- The assets and deferred outflows of the City of Akron, Ohio exceeded its liabilities and deferred inflows at December 31, 2013 by \$789,090,534 (net position). Of this amount \$56,611,994 is restricted for debt service.
- The City's total net position increased by \$41,810,896 during the current year. Governmental activities' total net position increased by \$27,243,511 and the business-type activities' total net position increased by \$14,567,385.
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$105,539,709, a decrease from the prior year which is attributed to the reduction of expenditures associated with previously issued bonds.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,132,562 or 6.5% of total general fund expenditures.
- The City of Akron's total debt outstanding increased by \$6,599,424 (.91%) during the current year. During 2013, the City issued \$4,849,484 in Income Tax Revenue Bonds for various purpose improvements. There were OWDA loans issued for the cost of improving the Waterworks System (\$724,364) and the Sanitary Sewer System (\$29,880,596).

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 position presents information on all of the City of Akron's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the City of Akron.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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 38 – 39 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 41 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, the Community Learning Centers (CLC) Fund, the Income Tax Capital Improvement Fund, the Special Assessment Bond Payment Fund, and the Streets 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, special revenue funds, 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 40-43 of this report.

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

The focus of the City'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's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. During 2012, the City implemented GASB 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and also GASB 65 *Items Previously Reported as Assets and Liabilities*. The standard establishes a basis to reclassify certain items that were previously reported as assets and liabilities and instead classify them as Deferred Inflows of Resources, Deferred Outflows of Resources, or as outflows or resources.

Fund balances are the differences between assets and liabilities in a governmental funds. 1) Nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. 2) Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grantors or bondholders, as well as amounts that are restricted through enabling legislation. 3) Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority. 4) Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental funds other than the General Fund. 5) Unassigned fund balances include all amounts not contained in other classifications for the General Fund, and deficit fund balances in any other governmental funds.

As of the end of the current fiscal year, the City's total governmental funds reported an ending fund balance of \$105,539,709 a decrease of \$8,371,098 in comparison with the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.5% of total General Fund expenditures, while total fund balance represents 8.0% of that same amount.

Proprietary Funds. The City of Akron maintains two different types of proprietary funds, enterprise and internal service 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), information technology (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 44 – 46 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 47 – 48 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 49-111 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 113-118 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 120-183 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Akron, assets and deferred outflows exceeded liabilities and deferred inflows by \$789,090,534 at the close of the most recent fiscal year.

By far the largest portion of the City of Akron's net position reflects its net 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 position (7.2%) is restricted for the payment of debt service. The City's overall net position increased by \$41,810,896 during the current year; the net position of the governmental activities increased by \$27,243,511 and business-type activities increased by \$14,567,385.

Summary Statement of Net Position
as of December 31, 2012 and 2013
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Assets:						
Current and other assets	\$ 344,445	\$ 339,398	\$ 37,688	\$ 48,810	\$ 382,133	\$ 388,208
Capital assets	985,652	1,003,488	492,335	510,704	1,477,987	1,514,192
Total assets	\$ 1,330,097	\$ 1,342,886	\$ 530,023	\$ 559,514	\$ 1,860,120	\$ 1,902,400
Deferred outflows	-	581	838	572	838	1,153
Total assets and deferred outflows	\$ 1,330,097	\$ 1,343,467	\$ 530,861	\$ 560,086	\$ 1,860,958	\$ 1,903,553
Liabilities:						
Long-term liabilities	707,542	687,305	103,008	112,448	810,550	799,753
Other liabilities	102,604	117,811	25,905	31,463	128,509	149,274
Total liabilities	\$ 810,146	\$ 805,116	\$ 128,913	\$ 143,911	\$ 939,059	\$ 949,027
Deferred inflows	160,089	163,765	2,011	1,671	162,100	165,436
Total liabilities and deferred inflows	\$ 970,235	\$ 968,881	\$ 130,924	\$ 145,582	\$ 1,101,159	\$ 1,114,463
Net position:						
Net investment in capital assets	342,182	353,686	381,737	385,492	723,919	739,178
Restricted	45,769	46,822	9,727	9,790	55,496	56,612
Unrestricted (deficit)	(28,089)	(25,922)	8,473	19,222	(19,616)	(6,700)
Total net position	\$ 359,862	\$ 374,586	\$ 399,937	\$ 414,504	\$ 759,799	\$ 789,090

Governmental Activities. Changes in net position before transfers was an increase in the amount of \$27,581,871.

For the governmental activities, the unrestricted deficit results from having insufficient assets set aside for long-term obligations such as compensated absences and OPEB liability. The City finances such obligations on a year-to-year basis as they come due and also has ongoing capital projects that are debt-financed.

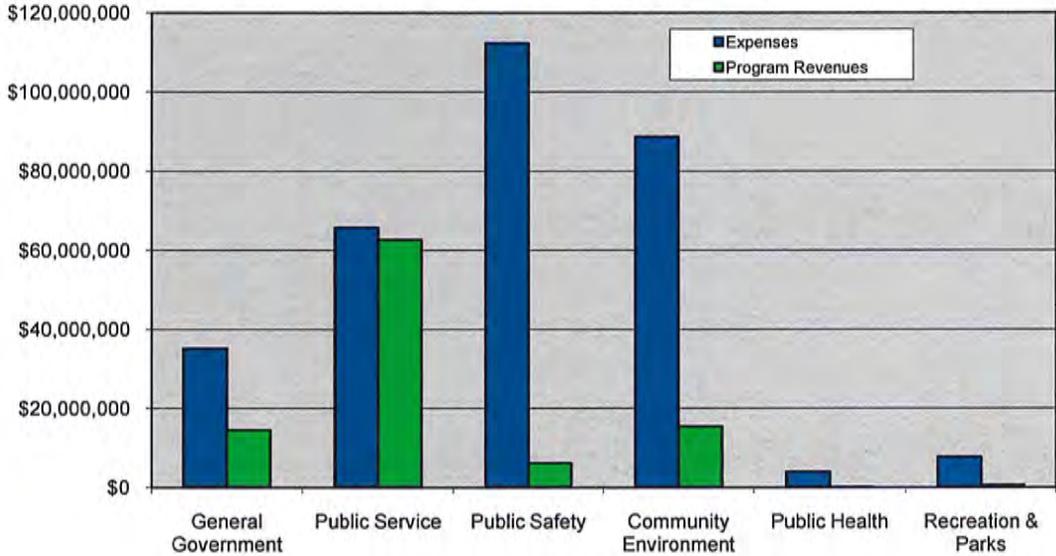
The following table shows total revenues for 2013 were \$382,909,000 which reflects an increase from the prior year. Revenue showed significant increases in Unrestricted shared revenue and Capital grants and contributions by \$23,113,000 and \$11,268,000, respectively. Income taxes increased by \$9,688,000 which is attributed to the stabilization of the local job market. Expenses for 2013 were slightly higher than 2012 by approximately \$17,978,000 while remaining less than the increase in program revenue. Even though the City monitored spending, the expenses for community environment show an increase relating to existing commitments and interest expense. Key events contributing to the changes are as follows:

- The increase in shared revenues is evidenced by the change in the state of the economy and is in conjunction with the Community Learning Center Projects.
- Unemployment fluctuates during the year and at year-end was 7.6%, which is consistent with the prior year-end number showing the stabilization of the work force.
- The increase in capital grants and contributions is attributed to the federal government providing assistance through various grants including the Assistance to Firefighters Grant Program sponsored by the Department of Homeland Security and administered by the Federal Emergency Management Agency.
- For the first time in six years, Income taxes exceed the pre-recession number and attributed to the increase in net position.
- Significant efforts are still in place to keep expenses in line with revenue as is shown on the following page, "Change in net position before transfers".
- The notable increase in community environment expenses is primarily due to the expenses attributed to the Economic Development Fund.

Changes in Net Position
For Fiscal Year Ended December 31, 2012 and 2013
(in thousands)

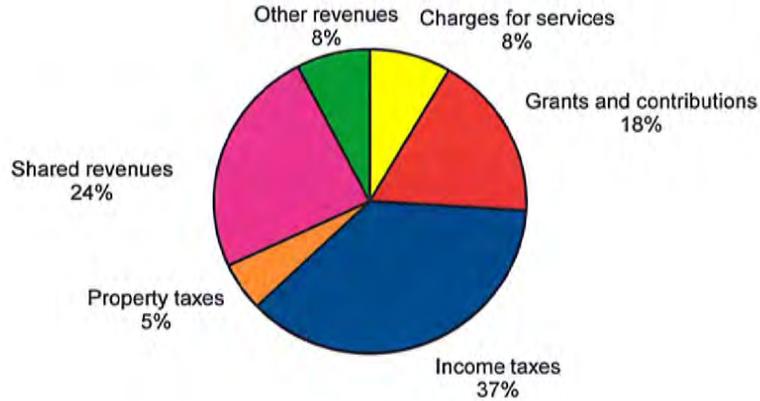
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues:						
Program revenues:						
Charges for services	\$ 25,741	\$ 32,257	\$ 94,363	\$ 104,189	\$ 120,104	\$ 136,446
Operating grants and contributions	19,658	20,410	-	-	19,658	20,410
Capital grants and contributions	35,507	46,775	7,786	4,045	43,293	50,820
General revenues:						
Income taxes	131,602	141,290	-	-	131,602	141,290
Property taxes	24,004	19,627	-	-	24,004	19,627
JEDD revenues	20,706	18,486	-	-	20,706	18,486
Investment earnings	439	553	1	1	440	554
Unrestricted shared revenues	69,710	92,823	-	-	69,710	92,823
Miscellaneous	8,337	10,657	2,438	1,087	10,775	11,744
Gain on sale of capital assets	60	31	-	-	60	31
Total revenues	\$ 335,764	\$ 382,909	\$ 104,588	\$ 109,322	\$ 440,352	\$ 492,231
Expenses:						
General government	\$ 44,074	\$ 35,134	\$ -	\$ -	\$ 44,074	\$ 35,134
Public service	52,045	65,741	-	-	52,045	65,741
Public safety	113,141	112,374	-	-	113,141	112,374
Community environment	66,174	88,673	-	-	66,174	88,673
Public health	3,983	3,922	-	-	3,983	3,922
Recreation and parks	6,907	7,691	-	-	6,907	7,691
Interest on debt	35,467	26,325	-	-	35,467	26,325
Unallocated depreciation	15,559	15,468	-	-	15,559	15,468
Water	-	-	28,051	31,076	28,051	31,076
Sewer	-	-	58,125	54,959	58,125	54,959
Oil & gas	-	-	279	202	279	202
Golf course	-	-	1,176	1,243	1,176	1,243
Airport	-	-	654	683	654	683
Off-street parking	-	-	7,780	6,930	7,780	6,930
Total expenses	337,350	355,328	96,065	95,093	433,415	450,421
Changes in net position before transfers	(1,586)	27,581	8,523	14,229	6,937	41,810
Transfers	(308)	(338)	308	338	-	-
Changes in net position	\$ (1,894)	\$ 27,243	\$ 8,831	\$ 14,567	\$ 6,937	\$ 41,810
Net position - beginning, as restated	361,756	347,343	391,106	399,937	752,862	747,280
Net position - ending	\$ 359,862	\$ 374,586	\$ 399,937	\$ 414,504	\$ 759,799	\$ 789,090

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, unassigned 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 \$105,539,709, a decrease in comparison to the prior year. The unassigned fund balance at the end of the current year is a deficit of \$16,836,228. The remainder of fund balance is distributed to indicate that it is not available for new spending because it has already been dedicated. The City's major governmental funds are the General Fund, the Community Learning Centers (CLC) Fund, the Income Tax Capital Improvement Fund, Special Assessment Bond Payment Fund, and the Streets Fund.

The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,132,562, while the total fund balance is \$11,232,996. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.5% of total General Fund expenditures, while total fund balance represents 8.0% of that same amount.

The fund balance of the City of Akron's General Fund increased by \$4,627,209 during the current fiscal year. Key factors in this change are as follows:

- Revenues as a whole increased by \$14,515,729 from the prior year. The increase is attributed to several sources of revenues.
- Akron's Income tax collection, our largest source of revenue in the General Fund, has improved and for the first time in six years exceeds the pre-recession number.
- Shared revenues increase is attributed to the funds provided for the Canal Park Baseball Stadium renovations.
- Charges for services increase is due to the increase in curbservice collections.
- Expenditures are under careful review not to exceed available resources is evidenced by expenditures remaining under revenue by \$13,215,660.
- The practice of transferring monies from the General Fund, \$8,588,451, 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 \$70,799,312. The net decrease in fund balance the Community Learning Centers Fund from the prior year was \$12,397,822 which is attributed to the payment of expenditures for debt service and project specific costs.

The Income Tax Capital Improvement Fund has a total fund balance of \$6,263,844. Expenditures exceeded revenue by \$17,143,927 in 2013. The increase in fund balance is attributed to the issuance of bonds and refunding obligations. The fund is responsible for debt service payments and relies heavily on the collection of income taxes.

The Special Assessment Bond Payment Fund has a total fund balance of \$2,035,307. The Fund is utilized for the accumulation of resources for, and the payment of, special assessment debt principal and interest and related costs.

The Streets Fund has a total fund deficit of \$16,716,039. The Fund is used to account for the accumulation of resources for, and payment of street projects. The City has obtained short term financing by issuing notes in anticipation of obtaining permanent financing.

Other Governmental Funds have a combined fund balance of \$31,924,289. The increase in the combined fund balance was \$1,537,135. This majority of the change is attributed to projects within the capital project funds. The City has been diligent in addressing several special revenue funds and the capital project funds as reflected in the net change in fund balance in the following: Emergency Medical Service Fund, Community Development Fund, Safety Programs Fund, and City Facilities Operating Fund.

GENERAL FUND BUDGETARY OVERVIEW

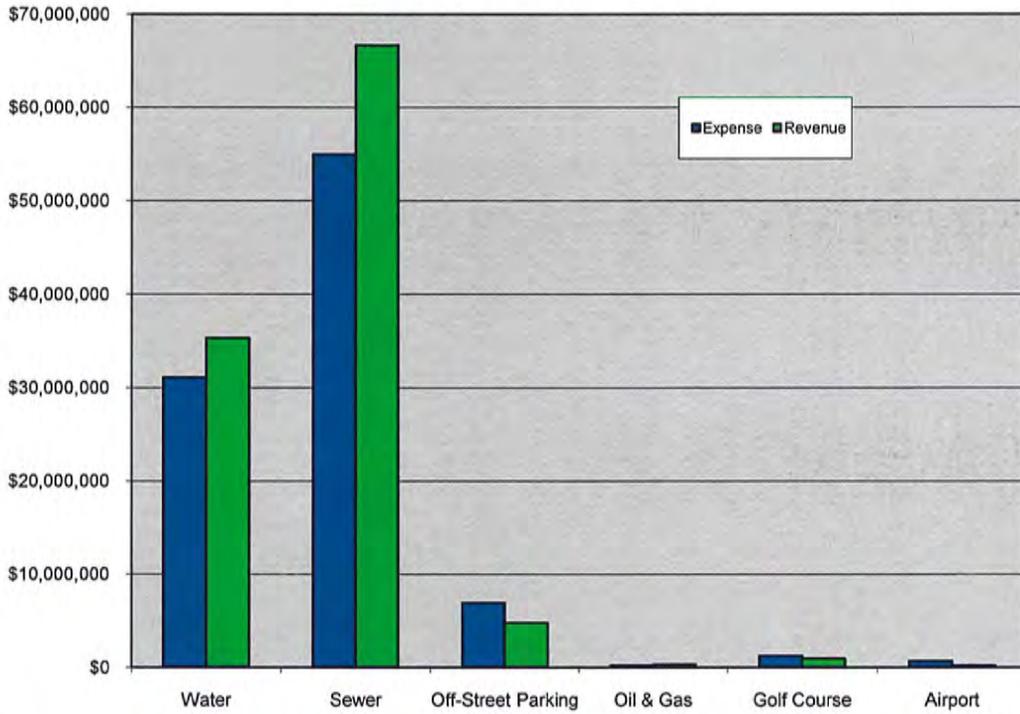
During the year, actual revenues and other sources were over original budgetary estimates by \$13,450,742 (9.2%). Income tax revenue, the major revenue source, was more than the original budgeted amount by \$2,334,894. Local government revenues during 2013 were higher than original budgeted amount by \$790,594. Miscellaneous revenue for 2013 was higher than budgeted due to receiving capital lease proceeds.

Through restraint on spending, the budgeted draw on General Fund resources was \$319,773. The actual results were lower than the final budgeted amount for revenues and other sources by \$1,626,728. The actual expenditures were under the final budget by \$5,158,188.

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

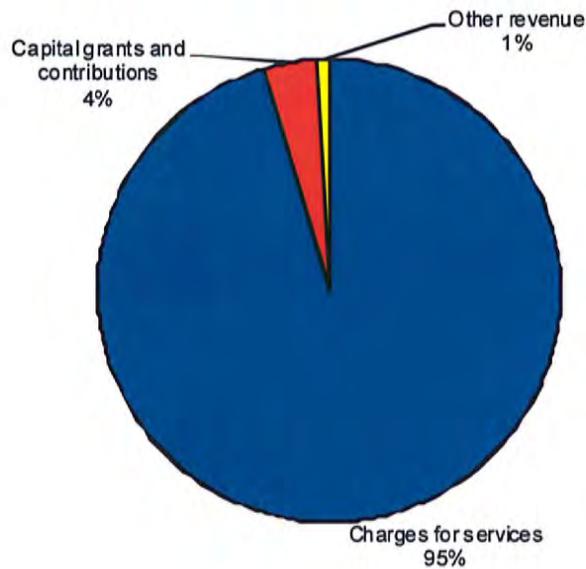
- The Police Department's budget was increased \$2,260,000 and the Fire Department's budget was increased \$3,125,000.
- The Department of Public Service final budget was adjusted primarily to allow for the purchase of equipment financed by capital leases.
- The City's expenditures include the transfers and advances to cover unreimbursed expenditures in the various funds.

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



FINANCIAL ANALYSIS OF THE PROPRIETARY FUNDS

Business-Type Activities. Business-type activities increased the City of Akron's net position by \$14,567,385 compared to an increase of \$8,831,536 in the prior year. Total program revenues increased by 6,084,917 coupled with an decrease in expenses of \$971,650 account for the change in net position.

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 position of the Water Fund at the end of the year was \$4,321,764; for the Sewer Fund was \$16,402,720 and for the Off-Street Parking Fund was a deficit of \$475,393. The increase reported in net position for the Water and Sewer Funds were \$4,633,390 and \$11,481,833, respectively. The decrease reported in net position for Off-Street Parking was \$2,066,009.

The Water Department services the City and 12 surrounding communities which account for 83,643 customer accounts and 1,226 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 Schedules 15 and 19 of the Statistical Section. Water rates remained stable and results of operations yielded an increase in net position due to cost containment.

The Sewer Department services the City and 12 surrounding communities which account for 77,012 customer accounts and 1,376 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 Schedules 15 and 19 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 position due again to cost containment.

The Off-Street Parking Fund experienced an increase in direct expenses. The decrease in net position directly relates to expenses exceeding operating revenues. The City intends to benefit from future operating efficiencies as a result of incurring the expenses in the current year.

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, 2013, amounts to \$1,514,192,670 (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 \$36,204,830 (a 1.8% increase for governmental activities and a 3.7% increase for business-type activities).

	Capital Assets (net of accumulated depreciation) (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Land	\$157,418	\$158,067	\$26,951	\$33,026	\$184,369	\$191,093
Construction in progress	98,226	108,312	43,294	63,983	141,520	172,295
Buildings	290,543	300,576	109,724	107,148	400,267	407,724
Improvements	94,000	89,759	178,372	174,370	272,372	264,129
Equipment	14,295	20,994	5,155	4,294	19,450	25,288
Infrastructure	331,170	325,780	128,840	127,883	460,010	453,663
	<u>\$985,652</u>	<u>\$1,003,488</u>	<u>\$492,336</u>	<u>\$510,704</u>	<u>\$1,477,988</u>	<u>\$1,514,192</u>

The City of Akron displays additional information relating to the capital assets of the City that can be found in Note 1. G. and Note 7.

Major capital assets placed into service during the current fiscal year included the following:

- All American Bridge Rehabilitation - \$8,220,302
- Mill Street Bridge - \$ 7,194,834
- Seiberling Way Phase II - \$ 6,566,334
- Ohio Interceptor Tunnel - \$6,463,390
- WPCS Step Feed Phase - \$5,327,350
- Englewood Ave. - Little Cuyahoga Interceptor - \$3,140,539

Long-Term Debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$731,189,437. 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	
	2012	2013	2012	2013	2012	2013
General Obligation Bonds	\$ 228,843	\$ 215,140	\$ 634	\$ 631	\$ 229,477	\$ 215,771
General Obligation Notes	21,115	33,730	-	-	21,115	33,730
OPWC Loan	9,846	9,242	1,744	1,542	11,590	10,784
Ohio Development Services Agency	5,583	5,483	-	-	5,583	5,483
Non-Tax Revenue Bonds	50,080	48,475	-	-	50,080	48,475
Income Tax Revenue Bonds	248,230	246,102	-	-	248,230	246,102
Special Revenue Bonds	27,165	27,165	-	-	27,165	27,165
Special Assessment Bonds and Notes	20,389	19,221	-	-	20,389	19,221
SIB Loan	3,129	1,742	-	-	3,129	1,742
Mortgage Revenue Bonds	-	-	37,175	33,835	37,175	33,835
Revenue Bonds	-	-	19,515	15,385	19,515	15,385
OWDA Loan	-	-	51,142	73,496	51,142	73,496
	<u>\$ 614,380</u>	<u>\$ 606,300</u>	<u>\$ 110,210</u>	<u>\$ 124,889</u>	<u>\$ 724,590</u>	<u>\$ 731,189</u>

The City of Akron's total debt outstanding increased by \$6,599,424 (.9%) during the current fiscal year.

During the current fiscal year the City issued \$4,849,484 in Income Tax Revenue Bonds for various purpose improvements. There were OWDA loans issued for the cost of improving the Waterworks System (\$724,364) and the Sanitary Sewer System (\$29,880,596).

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 \$275,089,915 and the total unvoted net debt limit (5.5%) is \$144,094,717.

The City's general obligation bonds are rated "AA-" or better by Standard & Poor's Ratings Services, "AA-" by Fitch Ratings and "Aa3" by Moody's Investors Service, Inc. The insured Water and Sewer Revenue bonds were originally rated AAA from Fitch, AAA from Moody's and AAA from Standard & Poor's.

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

Economic Factors and Next Year's Budgets and Rates

- Akron's average annual unemployment rate at year-end was 7.6%, which is consistent with the prior year.
- The City of Akron budgeted income tax collections to increase by 2.5%, Local Government to decrease by 7.5%, and Property Tax revenue to increase by 2%.
- The elimination of estate taxes (Inheritance) revenue to decrease by over \$4.8 million.

In the 2014 budget, the General Fund unencumbered fund balance is projecting a slight increase of \$5,810.

Fiscal Analysis

On September 30, 2011, the City was declared in Fiscal Caution by the Auditor of State. City management has prepared and provided an acceptable plan to the Auditor of State. The City is implementing changes and is on schedule addressing remaining items.

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 Director of Finance, Municipal Building, 166 South High Street, Room 502, Akron, Ohio 44308.

(This page intentionally left blank)

BASIC FINANCIAL STATEMENTS

City of Akron, Ohio
Statement of Net Position December 31, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 75,836,181	\$ 18,992,142	\$ 94,828,323
Restricted cash and investments	13,332,769	9,789,967	23,122,736
Receivables, net	86,546,397	17,831,231	104,377,628
Loans receivable	1,037,104	-	1,037,104
Due from other governments	1,147,043	-	1,147,043
Due from others	159,284	-	159,284
Internal balances	605,457	(605,457)	-
Inventories, at cost	868,520	2,802,309	3,670,829
Total current assets	<u>179,532,755</u>	<u>48,810,192</u>	<u>228,342,947</u>
Noncurrent assets:			
Receivables, net	96,120,398	-	96,120,398
Loans receivable	13,245,254	-	13,245,254
Deposits	47,173,444	-	47,173,444
Assets held for resale	3,325,815	-	3,325,815
Capital assets:			
Land and construction in progress	266,379,823	97,009,064	363,388,887
Other capital assets, net	737,109,151	413,694,632	1,150,803,783
Total noncurrent assets	<u>1,163,353,885</u>	<u>510,703,696</u>	<u>1,674,057,581</u>
Total assets	<u>1,342,886,640</u>	<u>559,513,888</u>	<u>1,902,400,528</u>
Deferred Outflows of Resources	580,818	572,401	1,153,219
Total assets and deferred outflows of resources	<u>1,343,467,458</u>	<u>560,086,289</u>	<u>1,903,553,747</u>
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	13,322,496	4,931,641	18,254,137
Deposits	500,032	703,757	1,203,789
Due to other governments	4,578,640	430,867	5,009,507
Accrued interest payable	2,423,661	1,941,468	4,365,129
Accrued wages	3,583,399	494,214	4,077,613
Accrued vacation and leave	11,154,901	1,314,746	12,469,647
COPs and obligations under capital lease	8,366,020	81,120	8,447,140
Liability for unpaid claims	4,189,760	-	4,189,760
Bonds, notes and loans payable	69,691,839	21,564,891	91,256,730
Total current liabilities	<u>117,810,748</u>	<u>31,462,704</u>	<u>149,273,452</u>
Noncurrent liabilities:			
COPs and obligations under capital lease	67,144,194	240,130	67,384,324
Liabilities due in more than one year	85,058,475	8,883,046	93,941,521
Bonds, notes and loans payable due in more than one year	535,102,538	103,325,022	638,427,560
Total noncurrent liabilities	<u>687,305,207</u>	<u>112,448,198</u>	<u>799,753,405</u>
Total liabilities	<u>805,115,955</u>	<u>143,910,902</u>	<u>949,026,857</u>
Deferred Inflows of Resources	163,765,438	1,670,918	165,436,356
Total liabilities and deferred inflows of resources	<u>968,881,393</u>	<u>145,581,820</u>	<u>1,114,463,213</u>
Net Position			
Net investment in capital assets	353,686,041	385,492,533	739,178,574
Restricted for debt service	46,822,028	9,789,966	56,611,994
Unrestricted (deficit)	(25,922,004)	19,221,970	(6,700,034)
Total net position	<u>\$ 374,586,065</u>	<u>\$ 414,504,469</u>	<u>\$ 789,090,534</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, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 35,134,302	\$ 14,473,321	\$ -	\$ -	\$ (20,660,981)	\$ -	\$ (20,660,981)
Public service	65,740,981	16,524,746	-	46,180,989	(3,035,246)	-	(3,035,246)
Public safety	112,374,172	862,405	5,355,530	-	(106,156,237)	-	(106,156,237)
Community environment	88,673,453	164,000	14,899,227	401,592	(73,208,634)	-	(73,208,634)
Public health	3,921,672	2,257	-	-	(3,919,415)	-	(3,919,415)
Recreation and parks	7,690,836	230,420	155,052	192,079	(7,113,285)	-	(7,113,285)
Interest	26,324,712	-	-	-	(26,324,712)	-	(26,324,712)
Unallocated depreciation*	15,468,193	-	-	-	(15,468,193)	-	(15,468,193)
Total governmental activities	355,328,321	32,257,149	20,409,809	46,774,660	(255,886,703)	-	(255,886,703)
Business-type activities:							
Water	31,075,633	34,969,933	-	336,717	-	4,231,017	4,231,017
Sewer	54,959,359	63,097,046	-	3,565,378	-	11,703,065	11,703,065
Oil & gas	202,341	300,119	-	-	-	97,778	97,778
Golf course	1,243,395	893,815	-	78,000	-	(271,580)	(271,580)
Airport	683,251	154,692	-	65,433	-	(463,126)	(463,126)
Parking facilities	6,929,930	4,773,882	-	-	-	(2,156,048)	(2,156,048)
Total business-type activities	95,093,909	104,189,487	-	4,045,528	-	13,141,106	13,141,106
Total Government	\$ 450,422,230	\$ 136,446,636	\$ 20,409,809	\$ 50,820,188	\$ (255,886,703)	\$ 13,141,106	\$ (242,745,597)

General Revenues:

Taxes:							
Income taxes					\$ 141,289,710	\$ -	\$ 141,289,710
Property taxes					19,627,342	-	19,627,342
JEDD revenues					18,485,942	-	18,485,942
Investment earnings					553,699	854	554,553
Unrestricted shared revenues					92,823,194	-	92,823,194
Miscellaneous					10,657,380	1,087,065	11,744,445
Gain on sale of capital assets					31,307	-	31,307
Transfers					(338,360)	338,360	-
Total general revenues and transfers					283,130,214	1,426,279	284,556,493
Change in net position					27,243,511	14,567,385	41,810,896
Net position - beginning, as restated					347,342,554	399,937,084	747,279,638
Net position - ending					\$ 374,586,065	\$ 414,504,469	\$ 789,090,534

* 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, 2013

Exhibit 3

	General	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	Streets	Other Governmental Funds	Total Governmental Funds
Assets							
Pooled cash and investments	\$ 5,685,665	\$ 21,207,313	\$ 3,881,363	\$ -	\$ 3,897,447	\$ 31,567,579	\$ 66,239,367
Restricted cash and investments	-	50	-	35,307	-	13,297,412	13,332,769
Receivables, net of allowances for uncollectibles	44,784,426	62,295,898	5,015,647	31,696,739	-	17,622,484	161,415,194
Loans receivable	-	-	-	-	-	14,282,358	14,282,358
Due from other governments	11,241	-	-	-	640,120	3,604,585	4,255,946
Due from other funds	1,633,873	1,224,263	-	-	367,486	312,687	3,538,309
Deposits	-	47,173,444	-	-	-	-	47,173,444
Advances to other funds	679,600	-	245,500	-	-	-	925,100
Assets held for resale	-	-	-	-	-	3,325,815	3,325,815
Total assets	\$ 52,794,805	\$ 131,900,968	\$ 9,142,510	\$ 31,732,046	\$ 4,905,053	\$ 84,012,920	\$ 314,488,302
Liabilities							
Accounts payable	\$ 1,606,461	\$ 80,810	\$ 97,716	\$ -	\$ 457,881	\$ 4,657,433	\$ 6,900,301
Deposits	93,703	-	-	-	-	406,329	500,032
Advances from other funds	-	-	-	-	-	857,100	857,100
Due to other governments	2,726,683	447	6,566	-	1,326	3,912,171	6,647,193
Due to other funds	545,626	-	185,254	-	231,391	4,368,845	5,331,116
Due to others	859,692	-	-	-	-	1,042,613	1,902,305
Accrued liabilities	1,675,368	-	124,495	-	197,560	969,958	2,967,381
Accrued wages	2,494,087	-	15,520	-	5,315	864,345	3,379,267
Accrued vacation and leave	313,022	-	-	-	-	-	313,022
Special Assessment Notes	-	-	-	-	-	13,000,000	13,000,000
G.O. Notes	-	-	224,490	-	20,710,000	3,795,510	24,730,000
Total liabilities	10,314,642	81,257	654,041	-	21,603,473	33,874,304	66,527,717
Deferred inflows of Resources	31,247,167	61,020,399	2,224,625	29,696,739	17,619	18,214,327	142,420,876
Fund balances							
Nonspendable	-	-	-	-	-	3,325,815	3,325,815
Restricted	-	70,799,312	6,263,844	2,035,307	-	30,360,329	109,458,792
Committed	290,658	-	-	-	-	7,490,896	7,781,554
Assigned	1,809,776	-	-	-	-	-	1,809,776
Unassigned	9,132,562	-	-	-	(16,716,039)	(9,252,751)	(16,836,228)
Total fund balances	11,232,996	70,799,312	6,263,844	2,035,307	(16,716,039)	31,924,289	105,539,709
Total liabilities, deferred inflows and fund balances	\$ 52,794,805	\$ 131,900,968	\$ 9,142,510	\$ 31,732,046	\$ 4,905,053	\$ 84,012,920	\$ 314,488,302

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 Position - Governmental Funds
 December 31, 2013

Total fund balances for governmental funds (Exhibit 3)		\$ 105,539,709
Total net position reported for governmental activities in the statement of net position is different because:		
Investments in City of Akron issued bonds and notes are eliminated in the government-wide statement of net position.		(1,505,147)
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		1,001,517,019
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows in the funds.		
Grant revenues	5,534,990	
Income taxes	9,259,751	
JEDD revenues	1,136,893	
Property taxes	5,945,050	
Special assessments	14,500,000	
Shared revenues	<u>6,657,232</u>	
		43,033,916
Long-term accounts receivables are not available to pay for current period expenditures.		1,931,909
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		(8,610,409)
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	(35,080,830)	
Due to other governments	(956,000)	
Due to others	(2,020,579)	
Accrued interest payable	(2,423,661)	
Accrued vacation and leave	(47,331,520)	
Bonds, notes and loans payable	(557,679,377)	
Obligations under capital lease	(74,280,214)	
Unamortized bond premium, discount, deferred loss, gain	<u>(44,439,848)</u>	
		(764,212,029)
Unavailable grant revenue reflected as a receivable in the funds, therefore, eliminated entity wide.		(3,108,903)
		<u><u>\$ 374,586,065</u></u>
Total net position of governmental activities (Exhibit 1)		

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

City of Akron, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2013

Exhibit 4

	General	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	Streets	Other Governmental Funds	Total Governmental Funds
Revenues							
Income taxes	\$ 86,286,460	\$ 14,880,075	\$ 31,325,746	\$ -	\$ 163,424	\$ 7,305,193	\$ 139,960,898
Property taxes	14,028,786	-	-	-	-	6,442,230	20,471,016
JEDD revenues	4,107,500	-	2,342,500	-	-	11,640,127	18,090,127
Special assessments	174,985	-	-	474,583	303,561	27,571,316	28,524,445
Grants and subsidies	44,975	993,841	661,712	-	4,250,587	28,794,905	34,746,020
Investment earnings	100,739	283,336	25,366	-	-	174,942	584,383
Shared revenues	22,738,064	48,326,685	286,551	-	100,030	23,128,425	94,579,755
Licenses, fees and fines	6,793,554	-	650	-	-	1,833,250	8,627,454
Charges for services	16,113,845	-	10,000	-	204,061	7,919,503	24,247,409
Miscellaneous	3,000,735	-	299,806	-	993,121	5,935,232	10,228,894
	<u>153,389,643</u>	<u>64,483,937</u>	<u>34,952,331</u>	<u>474,583</u>	<u>6,014,784</u>	<u>120,745,123</u>	<u>380,060,401</u>
Expenditures							
Current:							
General government	17,439,201	105,618	29,604	52	-	15,601,787	33,176,262
Public service	24,983,503	-	535,640	474,583	8,544,685	44,265,728	78,804,139
Public safety	88,635,011	-	554,969	-	1,136,056	19,132,476	109,458,512
Community environment	891,139	60,595,127	6,902,968	-	1,726	34,734,658	103,125,618
Public health	3,764,520	-	-	-	-	136,372	3,900,892
Recreation and parks	3,876,112	-	236,546	-	726,426	2,953,585	7,792,669
Debt service:							
Principal retirement	405,599	5,570,000	30,899,033	297,819	-	6,784,386	43,956,837
Interest	178,898	10,611,014	12,483,477	13,143	113,794	6,952,836	30,353,162
Bond issuance expenditures	-	-	454,021	-	113,800	111,251	679,072
	<u>140,173,983</u>	<u>76,881,759</u>	<u>52,096,258</u>	<u>785,597</u>	<u>10,636,487</u>	<u>130,673,079</u>	<u>411,247,163</u>
Excess (deficiency) of revenues over (under) expenditures	13,215,660	(12,397,822)	(17,143,927)	(311,014)	(4,621,703)	(9,927,956)	(31,186,762)
Other financing sources (uses)							
Issuance of bonds	-	-	4,849,484	-	-	-	4,849,484
Issuance of loans	-	-	-	-	-	1,000,000	1,000,000
Issuance of COPs	-	-	-	-	-	2,365,000	2,365,000
Premium on G.O. Debt	-	-	-	-	179,540	-	179,540
Issuance of refunding obligations	-	-	14,910,000	-	-	-	14,910,000
Issuance of capital lease	1,075,626	-	-	-	-	282,203	1,357,829
Lease - financed capital assets	(1,075,626)	-	-	-	-	(282,203)	(1,357,829)
Transfers-in	-	-	-	-	-	8,100,091	8,100,091
Transfers-out	(8,588,451)	-	-	-	-	-	(8,588,451)
	<u>(8,588,451)</u>	<u>-</u>	<u>19,759,484</u>	<u>-</u>	<u>179,540</u>	<u>11,465,091</u>	<u>22,815,664</u>
Net change in fund balance	4,627,209	(12,397,822)	2,615,557	(311,014)	(4,442,163)	1,537,135	(8,371,098)
Fund balances (deficit), January 1, 2013	6,605,787	83,197,134	3,648,287	2,346,321	(12,273,876)	30,387,154	113,910,807
Fund balances (deficit), December 31, 2013	<u>\$ 11,232,996</u>	<u>\$ 70,799,312</u>	<u>\$ 6,263,844</u>	<u>\$ 2,035,307</u>	<u>\$ (16,716,039)</u>	<u>\$ 31,924,289</u>	<u>\$ 105,539,709</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, 2013

Net changes in fund balances - total governmental funds (Exhibit 4) \$ (8,371,098)

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 (\$49,860,824) exceeded depreciation (\$31,815,905) in the current period.

18,044,919

The net effect of selling capital assets increased net position.

31,307

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

(18,141,114)

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 position. 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

(23,124,484)

 Payment of debt

43,956,837

 Premium on debt

(179,540)

 Bond issuance expenditures

679,072

21,331,885

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.

11,308,745

The change in net position of the internal service funds are included in the governmental activities in the statement of activities.

3,038,867

Change in net position of governmental activities (Exhibit 2)

\$ 27,243,511

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

City of Akron, Ohio
Statement of Net Position - Proprietary Funds
December 31, 2013

Exhibit 5

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Assets						
Current assets						
Pooled cash and investments	\$ 8,056,044	\$ 10,342,646	\$ 182,174	\$ 411,278	\$ 18,992,142	\$ 11,101,961
Restricted cash and investments	3,127,358	6,662,609	-	-	9,789,967	-
Receivables, net of allowances for uncollectibles	5,212,403	12,549,602	37,530	31,696	17,831,231	121,164
Due from other funds	138,865	1,920,584	-	-	2,059,449	1,430,298
Inventories, at cost	1,879,932	885,480	-	36,897	2,802,309	868,520
Total current assets	18,414,602	32,360,921	219,704	479,871	51,475,098	13,521,943
Noncurrent assets						
Property, plant and equipment, net of accumulated depreciation	143,529,806	276,679,822	80,363,398	10,130,670	510,703,696	1,971,955
Total noncurrent assets	143,529,806	276,679,822	80,363,398	10,130,670	510,703,696	1,971,955
Total assets	161,944,408	309,040,743	80,583,102	10,610,541	562,178,794	15,493,898
Deferred Outflows of Resources	267,970	304,431	-	-	572,401	-
Total assets and deferred outflows	162,212,378	309,345,174	80,583,102	10,610,541	562,751,195	15,493,898
Liabilities						
Current liabilities						
Accounts payable	1,390,241	2,428,346	421,496	100,965	4,341,048	591,593
Deposits	703,757	-	-	-	703,757	-
Due to other governments	48,599	106,962	226,285	49,021	430,867	-
Advances from other funds	-	-	-	-	-	68,000
Due to other funds	628,650	943,747	45,015	2,744	1,620,156	76,784
Accrued interest payable	683,582	1,255,585	2,301	-	1,941,468	-
Accrued liabilities	471,312	65,163	-	54,118	590,593	1,319,672
Accrued wages	287,320	195,008	-	11,886	494,214	204,132
Accrued vacation and leave	746,753	535,480	-	32,513	1,314,746	642,339
Obligations under capital lease	65,520	-	-	15,600	81,120	-
Liability for unpaid claims	-	-	-	-	-	4,189,760
Debt:						
General obligation bonds	-	-	14,956	-	14,956	-
Income tax revenue bonds	-	-	-	-	-	385,000
Mortgage revenue bonds	3,475,000	-	-	-	3,475,000	-
Revenue bonds	-	4,310,000	-	-	4,310,000	-
OWDA loans	979,687	12,583,734	-	-	13,563,421	-
OPWC loans	95,958	105,556	-	-	201,514	-
Total current liabilities	9,576,379	22,529,581	710,053	266,847	33,082,860	7,477,280
Noncurrent liabilities						
Obligations under capital lease	193,951	-	-	46,179	240,130	-
Due in more than one year	5,011,564	3,660,487	-	210,995	8,883,046	7,441,777
Other liabilities	-	-	-	-	-	-
Bonds, notes, and loans	38,048,211	64,660,211	616,600	-	103,325,022	10,230,000
Total noncurrent liabilities	43,253,726	68,320,698	616,600	257,174	112,448,198	17,671,777
Total liabilities	52,830,105	90,850,279	1,326,653	524,021	145,531,058	25,149,057
Deferred Inflows of Resources	1,261,673	409,245	-	-	1,670,918	-
Net Position						
Net investment in capital assets	100,671,479	195,020,321	79,731,842	10,068,891	385,492,533	1,971,955
Restricted for debt service	3,127,357	6,662,609	-	-	9,789,966	-
Unrestricted (deficit)	4,321,764	16,402,720	(475,393)	17,629	20,266,720	(11,627,114)
Total net position	108,120,600	218,085,650	79,256,449	10,086,520		\$ (9,655,159)
Total liabilities, deferred inflows and net position	\$ 162,212,378	\$ 309,345,174	\$ 80,583,102	\$ 10,610,541		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					(1,044,750)	
Net position of business-type activities					<u>\$ 414,504,469</u>	

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

City of Akron, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended December 31, 2013

Exhibit 6

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Operating revenues						
Charges for services	\$ 34,969,933	\$ 63,097,046	\$ 4,773,882	\$ 1,348,626	\$ 104,189,487	\$ 50,676,011
Other	662,650	191,160	90,841	118,732	1,063,383	1,181,799
	<u>35,632,583</u>	<u>63,288,206</u>	<u>4,864,723</u>	<u>1,467,358</u>	<u>105,252,870</u>	<u>51,857,810</u>
Operating expenses						
Personal services	12,207,100	8,245,596	-	886,267	21,338,963	8,099,892
Direct expenses	11,349,854	34,847,650	3,521,811	780,098	50,499,413	11,037,203
Claims	-	-	-	-	-	28,907,040
Rentals and lease	391,321	81,660	-	86,172	559,153	19,023
Utilities	1,251,664	1,580,074	497,490	84,729	3,413,957	195,210
Insurance	122,799	190,738	42,798	25,274	381,609	27,870
Depreciation, depletion and amortization	4,604,927	8,409,690	2,408,318	277,998	15,700,933	183,994
Other	371	1,473	460,315	1,445	463,604	4,471
	<u>29,928,036</u>	<u>53,356,881</u>	<u>6,930,732</u>	<u>2,141,983</u>	<u>92,357,632</u>	<u>48,474,703</u>
Operating income (loss)	<u>5,704,547</u>	<u>9,931,325</u>	<u>(2,066,009)</u>	<u>(674,625)</u>	<u>12,895,238</u>	<u>3,383,107</u>
Non-operating revenues (expenses)						
Interest income	217	637	-	-	854	38
Interest expense	(1,408,091)	(2,015,507)	-	-	(3,423,598)	(174,730)
	<u>(1,407,874)</u>	<u>(2,014,870)</u>	<u>-</u>	<u>-</u>	<u>(3,422,744)</u>	<u>(174,692)</u>
Gain (loss) before transfers and contributions	4,296,673	7,916,455	(2,066,009)	(674,625)	9,472,494	3,208,415
Transfers-in	-	-	-	338,360	338,360	150,000
Capital contributions	336,717	3,565,378	-	143,433	4,045,528	391,455
	<u>336,717</u>	<u>3,565,378</u>	<u>-</u>	<u>481,793</u>	<u>4,383,888</u>	<u>541,455</u>
Changes in net position	4,633,390	11,481,833	(2,066,009)	(192,832)	13,856,382	3,749,870
Net position, January 1, 2013	103,487,210	206,603,817	81,322,458	10,279,352		<u>(13,405,029)</u>
Net position, December 31, 2013	<u>\$ 108,120,600</u>	<u>\$ 218,085,650</u>	<u>\$ 79,256,449</u>	<u>\$ 10,086,520</u>		<u>\$ (9,655,159)</u>
					711,003	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. Change in net position of business-type activities					<u>\$ 14,567,385</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, 2013

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating activities						
Cash received from customers	\$ 34,611,725	\$ 57,215,616	\$ 4,750,200	\$ 1,467,329	\$ 98,044,870	\$ 50,687,204
Cash payments to suppliers for goods and services	(12,282,491)	(37,532,391)	(4,234,016)	(968,861)	(55,017,759)	(11,204,849)
Cash paid for salaries and employee benefits	(11,635,091)	(7,883,079)	-	(823,844)	(20,342,014)	(37,661,109)
Other revenues	662,650	191,160	90,841	118,732	1,063,383	1,181,799
Other expenses	(371)	(1,473)	(460,315)	(1,445)	(463,604)	(4,471)
Net cash provided by (used for) operating activities	<u>11,356,422</u>	<u>11,989,833</u>	<u>146,710</u>	<u>(208,089)</u>	<u>23,284,876</u>	<u>2,998,574</u>
Non-capital financing activities						
Transfers/advances in for negative cash balances	-	-	-	338,360	338,360	218,000
Transfers/advances out for negative cash balances	-	-	-	-	-	(293,639)
Principal paid on bonds, loans and notes	-	-	-	-	-	(1,000,000)
Interest paid on bonds, loans and notes	-	-	-	-	-	(151,250)
Proceeds from notes	-	-	-	-	-	9,000,000
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,360</u>	<u>338,360</u>	<u>(2,226,889)</u>
Capital and related financing activities						
Proceeds from the sale of bonds	724,364	29,880,596	-	-	30,604,960	-
Principal paid on bonds and loans	(4,465,408)	(11,457,775)	(2,894)	-	(15,926,077)	(385,000)
Interest paid on bonds and loans	(1,885,462)	(2,114,795)	(6)	-	(4,000,263)	(23,480)
Acquisition and construction of capital assets	(4,128,485)	(28,023,282)	20,198	(96,163)	(32,227,732)	(6,455)
Capital contributions	336,717	3,565,378	-	143,433	4,045,528	391,455
Net cash provided by (used for) capital and related financing activities	<u>(9,418,274)</u>	<u>(8,149,878)</u>	<u>17,298</u>	<u>47,270</u>	<u>(17,503,584)</u>	<u>(23,480)</u>
Investing activities						
Purchase of investment securities	(5,011,697)	(5,080,751)	-	-	(10,092,448)	-
Proceeds from sales and maturities of investment securities	5,011,697	5,080,751	-	-	10,092,448	-
Interest on investments	217	637	-	-	854	38
Net cash provided by investing activities	<u>217</u>	<u>637</u>	<u>-</u>	<u>-</u>	<u>854</u>	<u>38</u>
Net increase (decrease) in cash and cash equivalents	1,938,365	3,840,592	164,008	177,541	6,120,506	748,243
Cash and cash equivalents, January 1, 2013	9,245,037	13,164,663	18,166	233,737	22,661,603	10,353,718
Cash and cash equivalents, December 31, 2013	<u>\$ 11,183,402</u>	<u>\$ 17,005,255</u>	<u>\$ 182,174</u>	<u>\$ 411,278</u>	<u>\$ 28,782,109</u>	<u>\$ 11,101,961</u>
Operating income (loss)	\$ 5,704,547	\$ 9,931,325	\$ (2,066,009)	\$ (674,625)	\$ 12,895,238	\$ 3,383,107
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation, depletion and amortization	4,604,927	8,409,690	2,408,318	277,998	15,700,933	183,994
(Increase) decrease in operating assets:						
Receivables	(599,011)	(4,136,051)	(23,682)	11,012	(4,747,732)	22,829
Due from other funds	240,803	(1,745,379)	-	-	(1,504,576)	(11,636)
Due from other governments	-	-	-	107,691	107,691	-
Inventories	279,189	4,514	-	(3,318)	280,385	(41,721)
Increase (decrease) in operating liabilities:						
Accounts payable	10,125	(1,642,876)	(442,827)	(35,499)	(2,111,077)	77,492
Due to other funds	545,030	751,413	44,625	(2,792)	1,338,276	38,686
Due to other governments	(10,881)	54,680	226,285	49,021	319,105	-
Accrued liabilities	402,943	274,699	-	32,284	709,926	244,334
Accrued wages	6,813	12,219	-	(2,632)	16,400	(14,613)
Accrued vacation and leave	171,937	75,599	-	32,771	280,307	(89,585)
Estimated liability for unpaid claims	-	-	-	-	-	(794,313)
Net cash provided by (used for) operating activities	<u>\$ 11,356,422</u>	<u>\$ 11,989,833</u>	<u>\$ 146,710</u>	<u>\$ (208,089)</u>	<u>\$ 23,284,876</u>	<u>\$ 2,998,574</u>

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

City of Akron, Ohio

Statement of Net Position
Fiduciary Funds

December 31, 2013

	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and investments	\$ 17,991	\$ 894,950
Total assets	<u>17,991</u>	<u>894,950</u>
Liabilities		
Due to others	<u>-</u>	<u>894,950</u>
Total liabilities	<u>-</u>	<u>894,950</u>
Net Position	<u>\$ 17,991</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 Position
Private Purpose Trust Funds

For the Year Ended December 31, 2013

	Private Purpose Trust Funds
Additions	
Contributions	\$ 11,494
	<u>11,494</u>
Deductions	
Education and awareness	5,859
	<u>5,859</u>
Change in net position	<u>5,635</u>
Net position, January 1, 2013	<u>12,356</u>
Net position, December 31, 2013	<u>\$ 17,991</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, 2013

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*, Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and Statement No. 61, *The Financial Reporting Entity: Omnibus* 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 25 and 26 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 position and a statement of activities.

These statements report all of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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 position, 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 the Streets 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, JEDD revenues, 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, shared revenue and bond proceeds.

The Income Tax Capital Improvement Fund, a special revenue 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.

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.

1. Summary of Significant Accounting Policies (Continued)

The Streets fund is used to account for the accumulation of resources for, and payment of street projects. Revenue consists primarily of grants and subsidies.

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 six 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 information technology 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, deferred outflows/inflows of resources, fund balance (equity), revenues, and expenditures (expenses). The fund types and classifications that the City reports are as follows:

GOVERNMENTAL FUNDS

1. **General Fund** – The General Fund is the general operating fund of the City and is appropriated. It is used to account for all financial resources except those required to be accounted for in another fund.
2. **Special Revenue Funds** – Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each Special Revenue Fund are specified by City ordinances or federal or state statutes.

1. Summary of Significant Accounting Policies (Continued)

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

1. **Private-Purpose Trust Funds** – Private-Purpose Trust Funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the Private-Purpose Trust Funds are accounted for using the economic resources measurement focus (essentially the same manner as proprietary funds). The City utilizes three Private-Purpose Trust Funds. The Claire Merrix Trust was established in memory of a former City of Akron employee and is to fund tennis-related activities; the Holocaust Memorial Trust pays for annual holocaust services throughout the City; and the Police/Fire Beneficiary Trust was recently established to provide scholarships for dependents of those serving in the Police and Fire departments.
2. **Agency Funds** – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. For accounting measurement purposes, the Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has three 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. The third one is the Unclaimed Monies Fund and it is used to account for funds held until a claim is made by the lawful owner.
3. **Other Fiduciary Funds** – Other Fiduciary Funds include pension trust funds and investment trust funds. The City does not utilize any such trust funds. Fiduciary Funds are not included in the government-wide statements.

1. Summary of Significant Accounting Policies (Continued)

C. *Measurement focus and basis of accounting*

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

Proprietary Fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as rental revenue 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 2013, 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.

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

(6) The majority of all funds have a legally adopted annual budget. Those funds include:

General Fund	Safety Programs	Golf Course
Income Tax Collection	Health Grants	Airport
Emergency Medical Service	City Facilities Operating	Off-Street Parking
Special Assessment	Various Purpose Funding	Motor Equipment
Income Tax Capital Improvement	Deposits	Medical Self-Insurance
Street and Highway Maintenance	Community Learning Centers	Workers' Compensation Reserve
Community Development	General Bond Payment Fund	Self-Insurance Settlement
Community Environment Grants	Streets	Storeroom
Akron Metro. Area Transportation Study	Information Technology and Improvements	Telephone System
H.O.M.E. Program	Parks and Recreation	Engineering Bureau
Tax Equivalency	Public Facilities and Improvements	Information Technology
E.D.A. Revolving Loans	Public Parking	Holocaust Memorial Trust
Joint Economic Development Districts	Economic Development	Unclaimed Monies
Akron Muni Court Information System	Water	Police/Fire Beneficiary Trust
Public Health	Sewer	Police Property Monetary Evidence
Police Grants	Oil and Gas	

(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 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.

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

- 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 three years and an individual cost of more than \$5,000 for land; \$10,000 for equipment and vehicles; \$500,000 for intangibles – Computer Software; \$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 December 31, 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 and Intangibles	3-20
CLC Building Equity Interest	70
CLC improvements other than buildings	40

- 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.

1. Summary of Significant Accounting Policies (Continued)

- I. **Fund Balances** – Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

(1) **Nonspendable** – Amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

(2) **Restricted** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

(3) **Committed** – Amounts constrained to specific purposes imposed by a formal action (ordinance) of City Council, its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purposes unless the same highest level of action is taken to remove or change the constraint.

(4) **Assigned** – Amounts the City intends to use for a specified purpose; intent can be expressed by the governing body or by the Director of Finance which has been designated this authority. The City’s intent is typically expressed through a directive issued by the Director of Finance.

(5) **Unassigned** – Amounts that are available for any new purpose: positive amounts are reported only in the general fund.

Council establishes fund balance commitments by passage of an ordinance. Assigned fund balance is established by City administration including the Director of Finance through the issuance of requisitions, purchase orders, contracts, and directives.

The city applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Governmental funds of the City do not have specified fund balance targets. Recommended levels of committed and/or assigned fund balance will be determined on a case by case basis, based on the needs of each fund and as recommended by officials and approved by Council where necessary.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to restrict that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Significant encumbrances as of December 31, 2013, total \$1,809,776 in the General fund, \$34,127 in the Community Learning Centers fund, \$897,642 in the Income Tax Capital Improvement fund, \$318,903 in the streets fund, and \$3,047,240 in all other Governmental funds.

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

- 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 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, 2013 are presented in Note 5. Interfund transfers are presented in Note 22.

- 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).
- 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. **Employment Related Liabilities** – The City records a liability for employment related liabilities relating to deferred longevity payments and former employees of the Building Inspection Division and the Health Department (see note 14).

To improve governmental efficiency and economy, effective February 1, 2009, the City's Building Inspection and Plans and Permits Divisions consolidated with Summit County. In the best interest of the public health, safety and welfare and to improve governmental efficiency and economy, effective January 1, 2011, the City's Health Department consolidated with the Summit County Health District.

The former Building Inspection and Plans and Permits employees while employed by Summit County must retire under Ohio Public Employees Retirement System to be entitled to receive payment of the accumulated sick leave at the hourly rate the employee was receiving at the time of resignation from the City along with the retirement differential. The City has recorded a long-term liability of \$130,734.

1. Summary of Significant Accounting Policies (Continued)

The former Health Department employees while employed by Summit County must retire under Ohio Public Employees Retirement System to be entitled to receive payment of the accumulated sick leave at the hourly rate the employee was receiving at the time of resignation from the City along with the retirement differential. The City has recorded a long-term liability of \$1,265,273. Additionally, the former Health Department employees are entitled to staggered payouts for their accumulated vacation, paid leave, and compensatory time at the hourly rate the employee was receiving at the time of resignation from the City. The liability is the actual amount due to employees and the City recorded \$120,265 as a current liability for the amounts scheduled to be paid during 2014.

- N. *Accounting Standards* – The City applies all applicable and effective pronouncements issued by the Governmental Accounting Standards Board (GASB).

In November 2010, the GASB issued statement No. 61, *The Financial Reporting Entity: Omnibus*. This Statement improves financial reporting for a governmental financial reporting entity. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. This Statement also clarifies the reporting equity interests in legally separate organizations. For the City, this statement is effective for periods beginning after June 12, 2012. The City's financial statements have been prepared in conformance with this Standard.

In March 2012, the GASB issued statement No. 65 *Items Previously Reported as Assets and Liabilities*. This Statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The City's financial statements have been prepared in conformance with this Standard.

In 2012, the GASB issued statement No. 66 *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. This Statement improves accounting and financial reporting for governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements. This statement also removes the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund types. The City's financial statements have been prepared in conformance with this Standard.

In June 2012, the GASB issued statement No. 68 *Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27*. This Statement improves the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees – both active employees and inactive employees – are provided with pensions. For the City, this statement is effective for periods beginning after June 15, 2014.

In January 2013, the GASB issued statement No. 69 *Government Combinations and Disposals of Government Operations*. This Statement improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The City's financial statements have been prepared in conformance with this Standard.

1. Summary of Significant Accounting Policies (Continued)

In April 2013, the GASB issued statement No. 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. For the City, this statement is effective for periods beginning after June 15, 2013. The City's financial statements have been prepared in conformance with this Standard.

In November 2013, the GASB issued statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date an amendment of GASB Statement No. 68*. The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. This statement must be implemented simultaneously with the provisions of Statement No. 68.

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 position or balance sheets as "pooled cash and investments." Earnings on these investments are allocated to the various funds based on City and state statutes, grant agreements and various bond agreement requirements. Investments are also held separately by the Special Revenue, Debt Service, Enterprise, and Internal Service Funds. City ordinances further authorize and direct the permitted types of deposits and investments.

Deposits:

City ordinances require that all deposits be secured by collateral securities pledged at market value in an amount equal to at least 100% of the deposit, less any amount covered by federal deposit insurance. Custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Ohio Revised Code, is held in collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money have been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

At December 31, 2013, the carrying amount of the City's deposits was \$78,836,786 and the bank balance was \$81,457,910. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$1,000,000 was covered by federal depository insurance, and \$80,457,910 was uninsured but collateralized with unregistered securities held by the pledging financial institution's trust department in the City's name.

2. Pooled Cash and Investments (Continued)

Total cash and investments are reported as follows:

Balance Sheet - Governmental Funds:	
Pooled cash and investments	\$ 66,239,367
Restricted cash and investments	13,332,769
Statement of Net Position - Proprietary Funds:	
Enterprise Funds	
Pooled cash and investments	18,992,142
Restricted cash and investments	9,789,967
Internal Service Funds	
Pooled cash and investments	11,101,961
Statement of Net Position - Fiduciary Funds:	<u>912,941</u>
Total	<u>\$ 120,369,147</u>

Investments in City of Akron bonds and notes amounting to \$1,505,147 are eliminated in the government-wide statement of net position at December 31, 2013.

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 repurchase agreement investment maturity is less than one year.

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

Credit Risk. City ordinances authorize the treasurer to invest in obligations of the United States Treasury, agencies and instrumentalities and direct obligations of the State of Ohio, including any subdivisions of the state. As of December 31, 2013, 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, 2013.

2. Pooled Cash and Investments (Continued)

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, 2013, \$23,122,736 of cash and investments was restricted for the following purposes: \$2,421,697 was restricted for lease costs for Canal Park Stadium; \$4,120,354 was restricted for Off-Street Parking Deck COPs; \$2,687,860 was restricted for Akron District Energy COPs; and \$13,892,825 was restricted solely for retirement of City obligations.

As of December 31, 2013 the City had the following investments.

Investment Types	Fair Value	Investment Maturities (In Years)		
		Less Then 1	1-5	6-10
Repurchase agreement	\$ 7,825,000	\$ 7,825,000	\$ -	\$ -
STAROhio	15,117,666	15,117,666	-	-
Municipal Bonds	1,525,000	1,040,000	485,000	-
City of Akron Assessment Debt	980,147	900,620	67,970	11,557
Investments held by bond trustees:				
U.S. Treasuries or Agencies	8,812,403	8,812,403	-	-
Municipal Bonds and Notes	134,699	134,699	-	-
Cash Reserve	7,137,446	7,137,446	-	-
Total	<u>\$ 41,532,361</u>	<u>\$ 40,967,834</u>	<u>\$ 552,970</u>	<u>\$ 11,557</u>

3. Receivables

Receivables, net of allowances for uncollectible reported in the Statement of Net Position, consist of the following at December 31, 2013:

	Taxes	Customer Charges, Special Assessments, and Others	Gross Receivables	Allowance for Uncollectibles	Net
Governmental Activities					
Assets:					
Governmental Funds:					
General Fund	\$ 35,028,952	\$ 10,811,900	\$ 45,840,852	\$ (1,056,426)	\$ 44,784,426
Community Learning Centers	2,295,898	60,000,000	62,295,898	-	62,295,898
Income Tax Capital Improvement	5,005,406	10,241	5,015,647	-	5,015,647
Special Assessment Bond Payment	-	36,262,586	36,262,586	(4,565,847)	31,696,739
Other Governmental Funds	9,776,348	28,976,573	38,752,921	-	38,752,921
Total Governmental Funds	52,106,604	136,061,300	188,167,904	(5,622,273)	182,545,631
Internal Service Funds	-	121,164	121,164	-	121,164
Total Assets:	52,106,604	136,182,464	188,289,068	(5,622,273)	182,666,795
Business-type Activities:					
Enterprise Funds:					
Water	-	7,962,630	7,962,630	(2,750,227)	5,212,403
Sewer	-	15,220,830	15,220,830	(2,671,228)	12,549,602
Oil & Gas	-	29,267	29,267	-	29,267
Golf Course	-	15	15	-	15
Airport	-	2,414	2,414	-	2,414
Off-Street Parking	-	37,530	37,530	-	37,530
Total Enterprise Funds	-	23,252,686	23,252,686	(5,421,455)	17,831,231
Total Receivables	\$ 52,106,604	\$ 159,435,150	\$ 211,541,754	\$ (11,043,728)	\$ 200,498,026

Included in the amounts above are water and sewer unbilled charges for services of approximately \$1,893,000 and \$6,125,000, respectively.

Delinquent special assessment receivables amounted to \$4,565,847 at December 31, 2013 and were fully reserved for in the allowance for uncollectibles in the Special Assessment Bond Payment fund.

4. Due From/To Other Governments

Amounts due from other governments at December 31, 2013 consist of the following:

	Federal	State	Total
Governmental Funds:			
General Fund	\$ 11,241	\$ -	\$ 11,241
Streets	592,309	47,811	640,120
Other Governmental Funds	<u>3,326,299</u>	<u>278,286</u>	<u>3,604,585</u>
Total Governmental Funds	<u>\$ 3,929,849</u>	<u>\$ 326,097</u>	<u>\$ 4,255,946</u>

Amounts due to other governments at December 31, 2013 consist of the following:

	Federal	State	County	Local	Total
Governmental Funds:					
General Fund	\$ -	\$ 102,206	\$ 2,624,477	\$ -	\$ 2,726,683
Community Learning Center	-	-	447	-	447
Income Tax Capital Improvement	-	-	6,566	-	6,566
Streets	-	-	1,326	-	1,326
Other Governmental Funds	<u>2,300,000</u>	<u>482,636</u>	<u>911,030</u>	<u>218,505</u>	<u>3,912,171</u>
Total Governmental Funds	<u>\$ 2,300,000</u>	<u>\$ 584,842</u>	<u>\$ 3,543,846</u>	<u>\$ 218,505</u>	<u>\$ 6,647,193</u>

The \$6,647,193 due to other governments includes \$2,068,553 that is reported as long-term liabilities in the government-wide statement of net position as liabilities due in more than one year.

Enterprise Funds:					
Water	\$ -	\$ -	\$ 48,599	\$ -	\$ 48,599
Sewer	-	-	106,962	-	106,962
Off-Street Parking	-	-	226,285	-	226,285
Other Enterprise Funds	<u>-</u>	<u>-</u>	<u>49,021</u>	<u>-</u>	<u>49,021</u>
Total Enterprise Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,867</u>	<u>\$ -</u>	<u>\$ 430,867</u>

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

The state amount is comprised of an Ohio Development Services Agency loan.

The county amount recorded in Governmental Funds 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 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, 2013 are due within one year consist of the following individual fund receivables and payables:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 1,633,873	\$ 545,626
Community Learning Centers	1,224,263	-
Income Tax Capital Improvement	-	185,254
Streets	367,486	231,391
Other Governmental Funds	<u>312,687</u>	<u>4,368,845</u>
	<u>\$ 3,538,309</u>	<u>\$ 5,331,116</u>
Proprietary Funds:		
Enterprise Funds:		
Water	\$ 138,865	\$ 628,650
Sewer	1,920,584	943,747
Off-Street Parking	-	45,015
Other Enterprise Funds	<u>-</u>	<u>2,744</u>
	<u>\$ 2,059,449</u>	<u>\$ 1,620,156</u>
Internal Service Funds	<u>\$ 1,430,298</u>	<u>\$ 76,784</u>
Total	<u>\$ 7,028,056</u>	<u>\$ 7,028,056</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, 2013, the District had \$47,173,444 of unspent City funds that are recorded as Deposits on the City's Statement of Net Position 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, 2013 was as follows:

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 156,087,920	\$ 630,681	\$ -	\$ 156,718,601
Construction in progress	66,901,157	18,786,501	8,367,644	77,320,014
CLC Land	1,330,525	18,261	-	1,348,786
CLC Construction in progress	31,324,533	15,072,817	15,404,928	30,992,422
Total capital assets, not being depreciated	<u>255,644,135</u>	<u>34,508,260</u>	<u>23,772,572</u>	<u>266,379,823</u>
Capital assets, being depreciated:				
Buildings	206,855,909	1,881,726	-	208,737,635
CLC Building Equity Interest	176,725,853	15,386,667	-	192,112,520
Improvements other than buildings	145,398,518	740,649	-	146,139,167
CLC Improvements other than buildings	53,610	-	-	53,610
Equipment & Intangibles	105,217,193	10,765,500	1,249,573	114,733,120
Infrastructure	626,358,731	10,190,935	-	636,549,666
Total capital assets, being depreciated	<u>1,260,609,814</u>	<u>38,965,477</u>	<u>1,249,573</u>	<u>1,298,325,718</u>
Less accumulated depreciation for:				
Buildings	83,607,053	4,294,813	-	87,901,866
CLC Building Equity Interest	9,431,863	2,940,700	-	12,372,563
Improvements other than buildings	51,445,243	4,978,948	-	56,424,191
CLC Improvements other than buildings	6,701	2,681	-	9,382
Equipment & Intangibles	90,922,012	4,017,907	1,200,776	93,739,143
Infrastructure	295,188,566	15,580,856	-	310,769,422
Total accumulated depreciation	<u>530,601,438</u>	<u>31,815,905</u>	<u>1,200,776</u>	<u>561,216,567</u>
Total capital assets, being depreciated, net	<u>730,008,376</u>	<u>7,149,572</u>	<u>48,797</u>	<u>737,109,151</u>
Governmental activities capital assets, net	<u>\$ 985,652,511</u>	<u>\$ 41,657,832</u>	<u>\$ 23,821,369</u>	<u>\$ 1,003,488,974</u>

7. Capital Assets (Continued)

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 26,950,607	\$ 6,075,753	\$ -	\$ 33,026,360
Construction in progress	43,293,889	23,756,578	3,067,763	63,982,704
Total capital assets, not being depreciated	<u>70,244,496</u>	<u>29,832,331</u>	<u>3,067,763</u>	<u>97,009,064</u>
Capital assets, being depreciated:				
Buildings	191,917,277	481,273	-	192,398,550
Improvements other than buildings	448,974,315	3,616,126	-	452,590,441
Equipment and intangibles	37,880,427	186,707	82,510	37,984,624
Infrastructure	160,188,966	3,020,626	-	163,209,592
Total capital assets, being depreciated	<u>838,960,985</u>	<u>7,304,732</u>	<u>82,510</u>	<u>846,183,207</u>
Less accumulated depreciation for:				
Buildings	82,193,537	3,056,811	-	85,250,348
Improvements other than buildings	270,602,255	7,618,688	-	278,220,943
Equipment and intangibles	32,725,013	1,048,137	82,510	33,690,640
Infrastructure	31,349,347	3,977,297	-	35,326,644
Total accumulated depreciation	<u>416,870,152</u>	<u>15,700,933</u>	<u>82,510</u>	<u>432,488,575</u>
Total capital assets, being depreciated, net	<u>422,090,833</u>	<u>(8,396,201)</u>	<u>-</u>	<u>413,694,632</u>
Business-type activities capital assets, net	<u>\$ 492,335,329</u>	<u>\$ 21,436,130</u>	<u>\$ 3,067,763</u>	<u>\$ 510,703,696</u>

7. **Capital Assets (Continued)**

Depreciation expense was charged during 2013 to functions of the government as follows:

Governmental Activities:

General government	\$ 1,975,897
Public service	7,909,779
Public safety	1,499,216
Community environment	4,489,593
Public health	289,233
Unallocated depreciation	15,468,193
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>183,994</u>
Total depreciation expense charged to governmental activities	<u>\$ 31,815,905</u>

Business-type Activities:

Water	\$ 4,604,927
Sewer	8,409,690
Off-Street Parking	2,408,318
Other Business-type activities	<u>277,998</u>
Total depreciation, depletion and amortization expense charged to business-type activities	<u>\$ 15,700,933</u>

Construction in progress and remaining capital commitments (including capitalized interest of \$1,672,202, of which \$980,363 was capitalized in 2013) are comprised of the following:

	Project Authorization	Expended to December 31, 2013	Committed
Governmental Activities:			
Governmental	\$ 87,541,222	\$ 83,472,914	\$ 4,068,308
Business-type Activities:			
Water	18,084,916	16,806,370	1,278,546
Sewer	50,274,875	48,421,162	1,853,713
Off-Street Parking	28,817	28,087	730
Golf	<u>78,000</u>	<u>78,000</u>	<u>-</u>
	<u>\$ 156,007,830</u>	<u>\$ 148,806,533</u>	<u>\$ 7,201,297</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. At the time of the employee's separation, such compensated absences are paid to the employee from the fund to which the employee's payroll is charged.

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 position. 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 position and in the proprietary fund statement of net position.

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, 2013 and expected to vest in the future has been accrued in the government-wide statement of net position for all City employees. Amounts related to the City's proprietary fund operations are also accrued for in the proprietary fund statement of net position due to the nature of these funds.

The following governmental funds have typically been used in prior years to reduce or liquidate the liability for compensated absences:

General Fund	Street and Highway Maintenance
Income Tax Collection	Community Development
Emergency Medical Service	Police Grants
Special Assessment Fund	Safety Programs
Income Tax Capital Improvement	

8. Accrued Vacation and Leave (Continued)

As of December 31, 2013, 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 Position as follows:

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Governmental Activities:				
Governmental Funds:				
General Fund	\$ 8,841,859	\$ 7,839,827	\$ (8,841,859)	\$ 7,839,827
Income Tax Capital Improvement	67,993	58,092	(67,993)	58,092
Special Assessment Bond Payment	292,921	247,468	(292,921)	247,468
Streets	-	18,993	-	18,993
Other Governmental Activities	2,094,147	2,348,182	(2,094,147)	2,348,182
Total Governmental Funds	11,296,920	10,512,562	(11,296,920)	10,512,562
Internal Service Funds	879,968	642,339	(879,968)	642,339
Total Governmental Activities	12,176,888	11,154,901	(12,176,888)	11,154,901
Business-type Activities:				
Enterprise Funds:				
Water	809,933	746,753	(809,933)	746,753
Sewer	577,728	535,480	(577,728)	535,480
Other Enterprise Funds	23,614	32,513	(23,614)	32,513
Total Enterprise Funds/ Business-type Activities	1,411,275	1,314,746	(1,411,275)	1,314,746
	<u>\$ 13,588,163</u>	<u>\$ 12,469,647</u>	<u>\$ (13,588,163)</u>	<u>\$ 12,469,647</u>

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

Governmental Activities:				
Governmental Funds:				
General Fund	\$ 28,219,777	\$ 10,648,341	\$ (10,673,041)	\$ 28,195,077
Income Tax Capital Improvement	156,489	62,579	(48,229)	170,839
Special Assessment Bond Payment	731,456	998,787	(333,984)	1,396,259
Streets	-	80,333	-	80,333
Other Governmental Activities	6,264,755	2,408,697	(1,383,980)	7,289,472
Total Governmental Funds	35,372,477	14,198,737	(12,439,234)	37,131,980
Internal Service Funds	1,937,980	869,093	(721,049)	2,086,024
Total Governmental Activities	37,310,457	15,067,830	(13,160,283)	39,218,004
Business-type Activities:				
Water	2,413,614	1,263,652	(1,028,535)	2,648,731
Sewer	1,757,285	1,436,469	(1,318,622)	1,875,132
Other Business-type Activities	40,537	38,287	(14,415)	64,409
Total Business-type Activities	4,211,436	2,738,408	(2,361,572)	4,588,272
	<u>\$ 41,521,893</u>	<u>\$ 17,806,238</u>	<u>\$ (15,521,855)</u>	<u>\$ 43,806,276</u>

9. Pension and Other Post-Retirement Benefit Plans

Police officers and firefighters participate in the statewide Ohio Police and Fire Pension Fund (Police and Fire), a cost-sharing, multi-employer defined-benefit public employee retirement system. Police and Fire offers three types of service retirement: normal, service commuted, and age/service commuted. In a normal retirement, a member is eligible at age 48 with 25 years of service with a monthly pension equal to 60% of the average of the three highest years of allowable earnings. The maximum pension of 72% of the average allowable earnings for the three highest years is paid after 33 years of service. Under the service commuted retirement, a member is eligible if they have at least 15 years of service, they have reached the age of 48 and 25 years has elapsed from the date of their full-time hire. Under the age/service commuted retirement, a member is eligible if they have 15 years of service and they have reached the age of 62. In the event of death, eligible survivors may qualify for a monthly benefit and a one-time \$1,000 lump sum benefit payment. Benefits are established by the Ohio Revised Code.

The City also participates in a cost-sharing multi-employer post-retirement health benefits plan, administered by Police and Fire, for these city employees. 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. The City also participates in a cost-sharing multi-employer post-retirement health benefits plan, administered by OPERS, for these city employees.

In addition to participating in the plans described above, the City provides its own post-retirement health and life insurance benefits plan which is administered as a single-employer benefit plan. Typically, the following funds have been use to liquidate the net pension obligation or net other post-retirement benefit obligation:

General Fund	General Bond Payment
Income Tax Collection	Water
Emergency Medical Service	Sewer
Special Assessment	Oil & Gas
Income Tax Capital Improvement	Golf Course
Street and Highway Maintenance	Airport
Community Development	Motor Equipment
Akron Metropolitan Area Transportation Study	Engineering
Joint Economic Development Districts	Data Processing
Safety Programs	

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

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) 222-5601 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 10.0% of their covered payroll to OPERS. The 2013 and 2012 employer contribution rate for local government employer units was 14.00%, of covered payroll including 1% during calendar year 2013, which is used to fund post-retirement health care benefits for members of the Traditional Plan. The portion of employer contributions allocated to members in the Combined Plan was 1% during calendar year 2013. 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, 2013, 2012, and 2011 were \$6,790,587, \$5,247,777, and \$5,397,251 respectively, which were equal to 100% of the required employer contributions for each year.

OPERS members are eligible to retire at any age with 30 years of service, at age 60 with at least 5 years of service or at age 55 with at least 25 years of service. Those retiring with less than 30 years of service or less than age 65 receive reduced benefits. Under the Traditional Pension Plan, eligible employees are entitled to a monthly retirement benefit equal to 2.2% of the average of their three highest years of earnings multiplied by the first 30 years of service plus 2.5% of the average of their three highest years for each year in excess of 30. Under the Member-Directed Plan, eligible members are entitled to a monthly benefit dependent upon the performance of the OPERS investment options that the members selected. Under the Combined Plan, eligible members are entitled to a monthly benefit equal to 1.0% of the average of their three highest years of earnings multiplied by the number of years of service plus 1.25% of the average of their three highest years for each year in excess of 30. Additionally, under the Combined Plan, a benefit is provided based on the performance of the OPERS investment options the member selected. OPERS also provides death and disability benefits. Benefits are established by the Ohio Revised Code.

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. 45. 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 2013, 2012 and 2011, \$556,299, \$2,099,110, and \$2,158,901, respectively, of the City's total contribution to OPERS were used for post-retirement benefits which were equal to 100% of the required employer contributions for each year.

The assumptions and calculations below were based on OPERS's latest actuarial review performed as of December 31, 2013. 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

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

return on investments of 6.5% and a salary increase of 4.0% for inflation and between 0.5% 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 3.0% for the next 6 years. In subsequent years (7 and beyond) health care costs were assumed to increase at 4.0% (the projected wage inflation rate).

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. From Jan. 1, 2013 thru July 1, 2013, plan members were required to contribute 10% of their annual covered salary. From July 2, 2013 thru Dec. 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, Employers were 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, 2013, 2012, and 2011 were \$4,538,566, \$3,478,503, and \$3,380,960, respectively, which were equal to 100% of the required employer contributions for each year. The City’s total contributed amounts for Fire (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2013, 2012, and 2011 were \$4,807,709, \$3,784,368, and \$3,667,167, respectively, which were equal to 100% of the required employer contributions for each year.

In addition to pension benefits, the Police and Fire plan provides post-retirement health care coverage for eligible persons who receive a monthly service, disability, or survivor benefit check. If eligible, the plan subsidizes a spouse, survivor (which includes a dependent parent receiving a statutory survivor benefit), child up to 28, or incapacitated child for medical and prescription drugs. 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. 45. Police and Fire provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code allows, but does not mandate OP&F to

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

provide OPEB benefits. The authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code. The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the Police and Fire (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members; currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

Police and Fire maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the Police and Fire Board of Trustees. The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 thru May 31, 2013 and 2.85% of covered payroll from June 1, 2013 thru December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The Police and Fire Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions for Police for the years ended December 31, 2013, 2012, and 2011 used to pay post-retirement health care were \$973,154, \$1,841,560, and \$1,789,920, respectively, which were equal to 100% of the required employer contributions for each year. The City's contributions for Fire for the years ended December 31, 2013, 2012, and 2011 used to pay post-retirement health care were \$807,518, \$1,480,840, and \$1,434,978, respectively, which were equal to 100% of the required employer contributions for each year.

These amounts can be determined by multiplying the City's contributions by the following factors: For 2013, Jan. 1, 2013 thru May 31, 2013 multiply the police employer contributions by .241 and multiply the fire employer contributions by .195. For the period June 1, 2013 thru Dec. 31, 2013 multiply the police employer contributions by .146 and multiply the fire employer contributions by .119. For 2012 and 2011, multiply the police employer contributions by 0.346 and multiply the firefighter employer contributions by 0.281.

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. The post-retirement healthcare 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 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. 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, 2,076 retirees meet those eligibility requirements. The City pays 100% of the cost of health care and life insurance

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

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 2013, 2012 and 2011 those costs were \$4,168,613, \$4,512,097, and \$4,182,621 respectively. Eligibility for OPEB benefits is receiving a pension benefit from OPERS, Police and Fire, or disability retirement. Former employees who are term-vested for pension benefits are not eligible.

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 \$34,069,078, and \$4,048,717 in the government-wide statement of net position, as liabilities due in more than one year for Governmental Activities and Business-type Activities, respectively.

Calculations are based on the OPEB benefits provided under the terms of the plan. The calculations are based on the substantive plan in effect at the time of the valuation and the plan provisions related to participant cost sharing. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to the past expectations and new estimates are made about the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The following exhibits provide summaries of the annual required contributions, funded status, expense, and net OPEB obligation (year-end accrued liability).

Year Ended	Annual Required Contributions	Actual Contributions	Percentage Contributed
12/31/2011	\$11,686,000	\$4,335,000	37.1
12/31/2012	11,473,000	4,772,000	41.6
12/31/2013	11,132,000	4,725,000	42.4

Year Ended	Annual OPEB Cost	Percentage OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	\$11,553,000	37.5	\$25,428,000
12/31/2012	11,288,000	42.3	31,944,000
12/31/2013	10,899,000	43.4	38,118,000

Year Ended	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Covered Payroll	Percentage of Covered Payroll
12/31/2011	\$179,994,000	\$179,994,000	\$88,115,000	204.3
12/31/2012	178,939,000	178,939,000	83,935,000	213.2
12/31/2013	172,962,000	172,962,000	85,622,000	202.0

OPEB are advanced-funded using the entry-age normal actuarial cost method with a level percentage of pay. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. The Unfunded Actuarial Accrued Liability is then amortized as a level percentage of pay over 30 years of open group payroll. For actuarial valuation purposes, an inflation rate of 2.50% from 2012 to 2013 is assumed, a discount rate of 3.5% is assumed, along with a projected payroll growth rate of 2%. Other significant actuarial assumptions include a health care cost rate for medical and prescription drugs of 8.0% in 2013, with the rate decreasing by one-half percentage per year an ultimate of 5.0% in 2019 and after. In subsequent years after 2019 health care cost rates are assumed to remain at 5.0%. Health care costs for dental and vision

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

were assumed to be 5.5% in 2013, decreasing every 2 years by one-half percentage point for an ultimate of 5.0% in 2015. In subsequent years after 2015 health care cost rates for dental and vision are assumed to remain at 5.0%.

The following chart shows the determination of the 2013 annual required contribution (ARC) and accrual.

Cost Element	Amount
Unfunded actuarial accrued liability at 12/31/13	\$ 172,962,000
<u>Annual Required Contribution (ARC)</u>	
Normal cost (including interest to the end of the year)	3,979,000
Amortization of the unfunded actuarial accrued liability over 30 years using level % of payroll	<u>7,153,000</u>
Annual Required Contribution	11,132,000
<u>Annual OPEB Cost (Expense)</u>	
ARC	11,132,000
Interest on beginning of year CAFR accrual	1,118,000
Amortization of beginning of year CAFR accrual	<u>(1,351,000)</u>
Fiscal year 2013 OPEB cost	10,899,000
<u>End of Year CAFR Accrual (Net OPEB Obligation)</u>	
Beginning of year CAFR Accrual	31,944,000
Annual OPEB cost	10,899,000
Employer contribution (benefit payments and expense)	<u>(4,725,000)</u>
End of year CAFR accrual	<u>\$ 38,118,000</u>

10. Notes Payable

The following is a summary of note transactions for the year ended December 31, 2013 reflected in governmental activities in the government-wide financial statements:

	<u>Governmental Activities Special Assessment</u>	<u>Governmental Activities Capital Projects</u>	<u>Governmental Activities Internal Service General Health</u>	<u>Governmental Activities Total</u>
Notes Payable at January 1, 2013	\$ 11,796,000	\$ 10,115,000	\$ 11,000,000	\$ 32,911,000
New notes issued	13,000,000	24,730,000	9,000,000	46,730,000
Notes retired	<u>(11,796,000)</u>	<u>(10,115,000)</u>	<u>(11,000,000)</u>	<u>(32,911,000)</u>
Notes Payable at December 31, 2013	<u>\$ 13,000,000</u>	<u>\$ 24,730,000</u>	<u>\$ 9,000,000</u>	<u>\$ 46,730,000</u>

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2013 (in thousands):

Fiscal Year Ending December 31	<u>Governmental Activities</u>				Total
	<u>Special Assessment Notes</u>		<u>General Obligation Notes</u>		
	Principal	Interest	Principal	Interest	
2014	<u>\$ 13,000</u>	<u>\$ 128</u>	<u>\$ 33,730</u>	<u>\$ 348</u>	<u>\$ 47,206</u>

The following 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.

Bonds issued by the City of Akron and held by the City as investments at December 31, 2013 amounting to \$1,505,147 (Note 2) are eliminated in the government-wide statement of net position.

10. Notes Payable (Continued)

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 and general obligation notes at December 31, 2013 were .90% and 1.03% respectively.

Notes payable as of December 31, 2013, are comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Special Assessment Notes:				
<u>Governmental Activities:</u>				
Street Cleaning/Lighting Note:				
November 13, 2013	0.90	11-13	December 15, 2014	\$ 13,000,000
General Obligation Notes:				
<u>Various Purpose Improvement Notes:</u>				
November 13, 2013	1.00	11-13	November 12, 2014	24,730,000
<u>Health Benefit Notes:</u>				
March 13, 2013	1.13	3-13	March 13, 2014	<u>9,000,000</u>
Total General Obligation Notes				<u>33,730,000</u>
				<u>\$ 46,730,000</u>

11. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2013:

Governmental Activities						
	General Obligation	OPWC	ODSA	Non-Tax Revenue	Income Tax Revenue	
Long-term debt payable at January 1, 2013	\$ 228,843,319	\$ 9,845,763	\$ 5,582,645	\$ 50,080,000	\$ 246,230,000	
New Issues:						
Sewer System	-	-	-	-	-	
Water System	-	-	-	-	-	
Various Purpose Improvements	-	-	-	-	4,849,484	
Retirements	(13,703,566)	(603,800)	\$ (100,009)	(1,605,000)	(6,592,349)	
Long-term debt payable at December 31, 2013	<u>\$ 215,139,753</u>	<u>\$ 9,241,963</u>	<u>\$ 5,482,636</u>	<u>\$ 48,475,000</u>	<u>\$ 244,487,135</u>	
Governmental Activities						
	Special Revenue (JEDD)	Special Assessment	State Infrastructure Bank	Internal Service Income Tax Revenue		
Long-term debt payable at January 1, 2013	\$ 27,165,000	\$ 8,591,829	\$ 3,129,427	\$ 2,000,000		
New Issues:						
Sewer System	-	-	-	-		
Water System	-	-	-	-		
Various Purpose Improvements	-	-	-	-		
Retirements	-	(2,371,071)	(1,387,148)	(385,000)		
Long-term debt payable at December 31, 2013	<u>\$ 27,165,000</u>	<u>\$ 6,220,758</u>	<u>\$ 1,742,279</u>	<u>\$ 1,615,000</u>		
Business-type Activities						
	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Total
Long-term debt payable at January 1, 2013	\$ 634,450	\$ 37,175,000	\$ 19,515,000	\$ 51,142,305	\$ 1,744,275	\$ 691,679,013
New Issues:						
Sewer System	-	-	-	29,880,596	-	29,880,596
Water System	-	-	-	724,364	-	724,364
Various Purpose Improvements	-	-	-	-	-	4,849,484
Retirements	(2,894)	(3,340,000)	(4,130,000)	(8,251,670)	(201,513)	(42,674,020)
Long-term debt payable at December 31, 2013	<u>\$ 631,556</u>	<u>\$ 33,835,000</u>	<u>\$ 15,385,000</u>	<u>\$ 73,495,595</u>	<u>\$ 1,542,762</u>	<u>\$ 684,459,437</u>

11. Long-Term Debt (Continued)

Long-term debt at December 31, 2013 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities:</u>				
<u>General Obligation Bonds:</u>				
Urban Renewal Public Improvement Bonds:				
February 21, 1991	8	Series 1990	December 1, 2020	\$ 663,920
December 10, 1991	8	Series 1991	December 1, 2021	1,298,000
Various Purpose Improvement Bonds:				
September 1, 2005	3.5 to 5.0	Series 2005	December 1, 2026	45,055,000
December 21, 2006	3.75 to 5.0	-	December 1, 2027	16,100,000
December 3, 2007	3.75 to 5.0	-	December 1, 2028	15,635,000
December 1, 2009	3.75 to 5.0	Series 2009	December 1, 2028	12,267,044
November 30, 2010	2.0 to 5.50	Series 2010	December 1, 2031	68,159,195
December 8, 2010	5.625 to 6.50	Series 2010	December 1, 2031	7,335,000
December 21, 2011	1.50 to 4.0	Series 2011	December 1, 2023	40,121,594
November 29, 2012	2.0 to 4.0	Series 2012	December 1, 2024	<u>8,505,000</u>
Total General Obligation Bonds:				<u>\$ 215,139,753</u>
<u>Ohio Public Works Commission Loans:</u>				
July 1, 1997	-	Boxwood Ave.	July 1, 2018	\$ 190,000
July 1, 1998	-	Lakeshore Blvd.	January 1, 2020	354,900
July 1, 1998	-	Tallmadge Ave.	July 1, 2021	350,127
July 1, 1999	-	Lakeshore Blvd.	July 1, 2022	104,039
July 1, 1999	-	Bye Street	July 1, 2022	117,000
July 1, 1999	-	Wooster/East Ave.	July 1, 2022	254,363
July 1, 2000	-	Bishop Street	July 1, 2022	54,900
July 1, 2000	-	NW Storm Outlets	July 1, 2022	216,245
July 1, 2000	-	N. Arlington Bridge	July 1, 2022	149,179
July 1, 2001	-	Darrow Road	July 1, 2023	432,489
July 1, 2003	-	US 244 Phase II	July 1, 2025	541,688
July 1, 2005	-	Manchester Rd Ph I	July 1, 2027	41,850
July 1, 2005	-	Arlington St Signalization	July 1, 2027	547,110
July 1, 2005	-	E. Market St Widening	July 1, 2027	1,267,650
July 1, 2006	-	W. Market Street	July 1, 2028	790,400
July 1, 2006	-	Tallmadge Ave Singalization	July 1, 2027	129,080
July 1, 2006	-	Brown and Power St.	July 1, 2027	667,200
November 28, 2008	-	Barbara Ave.	January 1, 2040	173,726
November 28, 2008	-	Newton Street Bridge	January 1, 2040	565,788
July 1, 2008	-	Mill St. Bridge	July 1, 2039	1,299,000
March 13, 2009	-	Dover Ave.	January 1, 2030	353,095
October 11, 2011	-	Carroll Street	July 1, 2041	<u>642,134</u>
Total Ohio Public Works Commission Loans:				<u>\$ 9,241,963</u>

11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities (Continued):				
<u>Ohio Development Services Agency Loans:</u>				
March 1, 2003	1/2 Prime	2003 Univ Tech Pk	March 1, 2018	\$ 482,636
March 31, 2011	2	Goodyear 166 Loan	December 1, 2030	<u>5,000,000</u>
Total Ohio Development Services Agency Loans:				<u>\$ 5,482,636</u>
<u>Non-Tax Revenue Bonds:</u>				
December 15, 2006	5.01 to 5.61	2006	December 1, 2026	\$ 15,425,000
September 18, 2008	7.375	2008	December 1, 2028	19,745,000
December 15, 2011	2.0 to 2.25	2011	December 1, 2018	<u>13,305,000</u>
Total Non-tax Revenue Bonds:				<u>\$ 48,475,000</u>
<u>Income Tax Revenue Bonds:</u>				
December 15, 2011	2.0 to 3.75	2011	December 1, 2023	\$ 6,060,000
November 14, 2012	3.0 to 4.0	2012	December 1, 2032	26,280,000
August 8, 2013	2.03	2013	December 1, 2021	2,406,221
August 8, 2013	4.2	2013	December 1, 2028	<u>2,355,914</u>
Total Income Tax Revenue Bonds:				<u>\$ 37,102,135</u>
<u>CLC Income Tax Revenue Bonds:</u>				
July 28, 2010	3.0 to 4.5	2010A	December 1, 2033	\$ 17,880,000
July 28, 2010	5.074 to 6.463	2010B	December 1, 2033	12,060,000
July 28, 2010	5.87	2010C	December 1, 2026	15,060,000
June 27, 2012	3.5-5.0	2012A	December 1, 2033	155,360,000
June 27, 2012	3.0-4.0	2012B	December 1, 2015	<u>7,025,000</u>
Total CLC Income Tax Revenue Bonds:				<u>\$207,385,000</u>
<u>Special Revenue (JEDD) Bonds:</u>				
December 21, 2011	2.75 to 5.0	2000	December 1, 2020	\$ 6,415,000
December 21, 2011	2.75 to 5.0	2000	December 1, 2020	6,425,000
December 21, 2011	2.75 to 5.0	2002	December 1, 2022	8,800,000
December 21, 2011	2.75 to 5.0	2002	December 1, 2022	<u>5,525,000</u>
Total Special Revenue (JEDD) Bonds:				<u>\$ 27,165,000</u>

11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities (Continued):</u>				
<u>Special Assessment Obligations:</u>				
Street Improvement Bonds:				
September 1, 1978	7.25	Rosemary Blvd.	September 1, 2014	\$ 3,000
September 1, 2004	4	2004	December 1, 2014	415,000
December 1, 2004	4	2004B	December 1, 2014	6,125
September 29, 2005	3.707	2005	December 1, 2015	550,000
March 1, 2006	4	2006	December 1, 2015	14,800
September 14, 2006	4.0 to 5.5	2006	December 1, 2016	450,000
March 1, 2007	4	2007	December 1, 2016	7,466
September 5, 2007	4.1	2007	December 1, 2017	410,000
March 1, 2008	4	2008	December 1, 2017	17,535
December 1, 2009	4.521	2009	December 1, 2014	52,956
June 1, 2010	4	2010	December 1, 2019	516,221
November 22, 2011	2.45	2011	December 1, 2021	3,755,000
December 21, 2011	1.5 to 4.0	2011	December 1, 2014	22,655
Total Special Assessment Obligations:				<u>\$ 6,220,758</u>
<u>State Infrastructure Bank (SIB) Loans:</u>				
July 12, 2004	0.0 to 3.0	U.S. 224 Ph 1&2	September 1, 2014	\$ 635,308
September 30, 2004	0.0 to 3.0	Bridges	September 30, 2014	489,749
June 21, 2005	0.0 to 3.0	Bikeway	September 1, 2016	617,222
Total State Infrastructure Bank (SIB) Loans:				<u>\$ 1,742,279</u>
<u>Internal Service Income Tax Revenue Bonds:</u>				
November 14, 2012	3.0 to 4.0	2012	December 1, 2032	<u>\$ 1,615,000</u>
Total Internal Service Income Tax Revenue Bonds:				<u>\$ 1,615,000</u>
<u>Business-type Activities:</u>				
<u>General Obligation Bonds:</u>				
November 30, 2010	2.35 to 1.55	Canal/Tell	December 1, 2020	\$ 500,806
December 21, 2011	1.5 to 4.0	Canal/Tell	December 1, 2022	130,750
Total General Obligation Bonds:				<u>\$ 631,556</u>
<u>Mortgage Revenue Bonds:</u>				
Waterworks System Bonds:				
July 1, 2003	2 to 5	2003	September 1, 2014	\$ 2,560,000
August 1, 2006	4 to 4.5	2006	March 1, 2026	9,885,000
September 17, 2009	2.5 to 5.0	2009	March 1, 2034	21,390,000
Total Mortgage Revenue Bonds:				<u>\$ 33,835,000</u>
<u>Revenue Bonds:</u>				
Sewer System Bonds:				
December 1, 2005	3.50 to 5.00	2005	December 1, 2018	<u>\$ 15,385,000</u>
Total Revenue Bonds:				<u>\$ 15,385,000</u>

11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities (Continued):</u>				
<u>Ohio Water Development Authority Loans:</u>				
January 26, 1995	4.56	Sewer	July 1, 2015	\$ 2,225,086
March 30, 1995	4.56	Sewer	July 1, 2015	2,594,050
September 30, 1999	4.02	Water	July 1, 2020	476,815
May 25, 2000	4.64	Water	July 1, 2020	3,708,693
January 29, 2004	3.5	Water	January 1, 2014	170,143
September 30, 2004	3.81	Sewer	July 1, 2015	1,903,767
December 16, 2004	3.35	Sewer	July 1, 2014	1,533,358
October 30, 2008	3.52	Water	January 1, 2020	1,065,786
October 30, 2008	3.52	Sewer	January 1, 2020	1,065,786
January 14, 2010	3.25	Sewer	January 1, 2030	858,839
November 19, 2009	3.25	Sewer	July 1, 2030	142,407
December 10, 2009	3.25	Sewer	January 1, 2015	21,113
December 10, 2009	3.25	Sewer	July 1, 2020	255,217
December 10, 2009	3.25	Sewer	January 1, 2030	75,299
March 31, 2011	4.72	Sewer	January 1, 2032	734,111
February 24, 2011	4.14	Sewer	January 1, 2032	2,060,935
February 24, 2011	4.14	Sewer	January 1, 2032	387,873
August 25, 2011	4.52	Sewer	July 1, 2017	282,450
October 27, 2011	2.60	Sewer	January 1, 2017	17,749
October 27, 2011	2.60	Sewer	January 1, 2017	8,185
December 8, 2011	2.55	Sewer	January 1, 2017	1,567,361
December 8, 2011	2.80	Sewer	July 1, 2032	2,573,828
December 8, 2011	2.80	Water	January 1, 2033	1,763,871
December 8, 2011	2.80	Sewer	January 1, 2033	1,763,871
December 8, 2011	2.80	Sewer	January 1, 2032	851,424
December 8, 2011	3.55	Water	July 1, 2032	453,021
October 27, 2011	2.78	Sewer	July 1, 2033	19,543,969
October 27, 2011	2.85	Sewer	January 1, 2033	1,219,282
October 27, 2011	2.85	Sewer	July 1, 2032	869,854
May 31, 2012	2.69	Sewer	January 1, 2019	12,600,264
May 31, 2012	2.69	Sewer	January 1, 2019	1,548,363
June 28, 2012	2.00	Water	July 1, 2033	14,734
September 27, 2012	2.54	Sewer	July 1, 2018	621,421
October 25, 2012	2.48	Sewer	July 1, 2019	49,336
December 6, 2012	2.44	Sewer	July 1, 2019	992,056
March 28, 2013	3.15	Sewer	July 1, 2034	342,687
December 6, 2012	2.44	Sewer	January 1, 2018	5,461,752
May 30, 2013	2.67	Sewer	July 1, 2033	1,098,746
June 27, 2013	2.00	Water	July 1, 2034	277,377
June 27, 2013	2.00	Water	July 1, 2034	21,708
June 27, 2013	2.00	Water	July 1, 2034	11,144
August 29, 2013	3.05	Sewer	January 1, 2035	260,797
September 26, 2013	4.24	Water	July 1, 2023	1,067
Total Ohio Water Development Authority Loans:				<u>\$ 73,495,595</u>
<u>Ohio Public Works Commission Loans:</u>				
July 1, 1995	-	Water	July 1, 2016	\$ 307,247
December 1, 1995	-	Sewer	January 1, 2017	106,547
July 1, 1996	-	Sewer	July 1, 2017	294,862
July 1, 1997	-	Sewer	July 1, 2018	223,125
July 1, 2000	-	Water	July 1, 2021	492,250
July 1, 2005	-	Sewer	July 1, 2025	118,731
Total Ohio Public Works Commission Loans:				<u>\$ 1,542,762</u>

11. Long-Term Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2013 (in thousands):

Governmental Activities						
Fiscal Year Ending December 31	General Obligation		OPWC		ODSA	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 15,061	\$ 9,519	\$ 647	\$ -	\$ 104	\$ 31
2015	16,163	8,948	647	-	108	26
2016	16,740	8,340	647	-	243	72
2017	17,322	7,612	647	-	417	112
2018	17,046	6,876	647	-	345	101
2019-2023	79,323	23,885	2,778	-	1,635	399
2024-2028	42,090	9,009	1,674	-	1,835	205
2029-2033	11,395	1,370	617	-	795	23
2034-2038	-	-	524	-	-	-
2039-2043	-	-	414	-	-	-
	<u>\$ 215,140</u>	<u>\$ 75,559</u>	<u>\$ 9,242</u>	<u>\$ -</u>	<u>\$ 5,482</u>	<u>\$ 969</u>

Fiscal Year Ending December 31	Non-Tax Revenue		Income Tax Revenue		Special Revenue (JEDD)	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,620	\$ 2,585	\$ 7,595	\$ 11,531	\$ 1,920	\$ 1,149
2015	4,343	2,471	7,226	11,312	3,215	1,073
2016	4,510	2,301	7,572	11,048	3,325	944
2017	4,687	2,129	7,962	10,773	3,485	778
2018	4,858	1,950	8,863	10,426	3,665	603
2019-2023	12,626	7,257	55,251	45,440	11,555	824
2024-2028	13,831	2,669	66,408	30,638	-	-
2029-2033	-	-	83,610	12,702	-	-
2034-2038	-	-	-	-	-	-
2039-2043	-	-	-	-	-	-
	<u>\$ 48,475</u>	<u>\$ 21,362</u>	<u>\$ 244,487</u>	<u>\$ 143,870</u>	<u>\$ 27,165</u>	<u>\$ 5,371</u>

Fiscal Year Ending December 31	Special Assessment		State Infrastructure Bank		Internal Service Income Tax Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 2,141	\$ 191	\$ 1,429	\$ 42	\$ 385	\$ 48
2015	1,219	116	313	7	400	37
2016	962	77	-	-	410	25
2017	461	49	-	-	420	13
2018	351	36	-	-	-	-
2019-2023	1,087	53	-	-	-	-
2024-2028	-	-	-	-	-	-
2029-2033	-	-	-	-	-	-
2034-2038	-	-	-	-	-	-
2039-2043	-	-	-	-	-	-
	<u>\$ 6,221</u>	<u>\$ 522</u>	<u>\$ 1,742</u>	<u>\$ 49</u>	<u>\$ 1,615</u>	<u>\$ 123</u>

11. Long-Term Debt (Continued)

Business-type Activities						
Fiscal Year Ending December 31	General Obligation		Mortgage Revenue		Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 15	\$ 28	\$ 3,475	\$ 1,471	\$ 4,310	\$ 769
2015	72	27	3,625	1,322	4,525	554
2016	76	24	3,805	1,143	4,750	327
2017	79	20	3,990	954	1,800	90
2018	83	16	4,195	755	-	-
2019-2023	306	25	5,870	2,675	-	-
2024-2028	-	-	5,195	1,355	-	-
2029-2033	-	-	2,985	560	-	-
2034-2038	-	-	695	17	-	-
2039-2043	-	-	-	-	-	-
	<u>\$ 631</u>	<u>\$ 140</u>	<u>\$ 33,835</u>	<u>\$ 10,252</u>	<u>\$ 15,385</u>	<u>\$ 1,740</u>

Fiscal Year Ending December 31	OWDA		OPWC	
	Principal	Interest	Principal	Interest
2014	\$ 13,563	\$ 2,556	\$ 202	\$ -
2015	13,872	2,606	201	-
2016	7,997	2,103	202	-
2017	6,117	1,382	201	-
2018	4,282	1,161	202	-
2019-2023	11,898	4,387	463	-
2024-2028	10,894	2,559	72	-
2029-2033	4,873	606	-	-
2034-2038	-	-	-	-
2039-2043	-	-	-	-
	<u>\$ 73,496</u>	<u>\$ 17,360</u>	<u>\$ 1,543</u>	<u>\$ -</u>

Fiscal Year Ending December 31	Governmental Activities Total		Business-type Activities Total		Grand Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 32,902	\$ 25,096	\$ 21,565	\$ 4,824	\$ 54,467	\$ 29,920
2015	33,634	23,990	22,295	4,509	55,929	28,499
2016	34,409	22,807	16,830	3,597	51,239	26,404
2017	35,401	21,466	12,187	2,446	47,588	23,912
2018	35,775	19,992	8,762	1,932	44,537	21,924
2019-2023	164,255	77,858	18,537	7,087	182,792	84,945
2024-2028	125,838	42,521	16,161	3,914	141,999	46,435
2029-2033	96,417	14,095	7,858	1,166	104,275	15,261
2034-2038	524	-	695	17	1,219	17
2039-2043	414	-	-	-	414	-
	<u>\$ 559,569</u>	<u>\$ 247,825</u>	<u>\$ 124,890</u>	<u>\$ 29,492</u>	<u>\$ 684,459</u>	<u>\$ 277,317</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 \$143,529,806 at December 31, 2013. 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 OWDAs 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.

The Sanitary Sewer System Improvement and Refunding Revenue Bond dated April 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 Reserve Fund based on a calculation of net operating revenues. The minimum deposits to the Debt Service Reserve Funds for these bonds are zero. The balances in the Debt Service Reserve Funds at December 31, 2013 were as follows:

	Sewer System 1998 Issue	Waterworks System 2003 Issue	Waterworks System 2006 Issue
Actual balance of debt service reserve fund	\$ 4,449,229	\$ 1,942,626	\$ 545,743

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, 2013, the City's total net debt amounted to 4.42% of the total assessed value of all property within the City and unvoted net debt amounted to 4.42% 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, 2013:

Issue	De feasance Date	Original Amount		Principal Outstanding at 12/31/13
		De feased	Escrowed	
Various Purpose Improvement Bonds, Series 1994	2001	\$ 15,825,000	\$ 18,761,930	\$ 990,000
Waterworks System Mortgage Revenue Bonds Series 1994	2003	19,405,000	20,820,490	2,500,000
Various Purpose Improvement Bonds, Series 1995-2	2005	3,855,000	-	855,000
Various Purpose Improvement Bonds, Series 1996	2005	2,600,000	-	1,420,000
Various Purpose Improvement Bonds, Series 1996-2	2005	7,900,000	-	2,600,000
Various Purpose Improvement Bonds, Series 1997	2005	11,960,000	-	4,225,000
Various Purpose Improvement Bonds, Series 1999	2005	14,310,000	-	6,800,000
Various Purpose Improvement Bonds, Series 2000	2005	14,265,000	-	8,630,000
		<u>54,890,000</u>	<u>40,208,751</u>	<u>24,530,000</u>
Sanitary Sewer System Revenue Bonds, Series 1996	2005	12,655,000	-	4,445,000
Sanitary Sewer System Revenue Bonds, Series 1997	2005	11,245,000	-	4,135,000
Revenue Bonds, Series 1998	2005	6,165,000	-	5,235,000
		<u>30,065,000</u>	<u>30,839,036</u>	<u>13,815,000</u>
Revenue Bonds, Series 1998	2009	6,570,000	-	4,000,000
		<u>6,570,000</u>	<u>14,464,701</u>	<u>4,000,000</u>
Various Purpose Improvement Bonds, Series 1998	2010	5,835,000	6,044,651	3,845,000
Various Purpose Improvement Bonds, Series 2001	2010	13,850,000	14,792,506	8,800,000
		<u>19,685,000</u>	<u>20,837,157</u>	<u>12,645,000</u>

11. Long-Term Debt (Continued)

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/13
		Defeased	Escrowed	
Various Purpose Improvement Bonds, Series 2001	2011	7,425,000	7,474,877	4,135,000
Various Purpose Improvement Bonds, Series 2002	2011	19,390,000	20,342,508	17,720,000
Various Purpose Improvement Bonds, Series 2003	2011	15,635,000	17,109,007	15,105,000
		<u>42,450,000</u>	<u>44,926,392</u>	<u>36,960,000</u>
Non-Tax Revenue Bonds, Series 1997	2011	<u>16,385,000</u>	<u>16,594,456</u>	<u>12,275,000</u>
Income Tax Revenue Bonds, Series 1999	2011	<u>6,290,000</u>	<u>6,330,767</u>	<u>5,485,000</u>
Special Revenue Bonds (JEDD), Series 2000	2011	16,180,000	16,308,393	13,230,000
Special Revenue Bonds (JEDD), Series 2002	2011	16,400,000	17,153,385	13,930,000
		<u>32,580,000</u>	<u>33,461,778</u>	<u>27,160,000</u>
CLC Income Tax Revenue Bonds, Series 2004A	2012	165,000,000	177,376,931	165,000,000
CLC Income Tax Revenue Bonds, Series 2004B	2012	6,895,000	7,382,125	5,145,000
		<u>171,895,000</u>	<u>184,759,056</u>	<u>170,145,000</u>
Various Purpose Improvement Bonds, Series 2003	2012	8,755,000	9,301,891	8,755,000
				<u>\$ 319,260,000</u>

11. Long-Term Debt (Continued)

The City of Akron's original General Obligation bond ratings are AA- from Fitch, Aa3 from Moody's and AA- from Standard and Poor's. The insured Water and Sewer Revenue bonds were originally rated AAA from Fitch, Aaa from Moody's and AAA from Standard and Poor's. As of December 31, 2013, the City's bond ratings are as follows:

<u>Bond Description</u>	<u>Moody's</u>	<u>Standard</u>	<u>Fitch</u>
	<u>Investors</u>	<u>and Poor's</u>	<u>Ratings</u>
	<u>Service</u>		
	<u>Current Rating</u>	<u>Current Rating</u>	<u>Current Rating</u>
1998 Sanitary Sewer System Improvement and Refunding Bonds	WR	n/a	n/a
1999 Various Purpose Improvement Bonds (Advance Refunded)	Aa3	n/a	n/a
2003 Street Improvement Special Assessment Bonds	WR	n/a	n/a
2003 Various Purpose Improvement Bonds	Aa3	n/a	AA-
2003 Waterworks System Mortgage Revenue Improvement and Refunding Bonds	Baa1	n/a	n/a
2004B Income Tax Revenue Bonds (CLC)	WR	n/a	AA-
2005 Refunding Certificates of Participation	n/a	AA-	A
2005 Sanitary Sewer System Improvement and Refunding Bonds	WR	n/a	n/a
2005 Street Improvement Special Assessment Bonds	Aa3	AA-	AA-
2005 Various Purpose Improvement and Refunding Bonds	Aa3	AA+	AA-
2005-A Certificates of Participation	WR	A+	n/a
2006 Street Improvement Special Assessment Bonds	A2	AA-	n/a
2006 Taxable Economic Development Revenue Bonds	Baa1	n/a	n/a
2006 Various Purpose Improvement Bonds	Aa3	AA-	AA-
2006 Waterworks System Mortgage Revenue Improvement and Refunding Bonds	WR	n/a	n/a
2007 Certificates of Participation	WR	A+	n/a
2007 Various Purpose Improvement Bonds	Aa3	AA-	AA-
2009 Various Purpose Improvement Refunding Bonds	n/a	AA+	n/a
2009 Waterworks System Mortgage Revenue Improvement and Refunding Bonds	A3	n/a	n/a
2010 Steam Utility Certificates of Participation	n/a	A+	n/a
2010 Various Purpose Refunding Bonds, Series A	n/a	AA-	AA-
2010 Various Purpose Refunding Bonds, Series B	n/a	AA-	AA-
2010 Various Purpose Refunding Bonds, Series C	n/a	AA-	AA-
2010 Various Purpose Refunding Bonds, Series D	n/a	AA+	AA-
2010A Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2010B Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2010C Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2011 JEDD Revenue Refunding Bonds	n/a	AA-	n/a
2011 Nontax Revenue Economic Dev Bonds	A1	n/a	n/a
2011 Pension Income Tax Revenue Refunding Bonds	A1	n/a	n/a
2011 Various Purpose Refunding Bonds	Aa3	AA-	n/a
2012 Various Purpose Refunding Bonds	n/a	AA-	n/a
2012 Various Purpose Income Tax Refunding Bonds	n/a	AA+	n/a
2012A Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2012B Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2013-A Certificates of Participation	n/a	A+	n/a
2013-B Certificates of Participation	n/a	A+	n/a
2013 Various Purpose Refunding Bonds, Series A	n/a	AA-	n/a
2013 Various Purpose Refunding Bonds, Series B	n/a	AA-	n/a
2013 Various Purpose Refunding Bonds, Series C	n/a	AA-	n/a
2013 Various Purpose Refunding Bonds, Series D	n/a	AA-	n/a
2013 Health Benefit Claims Notes	n/a	SP-1+	n/a
2013 Various Purpose Improvement Notes	n/a	SP-1+	n/a

11. Long-Term Debt (Continued)

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 Development Finance Authority of Summit County Bonds, Series 2005B. As of December 31, 2013, the principal amount outstanding was \$670,000. 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, 2013.

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 Development Finance Authority of Summit County Bonds, Series 2007. As of December 31, 2013, the principal amount outstanding was \$2,105,000. 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, 2013.

During 2008, 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, 2012, the principal amount outstanding was \$145,833. As of December 31, 2013, the principal amount outstanding was \$91,667. During 2013 the City was required to make principal and interest payment on behalf of MemPro Ceramics Corporation. The City paid \$54,166 in principal and \$5,706 in interest that was due to The Huntington National Bank. The City's cumulative amounts of payment are \$158,333 for principal and \$31,137 for interest. The City believes that collection of indemnification payments is unlikely, therefore no receivable has been recorded. MemPro Ceramics Corporation scheduled 2014 principal and interest payments are \$50,000 and \$3,832, respectively, and are recorded as a fund liability using the current financial resources measurement focus. The remaining principal and interest payments are \$41,667 and \$1,063, respectively and have been recorded on the government wide statements.

During 2010, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of the International Soap Box Derby, Inc. for the loan issued by FirstMerit Bank. As of December 31, 2013, the principal amount outstanding was \$456,941. The City believes that the International Soap Box Derby 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, 2013.

During 2012, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Development Finance Authority of Summit County Revenue Bonds (Akron Civic Theatre Project), issued by the Development Finance Authority of Summit County. As of December 31, 2013, the principal amount outstanding was \$14,780,000. The City believes that the Development Finance Authority of Summit County 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, 2013.

During 2012, the City entered into a cooperative agreement with the Development Finance Authority of Summit County, Akron Baseball, LLC, and The Bank of New York Mellon Trust Company, N.A. to facilitate financing. The Development Finance Authority of Summit Development Revenue Bonds, Series 2012 were issued for \$3.6 million. The obligation of the City to make appropriation payments are subject to the annual appropriations made by City Council. The City has recorded a liability of \$206,425 for the principal and interest payments scheduled to be paid during 2014 in the accompanying financial statements. The principal balance outstanding as of December 31, 2013 is \$3,525,000 million.

11. Long-Term Debt (Continued)

The obligations of the City under this agreement, including its obligation to make payments during any fiscal year of the City in which this agreement is in effect, shall not constitute a general obligation or indebtedness of the City within the meaning of the constitution and laws of the State of Ohio. The agreement does not pledge any taxes or other moneys to the amounts payable by the City. Nothing constitutes a pledge by the City or an obligation by the City, of any taxes or other moneys to the payment of any amount payable by the City under this agreement; therefore, no provision for such liability has been recorded in the financial statements as of December 31, 2013.

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, 2013, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$525,000.

On May 8, 2013, the Development Finance Authority (DFA) of Summit County issued Taxable Development Revenue Bonds, Series 2013A, in the amount of \$6,645,000 for the University Edge project by developer Lawrence B. Levey & University Square Investors II, LLC. These bonds mature on November 15, 2027. The City has applied for approval from the State of Ohio for Tax Increment Financing (TIF) on improvements to the land to be used for the project. If approved, the TIF Service Payments will be used to pay the debt service on the bonds issued by the DFA. In the event TIF Service Payments are not sufficient in any particular year to cover the annual debt service on the bonds, or if the City does not receive TIF approval from the State, the developer will be required to pay the deficiency.

12. Obligations Under Capitalized Leases and Certificates of Participation (COPs)

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 \$2,421,697 provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying government-wide statement of net position as of December 31, 2013. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

On November 27, 2013, the City issued \$14,910,000 in Convertible Capital Certificates of Participation (COPS) maturing December 1, 2014 through December 1, 2021 with interest rates ranging from .58% to 3.75%. As a result, the Certificates of Participation (COPS), Series 2005 are considered to be defeased and the liability for those bonds has been removed from the financial statements.

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, 2013:

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/13
		Defeased	Escrowed	
Certificates of Participation, Series 2005	2013	\$ 13,580,000	\$ 14,619,000	\$ 10,430,000

On November 3, 2010, the City issued \$13.2 million Series 2010 Convertible Certificates of Participation (COPs) for the Akron Energy Systems Project. Total future payments as of December 31, 2013 are as follows:

Year	Governmental Activities	
	Principal	Interest
2014	\$ 465,000	\$ 582,850
2015	480,000	570,063
2016	495,000	556,862
2017	505,000	543,250
2018	530,000	518,000
2019-2023	3,085,000	2,164,000
2024-2028	3,940,000	1,311,000
2029-2031	2,805,000	235,000
	<u>\$ 12,305,000</u>	<u>\$ 6,481,025</u>

12. Obligations Under Capitalized Leases and Certificates of Participation (COPs) (Continued)

The City also has five other capital leases. One is for the redesign of the City's sanitation trash collection system. 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 Position – Governmental Activities.

The second is an equipment lease from 2009 which was refinanced on January 15, 2013. The cost of the equipment purchase is \$1,952,230 and is included in the City's capital assets in the Statement of Net Position – Governmental Activities and in the Water and Golf Course Funds. The amount of the new lease is \$1,235,577 and it's a 4-year term with a 2.1% interest rate. The refinance resulted in interest savings of \$53,000 with the same payment amounts as under the original agreement, except for the last year's payment being reduced. Also, the \$350,000 cash payment to escrow made by the Water Division in 2009 was returned four years early.

The third is a 2012 lease for the purchase of various service-equipment. The cost of the equipment is \$7,154,080 and is included in the City's capital assets in the Statement of Net Position – Governmental Activities. Although the lease agreement was signed in 2012, the proceeds and the subsequent equipment purchases were not made until 2013.

The fourth and fifth 2012 capital leases agreements are for street cleaners/sweepers. The cost of equipment for each lease is \$536,585 and is included in the City's capital assets in the Statement of Net Position – Governmental Activities. Although the lease agreement was signed in 2012, the proceeds and the subsequent equipment purchases were not made until 2013.

The following is a summary of the capital lease transactions for the year ended December 31, 2013:

	<u>Governmental Activities</u>			
	<u>COPS Stadium</u>	<u>COPS Parlring</u>	<u>Sanitation Redesign</u>	<u>Street Cleaners</u>
Capital Lease at January 1, 2013	\$ 13,580,000	\$ 36,790,000	\$ 4,157,749	\$ -
Additions	17,275,000	-	-	536,585
Retirements	(13,580,000)	(2,655,000)	(967,785)	(204,352)
Adjustments	-	-	-	-
Capital Lease at December 31, 2013	<u>\$ 17,275,000</u>	<u>\$ 34,135,000</u>	<u>\$ 3,189,964</u>	<u>\$ 332,233</u>

	<u>Governmental Activities (continued)</u>				<u>Enterprise</u>
	<u>Street Sweepers</u>	<u>Public Service Equipment</u>	<u>Public Works Equipment</u>	<u>Equipment</u>	<u>Equipment</u>
Capital Lease at January 1, 2013	\$ -	\$ -	\$ -	\$ 1,077,599	\$ 387,152
Additions	536,585	1,382,098	7,154,080	914,327	321,250
Retirements	(174,206)	(395,000)	(1,304,152)	(1,077,599)	(387,152)
Adjustments	-	159,284	-	-	-
Capital Lease at December 31, 2013	<u>\$ 362,379</u>	<u>\$ 1,146,382</u>	<u>\$ 5,849,928</u>	<u>\$ 914,327</u>	<u>\$ 321,250</u>

12. Obligations Under Capitalized Leases and Certificates of Participation (COPs) (Continued)

Future lease payments are as follows as of December 31, 2013:

Year	Governmental Activities			
	COPS Stadium	COPS Parking	Sanitation Redesign	Street Cleaners
2014	\$ 2,392,913	\$ 4,179,063	\$ 1,152,972	\$ 107,675
2015	2,393,298	4,145,438	1,152,972	107,675
2016	2,392,600	4,108,038	1,152,970	134,000
2017	2,392,425	4,402,438	-	-
2018	2,392,435	4,505,688	-	-
2019-2023	7,749,025	13,929,806	-	-
2024-2028	-	8,856,256	-	-
2029-2031	-	-	-	-
Total lease payments	19,712,696	44,126,727	3,458,914	349,350
Less amount representing interest	2,437,696	9,991,727	268,950	17,117
Present value of lease payments	\$ 17,275,000	\$ 34,135,000	\$ 3,189,964	\$ 332,233
Net book value of leased assets	* \$ 19,394,663	\$ 61,177,916	\$ 2,262,551	\$ 518,698

Year	Governmental Activities (continued)				Enterprise
	Street Sweepers	Public Service Equipment	Public Works Equipment	Equipment	Equipment
2014	\$ 92,587	\$ 376,715	\$ 1,547,849	\$ 250,081	\$ 87,866
2015	92,587	336,669	1,392,923	250,042	87,853
2016	92,587	263,690	1,321,182	249,903	87,804
2017	107,000	224,619	1,149,257	211,610	74,349
2018	-	-	775,316	-	-
Total lease payments	384,761	1,201,693	6,186,527	961,636	337,872
Less amount representing interest	22,382	55,311	336,599	47,309	16,622
Present value of lease payments	\$ 362,379	\$ 1,146,382	\$ 5,849,928	\$ 914,327	\$ 321,250
Net book value of leased assets	\$ 518,698	\$ 1,319,355	\$ 6,788,191	\$ 855,993	\$ 328,962

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

On January 15, 2013, the City entered into a capital lease agreement in the amount of \$1,541,382 for the purchase of various service-equipment. The new equipment lease is a 5-year term with a 2.1% interest rate. Equipment purchases totaling \$1,357,829 were recorded on the governmental Statement of Revenues, Expenditures and Changes in Fund Balance, in addition \$24,269 of equipment was purchased under this lease for the Sewer Division. The remaining lease balance of \$159,284 was recorded as Due from Others on the government-wide financial statements.

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 \$175,000,000 per occurrence, with a variety of deductibles beginning at \$250,000. Coverage is purchased on 992 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 \$2,966,603, \$4,991,828, and \$197,232 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2013, 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 2012 and 2013 were:

	Beginning of Year Liability	Claim Adjustments	Current Period Claims	Claim Payments	Balance at End of Year
<u>Medical Self-Insurance Fund</u>					
2012	\$ 1,896,589	\$ -	\$ 27,235,419	\$ (26,112,168)	\$ 3,019,840
2013	3,019,840	-	27,633,829	(27,687,066)	2,966,603
<u>Workers' Compensation Reserve Fund</u>					
2012	5,938,649	-	854,981	(1,133,625)	5,660,005
2013	5,660,005	-	551,797	(1,219,974)	4,991,828
<u>Self-Insurance Settlement Fund</u>					
2012	442,316	(597,262)	433,387	-	278,441
2013	278,441	(151,634)	70,425	-	197,232

14. Long-term Liabilities

The City reports the following amounts relating to the government's long-term liabilities for the year ended December 31, 2013:

	Due in More Than One Year				Due within One Year *
	January 1, 2013	Additions	Deletions	December 31, 2013	
Governmental Activities:					
Governmental Funds:					
Accounts payable and other accrued liabilities	\$ -	\$ 915,595	\$ -	\$ 915,595	\$ 11,319,465
Accrued interest payable	-	-	-	-	2,423,661
Accrued vacation and leave (Note 8)	35,372,477	14,198,737	(12,439,234)	37,131,980	10,512,562
Accrued wages	-	-	-	-	3,379,267
Bonds, notes and loans payable	551,783,941	7,348,366	(34,259,769)	524,872,538	69,306,839
COPs and obligations under capital lease (Note 12)	67,487,028	42,203,230	(42,546,064)	67,144,194	8,366,020
Deposits	-	-	-	-	500,032
Due to other governments	3,211,967	2,533,553	(2,720,967)	3,024,553	4,578,640
Employment Related Liabilities (Note 1)	1,669,486	-	(273,479)	1,396,007	120,265
Guarantees and other obligations	-	2,449,335	-	2,449,335	260,257
OPEB liability (Note 9)	27,491,735	5,187,493	-	32,679,228	-
Pollution Remediation (Note 20)	20,000	20,000	(20,000)	20,000	70,000
Total Governmental Funds	687,036,634	74,856,309	(92,259,513)	669,633,430	110,837,008
Internal Service Funds:					
Accounts payable and other accrued liabilities	-	-	-	-	1,552,509
Accrued vacation and leave (Note 8)	1,937,980	869,093	(721,049)	2,086,024	642,339
Accrued wages	-	-	-	-	204,132
Bonds, notes and loans payable	13,000,000	-	(2,770,000)	10,230,000	385,000
OPEB liability (Note 9)	1,127,463	262,387	-	1,389,850	-
Liability for unpaid claims	4,440,031	-	(474,128)	3,965,903	4,189,760
Total Internal Service Funds	20,505,474	1,131,480	(3,965,177)	17,671,777	6,973,740
Total Governmental Activities	707,542,108	75,987,789	(96,224,690)	687,305,207	117,810,748
Business-type Activities:					
Enterprise Funds:					
Water					
Accounts payable and other accrued liabilities	-	-	-	-	1,861,553
Accrued interest payable	-	-	-	-	683,582
Accrued vacation and leave (Note 8)	2,413,614	1,263,652	(1,028,535)	2,648,731	746,753
Accrued wages	-	-	-	-	287,320
Bonds, notes and loans payable (Notes 10,11)	41,874,553	774,067	(4,600,409)	38,048,211	4,550,645
Deposits	-	-	-	-	703,757
Due to other governments	-	-	-	-	48,599
OPEB liability (Note 9)	1,954,346	408,487	-	2,362,833	-
COPs and obligations under capital lease (Note 12)	251,596	193,951	(251,596)	193,951	65,520
Sewer					
Accounts payable and other accrued liabilities	-	-	-	-	2,493,509
Accrued interest payable	-	-	-	-	1,255,585
Accrued vacation and leave (Note 8)	1,757,285	1,436,469	(1,318,622)	1,875,132	535,480
Accrued Wages	-	-	-	-	195,008
Bonds, notes and loans payable (Notes 10,11)	52,375,272	30,017,047	(17,732,108)	64,660,211	16,999,290
Due to other governments	246,839	-	(27,782)	219,057	106,962
OPEB liability (Note 9)	1,281,887	284,411	-	1,566,298	-
Off Street Parking					
Accounts payable and other accrued liabilities	-	-	-	-	421,496
Accrued interest payable	-	-	-	-	2,301
Bonds, notes and loans payable (Notes 10,11)	631,556	-	(14,956)	616,600	14,956
Due to other governments	-	-	-	-	226,285
Other Business-type Activities					
Accounts payable and other accrued liabilities	-	-	-	-	104,783
Accrued vacation and leave (Note 8)	40,537	38,287	(14,415)	64,409	32,513
Accrued wages	-	-	-	-	11,886
COPs and obligations under capital lease (Note 12)	65,470	46,179	(65,470)	46,179	15,600
Due to other governments	-	-	-	-	49,021
Pollution Remediation (Note 20)	27,000	27,000	(27,000)	27,000	50,300
OPEB liability (Note 9)	88,204	31,382	-	119,586	-
Total Business-type Activities	103,008,159	34,520,932	(25,080,893)	112,448,198	31,462,704
Total	\$ 810,550,267	\$ 110,508,721	\$ (121,305,583)	\$ 799,753,405	\$ 149,273,452

* The amount that is due within one year is classified as current liabilities on the Statement of Net Position.

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

The following funds have fund balance deficits or net position deficits at December 31, 2013:

Special Revenue Funds:	
Special Assessment	\$ 8,644,931
Community Development	2,413
Akron Metro. Area Transportation Study	36,026
Police Grants	60,438
Capital Project Funds:	
Streets	16,716,039
Parks and Recreation	351,646
Public Facilities and Improvements	157,297
Internal Service Funds:	
Medical Self-Insurance	5,788,126
Workers' Compensation Reserve	2,269,958
Self-Insurance Settlement	181,330
Engineering Bureau	922,021
Information Technology	2,100,151

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. On a cash basis, the Special Assessment Fund has a positive balance and is awaiting receipt of assessments from property owners to retire the S.A. notes. The Community Development Fund, Akron Metro Area Transportation Fund, and Police Grants Fund requested grant draws are based on actual cash basis expenditures.

The Capital projects funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed. The Streets Fund and Parks and Recreation Fund have outstanding G.O. Notes that will be repaid from future collections. The Public Facilities and Improvements Fund has a positive cash position.

The Internal Service Funds that have deficit net position balances at year-end have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. In 2013, the City issued bond anticipation notes for the Medical Self-Insurance Fund. The debt will be repaid through user charges. The City's policy is to transfer funds from the pertinent division's operating budget for actual claim settlements to reimburse the Workers' Compensation Fund and the Self-Insurance Settlement Fund. The Engineering Bureau and Information Technology Division will review applied overhead rates charged for projects to decrease deficits going forward.

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 expenditures 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 and public utility property located in the City. The Property taxes collected are allocated to the various funds based upon voter authorization.

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 2008 for collection in 2009. The next sexennial revaluation will be completed in 2014 for collection in 2015. 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.

To compensate for foregone revenue from tangible personal property tax, 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 with gradual reductions in the reimbursement from 2011 through 2017.

The assessed value upon which the 2013 property tax was based aggregated \$2,662,476,000. The assessed value for 2013 (upon which the 2014 property tax will be based) is approximately \$2,619,904,000. Under the current allocation method, the City's share was 1.030% (10.30 mills) of assessed value in 2013 for collection in 2014. 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 tax collections for the year ended December 31, 2013, including delinquencies from prior years, were 91.8% 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.

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.

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 \$85.9 million in water system revenue bonds and Ohio Water Development Authority loans issued at various dates ranging from September 30, 1999 through September 26, 2013. Proceeds from the bonds and loans provided financing for various water projects. The bonds and loans are payable solely from water customer net revenues and have varying final maturity dates ranging from January 1, 2014 through July 1, 2034. The total principal and interest remaining to be paid on the bonds and loans as of December 31, 2013 is \$53,987,794. Principal and interest paid for 2013 and total customer net revenues were \$6,293,075 and \$10,309,474 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
07/01/03	\$ 28,045,000	Various Water Projects	03/01/14	\$ 2,580,350	\$ 2,604,800
08/10/06	13,340,000	Various Water Projects	03/01/26	998,895	12,986,908
09/17/09	22,100,000	Various Water Projects	03/01/34	1,369,125	28,495,350
09/30/99	1,076,288	Clean and Reline Wtr Main	07/01/20	73,811	551,790
05/25/00	8,108,231	Sedimentation Basin Rehab	07/01/20	626,574	4,386,017
01/29/04	2,900,272	Post Chemical Bldg.	01/01/14	346,242	173,121
10/30/08	1,547,061	Water Meter Replacement	01/01/20	184,872	1,201,668
06/28/12	1,092,305	Water Main Replacement	07/01/33	-	25,657
12/08/11	2,375,202	Water Wall	01/01/33	77,954	2,444,270
12/08/11	501,755	Stow Road Bolt Replemnt	07/01/32	35,252	637,789
06/27/13	2,905,548	High Service Pumps Install	07/01/34	-	416,651
06/27/13	760,397	Chlorine Dioxide Feed Syst.	07/01/34	-	36,760
06/27/13	831,356	Water Main Replemnt 2013	07/01/34	-	19,458
09/26/13	306,056	Spillway Improvements	07/01/23	-	7,555
	<u>\$ 85,889,471</u>			<u>\$ 6,293,075</u>	<u>\$ 53,987,794</u>

19. Pledged Revenues (Continued)

Sewer System Revenues

The City has pledged future sewer customer revenues, net of specified operating expenses to repay \$186.9 million in sewer system revenue bonds and Ohio Water Development Authority loans issued at various dates ranging from January 26, 1995 through August 29, 2013. Proceeds from the bonds and loans provided financing for various sewer projects. The bonds and loans are payable solely from sewer customer net revenues and have varying maturity dates ranging from July 1, 2014 through January 1, 2035. The total principal and interest remaining to be paid on the bonds as of December 31, 2013 is \$98,080,902. Principal and interest paid for 2013 and total customer net revenues were \$12,267,834 and \$18,341,015 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/01/05	\$ 33,855,000	Various Sewer Projects	12/01/17	\$ 3,863,250	\$ 17,125,500
01/26/95	15,328,404	WWTP Computerization	07/01/15	1,176,439	2,353,361
03/30/95	17,873,704	Hawkins-Willow Run	07/01/15	1,371,789	2,743,577
09/30/04	8,231,733	Water Meter Replacement	07/01/15	997,645	1,995,289
12/16/04	10,951,959	Storage Basin Rack 41	07/01/14	1,571,990	1,571,991
10/30/08	1,547,061	Water Meter Replacement	01/01/20	184,872	1,201,668
01/14/10	989,338	Sand Run Sewer Recon	01/01/30	6,066	1,116,395
11/19/09	160,393	Mill Street Sewer Repair	07/01/30	5,080	186,477
12/10/09	89,400	WWTP Influent Screen	01/01/15	21,584	21,983
12/10/09	369,492	WPC Control System	07/01/20	48,790	292,360
12/10/09	86,741	WWTP Roof Replacement	01/01/30	5,239	97,880
03/31/11	846,270	Lake Woods Pump Station	01/01/32	65,844	1,141,770
02/24/11	414,210	2nd St Pump Station	01/01/32	30,657	561,493
12/08/11	2,375,202	Water Wall	01/01/33	77,954	2,444,270
05/31/12	24,166,354	CSO Ohio Canal Tunnel	01/01/19	792,220	13,822,694
02/24/11	2,565,117	Massillon Rd Sewer	01/01/32	189,850	3,117,265
08/25/11	296,200	Goodyear CSO Retention	07/01/17	13,750	304,100
10/27/11	78,750	Shullo Pump Station	01/01/17	16,898	19,638
10/27/11	78,750	Weathervane Pump Station	01/01/17	16,898	9,546
01/04/12	693,049	Main Outfall Sewer Plan	12/01/16	149,726	-
12/08/11	4,330,000	Large Diam. Pipe Inspect.	07/01/18	360,010	1,716,196
12/08/11	2,987,144	CSO Rack 8 Sewer Sep	07/01/32	196,077	3,417,316
12/08/11	903,132	Sanitary Sewer Recon	01/01/32	59,282	1,096,712
10/27/11	23,943,236	WPC Step Feed Ph1	07/01/33	-	26,817,301
10/27/11	1,273,957	CSO Rack 25 Separation	01/01/33	42,004	1,607,329
10/27/11	979,845	Northside Interceptor	07/01/32	64,613	1,153,258
05/31/12	2,137,778	WPCS High Rate Treat.	01/01/19	-	1,700,560
09/27/12	755,168	Lrg Pipe Dmtr Pipe Insp.	07/01/18	-	674,154
10/25/12	315,000	CSO Rack 21 Swr Sep Dsgn	07/01/19	33,688	56,036
02/13/12	290,134	Mud Run Trunk Sewer Lining	01/01/18	36,794	-
12/06/12	2,100,000	Mud Run Pump Prgm Imp Cl	07/01/19	224,347	1,083,192
03/28/13	4,856,364	Little Cuyahoga Int. Replcmn	07/01/34	-	640,227
12/06/12	6,032,632	CSO Design Prog Mng Team	01/01/18	644,478	5,800,303
12/06/12	767,955	Rack 15 CSO Storage Basin	07/01/18	-	-
12/06/12	383,985	Sewer System I & I Study	07/01/18	-	-
05/30/13	5,162,579	2013 Large Diameter Pipe Cl	07/01/18	-	-
05/30/13	2,593,857	Main Outfall Sewer Rehab	07/01/33	-	1,655,129
08/29/13	6,127,194	Mud Run Trunk Swr Lining	01/01/35	-	535,932
	<u>\$ 186,937,087</u>			<u>\$ 12,267,834</u>	<u>\$ 98,080,902</u>

19. Pledged Revenues (Continued)

JEDD Revenues

The City has pledged future JEDD revenues to repay JEDD revenue bonds originally issued in 2000 and 2002 for \$53.2 million. These bonds were refinanced in December of 2011 with a \$27.2 million refunding bond issue. Proceeds from the original bonds issued provided financing for various water and sewer projects. The bonds are payable solely from JEDD revenues and have a final maturity date of December 1, 2022. The total principal and interest remaining to be paid on the bonds as of December 31, 2013 is \$32,535,738. Principal and interest paid for 2013 and total JEDD revenues were \$1,149,263 and \$18,090,127 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/21/11	\$ 27,165,000	Various Water/Sewer Projects	12/01/22	\$ 1,149,263	\$ 32,535,738

Non-Tax Revenues

The City has pledged future non-tax revenues, to repay \$53.7 million in non-tax revenue bonds issued December 15, 2006 through December 15, 2011. In December of 2011 bonds were issued to refund the bonds originally issued in 1997. Proceeds from the bonds provided financing for various economic development and renovation projects. The bonds are payable from non-tax revenue including shared revenue, charges for services, licenses, fees, and fines, and miscellaneous revenue. The maturity dates range from December 1, 2018 through December 1, 2028. The total principal and interest remaining to be paid on the bonds as of December 31, 2013 is \$69,836,786. Principal and interest paid for 2013 and total non-tax revenues were \$4,252,691 and \$137,683,512 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/15/06	\$ 19,500,000	Various Econ. Dev. Proj.	12/01/26	\$ 1,584,453	\$ 22,038,728
09/18/08	20,150,000	Various Econ. Dev. Proj.	12/01/28	1,644,100	33,636,108
12/15/11	14,035,000	O'Neils Bldg Renovation	12/01/18	1,024,138	14,161,950
	<u>\$ 53,685,000</u>			<u>\$ 4,252,691</u>	<u>\$ 69,836,786</u>

19. Pledged Revenues (Continued)

Income Tax Revenues

The City has pledged future income tax revenues, to repay \$73.9 million in income tax revenue bonds and bond anticipation notes issued at various dates ranging from December 15, 2011 through November 13, 2013. The 2011 issue refunded an issue from 1999. Proceeds from the bonds provided financing for various liabilities, equipment, facilities, and improvements. The bonds are payable solely from income tax revenues and have varying maturity dates ranging from March 3, 2014 through December 1, 2032. The total principal and interest remaining to be paid on the bonds as of December 31, 2013 is \$86,026,600. Principal and interest paid for 2013 and total income tax revenues were \$2,681,435 and \$125,080,823 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/15/11	\$ 6,405,000	Pension Accrued Liability	12/01/23	\$ 506,275	\$ 7,027,375
03/13/13	9,000,000	Health Benefit BAN	03/13/14	-	9,101,250
11/14/12	28,870,000	Var Purpose IT Rev Bonds	12/01/32	2,040,863	38,746,369
08/08/13	2,493,570	OAQDA Series A	12/01/21	103,238	2,631,181
08/08/13	2,355,914	OAQDA Series B	12/01/28	31,059	3,543,812
11/13/13	24,730,000	Var Purp IT Notes	11/12/14	-	24,976,613
	<u>\$ 73,854,484</u>			<u>\$ 2,681,435</u>	<u>\$ 86,026,600</u>

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. The City has issued bonds totaling \$207.4 million with final maturities in 2015, 2026, 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 \$338,146,711. For 2013 total principal and interest paid by the City was \$10,289,222 and total income tax revenues were \$14,880,075.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service*	Future Debt Service
07/28/10	\$ 17,880,000	Community Learning Centers	12/01/33	\$ 771,650	\$ 30,079,225
07/28/10	12,060,000	Community Learning Centers	12/01/33	765,548	24,847,730
07/28/10	15,060,000	Community Learning Centers	12/01/26	884,624	24,348,556
06/27/12	155,360,000	Community Learning Centers	12/01/33	7,647,400	251,589,200
06/27/12	7,025,000	Community Learning Centers	12/01/15	220,000	7,282,000
	<u>\$ 207,385,000</u>			<u>\$ 10,289,222</u>	<u>\$ 338,146,711</u>

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

20. Pollution Remediation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Cost* addresses reporting standards for pollution remediation obligations. The City is aware of six sites that meet the requirements for disclosure. The first site is a vacant, undeveloped piece of land known as the Middlebury Property which includes Middlebury East and Middlebury Grocery. The City of Akron legally obligated itself by voluntarily commencing cleanup activities and has obtained a \$750,000 grant to assist in the remediation clean-up. The projected cost to remediate Middlebury East was estimated at approximately \$1,200,000. A No Further Action (NFA) letter will be submitted to the Ohio Environmental Protection Agency (OEPA) by June 2, 2014. Additional field work may be needed once the OEPA reviews the NFA. It is anticipated that the remaining \$90,000 budgeted will be spent through 2014 and 2015 (\$70,000 in 2014 and \$20,000 in 2015). This is reflected in the Statement of Net Position as of December 31, 2013. As for Middlebury Grocery, the expenses are estimated at \$10,000 for 2014 and \$50,000 to the end of the project to facilitate the Operation and Maintenance Plan. This amount is minimal and is not included in the Statement of Net Position as of December 31, 2013.

The second site is known as the Westside Depot property where the City of Akron was compelled to take remediation action. This site used to house an underground storage tank (UST) system. During an upgrade to this system in 1991, there was evidence of residual petroleum hydrocarbons under the tank and the associated dispensing equipment. This site also had been the location of a previous UST system that may have consisted of a diesel tank, gasoline tank, and kerosene tank. The projected completion date expanded into 2015 with the estimated cost of \$77,300. The amount estimated for 2014 is \$50,300 and the remaining \$27,000 is anticipated to be finished in 2015. These amounts are recorded as a liability in the Airport Fund as of December 31, 2013.

The third site is for remediation work in the Landmark Building. The remediation work included asbestos abatement, general waste removal and soil remediation activities. The total project cost was estimated to be just under \$2,000,000. The City has received funding from the Ohio Development Services Agency to assist with this project. On May 1, 2012, the City received a Covenant Not to Sue order for the No Further Action letter filing regarding this property. At this time the costs anticipated to be spent on the Operation and Maintenance Plan with the Ohio EPA in 2014 and 2015 are minimal. Therefore no liability has been recorded as of December 31, 2013.

The fourth site is referred to as the Imperial Electric/XXth Century property. The City conducted demolition and remediation activities at this site with a total cost of \$1,600,000. The City was awarded Clean Ohio Revitalization Funds to assist in the remediation of the property. The project was completed in 2013 and the City will not be spending any more money on this site for remediation. Therefore no liability has been recorded as of December 31, 2013.

The fifth site is referred to as the Goodyear Powerhouse Building. Even though the City does not own this property, it is part of the Goodyear Development Project and the Clean Ohio Revitalization Fund (CORF) Fund Grant Agreement that was awarded to the City of Akron in March 2012. This remediation project was completed in 2013 and no remediation expenses are anticipated for 2014 or beyond. A No Further Action letter will be submitted to the Ohio Environmental Protection Agency this spring. Since no further expenses are expected, no liability has been recorded.

The sixth site is referred to as the Seiberling Street Landfill Road Project. It is funded 100% by grants from Ohio Department of Transportation (ODOT), Ohio Public Works Commission (OPWC) and Ohio Development Services Agency (ODSA). The estimated total project cost is approximately \$2,200,000 with completion in 2014. Since this project is funded 100%, there will be no recorded liability as of December 31, 2013.

21. Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred charges on the issuance of bonds reported in the government-wide and proprietary fund statements of net position. A deferred charge results from the difference in the carrying value of the debt and its par amount. This amount is deferred and amortized over the life of the debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded (such as when property taxes were levied), but the resources cannot be used until a future period. These items have been reported as deferred inflow on the government-wide Statement of Net Position.

On the Statement of Net Position Proprietary Funds, the City has recorded certain deferred items that will not be expensed in the current period. Unavailable revenues have been reported as deferred outflows of resources in the following amounts:

	<u>Business Type Activities</u>		Total Enterprise Funds
	<u>Water</u>	<u>Sewer</u>	
Deferred Loss on Early Retirement	\$ 24,481	\$ 304,431	\$ 328,912
Unamortized Bond Discount	243,489	-	243,489
	<u>\$ 267,970</u>	<u>\$ 304,431</u>	<u>\$ 572,401</u>

21. Deferred Inflows/Outflows of Resources (Continued)

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet for the following:

	Governmental Funds						Total Governmental Funds
	General Fund	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	Streets	Other Governmental Funds	
Income Taxes	\$ 6,014,727	\$ -	\$ 2,224,625	\$ -	\$ -	\$ -	\$ 8,239,352
Grants	-	-	-	-	17,619	5,517,372	5,534,991
Shared Revenues	3,736,624	61,020,399	-	-	-	2,920,608	67,677,631
Property Taxes	21,495,816	-	-	29,696,739	-	9,776,347	60,968,902
	<u>\$ 31,247,167</u>	<u>\$ 61,020,399</u>	<u>\$ 2,224,625</u>	<u>\$ 29,696,739</u>	<u>\$ 17,619</u>	<u>\$ 18,214,327</u>	<u>\$ 142,420,876</u>

	Business Type Activities		
	Water	Sewer	Total Enterprise Funds
Unamortized Bond Premium	<u>\$ 1,261,673</u>	<u>\$ 409,245</u>	<u>\$ 1,670,918</u>

22. Transfers and Advances

For the year ended December 31, 2013 transfers and advances presented in conformity with generally accepted accounting principles (GAAP) are listed in the following tables. 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	
Governmental Funds:					
General Fund	<u>\$ 8,588,451</u>	<u>\$ 8,100,091</u>	<u>\$ 338,360</u>	<u>\$ 150,000</u>	<u>\$ 8,588,451</u>

The table below presents the amounts the City has advanced to various funds during 2013.

	Advanced From	Advanced To		Total
		Other Governmental Funds	Internal Service Funds	
Governmental Funds:				
General Fund	\$ 679,600	\$ 611,600	\$ 68,000	\$ 679,600
Income Tax Capital Improvement	245,500	245,500	-	245,500
	<u>\$ 925,100</u>	<u>\$ 857,100</u>	<u>\$ 68,000</u>	<u>\$ 925,100</u>

23. 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.

24. 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.

25. 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.

26. 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 Development Services Agency 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 2013, the City paid SMBA \$75,000 for operating expenses.

27. Restatement of Beginning Balances

Effective January 1, 2013, the City recorded an adjustment to beginning balances for the implementation of GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities* and to record a change to an accounting practice. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead classify them as deferred inflows of resources, deferred outflows of resources, or as outflows or resources. The impact is reflected in the Statement of Net Position in the Governmental Activities. The change in accounting practice resulted in a change in beginning balances as reported in the financial statements for governmental activities. The following balances were restated:

	Balance as of January 1, 2013	Restatement	January 1, 2013 as Restated
Governmental Activities	\$ 359,861,933	\$ (12,519,379)	\$ 347,342,554

28. Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General Fund	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	Streets	Other Governmental Funds	Total Governmental Funds
Fund balances							
Nonspendable:							
Non-financial assets held for resale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,325,815	\$ 3,325,815
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,325,815</u>	<u>3,325,815</u>
Restricted for:							
Asset management	-	-	-	-	-	455,332	455,332
Building, housing and economic incentive	-	-	-	-	-	2,238,232	2,238,232
Community betterment	-	70,799,312	-	-	-	9,537,038	80,336,350
Debt service reserves	-	-	-	2,035,307	-	4,584,892	6,620,199
Information technology	-	-	-	-	-	1,015,853	1,015,853
Life enrichment	-	-	-	-	-	2,421,699	2,421,699
Other purposes	-	-	6,263,844	-	-	2,687,860	8,951,704
Protection and enforcement	-	-	-	-	-	2,651,999	2,651,999
Transportation/mobility	-	-	-	-	-	4,767,424	4,767,424
Total restricted	<u>-</u>	<u>70,799,312</u>	<u>6,263,844</u>	<u>2,035,307</u>	<u>-</u>	<u>30,360,329</u>	<u>109,458,792</u>
Committed to:							
Building, housing and economic incentive	-	-	-	-	-	2,030,882	2,030,882
Community betterment	-	-	-	-	-	3,222,617	3,222,617
Information technology	-	-	-	-	-	11,613	11,613
Protection and enforcement	290,658	-	-	-	-	-	290,658
Transportation/mobility	-	-	-	-	-	2,225,784	2,225,784
Total committed	<u>290,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,490,896</u>	<u>7,781,554</u>
Assigned to:							
Asset management	256,125	-	-	-	-	-	256,125
Building, housing and economic incentive	35,189	-	-	-	-	-	35,189
Community betterment	14,528	-	-	-	-	-	14,528
General government	124,799	-	-	-	-	-	124,799
Life enrichment	375,392	-	-	-	-	-	375,392
Municipal justice	32,422	-	-	-	-	-	32,422
Protection and enforcement	606,359	-	-	-	-	-	606,359
Transportation/mobility	53,382	-	-	-	-	-	53,382
Waste management	308,597	-	-	-	-	-	308,597
Wellness and prevention	2,983	-	-	-	-	-	2,983
Total assigned	<u>1,809,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,809,776</u>
Unassigned	<u>9,132,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,716,039)</u>	<u>(9,252,751)</u>	<u>(16,836,228)</u>
Total fund balances	<u>\$ 11,232,996</u>	<u>\$ 70,799,312</u>	<u>\$ 6,263,844</u>	<u>\$ 2,035,307</u>	<u>\$ (16,716,039)</u>	<u>\$ 31,924,289</u>	<u>\$ 105,539,709</u>

29. Fiscal Analysis

On September 30, 2011, the City was declared in Fiscal Caution by the Auditor of State. City management has prepared and provided an acceptable plan to the Auditor of State. The City is implementing changes and is on schedule addressing remaining items.

30. Subsequent Events

On February 10, 2014, City Council passed ordinance 37-2014 authorizing the issuance of Health Benefit Claims Notes in the maximum principal amount of \$9,200,000 to pay the costs of maintaining the self-insurance program for employee health care benefits.

On March 17, 2014, City Council passed ordinance 76-2014 authorizing the issuance and sale of CLC Income Tax Revenue Bonds in the maximum principal amount of \$55,000,000 for the purpose of financing the Community Learning Centers project.

On March 12, 2014, the City entered into an agreement with Valley Savings Bank to unconditionally guarantee the principal and interest payments on behalf of University Park Alliance (UPA). The guarantee for the City includes \$541,307 in principal and \$30,550 in interest for a loan maturing on February 5, 2015. The City believes that UPA and its affiliates are current on all required debt service payments and will continue to pay all debt service when due according to the terms.

(This page intentionally left blank)

Required Supplementary Information

THIS PAGE INTENTIONALLY LEFT BLANK.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 83,806,050	\$ 94,806,050	\$ 86,140,944
Property taxes	17,252,843	17,252,843	17,147,361
JEDD revenues	4,174,670	4,631,790	4,107,500
Inheritance	993,960	1,102,800	4,855,477
Local government	5,849,793	5,777,263	6,640,387
Ohio casino revenue	-	-	3,059,893
Service revenues	23,288,670	25,838,750	23,942,996
Miscellaneous revenues	9,442,700	10,476,660	12,364,870
	<u>144,808,686</u>	<u>159,886,156</u>	<u>158,259,428</u>
Other sources:			
Previous year's encumbrances	1,236,966	1,236,966	1,236,966
	<u>1,236,966</u>	<u>1,236,966</u>	<u>1,236,966</u>
Total revenues and other sources	146,045,652	161,123,122	159,496,394
Expenditures and other uses			
Expenditures:			
Civil Service Commission:			
Wages/benefits	721,850	721,850	695,749
Other	77,379	87,379	85,745
	<u>799,229</u>	<u>809,229</u>	<u>781,494</u>
Finance:			
Wages/benefits	1,989,850	2,159,850	2,097,517
Other	4,195,076	5,895,076	5,638,178
	<u>6,184,926</u>	<u>8,054,926</u>	<u>7,735,695</u>
Law:			
Wages/benefits	2,940,740	3,005,740	2,940,856
Other	828,725	1,078,725	995,770
	<u>3,769,465</u>	<u>4,084,465</u>	<u>3,936,626</u>
Legislative:			
Wages/benefits	1,018,760	1,038,760	1,008,502
Other	196,947	286,947	286,321
	<u>1,215,707</u>	<u>1,325,707</u>	<u>1,294,823</u>
Municipal Court - Clerk:			
Wages/benefits	3,190,180	3,212,180	3,116,547
Other	271,127	271,127	269,001
	<u>3,461,307</u>	<u>3,483,307</u>	<u>3,385,548</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, 2013

(continued)

	Budgeted Amounts		Actual Amounts
	Original	Final	
Municipal Court - Judges:			
Wages/benefits	3,839,700	3,939,700	3,842,220
Other	189,250	189,250	189,010
	4,028,950	4,128,950	4,031,230
Office of the Mayor:			
Wages/benefits	1,667,200	1,767,200	1,749,715
Other	303,574	378,574	351,610
	1,970,774	2,145,774	2,101,325
Planning:			
Wages/benefits	981,460	981,460	944,359
Other	101,513	101,513	98,792
	1,082,973	1,082,973	1,043,151
Public Health:			
Wages/benefits	22,880	32,880	28,419
Other	4,205,001	3,905,001	3,842,010
	4,227,881	3,937,881	3,870,429
Public Safety:			
Wages/benefits	4,757,130	5,107,130	5,070,736
Other	8,622,452	9,432,452	9,411,745
	13,379,582	14,539,582	14,482,481
Public Service:			
Wages/benefits	8,117,550	8,117,550	7,373,335
Other	16,328,878	19,328,878	17,412,984
Capital outlay	7	6,300,007	6,284,749
	24,446,435	33,746,435	31,071,068
Fire:			
Wages/benefits	24,057,250	24,482,250	24,080,756
Other	3,608,604	6,308,604	6,140,997
	27,665,854	30,790,854	30,221,753
Police:			
Wages/benefits	43,631,820	45,416,820	44,642,199
Other	4,200,572	4,675,572	4,606,620
	47,832,392	50,092,392	49,248,819

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, 2013

(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Neighborhood Assistance:			
Wages/benefits	4,688,630	5,088,630	4,997,790
Other	1,038,250	1,653,250	1,604,083
Capital outlay	-	10,000	9,852
	<u>5,726,880</u>	<u>6,751,880</u>	<u>6,611,725</u>
 Total expenditures	 <u>145,792,355</u>	 <u>164,974,355</u>	 <u>159,816,167</u>
 Excess (deficiency) of revenues and other sources over expenditures	 253,297	 (3,851,233)	 (319,773)
 Fund balance, January 1, 2013	 <u>3,884,696</u>	 <u>3,884,696</u>	 <u>3,884,696</u>
 Fund balance, December 31, 2013	 <u>\$ 4,137,993</u>	 <u>\$ 33,463</u>	 <u>\$ 3,564,923</u>

Note:

Included in Other expenditures above are transfers out and advances of the following:

Finance	\$ 907,600
Public Service	\$ 3,872,126
Fire	\$ 4,225,000
Police	\$ 263,325

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 13,331,820	\$ 13,331,820	\$ 14,923,090
Governmental revenues	884,710	884,710	993,841
Miscellaneous revenue	183,470	183,470	1,883,324
	<u>14,400,000</u>	<u>14,400,000</u>	<u>17,800,255</u>
Other sources:			
Previous year's encumbrances	34,127	34,127	34,127
	<u>34,127</u>	<u>34,127</u>	<u>34,127</u>
Total revenues and other sources	14,434,127	14,434,127	17,834,382
Expenditures			
Department Wide:			
Other	15,034,127	15,034,127	14,926,218
Total expenditures	<u>15,034,127</u>	<u>15,034,127</u>	<u>14,926,218</u>
Excess (deficiency) of revenues and other sources over expenditures	(600,000)	(600,000)	2,908,164
Fund balance, January 1, 2013	<u>18,265,022</u>	<u>18,265,022</u>	<u>18,265,022</u>
Fund balance, December 31, 2013	<u>\$ 17,665,022</u>	<u>\$ 17,665,022</u>	<u>\$ 21,173,186</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 25,176,260	\$ 25,176,260	\$ 30,038,928
JEDD revenues	1,685,030	1,685,030	2,342,500
Governmental revenues	713,660	713,660	661,713
Gasoline tax	24,780	24,780	21,577
Miscellaneous revenues	2,477,970	2,477,970	980,827
Note/bond proceeds	3,622,800	3,622,800	224,490
	<u>33,700,500</u>	<u>33,700,500</u>	<u>34,270,035</u>
Other sources:			
Previous year's encumbrances	808,830	808,830	808,830
	<u>808,830</u>	<u>808,830</u>	<u>808,830</u>
Total revenues and other sources	34,509,330	34,509,330	35,078,865
Expenditures			
Department Wide:			
Wages/benefits	612,160	612,160	593,008
Other	31,999,682	33,099,682	31,501,372
Capital outlay	2,572,368	1,472,368	1,456,310
Total expenditures	<u>35,184,210</u>	<u>35,184,210</u>	<u>33,550,690</u>
Excess (deficiency) of revenues and other sources over expenditures	(674,880)	(674,880)	1,528,175
Fund balance, January 1, 2013	<u>1,455,546</u>	<u>1,455,546</u>	<u>1,455,546</u>
Fund balance, December 31, 2013	<u>\$ 780,666</u>	<u>\$ 780,666</u>	<u>\$ 2,983,721</u>

Note:

Included in Other expenditures above are advances out of \$245,500.

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, 2013

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 Fund are:

1. Revenues are recorded when received in cash (budget) as opposed to susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to restricted, committed or assigned fund balance (GAAP).

Recognition of certain revenues may be reclassified between funds to facilitate matching with the related expenditures.

	General	Community Learning Centers	Income Tax Capital Improvement
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (319,773)	\$ 2,908,164	\$ 1,528,175
Adjustments:			
To adjust revenues for accruals	(6,106,751)	46,649,555	19,632,950
To adjust expenditures for accruals	9,243,957	(61,989,668)	(19,443,210)
To adjust for encumbrances	1,809,776	34,127	897,642
Net change in fund balance (GAAP basis)	\$ 4,627,209	\$ (12,397,822)	\$ 2,615,557

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

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

Community Development	H.O.M.E. Program
Community Environment Grants	Police Grants
Akron Metro. Area Transportation Study	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	Pension Obligation Refunding
Debt Service Bond Payment	JEDD Bond Payment
Main Place Bond Payment	Income Tax Bond Payment
Downtown Hotel Bond Payment	Taxable Revenue Bond Payment
Non-Tax 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:

Information Technology and Improvements	Public Parking
Parks and Recreation	Economic Development
Public Facilities and Improvements	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2013

	Special Revenue Funds									
	Income Tax Collection	Emergency Medical Service	Special Assessment	Street and Highway Maintenance	Community Development	Community Environment Grants	Akron Metro. Area Transportation Study	H.O.M.E. Program	Tax Equivalency	
Assets										
Pooled cash and investments	\$ 1,776,254	\$ 37,006	\$ 5,419,776	\$ 5,392	\$ 625,861	\$ 348,993	\$ 25,209	\$ 824,811	\$ 2,683,948	
Restricted cash and investments	-	9,014,911	1,833	4,089,980	46,918	-	-	-	1,502	
Receivables, net of allowances for uncollectibles	-	-	-	-	-	339,553	-	3,502,877	-	
Loans receivable	-	-	-	-	2,780,559	-	107,608	-	-	
Due from other governments	-	-	-	-	249,494	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	-	-	
Assets held for resale	-	-	-	-	-	-	-	-	-	
Total assets and deferred outflows	\$ 1,776,254	\$ 9,051,917	\$ 5,421,609	\$ 4,095,372	\$ 3,702,832	\$ 688,546	\$ 132,817	\$ 4,327,688	\$ 2,685,450	
Liabilities										
Accounts payable	\$ 82,001	\$ 56,015	\$ 484,282	\$ 118,911	\$ 645,527	\$ 30,044	\$ 32,368	\$ 363,637	\$ 424,174	
Deposits	-	-	-	-	155,000	-	90,500	-	-	
Advances from other funds	-	-	-	-	51,576	-	-	-	-	
Due to other governments	-	-	-	-	4,545	14,500	3,311	-	212,110	
Due to other funds	1,241,627	14,819	371,107	197,282	-	-	-	-	-	
Due to others	9,943	217,499	49,082	46,414	12,158	-	9,300	-	18,284	
Accrued liabilities	35,270	199,501	162,069	165,087	43,299	-	33,364	-	-	
Accrued wages	-	-	-	-	-	-	-	-	-	
S.A. Notes	-	-	13,000,000	-	-	-	-	-	-	
G.O. Notes	-	-	-	-	-	-	-	-	-	
Total liabilities	1,368,841	487,834	14,066,540	527,694	912,105	44,544	168,843	363,637	654,568	
Deferred Inflows of Resources	-	8,501,171	-	2,920,608	2,793,140	-	-	116,792	-	
Fund balances										
Fund balance:										
Nonspendable	-	-	-	-	-	-	-	-	-	
Restricted	407,413	62,912	-	647,070	-	644,002	-	3,847,259	-	
Committed	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	(8,644,931)	-	(2,413)	-	(36,026)	-	2,030,882	
Total fund balances (deficits)	407,413	62,912	(8,644,931)	647,070	(2,413)	644,002	(36,026)	3,847,259	2,030,882	
Total liabilities, deferred inflows and fund balances	\$ 1,776,254	\$ 9,051,917	\$ 5,421,609	\$ 4,095,372	\$ 3,702,832	\$ 688,546	\$ 132,817	\$ 4,327,688	\$ 2,685,450	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2013
(continued)

Special Revenue Funds										
	Joint Economic Development Districts	Akron Muni. Court Information System	Canal Park Stadium COPs	Downtown District Heating COPs	Off-Street Parking COPs	Public Health	Police Grants	Safety Programs		
Assets										
Pooled cash and investments	\$ 37,520	\$ 285,554	\$ 1,024,808	\$ 2	\$ -	\$ -	\$ 745,802	\$ 3,411,835		
Restricted cash and investments	-	-	-	2,421,697	4,120,354	-	-	-		
Receivables, net of allowances for uncollectibles	-	2,651,435	20,234	-	-	-	-	281,067		
Loans receivable	15,975	22,500	-	-	-	-	105,270	51,138		
Due from other governments	-	-	-	-	-	-	8,668	-		
Due from other funds	-	-	-	-	-	-	-	-		
Assets held for resale	-	-	-	-	-	-	-	-		
	\$ 53,495	\$ 2,959,489	\$ 1,045,042	\$ 2,421,699	\$ 4,120,354	\$ -	\$ 859,740	\$ 3,744,040		
Liabilities										
Accounts payable	\$ 1,020	\$ 293,767	\$ 27,542	\$ -	\$ -	\$ -	\$ 55,084	\$ 163,929		
Deposits	-	-	-	-	-	-	-	416,100		
Advances from other funds	-	1,017,916	-	-	-	-	-	-		
Due to other governments	-	10,681	1,647	-	-	-	386,567	126		
Due to other funds	-	53,832	-	-	-	-	4,992	103,244		
Due to others	-	2,414	-	-	-	-	3,816	202,144		
Accrued liabilities	-	8,657	-	-	-	-	-	-		
Accrued wages	-	-	-	-	-	-	-	-		
S.A. Notes	-	-	-	-	-	-	-	-		
G.O. Notes	-	-	-	-	-	-	-	-		
Total liabilities	1,020	1,387,267	29,189	-	-	-	450,459	885,543		
Deferred Inflows of Resources										
Deferred Inflows of Resources	-	-	-	-	-	-	469,719	269,410		
Fund balances										
Fund balance:										
Nonspendable	-	-	-	-	-	-	-	-		
Restricted	52,475	1,572,222	1,015,853	2,421,699	4,120,354	-	-	2,589,087		
Committed	-	-	-	-	-	-	-	-		
Unassigned	-	-	-	-	-	-	(60,438)	-		
Total fund balances (deficits)	52,475	1,572,222	1,015,853	2,421,699	4,120,354	-	(60,438)	2,589,087		
Total liabilities, deferred inflows and fund balances	\$ 53,495	\$ 2,959,489	\$ 1,045,042	\$ 2,421,699	\$ 4,120,354	\$ -	\$ 859,740	\$ 3,744,040		

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2013
(continued)

	Special Revenue Funds			Debt Service Funds				
	Health Grants	City Facilities Operating	Various Purpose Funding	Deposits	General Bond Payment	Debt Service Bond Payment	Main Place Bond Payment	Downtown Hotel Bond Payment
Assets								
Pooled cash and investments	\$ 280,739	\$ 1,182,566	\$ 5,223,637	\$ 928,998	\$ 476,646	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-	807,225	216,023	4
Receivables, net of allowances for uncollectibles	-	53,661	70,244	47,919	1,342,780	-	-	-
Loans receivable	-	-	195,249	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-	-	-
	\$ 280,739	\$ 1,236,227	\$ 5,489,130	\$ 976,917	\$ 1,819,426	\$ 807,225	\$ 216,023	\$ 4
Liabilities								
Accounts payable	\$ -	\$ 137,995	\$ 94,868	\$ -	\$ 12,310	\$ -	\$ -	\$ -
Deposits	-	-	195,500	406,329	-	-	-	-
Advances from other funds	-	18,125	-	-	-	-	-	-
Due to other governments	-	460	45	-	249	-	-	-
Due to other funds	-	466,112	-	522,669	-	-	-	-
Accrued liabilities	-	-	120,265	-	3,161	-	-	-
Accrued wages	-	-	-	-	11,138	-	-	-
S.A. Notes	-	-	-	-	-	-	-	-
G.O. Notes	-	-	-	-	-	-	-	-
Total liabilities	-	622,692	410,678	928,998	26,858	-	-	-
Deferred Inflows of Resources								
	280,739	-	8,828	-	1,275,177	-	-	-
Fund balances								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	613,535	5,045,777	47,919	517,391	807,225	216,023	4
Committed	-	-	23,847	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficits)	-	613,535	5,069,624	47,919	517,391	807,225	216,023	4
Total liabilities, deferred inflows and fund balances	\$ 280,739	\$ 1,236,227	\$ 5,489,130	\$ 976,917	\$ 1,819,426	\$ 807,225	\$ 216,023	\$ 4

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2013
(continued)

	Debt Service Funds				Capital Project Funds					
	Non-Tax Revenue Bond Payment	Pension Obligation Refunding	JEDD Bond Payment	Income Tax Bond Payment	Taxable Revenue Bond Payment	Information Technology and Improvements	Parks and Recreation	Public Facilities and Improvements	Public Parking	
Assets										
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,633	\$ 336,187	\$ 40,562	\$ 2,238,255	
Restricted cash and investments	1,298,155		5,870	37,815	1,702,407					
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-	-	-	
Loans receivable	-	-	-	-	-	-	4,570	-	-	
Due from other governments	-	-	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	-	-	
Assets held for resale	-	-	-	-	-	-	-	-	-	
	\$ 1,298,155	\$ 2	\$ 5,870	\$ 37,815	\$ 1,702,407	\$ 12,633	\$ 340,757	\$ 40,562	\$ 2,238,255	
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,020	\$ 29,094	\$ 183,004	\$ 5,100	
Deposits	-	-	-	-	-	-	-	-	-	
Advances from other funds	-	-	-	-	-	-	9,933	-	-	
Due to other governments	-	-	-	-	-	-	250	14,855	7,371	
Due to other funds	-	-	-	-	-	-	-	-	-	
Due to others	-	-	-	-	-	-	3,046	-	-	
Accrued liabilities	-	-	-	-	-	-	-	-	-	
Accrued wages	-	-	-	-	-	-	-	-	-	
S.A. Notes	-	-	-	-	-	-	-	-	-	
G.O. Notes	-	-	-	-	-	-	645,510	-	-	
Total liabilities	-	-	-	-	-	1,020	687,833	197,859	12,471	
Deferred Inflows of Resources										
	-	-	-	-	-	-	4,570	-	-	
Fund balances										
Fund balance:										
Nonspendable	-	-	-	-	-	-	-	-	-	
Restricted	1,298,155	2	5,870	37,815	1,702,407	-	-	-	-	
Committed	-	-	-	-	-	11,613	-	-	2,225,784	
Unassigned	-	-	-	-	-	-	(351,646)	(157,297)	-	
Total fund balances (deficits)	\$ 1,298,155	\$ 2	\$ 5,870	\$ 37,815	\$ 1,702,407	\$ 11,613	\$ (351,646)	\$ (157,297)	\$ 2,225,784	
Total liabilities, deferred inflows and fund balances	\$ 1,298,155	\$ 2	\$ 5,870	\$ 37,815	\$ 1,702,407	\$ 12,633	\$ 340,757	\$ 40,562	\$ 2,238,255	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2013
(continued)

	Capital Project Funds	
	Economic Development	Total
Assets		
Pooled cash and investments	\$ 3,594,585	\$ 31,567,579
Restricted cash and investments	-	13,297,412
Receivables, net of allowances for uncollectibles	-	17,622,484
Loans receivable	10,401,453	14,282,358
Due from other governments	360,191	3,604,585
Due from other funds	54,525	312,687
Assets held for resale	3,325,815	3,325,815
	<u>\$ 17,736,569</u>	<u>\$ 84,012,920</u>
Liabilities		
Accounts payable	\$ 1,415,741	\$ 4,657,433
Deposits	-	406,329
Advances from other funds	-	857,100
Due to other governments	2,814,621	3,912,171
Due to other funds	1,887,293	4,368,845
Due to others	-	1,042,613
Accrued liabilities	370,156	969,958
Accrued wages	-	864,345
S.A. Notes	-	13,000,000
G.O. Notes	3,150,000	3,795,510
	<u>9,637,811</u>	<u>33,874,304</u>
Deferred Inflows of Resources	<u>1,574,173</u>	<u>18,214,327</u>
Fund balances		
Fund balance:		
Nonspendable	3,325,815	3,325,815
Restricted	-	30,360,329
Committed	3,198,770	7,490,896
Unassigned	-	(9,252,751)
	<u>6,524,585</u>	<u>31,924,289</u>
Total fund balances (deficits)		
Total liabilities, deferred inflows and fund balances	<u>\$ 17,736,569</u>	<u>\$ 84,012,920</u>

City of Akron, Ohio

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

Year Ended December 31, 2013

	Special Revenue Funds									
	Income Tax Collection	Emergency Medical Service	Special Assessment	Street and Highway Maintenance	Community Development	Community Environment Grants	Akron Metro-Area Transportation Study	H.O.M.E. Program	Tax	Equivalency
Revenues	\$ 6,530,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	5,528,959	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-	-
JEDD revenues	-	-	27,287,908	-	-	-	-	-	-	-
Special assessments	-	-	-	-	9,263,228	1,074,744	1,457,395	1,375,584	42,397	-
Grants and subsidies	-	-	-	3,487	3,282	5,553	-	5,235	-	-
Investment earnings	-	96	59	8,433,599	-	-	-	-	-	-
Shared revenues	168,241	1,811,860	14,102	66,356	2,500	-	5,960	-	10,749,458	-
Licenses, fees and fines	-	1,649,544	119,270	1,470,985	2,121,712	-	-	-	-	-
Charges for services	12,396	63,032	52,977	140,780	946,439	109	170,845	39,770	68,581	-
Miscellaneous	6,710,830	9,068,991	27,474,316	10,115,207	12,337,161	1,080,406	1,634,200	1,420,589	10,860,436	-
Expenditures	6,050,378	1,020	1,410,475	-	-	-	-	-	201,737	-
Current:	-	-	21,888,524	9,579,701	1,530,423	-	-	-	78,934	-
General government	-	-	-	69,999	-	-	-	-	-	-
Public safety	-	10,229,065	1,390,465	-	8,987,970	1,601,575	1,690,683	1,123,181	6,690,474	-
Community environment	-	-	-	-	11,930	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-	-	-	-
Debt service:	-	11,250	2,368,071	750,000	113,277	-	-	-	84,209	-
Principal Retirement	-	2,717	422,883	-	-	-	-	-	2,289,931	-
Interest	-	-	33,250	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	-	-	-	-	-	-
	6,050,378	10,244,052	27,513,668	10,399,700	10,643,600	1,601,575	1,690,683	1,123,181	9,345,285	-
	660,452	(1,175,061)	(39,352)	(284,493)	1,693,561	(521,169)	(56,483)	297,408	1,515,151	-
Other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Issuance of Loans	-	-	-	-	-	-	-	-	-	-
Issuance of COPIs	-	-	234,392	47,811	-	-	-	-	-	-
Issuance of capital lease	-	-	(47,811)	-	-	-	-	-	-	-
Lease - financed capital lease	-	4,225,000	(234,392)	(525,000)	-	-	-	-	-	-
Transfers-in	-	4,225,000	-	525,000	-	-	-	-	-	-
	660,452	3,049,939	(39,352)	240,507	1,693,561	(521,169)	(56,483)	297,408	1,515,151	-
Net change in fund balances	(253,039)	(2,987,027)	(8,605,579)	406,563	(1,695,974)	1,165,171	20,457	3,549,851	515,731	-
Fund balances (deficits), January 1, 2013	\$ 407,413	\$ 62,912	\$ (8,644,931)	\$ 647,070	\$ (2,413)	\$ 644,002	\$ (36,026)	\$ 3,847,259	\$ 2,030,882	-

City of Akron, Ohio

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

Year Ended December 31, 2013

(continued)

Special Revenue Funds	Joint		Akron		Canal		Downtown		Off-Street		Police		Safety	
	E.D.A. Revolving Loans	Economic Development Districts	Muni. Information System	Court System	Park Stadium COPs	District Heating COPs	Off-Street Parking COPs	Public Health	Police Grants	Safety Programs	Police Grants	Safety Programs	Police Grants	Safety Programs
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JEDD revenues	-	11,640,127	-	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	2,282	-	-	-	-	362	571	-	740,293	-	4,997,931	-	4,384	-
Shared revenues	-	-	-	-	-	-	-	-	2,796	-	839,087	-	36,413	-
Licenses, fees and fines	-	478,206	-	236,312	-	-	-	-	-	-	1,829,344	-	490,258	-
Charges for services	-	193,492	-	3,912	-	33,996	-	-	22,116	-	8,197,417	-	-	-
Miscellaneous	-	-	-	-	20,000	34,358	-	-	765,205	-	-	-	-	-
	2,282	12,311,825	240,224	240,224	20,000	34,358	571	941	765,205	-	8,197,417	-	-	-
Expenditures														
Current:														
General government	26,021	6,214,829	171,327	-	-	-	-	4,443	-	-	-	-	-	-
Public service	-	924,903	-	-	-	1,317,569	-	1,880	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	787,891	-	-	-	-	-
Community environment	42,521	1,039,206	-	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation and parks	-	56,096	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	759,241	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	2,997,556	-	-	-	63	-	-	-	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	78,001	-	-	-	-	-	-	-	-	-
	68,542	12,011,831	171,327	68,897	78,001	1,317,632	571	6,323	787,891	-	7,175,746	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(66,260)	299,994	68,897	(58,001)	(58,001)	(1,283,274)	571	(5,382)	(22,686)	-	1,021,671	-	-	-
Other financing sources (uses)														
Issuance of Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of COPs	-	-	-	-	2,365,000	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease - financed capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	2,365,000	-	-	-	-	-	-	-	-	-
	(66,260)	299,994	68,897	2,306,999	(1,283,274)	571	(5,382)	240,639	1,021,671	-	-	-	-	-
Net change in fund balances	118,735	1,272,228	946,956	114,700	4,119,783	3,971,134	4,120,354	5,382	(301,077)	-	1,567,416	-	-	-
Fund balances (deficits), January 1, 2013	\$ 52,475	\$ 1,572,222	\$ 1,015,853	\$ 2,421,699	\$ 2,687,860	\$ 4,120,354	\$ -	\$ -	\$ (60,438)	\$ -	\$ 2,589,087	\$ -	\$ -	\$ -
Fund balances (deficits), December 31, 2013														

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

Year Ended December 31, 2013
 (continued)

	Special Revenue Funds				Debt Service Funds			
	Health Grants	City Facilities Operating	Various Purpose Funding	Deposits	General Bond Payment	Debt Service Bond Payment	Main Place Bond Payment	Downtown Hotel Bond Payment
Revenues								
Income taxes	\$ -	\$ 400,000	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	913,271	-	-	-
JEDD revenues	-	283,408	-	-	-	-	-	-
Special assessments	-	142,837	1,637,523	-	-	-	-	-
Grants and subsidies	-	1,688	349	19,359	-	-	-	-
Investment earnings	-	-	-	-	271,779	-	-	-
Shared revenues	-	546,265	741,601	-	-	-	-	-
Licenses, fees and fines	-	920	218,347	-	-	-	-	-
Charges for services	-	1,842,990	28,295	452,664	2,743	800	-	-
Miscellaneous	-	3,218,108	2,671,115	472,023	1,187,793	800	-	-
Expenditures								
Current:								
General government	-	100,356	78,136	565,662	324,955	252,400	1,080	-
Public service	-	3,393,175	170,646	-	-	-	-	-
Public safety	-	-	1,500	-	-	-	-	-
Community environment	-	183,769	350,310	-	-	-	-	-
Public health	288	-	124,154	-	-	-	-	-
Recreation and parks	-	7,133	1,319,050	-	-	-	-	-
Debt service:								
Principal Retirement	-	199,820	-	-	657,920	1,000,526	110,072	-
Interest	-	397,366	-	-	373,696	57,964	165,759	-
Bond issuance expenditures	-	-	-	-	-	-	-	-
	288	4,281,619	2,043,796	565,662	1,356,571	1,310,890	276,911	-
	(288)	(1,063,511)	627,319	(93,639)	(168,778)	(1,310,090)	(276,911)	-
Excess (deficiency) of revenues over (under) expenditures								
Other financing sources (uses)								
Issuance of Loans	-	-	-	-	-	-	-	-
Issuance of COPs	-	-	-	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	-
Lease - financed capital lease	-	-	-	-	-	-	-	-
Transfers-in	-	3,008,766	78,000	-	-	-	-	-
	-	3,008,766	78,000	-	-	-	-	-
	(288)	1,945,255	705,319	(93,639)	(168,778)	(1,310,090)	(276,911)	-
Net change in fund balances	288	(1,331,720)	4,364,305	141,558	686,169	2,117,315	492,934	4
Fund balances (deficits), January 1, 2013								
Fund balances (deficits), December 31, 2013	\$ -	\$ 613,535	\$ 5,069,624	\$ 47,919	\$ 517,391	\$ 807,225	\$ 216,023	\$ 4

City of Akron, Ohio

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

Year Ended December 31, 2013
(continued)

	Debt Service Funds				Capital Projects Funds					
	Non-Tax Revenue Bond Payment	Pension Obligation Refunding	JEDD Bond Payment	Income Tax Bond Payment	Taxable Revenue Bond Payment	Technology and Improvements	Parks and Recreation	Public Facilities and Improvements	Public Parking	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Income taxes	-	-	-	-	-	-	-	330,000	-	
Property taxes	-	-	-	-	-	-	-	-	-	
JEDD revenues	-	-	-	-	-	-	-	-	-	
Special assessments	-	-	-	-	-	-	-	-	-	
Grants and subsidies	-	-	-	-	-	-	187,880	11,392	-	
Investment earnings	-	1	4	-	422	-	-	10,672	123,200	
Shared revenues	-	-	-	-	-	-	-	-	-	
Licenses, fees and fines	-	-	-	-	-	-	-	-	-	
Charges for services	-	-	-	8,896	-	-	7,546	1,300,039	-	
Miscellaneous	-	1	4	8,896	422	-	195,426	1,652,103	123,200	
	-	-	-	-	-	-	-	-	-	
Expenditures										
Current:										
General government	-	-	-	-	-	34,350	-	164,618	-	
Public safety	-	-	-	-	-	-	4,466	1,201,943	71,543	
Community environment	-	-	-	-	-	-	1,102	867,255	1,020	
Public health	-	-	-	-	-	-	-	25,849	-	
Recreation and parks	-	-	-	-	-	-	637,768	130,673	-	
Debt service:										
Principal Retirement	730,000	-	-	-	-	-	-	-	-	
Interest	147,069	-	-	-	-	-	-	-	-	
Bond issuance expenditures	-	-	-	-	-	-	-	-	-	
	877,069	-	-	-	-	34,350	643,336	2,390,338	72,563	
	(877,069)	1	4	8,896	422	(34,350)	(447,910)	(738,235)	50,637	
Excess (deficiency) of revenues over (under) expenditures										
Other financing sources (uses)										
Issuance of Loans	-	-	-	-	-	-	-	-	-	
Issuance of COFs	-	-	-	-	-	-	-	-	-	
Issuance of capital lease	-	-	-	-	-	-	-	-	-	
Lease - financed capital lease	-	-	-	-	-	-	-	-	-	
Transfers-in	-	-	-	-	-	-	-	-	-	
	(877,069)	1	4	8,896	422	(34,350)	(447,910)	(738,235)	50,637	
Net change in fund balances										
Fund balances (deficits), January 1, 2013	2,175,224	1	5,866	28,919	1,701,985	45,963	96,264	580,938	2,175,147	
Fund balances (deficits), December 31, 2013	\$ 1,298,155	\$ 2	\$ 5,870	\$ 37,815	\$ 1,702,407	\$ 11,613	\$ (351,646)	\$ (157,297)	\$ 2,225,784	

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

Year Ended December 31, 2013
(continued)

Capital Projects Funds

	Economic Development	Total
Revenues		
Income taxes	\$ -	\$ 7,305,193
Property taxes	-	6,442,230
JEDD revenues	-	11,640,127
Special assessments	-	27,571,316
Grants and subsidies	7,863,701	28,794,905
Investment earnings	125,012	174,942
Shared revenues	888,770	23,128,425
Licenses, fees and fines	-	1,833,250
Charges for services	77,263	7,919,503
Miscellaneous	35,527	5,935,232
	<u>8,940,273</u>	<u>120,745,123</u>
Expenditures		
Current:		
General government	-	15,601,787
Public service	4,102,021	44,265,728
Public safety	-	19,132,476
Community environment	11,587,553	34,734,658
Public health	-	136,372
Recreation and parks	802,865	2,953,585
Debt service:		
Principal Retirement	-	6,784,386
Interest	97,832	6,952,836
Bond issuance expenditures	-	111,251
	<u>16,590,271</u>	<u>130,673,079</u>
	(7,649,998)	(9,927,956)
Other financing sources (uses)		
Issuance of Loans	1,000,000	1,000,000
Issuance of COPs	-	2,365,000
Issuance of capital lease	-	282,203
Lease - financed capital lease	-	(282,203)
Transfers-in	-	8,100,091
	<u>1,000,000</u>	<u>11,465,091</u>
Net change in fund balances	(6,649,998)	1,537,135
Fund balances (deficits), January 1, 2013	13,174,583	30,387,154
Fund balances (deficits), December 31, 2013	\$ 6,524,585	\$ 31,924,289

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 5,814,490	\$ 5,814,490	\$ 6,577,233
Miscellaneous revenues	177,660	177,660	180,637
	<u>5,992,150</u>	<u>5,992,150</u>	<u>6,757,870</u>
Other sources:			
Previous year's encumbrances	139,418	139,418	139,418
	<u>6,131,568</u>	<u>6,131,568</u>	<u>6,897,288</u>
Total revenues and other sources	6,131,568	6,131,568	6,897,288
Expenditures			
Finance:			
Wages/benefits	1,650,100	1,705,100	1,655,891
Other	3,829,068	4,674,068	4,505,360
Capital outlay	-	400,000	393,604
	<u>5,479,168</u>	<u>6,779,168</u>	<u>6,554,855</u>
Total expenditures	5,479,168	6,779,168	6,554,855
Excess (deficiency) of revenues and other sources over expenditures	652,400	(647,600)	342,433
Fund balance, January 1, 2013	990,650	990,650	990,650
Fund balance, December 31, 2013	<u>\$ 1,643,050</u>	<u>\$ 343,050</u>	<u>\$ 1,333,083</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 7,454,932	\$ 7,454,932	\$ 7,340,701
Transport billing	1,790,530	3,633,730	1,802,363
Other revenue	-	-	78,629
	<u>9,245,462</u>	<u>11,088,662</u>	<u>9,221,693</u>
Other sources:			
General fund subsidy	1,609,470	3,266,270	4,225,000
Previous year's encumbrances	70,361	70,361	70,361
	<u>1,679,831</u>	<u>3,336,631</u>	<u>4,295,361</u>
Total other sources	1,679,831	3,336,631	4,295,361
Total revenues and other sources	10,925,293	14,425,293	13,517,054
Expenditures			
Fire:			
Wages/benefits	6,563,030	9,513,030	9,124,990
Other	1,282,161	1,386,161	1,377,115
	<u>7,845,191</u>	<u>10,899,191</u>	<u>10,502,105</u>
Total expenditures	7,845,191	10,899,191	10,502,105
Excess of revenues and other sources over expenditures	3,080,102	3,526,102	3,014,949
Fund deficit, January 1, 2013	<u>(3,057,395)</u>	<u>(3,057,395)</u>	<u>(3,057,395)</u>
Fund balance (deficit), December 31, 2013	<u>\$ 22,707</u>	<u>\$ 468,707</u>	<u>\$ (42,446)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Special Assessment Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Special assessments	\$ 6,145,580	\$ 16,139,620	\$ 16,394,373
Service revenues	34,820	91,460	138,324
Miscellaneous revenues	22,530	59,180	1,007,218
	<u>6,202,930</u>	<u>16,290,260</u>	<u>17,539,915</u>
Other sources:			
Note/bond proceeds	4,097,070	10,759,740	12,966,750
Previous year's encumbrances	191,335	191,335	191,335
	<u>4,288,405</u>	<u>10,951,075</u>	<u>13,158,085</u>
Total revenues and other sources	10,491,335	27,241,335	30,698,000
Expenditures			
Finance:			
Wages/benefits	416,690	416,690	407,924
Other	3,034,774	4,284,774	4,198,300
	<u>3,451,464</u>	<u>4,701,464</u>	<u>4,606,224</u>
Planning:			
Other	-	700,100	687,699
	<u>-</u>	<u>700,100</u>	<u>687,699</u>
Public Service:			
Wages/benefits	3,407,810	3,407,810	3,374,958
Other	6,888,249	19,978,249	19,687,298
Capital outlay	2	1,000,002	738,107
	<u>10,296,061</u>	<u>24,386,061</u>	<u>23,800,363</u>
Neighborhood Assistance:			
Wages/benefits	-	220,000	201,051
Other	124,600	804,600	620,700
Capital outlay	-	10,000	9,500
	<u>124,600</u>	<u>1,034,600</u>	<u>831,251</u>
Total expenditures	13,872,125	30,822,225	29,925,537
Excess (deficiency) of revenues and other sources over expenditures	(3,380,790)	(3,580,890)	772,463
Fund balance, January 1, 2013	3,582,144	3,582,144	3,582,144
Fund balance, December 31, 2013	<u>\$ 201,354</u>	<u>\$ 1,254</u>	<u>\$ 4,354,607</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Police Pension Employer's Liability Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues			
Property taxes	\$ 798,743	\$ 804,043	\$ 733,404
Total revenues	798,743	804,043	733,404
Expenditures			
Police:			
Wages/benefits	-	475,000	475,000
Other	360,000	360,000	287,821
Total expenditures	360,000	835,000	762,821
Excess (deficiency) of revenues over expenditures	438,743	(30,957)	(29,417)
Fund balance, January 1, 2013	31,004	31,004	31,004
Fund balance, December 31, 2013	\$ 469,747	\$ 47	\$ 1,587

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, 2013

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues			
Property taxes	\$ 798,743	\$ 804,043	\$ 733,404
Total revenues	798,743	804,043	733,404
Expenditures			
Fire:			
Wages/benefits	-	475,000	475,000
Other	360,000	360,000	287,821
Total expenditures	360,000	835,000	762,821
Excess (deficiency) of revenues over expenditures	438,743	(30,957)	(29,417)
Fund balance, January 1, 2013	31,004	31,004	31,004
Fund balance, December 31, 2013	<u>\$ 469,747</u>	<u>\$ 47</u>	<u>\$ 1,587</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Street and Highway Maintenance Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Gasoline tax	\$ 4,860,150	\$ 6,233,610	\$ 5,072,018
Motor vehicle license tax	2,525,370	3,239,030	3,250,271
Service revenues	285,890	366,680	112,768
Transfer from State of Ohio	1,429,460	1,833,420	1,470,985
Miscellaneous revenues	524,130	672,260	1,592,169
	<u>9,625,000</u>	<u>12,345,000</u>	<u>11,498,211</u>
Other sources:			
General fund subsidy	-	-	525,000
Previous year's encumbrances	52,273	52,273	52,273
	<u>52,273</u>	<u>52,273</u>	<u>577,273</u>
Total revenues and other sources	9,677,273	12,397,273	12,075,484
Expenditures			
Public Service:			
Wages/benefits	5,891,830	5,891,830	5,891,663
Other	3,456,419	5,256,419	5,086,254
Capital outlay	1,814	1,351,814	1,349,453
	<u>9,350,063</u>	<u>12,500,063</u>	<u>12,327,370</u>
Total expenditures	9,350,063	12,500,063	12,327,370
Excess (deficiency) of revenues and other sources over expenditures	327,210	(102,790)	(251,886)
Fund balance, January 1, 2013	104,242	104,242	104,242
Fund balance (deficit), December 31, 2013	<u>\$ 431,452</u>	<u>\$ 1,452</u>	<u>\$ (147,644)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Miscellaneous revenues	\$ 11,500,000	\$ -	\$ -
Total revenues	11,500,000	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	11,500,000	-	-
Fund balance, January 1, 2013	-	-	-
Fund balance, December 31, 2013	<u>\$ 11,500,000</u>	<u>\$ -</u>	<u>\$ -</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 9,210,000	\$ 14,710,000	\$ 11,173,452
Service revenues	-	-	331,072
Miscellaneous revenues	-	-	1,261,647
	<u>9,210,000</u>	<u>14,710,000</u>	<u>12,766,171</u>
Other sources:			
Previous year's encumbrances	214,079	214,079	214,079
	<u>214,079</u>	<u>214,079</u>	<u>214,079</u>
Total revenues and other sources	9,424,079	14,924,079	12,980,250
Expenditures			
Department Wide:			
Wages/benefits	2,640,110	2,140,110	1,868,053
Other	3,402,829	11,652,829	10,825,400
	<u>6,042,939</u>	<u>13,792,939</u>	<u>12,693,453</u>
Total expenditures	6,042,939	13,792,939	12,693,453
Excess of revenues and other sources over expenditures	3,381,140	1,131,140	286,797
Fund deficit, January 1, 2013	<u>(154,745)</u>	<u>(154,745)</u>	<u>(154,745)</u>
Fund balance, December 31, 2013	<u>\$ 3,226,395</u>	<u>\$ 976,395</u>	<u>\$ 132,052</u>

Note: Included in Miscellaneous revenues above is advances of \$155,000.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ -	\$ -	\$ 1,074,744
Miscellaneous revenues	35,000	772,000	31,283
	<u>35,000</u>	<u>772,000</u>	<u>1,106,027</u>
Other sources:			
Previous year's encumbrances	9,375	9,375	9,375
	<u>9,375</u>	<u>9,375</u>	<u>9,375</u>
Total revenues and other sources	44,375	781,375	1,115,402
Expenditures			
Department Wide:			
Other	9,375	1,059,375	1,045,214
Total expenditures	9,375	1,059,375	1,045,214
Excess (deficiency) of revenues and other sources over expenditures	35,000	(278,000)	70,188
Fund balance, January 1, 2013	278,805	278,805	278,805
Fund balance, December 31, 2013	<u>\$ 313,805</u>	<u>\$ 805</u>	<u>\$ 348,993</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Federal/State grants	\$ 1,966,880	\$ 1,966,880	\$ 1,586,396
Service revenues	5,620	5,620	5,960
Miscellaneous revenues	28,100	28,100	98,535
	<u>2,000,600</u>	<u>2,000,600</u>	<u>1,690,891</u>
Other sources:			
Previous year's encumbrances	3,716	3,716	3,716
	<u>3,716</u>	<u>3,716</u>	<u>3,716</u>
Total revenues and other sources	2,004,316	2,004,316	1,694,607
Expenditures			
Planning:			
Wages/benefits	1,330,130	1,330,130	1,299,907
Other	380,416	440,416	393,973
	<u>1,710,546</u>	<u>1,770,546</u>	<u>1,693,880</u>
Total expenditures	1,710,546	1,770,546	1,693,880
Excess of revenues and other sources over expenditures	293,770	233,770	727
Fund deficit, January 1, 2013	(416)	(416)	(416)
	<u>(416)</u>	<u>(416)</u>	<u>(416)</u>
Fund balance, December 31, 2013	\$ 293,354	\$ 233,354	\$ 311
	<u>\$ 293,354</u>	<u>\$ 233,354</u>	<u>\$ 311</u>

Note: Included in Miscellaneous revenues above is advances of \$90,500.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 837,840	\$ 1,127,930	\$ 1,492,377
Miscellaneous revenues	92,160	124,070	52,188
	<u>930,000</u>	<u>1,252,000</u>	<u>1,544,565</u>
Other sources:			
Previous year's encumbrances	14	14	14
	<u>14</u>	<u>14</u>	<u>14</u>
Total revenues and other sources	930,014	1,252,014	1,544,579
Expenditures			
Department Wide:			
Wages/benefits	100,000	-	-
Other	1,300,014	1,800,014	1,268,210
	<u>1,400,014</u>	<u>1,800,014</u>	<u>1,268,210</u>
Total expenditures	1,400,014	1,800,014	1,268,210
Excess of revenues and other sources over expenditures	(470,000)	(548,000)	276,369
Fund balance, January 1, 2013	548,442	548,442	548,442
Fund balance, December 31, 2013	<u>\$ 78,442</u>	<u>\$ 442</u>	<u>\$ 824,811</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Taxes and assessments	\$ 753,740	\$ 9,228,590	\$ 10,056,757
Miscellaneous revenues	1,260	15,410	4,672
Total revenues	755,000	9,244,000	10,061,429
Expenditures			
Department Wide:			
Wages/benefits	500,000	1,500,000	960,189
Other	1,500,000	8,800,000	7,509,484
Capital Outlay	-	200,000	191,154
Total expenditures	2,000,000	10,500,000	8,660,827
Excess (deficiency) of revenues and other sources over expenditures	(1,245,000)	(1,256,000)	1,400,602
Fund balance, January 1, 2013	1,256,750	1,256,750	1,256,750
Fund balance, December 31, 2013	<u>\$ 11,750</u>	<u>\$ 750</u>	<u>\$ 2,657,352</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, 2013

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues			
Miscellaneous revenues	\$ 25,000	\$ 25,000	\$ 22,158
Total revenues	25,000	25,000	22,158
Expenditures			
Office of the Mayor			
Other	-	25,000	25,000
Total expenditures	-	25,000	25,000
Excess (deficiency) of revenues over expenditures	25,000	-	(2,842)
Fund balance, January 1, 2013	40,361	40,361	40,361
Fund balance, December 31, 2013	<u>\$ 65,361</u>	<u>\$ 40,361</u>	<u>\$ 37,519</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, 2013

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
JEDD revenues	\$ 14,939,770	\$ 14,939,760	\$ 10,396,786
Income taxes	58,970	58,970	-
Service revenues	319,440	319,440	448,620
Miscellaneous revenues	181,820	181,830	284,122
	<u>15,500,000</u>	<u>15,500,000</u>	<u>11,129,528</u>
Other sources:			
Previous year's encumbrances	249,879	249,879	249,879
	<u>249,879</u>	<u>249,879</u>	<u>249,879</u>
Total revenues and other sources	15,749,879	15,749,879	11,379,407
Expenditures			
Department Wide:			
Wages/benefits	164,200	264,200	220,066
Other	15,785,579	13,785,579	11,214,692
Capital Outlay	100	100	-
	<u>15,949,879</u>	<u>14,049,879</u>	<u>11,434,758</u>
Total expenditures	15,949,879	14,049,879	11,434,758
Excess (deficiency) of revenues and other sources over expenditures	(200,000)	1,700,000	(55,351)
Fund balance January 1, 2013	254,031	254,031	254,031
Fund balance, December 31, 2013	<u>\$ 54,031</u>	<u>\$ 1,954,031</u>	<u>\$ 198,680</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Service revenues	\$ 300,000	\$ 300,000	\$ 236,313
Other sources:			
Previous year's encumbrances	30,997	30,997	30,997
	<u>30,997</u>	<u>30,997</u>	<u>30,997</u>
Total revenues and other sources	330,997	330,997	267,310
Expenditures			
Court Clerk:			
Other	113,631	113,631	100,675
Judges:			
Other	242,366	242,366	124,011
	<u>242,366</u>	<u>242,366</u>	<u>124,011</u>
Total expenditures	355,997	355,997	224,686
Excess (deficiency) of revenues and other sources over expenditures	(25,000)	(25,000)	42,624
Fund balance, January 1, 2013	928,601	928,601	928,601
	<u>928,601</u>	<u>928,601</u>	<u>928,601</u>
Fund balance, December 31, 2013	<u>\$ 903,601</u>	<u>\$ 903,601</u>	<u>\$ 971,225</u>

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Service revenues	\$ -	\$ 4,000	\$ -
Miscellaneous revenues	-	-	(53)
Total revenues and other sources	-	4,000	(53)
Expenditures			
Court Clerk:			
Other		10,000	6,176
Total expenditures	-	10,000	6,176
Deficiency of revenues over expenditures	-	(6,000)	(6,229)
Fund balance, January 1, 2013	6,229	6,229	6,229
Fund balance, December 31, 2013	<u>\$ 6,229</u>	<u>\$ 229</u>	<u>\$ -</u>

*Note: Negative revenue amount is attributed to a correction to Accounts Receivable.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 3,900,000	\$ 3,900,000	\$ 408,994
Miscellaneous revenues	-	-	579,784
	<u>3,900,000</u>	<u>3,900,000</u>	<u>988,778</u>
Other sources:			
Previous year's encumbrances	302,938	302,938	302,938
	<u>302,938</u>	<u>302,938</u>	<u>302,938</u>
Total revenues and other sources	4,202,938	4,202,938	1,291,716
Expenditures			
Police:			
Wages/benefits	528,030	528,030	189,803
Other	631,138	811,138	692,817
Total expenditures	<u>1,159,168</u>	<u>1,339,168</u>	<u>882,620</u>
Excess of revenues and other sources over expenditures	3,043,770	2,863,770	409,096
Fund balance, January 1, 2013	<u>243,141</u>	<u>243,141</u>	<u>243,141</u>
Fund balance, December 31, 2013	<u>\$ 3,286,911</u>	<u>\$ 3,106,911</u>	<u>\$ 652,237</u>

Note: Included in Miscellaneous revenues above is a transfer in of \$263,325.

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, 2013

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 3,064,660	\$ 4,693,970	\$ 5,662,943
Service revenues	944,940	1,447,300	1,711,288
Miscellaneous revenues	1,915,400	2,933,730	863,388
	<u>5,925,000</u>	<u>9,075,000</u>	<u>8,237,619</u>
Other sources:			
Previous year's encumbrances	178,506	178,506	178,506
	<u>178,506</u>	<u>178,506</u>	<u>178,506</u>
Total revenues and other sources	6,103,506	9,253,506	8,416,125
Expenditures			
Public Safety:			
Wages/benefits	322,720	737,720	329,663
Other	677,280	977,280	238,211
	<u>1,000,000</u>	<u>1,715,000</u>	<u>567,874</u>
Public Service:			
Other	1,002	1,002	-
	<u>1,002</u>	<u>1,002</u>	<u>-</u>
Fire:			
Wages/benefits	4,556,870	5,056,870	4,267,025
Other	55,001	1,070,001	1,009,006
Capital Outlay	-	740,000	1
	<u>4,611,871</u>	<u>6,866,871</u>	<u>5,276,032</u>
Police:			
Wages/benefits	1,819,440	1,369,440	1,312,461
Other	373,105	473,105	467,185
Capital outlay	129,618	204,618	188,017
	<u>2,322,163</u>	<u>2,047,163</u>	<u>1,967,663</u>
Total expenditures	7,935,036	10,630,036	7,811,569
Excess (deficiency) of revenues and other sources over expenditures	(1,831,530)	(1,376,530)	604,556
Fund balance, January 1, 2013	<u>2,478,032</u>	<u>2,478,032</u>	<u>2,478,032</u>
Fund balance, December 31, 2013	<u>\$ 646,502</u>	<u>\$ 1,101,502</u>	<u>\$ 3,082,588</u>

Note: Included in Miscellaneous revenues above is advances of \$416,100.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Total revenues	-	-	-
Expenditures			
Expenditures:			
Public Health:			
Other	\$ -	\$ 1,000	\$ 288
Total expenditures	-	1,000	288
Excess of revenues over expenditures	-	(1,000)	(288)
Fund balance, January 1, 2013	281,027	281,027	281,027
Fund balance, December 31, 2013	<u>\$ 281,027</u>	<u>\$ 280,027</u>	<u>\$ 280,739</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 3,759,220	\$ 7,347,570	\$ 50,000
JEDD revenues	-	-	350,000
Taxes and assessments	-	-	259,855
Governmental revenues	726,210	1,419,420	142,837
Service revenues	-	-	920
Miscellaneous revenues	1,014,570	1,983,010	5,679,005
	<u>5,500,000</u>	<u>10,750,000</u>	<u>6,482,617</u>
Other sources:			
Previous year's encumbrances	59,154	59,154	59,154
	<u>59,154</u>	<u>59,154</u>	<u>59,154</u>
Total revenues and other sources	5,559,154	10,809,154	6,541,771
Expenditures			
Department Wide:			
Other	4,825,232	5,575,232	5,053,664
Capital outlay	3,122	3,122	-
	<u>4,828,354</u>	<u>5,578,354</u>	<u>5,053,664</u>
Total expenditures	4,828,354	5,578,354	5,053,664
Excess of revenues and other sources over expenditures	730,800	5,230,800	1,488,107
Fund deficit, January 1, 2013	<u>(394,425)</u>	<u>(394,425)</u>	<u>(394,425)</u>
Fund balance, December 31, 2013	<u>\$ 336,375</u>	<u>\$ 4,836,375</u>	<u>\$ 1,093,682</u>

Note: Included in Miscellaneous revenues above is a transfer in of \$3,008,766.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 157,750	\$ 157,750	\$ 70,000
Governmental revenues	1,601,130	1,601,130	1,430,899
Service revenues	1,191,000	1,191,000	753,365
Miscellaneous revenues	552,120	552,120	484,605
	<u>3,502,000</u>	<u>3,502,000</u>	<u>2,738,869</u>
Other sources:			
Previous year's encumbrances	64,888	64,888	64,888
	<u>64,888</u>	<u>64,888</u>	<u>64,888</u>
Total revenues and other sources	3,566,888	3,566,888	2,803,757
Expenditures			
Department Wide:			
Wages/benefits	210,000	340,000	302,270
Other	2,038,138	3,038,138	2,044,111
	<u>2,248,138</u>	<u>3,378,138</u>	<u>2,346,381</u>
Total expenditures	2,248,138	3,378,138	2,346,381
Excess of revenues and other sources over expenditures	1,318,750	188,750	457,376
Fund balance, January 1, 2013	4,735,226	4,735,226	4,735,226
Fund balance, December 31, 2013	<u>\$ 6,053,976</u>	<u>\$ 4,923,976</u>	<u>\$ 5,192,602</u>

Note: Included in Miscellaneous revenues above is a transfer in and advances of \$273,500.

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Deposits Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues			
Miscellaneous revenues	\$ 650,000	\$ 650,000	\$ 582,514
Total revenues	650,000	650,000	582,514
Other sources:			
Previous year's encumbrances	18,691	18,691	18,691
	18,691	18,691	18,691
Total revenues and other sources	668,691	668,691	601,205
Expenditures			
Finance:			
Other	768,691	768,691	707,405
Deficiency of revenues over expenditures	(100,000)	(100,000)	(106,200)
Fund balance, January 1, 2013	1,035,198	1,035,198	1,035,198
Fund balance, December 31, 2013	\$ 935,198	\$ 935,198	\$ 928,998

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 1,118,240	\$ 1,118,240	\$ 1,185,034
Miscellaneous revenues	-	-	2,742
	<u>1,118,240</u>	<u>1,118,240</u>	<u>1,187,776</u>
Other sources:			
Previous year's encumbrances	1,861	1,861	1,861
	<u>1,861</u>	<u>1,861</u>	<u>1,861</u>
Total revenues and other sources	1,120,101	1,120,101	1,189,637
Expenditures			
Finance:			
Wages/benefits	418,270	468,270	460,756
Other	914,401	1,014,401	985,325
Total expenditures	1,332,671	1,482,671	1,446,081
Deficiency of revenues and other sources over expenditures	(212,570)	(362,570)	(256,444)
Fund balance, January 1, 2013	713,396	713,396	713,396
Fund balance, December 31, 2013	<u>\$ 500,826</u>	<u>\$ 350,826</u>	<u>\$ 456,952</u>

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, 2013

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues			
Miscellaneous revenues	\$ 250,000	\$ -	\$ -
Total revenues	250,000	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	250,000	-	-
Fund balance, January 1, 2013	-	-	-
Fund balance, December 31, 2013	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 1,043,720	\$ 1,043,720	\$ 1,361,754
Taxes and assessments	1,176,740	1,176,740	303,563
Governmental revenues	5,576,740	5,576,740	1,041,540
Miscellaneous revenues	12,995,360	12,995,360	2,448,133
	<u>20,792,560</u>	<u>20,792,560</u>	<u>5,154,990</u>
Other sources:			
Note/Bond proceeds	1,207,440	1,207,440	10,645,030
Previous year's encumbrances	239,173	239,173	239,173
	<u>1,446,613</u>	<u>1,446,613</u>	<u>10,884,203</u>
Total revenues and other sources	22,239,173	22,239,173	16,039,193
Expenditures			
Public Service:			
Wages/benefits	148,000	168,000	167,392
Other	3,660,757	3,660,757	2,612,331
Capital outlay	5,213,916	8,713,916	7,478,601
	<u>9,022,673</u>	<u>12,542,673</u>	<u>10,258,324</u>
Total expenditures	9,022,673	12,542,673	10,258,324
Excess of revenues and other sources over expenditures	13,216,500	9,696,500	5,780,869
Fund deficit, January 1, 2013	<u>(2,202,327)</u>	<u>(2,202,327)</u>	<u>(2,202,327)</u>
Fund balance, December 31, 2013	<u>\$ 11,014,173</u>	<u>\$ 7,494,173</u>	<u>\$ 3,578,542</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Miscellaneous revenue	\$ -	\$ 250,000	\$ -
	-	250,000	-
Other sources:			
Previous year's encumbrances	45,963	45,963	45,963
	45,963	45,963	45,963
Total revenues and other sources	45,963	295,963	45,963
Expenditures			
Public Service:			
Other	-	100,000	33,329
Capital outlay	45,963	45,963	-
Total expenditures	45,963	145,963	33,329
Excess of revenues and other sources over expenditures	-	150,000	12,634
Fund deficit, January 1, 2013	(1)	(1)	(1)
Fund balance (deficit), December 31, 2013	\$ (1)	\$ 149,999	\$ 12,633

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 580,070	\$ 580,070	\$ 14,010
Governmental revenues	1,429,740	1,429,740	78,363
Miscellaneous revenues	490,190	490,190	7,750
	<u>2,500,000</u>	<u>2,500,000</u>	<u>100,123</u>
Other sources:			
Note/Bond proceeds	-	-	645,510
Previous year's encumbrances	18	18	18
	<u>18</u>	<u>18</u>	<u>645,528</u>
Total revenues and other sources	2,500,018	2,500,018	745,651
Expenditures			
Public Service:			
Other	721,212	421,212	272,368
Capital outlay	800,006	500,006	138,004
	<u>1,521,218</u>	<u>921,218</u>	<u>410,372</u>
Total expenditures	1,521,218	921,218	410,372
Excess of revenues and other sources over expenditures	978,800	1,578,800	335,279
Fund balance, January 1, 2013	757	757	757
Fund balance, December 31, 2013	<u>\$ 979,557</u>	<u>\$ 1,579,557</u>	<u>\$ 336,036</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 622,640	\$ 1,116,230	\$ 205,263
Income taxes	-	-	330,715
Miscellaneous revenues	2,127,360	3,813,770	1,116,839
	<u>2,750,000</u>	<u>4,930,000</u>	<u>1,652,817</u>
Other sources:			
Previous year's encumbrances	109,992	109,992	109,992
	<u>109,992</u>	<u>109,992</u>	<u>109,992</u>
Total revenues and other sources	2,859,992	5,039,992	1,762,809
Expenditures			
Public Service:			
Other	459,992	1,659,992	573,235
Capital outlay	100,000	1,955,000	1,711,065
Total expenditures	559,992	3,614,992	2,284,300
Excess (deficiency) of revenues and other sources over expenditures	2,300,000	1,425,000	(521,491)
Fund balance, January 1, 2013	524,205	524,205	524,205
Fund balance, December 31, 2013	<u>\$ 2,824,205</u>	<u>\$ 1,949,205</u>	<u>\$ 2,714</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Miscellaneous revenues	\$ 800,000	\$ 800,000	\$ -
	800,000	800,000	-
Other sources:			
Note/Bond proceeds	-	-	123,200
Previous year's encumbrances	86,873	86,873	86,873
	86,873	86,873	210,073
Total revenues and other sources	886,873	886,873	210,073
Expenditures			
Public Service:			
Other	2,216,675	216,675	87,248
Capital outlay	20,198	20,198	20,198
Total expenditures	2,236,873	236,873	107,446
Excess (deficiency) of revenues and other sources over expenditures	(1,350,000)	650,000	102,627
Fund balance, January 1, 2013	2,135,627	2,135,627	2,135,627
Fund balance, December 31, 2013	\$ 785,627	\$ 2,785,627	\$ 2,238,254

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 652,390	\$ 652,390	\$ 2,693
Taxes and assessments	184,640	184,640	-
Governmental revenues	4,892,910	4,892,910	2,783,808
Miscellaneous revenues	6,462,330	6,462,330	1,643,594
	<u>12,192,270</u>	<u>12,192,270</u>	<u>4,430,095</u>
Other sources:			
Note/Bond proceeds	307,730	307,730	5,465,982
Previous year's encumbrances	57,436	57,436	57,436
	<u>365,166</u>	<u>365,166</u>	<u>5,523,418</u>
Total revenues and other sources	12,557,436	12,557,436	9,953,513
Expenditures			
Department Wide:			
Other	6,373,674	8,373,674	5,538,362
Capital outlay	4,378,962	4,178,962	2,189,689
	<u>10,752,636</u>	<u>12,552,636</u>	<u>7,728,051</u>
Total expenditures	10,752,636	12,552,636	7,728,051
Excess of revenues and other sources over expenditures	1,804,800	4,800	2,225,462
Fund balance, January 1, 2013	1,348,563	1,348,563	1,348,563
Fund balance, December 31, 2013	<u>\$ 3,153,363</u>	<u>\$ 1,353,363</u>	<u>\$ 3,574,025</u>

(This page intentionally left blank)

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

Combining Statement of Net Position - Non-Major Enterprise Funds

December 31, 2013

	Oil and Gas	Golf Course	Airport	Total
Assets				
Pooled cash and investments	\$ 289,820	\$ 4,237	\$ 117,221	\$ 411,278
Receivables, net of allowances for uncollectibles	29,267	15	2,414	31,696
Inventories, at cost	-	36,897	-	36,897
Property, plant and equipment, net of accumulated depreciation	395,485	1,437,029	8,298,156	10,130,670
Total assets	714,572	1,478,178	8,417,791	10,610,541
Liabilities				
Accounts payable	15,329	48,737	36,899	100,965
Due to other governments	-	-	49,021	49,021
Due to other funds	543	2,008	193	2,744
Accrued liabilities	932	2,886	50,300	54,118
Accrued wages	3,327	8,559	-	11,886
Accrued vacation and leave	18,319	14,194	-	32,513
Obligations under capital lease	-	15,600	-	15,600
Noncurrent liabilities				
Obligations under capital lease	-	46,179	-	46,179
Due in more than one year	45,708	108,486	56,801	210,995
Total liabilities	84,158	246,649	193,214	524,021
Net Position				
Net investment in capital assets	395,485	1,375,250	8,298,156	10,068,891
Unrestricted (deficit)	234,929	(143,721)	(73,579)	17,629
Total net position	\$ 630,414	\$ 1,231,529	\$ 8,224,577	\$ 10,086,520

City of Akron, Ohio

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

For the Year Ended December 31, 2013

	Oil and Gas	Golf Course	Airport	Total
Operating revenues				
Charges for services	\$ 300,119	\$ 893,815	\$ 154,692	\$ 1,348,626
Other	7,184	40,935	70,613	118,732
	<u>307,303</u>	<u>934,750</u>	<u>225,305</u>	<u>1,467,358</u>
Operating expenses				
Personal services	150,778	735,489	-	886,267
Direct expenses	37,673	298,641	443,784	780,098
Rentals and lease	-	86,172	-	86,172
Utilities	684	80,042	4,003	84,729
Insurance	15,225	3,916	6,133	25,274
Depreciation, depletion and amortization	-	48,444	229,554	277,998
Other	1,445	-	-	1,445
	<u>205,805</u>	<u>1,252,704</u>	<u>683,474</u>	<u>2,141,983</u>
Operating income (loss)	<u>101,498</u>	<u>(317,954)</u>	<u>(458,169)</u>	<u>(674,625)</u>
Transfers-in	-	210,000	128,360	338,360
Capital contributions	-	78,000	65,433	143,433
	<u>-</u>	<u>288,000</u>	<u>193,793</u>	<u>481,793</u>
Changes in net position	101,498	(29,954)	(264,376)	(192,832)
Net position, January 1, 2013	<u>528,916</u>	<u>1,261,483</u>	<u>8,488,953</u>	<u>10,279,352</u>
Net position, December 31, 2013	<u>\$ 630,414</u>	<u>\$ 1,231,529</u>	<u>\$ 8,224,577</u>	<u>\$ 10,086,520</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2013

	Oil and Gas	Golf	Airport	Total Non-Major Enterprise Funds
Operating activities				
Cash received from customers	\$ 294,076	\$ 893,850	\$ 279,403	\$ 1,467,329
Cash payments to suppliers for goods and services	(66,810)	(465,866)	(436,185)	(968,861)
Cash paid for salaries and employee benefits	(166,762)	(656,565)	(517)	(823,844)
Other revenues	7,184	40,935	70,613	118,732
Other expenses	(1,445)	-	-	(1,445)
Net cash provided by (used for) operating activities	<u>66,243</u>	<u>(187,646)</u>	<u>(86,686)</u>	<u>(208,089)</u>
Non-capital financing activities				
Transfers/advances in for negative cash balances	-	210,000	128,360	338,360
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>210,000</u>	<u>128,360</u>	<u>338,360</u>
Capital and related financing activities				
Acquisition and construction of capital assets	-	(96,163)	-	(96,163)
Capital Contributions	-	78,000	65,433	143,433
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(18,163)</u>	<u>65,433</u>	<u>47,270</u>
Net increase (decrease) in cash and cash equivalents	66,243	4,191	107,107	177,541
Cash and cash equivalents, January 1, 2013	<u>223,577</u>	<u>46</u>	<u>10,114</u>	<u>233,737</u>
Cash and cash equivalents, December 31, 2013	<u>\$ 289,820</u>	<u>\$ 4,237</u>	<u>\$ 117,221</u>	<u>\$ 411,278</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2013

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Enterprise Funds</u>
Operating income (loss)	\$ 101,498	\$ (317,954)	\$ (458,169)	\$ (674,625)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion and amortization	-	48,444	229,554	277,998
(Increase) decrease in operating assets:				
Receivables	(6,043)	35	17,020	11,012
Due from other governments	-	-	107,691	107,691
Inventories	-	(3,318)	-	(3,318)
Increase (decrease) in operating liabilities:				
Accounts payable	(12,226)	7,428	(30,701)	(35,499)
Due to other funds	(1,002)	(1,205)	(585)	(2,792)
Due to other governments	-	-	49,021	49,021
Accrued liabilities	4,689	28,112	(517)	32,284
Accrued wages	(1,175)	(1,457)	-	(2,632)
Accrued vacation and leave	(19,498)	52,269	-	32,771
Net cash provided by (used for) operating activities	<u>\$ 66,243</u>	<u>\$ (187,646)</u>	<u>\$ (86,686)</u>	<u>\$ (208,089)</u>

(This page intentionally left blank)

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
- Information Technology

Combining Statement of Net Position - Internal Service Funds

December 31, 2013

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve
Assets			
Pooled cash and investments	\$ 454	\$ 6,218,226	\$ 4,008,134
Receivables, net of allowances for uncollectibles	121,164	-	-
Due from other funds	741,380	-	-
Inventories, at cost	868,520	-	-
Property, plant and equipment, net of accumulated depreciation	1,553,668	-	-
Total assets	3,285,186	6,218,226	4,008,134
Liabilities			
Accounts payable	436,120	37,743	23,462
Advances from other funds	68,000	-	-
Due to other funds	3,093	2,006	-
Accrued liabilities	21,273	-	1,262,802
Accrued wages	76,853	-	-
Accrued vacation and leave	166,963	-	-
Liability for unpaid claims	-	2,966,603	1,025,925
Debt:			
Income tax revenue bonds	-	-	-
Noncurrent liabilities			
Due in more than one year	1,193,073	-	3,965,903
Bonds, notes, loans	-	9,000,000	-
Total liabilities	1,965,375	12,006,352	6,278,092
Net Position			
Net investment in capital assets	1,553,668	-	-
Unrestricted (deficit)	(233,857)	(5,788,126)	(2,269,958)
Total net position	\$ 1,319,811	\$ (5,788,126)	\$ (2,269,958)

Combining Statement of Net Position - Internal Service Funds

December 31, 2013

Self-Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Information Technology	Total
\$ 17,942	\$ -	\$ 48,894	\$ 744,012	\$ 64,299	\$ 11,101,961
-	-	-	-	-	121,164
-	-	58,048	561,089	69,781	1,430,298
-	-	-	-	-	868,520
-	-	206,630	108,541	103,116	1,971,955
17,942	-	313,572	1,413,642	237,196	15,493,898
2,040	-	26,956	42,569	22,703	591,593
-	-	-	-	-	68,000
-	-	-	62,280	9,405	76,784
-	-	-	28,083	7,514	1,319,672
-	-	-	100,355	26,924	204,132
-	-	-	377,346	98,030	642,339
197,232	-	-	-	-	4,189,760
-	-	-	-	385,000	385,000
-	-	-	1,725,030	557,771	7,441,777
-	-	-	-	1,230,000	10,230,000
199,272	-	26,956	2,335,663	2,337,347	25,149,057
-	-	206,630	108,541	103,116	1,971,955
(181,330)	-	79,986	(1,030,562)	(2,203,267)	(11,627,114)
\$ (181,330)	\$ -	\$ 286,616	\$ (922,021)	\$ (2,100,151)	\$ (9,655,159)

City of Akron, Ohio

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

For the Year Ended December 31, 2013

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve
Operating revenues			
Charges for services	\$ 8,665,320	\$ 30,770,705	\$ 3,179,615
Other	53,693	972,062	36,283
	<u>8,719,013</u>	<u>31,742,767</u>	<u>3,215,898</u>
Operating expenses			
Personal services	2,524,359	-	-
Direct expenses	6,465,399	2,432,229	731,353
Claims	-	27,687,066	1,219,974
Rentals and lease	834	-	-
Utilities	80,472	-	-
Insurance	8,753	-	1,327
Depreciation, depletion and amortization	131,219	-	-
Other	3,782	-	-
	<u>9,214,818</u>	<u>30,119,295</u>	<u>1,952,654</u>
Operating income (loss)	<u>(495,805)</u>	<u>1,623,472</u>	<u>1,263,244</u>
Non-operating revenues (expenses)			
Interest income	-	-	38
Interest expense	(23,480)	(151,250)	-
	<u>(23,480)</u>	<u>(151,250)</u>	<u>38</u>
Gain (loss) before transfers	<u>(519,285)</u>	<u>1,472,222</u>	<u>1,263,282</u>
Transfers-in	-	-	-
Capital contributions	6,455	-	-
	<u>6,455</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>(512,830)</u>	<u>1,472,222</u>	<u>1,263,282</u>
Net position (deficit), January 1, 2013	<u>1,832,641</u>	<u>(7,260,348)</u>	<u>(3,533,240)</u>
Net position (deficit), December 31, 2013	<u>\$ 1,319,811</u>	<u>\$ (5,788,126)</u>	<u>\$ (2,269,958)</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2013

Self-Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Information Technology	Total
\$ -	\$ -	\$ 762,170	\$ 4,928,568	\$ 2,369,633	\$ 50,676,011
81,209	-	2,599	28,626	7,327	1,181,799
81,209	-	764,769	4,957,194	2,376,960	51,857,810
-	-	201,741	4,206,211	1,167,581	8,099,892
307	14,060	343,464	8,859	1,041,532	11,037,203
-	-	-	-	-	28,907,040
-	9,494	-	8,695	-	19,023
-	403	91,940	15,065	7,330	195,210
-	-	-	16,011	1,779	27,870
-	-	38,369	5,247	9,159	183,994
-	-	-	689	-	4,471
307	23,957	675,514	4,260,777	2,227,381	48,474,703
80,902	(23,957)	89,255	696,417	149,579	3,383,107
-	-	-	-	-	38
-	-	-	-	-	(174,730)
-	-	-	-	-	(174,692)
80,902	(23,957)	89,255	696,417	149,579	3,208,415
-	-	150,000	-	-	150,000
-	-	-	-	385,000	391,455
-	-	150,000	-	385,000	541,455
80,902	(23,957)	239,255	696,417	534,579	3,749,870
(262,232)	23,957	47,361	(1,618,438)	(2,634,730)	(13,405,029)
\$ (181,330)	\$ -	\$ 286,616	\$ (922,021)	\$ (2,100,151)	\$ (9,655,159)

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2013

	Motor Equipment	Medical Self - Insurance	Workers' Compensation Reserve	Self - Insurance Settlement
Operating activities				
Cash received from customers	\$ 8,686,387	\$ 30,771,539	\$ 3,179,615	\$ -
Cash payments to suppliers for goods and services	(6,487,756)	(2,435,117)	(726,545)	-
Cash paid for salaries and employee benefits	(2,399,838)	(27,740,303)	(1,879,841)	(81,209)
Other revenues	53,693	972,062	36,283	81,209
Other expenses	(3,782)	-	-	-
Net cash provided by (used for) operating activities	(151,296)	1,568,181	609,512	-
Non-capital financing activities				
Transfers/advances in for negative cash balances	68,000	-	-	-
Transfers/advances out for negative cash balances	-	-	-	-
Proceeds sale of notes	-	9,000,000	-	-
Principal paid on bonds, loans and notes	-	(11,000,000)	-	-
Interest paid on bonds, loans and notes	-	(151,250)	-	-
Net cash provided by (used for) non-capital financing activities	68,000	(2,151,250)	-	-
Capital and related financing activities				
Principal paid on bonds and loans	-	-	-	-
Interest paid on bonds and loans	(23,480)	-	-	-
Acquisition and construction of capital assets	(6,455)	-	-	-
Capital contributions	6,455	-	-	-
Net cash provided by (used for) capital and related financing activities	(23,480)	-	-	-
Investing activities				
Interest on investments	-	-	38	-
Net cash provided by investing activities	-	-	38	-
Net increase (decrease) in cash and cash equivalents	(106,776)	(583,069)	609,550	-
Cash and cash equivalents, January 1, 2013	107,230	6,801,295	3,398,584	17,942
Cash and cash equivalents, December 31, 2013	\$ 454	\$ 6,218,226	\$ 4,008,134	\$ 17,942

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2013

Storeroom	Telephone System	Engineering Bureau	Information Technology	Total
\$ -	\$ 768,558	\$ 4,728,352	\$ 2,552,753	\$ 50,687,204
(23,957)	(479,944)	(6,208)	(1,045,322)	(11,204,849)
-	(394,011)	(4,009,086)	(1,156,821)	(37,661,109)
-	2,599	28,626	7,327	1,181,799
-	-	(689)	-	(4,471)
(23,957)	(102,798)	740,995	357,937	2,998,574
-	150,000	-	-	218,000
-	-	-	(293,639)	(293,639)
-	-	-	-	9,000,000
-	-	-	-	(11,000,000)
-	-	-	-	(151,250)
-	150,000	-	(293,639)	(2,226,889)
-	-	-	(385,000)	(385,000)
-	-	-	-	(23,480)
-	-	-	-	(6,455)
-	-	-	385,000	391,455
-	-	-	-	(23,480)
-	-	-	-	38
-	-	-	-	38
(23,957)	47,202	740,995	64,298	748,243
23,957	1,692	3,017	1	10,353,718
\$ -	\$ 48,894	\$ 744,012	\$ 64,299	\$ 11,101,961

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2013
(continued)

	Motor Equipment	Medical Self - Insurance	Workers' Compensation	Self - Insurance Settlement
Operating income (loss)	\$ (495,805)	\$ 1,623,472	\$ 1,263,244	\$ 80,902
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion and amortization	131,219	-	-	-
(Increase) decrease in operating assets:				
Receivables	21,995	834	-	-
Due from other funds	(928)	-	-	-
Inventories	(41,721)	-	-	-
Increase (decrease) in operating liabilities:				
Accounts payable	117,075	(4,707)	6,135	307
Due to other funds	(7,652)	1,819	-	-
Accrued liabilities	99,296	-	-	-
Accrued wages	(3,860)	-	-	-
Accrued vacation and leave	29,085	-	-	-
Estimated liability for unpaid claims	-	(53,237)	(659,867)	(81,209)
Net cash provided by (used for) operating activities	<u>\$ (151,296)</u>	<u>\$ 1,568,181</u>	<u>\$ 609,512</u>	<u>\$ -</u>

City of Akron, Ohio
 Combining Statement of Cash Flows-Internal Service Funds
 For the Year Ended December 31, 2013
 (continued)

Storeroom	Telephone System	Engineering Bureau	Information Technology	Total
\$ (23,957)	\$ 89,255	\$ 696,417	\$ 149,579	\$ 3,383,107
-	38,369	5,247	9,159	183,994
-	-	-	-	22,829
-	6,388	(200,216)	183,120	(11,636)
-	-	-	-	(41,721)
-	(44,147)	5,523	(2,694)	77,492
-	(393)	36,899	8,013	38,686
-	(4,688)	112,966	36,760	244,334
-	(13,393)	4,766	(2,126)	(14,613)
-	(174,189)	79,393	(23,874)	(89,585)
-	-	-	-	(794,313)
<u>\$ (23,957)</u>	<u>\$ (102,798)</u>	<u>\$ 740,995</u>	<u>\$ 357,937</u>	<u>\$ 2,998,574</u>

(This page intentionally left blank)

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.

Unclaimed Monies Fund - is used to account for unclaimed funds.

City of Akron, Ohio

Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds

December 31, 2013

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Assets				
Cash and investments	\$ 810	\$ 12,021	\$ 5,160	\$ 17,991
Total assets	810	12,021	5,160	17,991
Total liabilities	-	-	-	-
Net Position	<u>\$ 810</u>	<u>\$ 12,021</u>	<u>\$ 5,160</u>	<u>\$ 17,991</u>

City of Akron, Ohio

Combining Statement of Fiduciary Net Position
Agency Funds

December 31, 2013

	Municipal Court	Police Property Monetary Evidence	Unclaimed Monies	Total
Assets				
Cash and investments	\$ 736,434	\$ 15,000	\$ 143,516	\$ 894,950
Total assets	736,434	15,000	143,516	894,950
Liabilities				
Due to others	736,434	15,000	143,516	894,950
Total liabilities	736,434	15,000	143,516	894,950
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2013

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Additions				
Contributions	\$ -	\$ 10,994	\$ 500	\$ 11,494
	-	10,994	500	11,494
Deductions				
Education and awareness	-	5,859	-	5,859
	-	5,859	-	5,859
Excess of revenues over expenses	-	5,135	500	5,635
Net position, January 1, 2013	810	6,886	4,660	12,356
Net position, December 31, 2013	\$ 810	\$ 12,021	\$ 5,160	\$ 17,991

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Municipal Court				
Assets				
Cash	\$ 642,362	\$ 11,040,886	\$ 10,946,814	\$ 736,434
Liabilities				
Due to others	\$ 642,362	\$ 11,040,886	\$ 10,946,814	\$ 736,434
Police Property Monetary Evidence				
Assets				
Cash	\$ 15,000	\$ -	\$ -	\$ 15,000
Liabilities				
Due to others	\$ 15,000	\$ -	\$ -	\$ 15,000
Unclaimed Monies				
Assets				
Cash	\$ 70,925	\$ 105,354	\$ 32,763	\$ 143,516
Liabilities				
Due to others	\$ 70,925	\$ 105,354	\$ 32,763	\$ 143,516
Total All Agency Funds				
Assets				
Cash	\$ 728,287	\$ 11,146,240	\$ 10,979,577	\$ 894,950
	\$ 728,287	\$ 11,146,240	\$ 10,979,577	\$ 894,950
Liabilities				
Due to others	\$ 728,287	\$ 11,146,240	\$ 10,979,577	\$ 894,950
	\$ 728,287	\$ 11,146,240	\$ 10,979,577	\$ 894,950

(This page intentionally left blank)

Statistical Section

THIS PAGE INTENTIONALLY LEFT BLANK.

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	187
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources which are income tax and property tax.	194
Debt Capacity 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.	199
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the City.	206
Operating Information 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.	208

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

(This page intentionally left blank)

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

Schedule 1

	2004	2005	2006	2007	2008
Governmental Activities					
Net Investment in Capital Assets	\$ 347,553,024	\$ 354,911,430	\$ 343,894,860	\$ 350,900,710	\$ 352,615,832
Restricted	305,806,875	305,806,875	154,998,029	136,131,553	67,956,219
Unrestricted	(342,848,212)	(342,622,082)	(162,608,235)	(122,216,128)	(59,811,038)
Total Governmental Activities Net Position	310,511,687	318,096,223	336,284,654	364,816,135	360,761,013
Business-Type Activities					
Net Investment in Capital Assets	305,496,572	312,958,242	319,708,498	331,088,686	361,078,967
Restricted	8,890,371	8,890,371	9,762,791	9,603,496	14,242,721
Unrestricted	12,254,737	13,956,855	13,310,341	8,684,965	(6,359,846)
Total Business-Type Activities Net Position	326,641,680	335,805,468	342,781,630	349,377,147	368,961,842
Primary Government					
Net Investment in Capital Assets	653,049,596	667,869,672	663,603,358	681,989,396	713,694,799
Restricted	314,697,246	314,697,246	164,760,820	145,735,049	82,198,940
Unrestricted	(330,593,475)	(328,665,227)	(149,297,894)	(113,531,163)	(66,170,884)
Total Primary Government Net Position	\$ 637,153,367	\$ 653,901,691	\$ 679,066,284	\$ 714,193,282	\$ 729,722,855
Governmental Activities					
Net Investment in Capital Assets	\$ 325,085,939	\$ 320,611,400	\$ 336,791,218	\$ 342,181,729	\$ 353,686,041
Restricted	46,034,221	76,133,681	64,060,427	45,769,529	46,822,028
Unrestricted	(32,116,320)	(63,841,247)	(39,096,078)	(28,089,325)	(25,922,004)
Total Governmental Activities Net Position	339,003,840	332,903,834	361,755,567	359,861,933	374,586,065
Business-Type Activities					
Net Investment in Capital Assets	364,052,481	368,334,039	382,353,490	381,737,149	385,492,533
Restricted	11,601,001	11,955,748	9,650,185	9,726,690	9,789,966
Unrestricted	(534,594)	5,913,913	(898,127)	8,473,245	19,221,970
Total Business-Type Activities Net Position	375,118,888	386,203,700	391,105,548	399,937,084	414,504,469
Primary Government					
Net Investment in Capital Assets	689,138,420	688,945,439	719,144,708	723,918,878	739,178,574
Restricted	57,635,222	88,089,429	73,710,612	55,496,219	56,611,994
Unrestricted	(32,650,914)	(57,927,334)	(39,994,205)	(19,616,080)	(6,700,034)
Total Primary Government Net Position	\$ 714,122,728	\$ 719,107,534	\$ 752,861,115	\$ 759,799,017	\$ 789,090,534

Source: City of Akron, Ohio Finance Department

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

Schedule 2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	\$ 10,199,944	\$ 8,768,534	\$ 10,203,648	\$ 11,187,070	\$ 10,125,125	\$ 9,480,148	\$ 13,878,801	\$ 9,674,230	\$ 10,218,969	\$ 14,473,321
Public Service	13,685,910	24,515,742	1,221,943	28,739,656	25,837,733	23,701,124	33,856,324	25,094,315	14,404,457	16,524,746
Public Safety	4,661,113	1,079,551	634,517	1,499,758	1,178,463	191,609	1,286,320	847,335	508,391	862,405
Community Environment	276,244	64,412	27,488,539	13,466	12,583	13,934	13,934	7,607	422,186	164,000
Public Health	3,302,809	583,033	27,244	674,598	559,903	575,124	623,919	37,132	3,512	2,257
Recreation and Parks	600,501	339,674	387,161	363,552	313,784	331,715	414,527	242,837	183,754	230,420
Operating Grants and Contributions	18,798,602	20,736,629	20,085,504	21,939,297	23,163,116	21,601,120	38,518,668	17,302,475	19,658,258	20,409,809
Capital Grants and Contributions	26,959,413	19,497,224	22,023,997	24,822,927	22,905,722	26,257,174	38,467,858	38,778,626	35,507,412	46,774,660
Total Governmental Activities Program Revenues	78,484,536	75,584,799	82,072,553	89,240,324	84,096,429	82,882,179	127,060,351	91,984,557	80,906,939	99,441,618
Business-Type Activities										
Charges for Services:										
Water	33,897,438	32,677,553	34,203,720	33,313,008	32,650,800	32,702,521	34,365,128	34,718,912	32,215,076	34,969,933
Sewer	34,489,974	36,365,900	35,658,036	36,113,694	35,355,134	35,817,311	44,879,526	49,610,750	56,208,333	63,097,046
Oil & Gas	-	-	1,136	18,544	-	269,720	371,137	373,269	226,172	300,119
Parking Facilities	4,109,336	4,921,793	4,921,561	4,982,704	4,995,719	4,684,648	4,798,580	4,710,310	4,577,496	4,773,882
Golf Course	889,957	878,878	903,859	891,709	864,188	885,577	926,633	807,693	938,725	893,815
Airport	180,169	193,369	162,557	143,520	188,253	149,172	65,186	76,912	197,878	154,692
Capital Grants and Contributions	11,952,537	6,356,588	4,537,330	5,918,599	14,089,131	6,601,474	5,838,213	4,416,302	7,786,418	4,045,528
Total Business-Type Activities Program Revenues	85,519,411	81,394,081	80,388,199	81,381,778	88,143,225	81,110,423	91,244,403	94,714,148	102,150,098	108,235,015
Total Primary Government Program Revenues	\$ 164,003,947	\$ 156,978,880	\$ 162,460,752	\$ 170,622,102	\$ 172,239,654	\$ 163,992,602	\$ 218,304,754	\$ 186,698,705	\$ 183,057,037	\$ 207,676,633
Expenses										
Governmental Activities										
General Government	\$ 33,154,330	\$ 53,063,391	\$ 38,206,653	\$ 40,750,017	\$ 38,873,128	\$ 43,879,396	\$ 57,324,570	\$ 48,717,920	\$ 44,074,083	\$ 35,134,302
Public Service	57,321,381	54,923,173	64,832,236	63,895,682	73,262,623	80,172,670	104,776,341	50,268,506	52,045,512	65,740,981
Public Safety	106,914,744	104,848,506	109,812,346	114,350,511	117,038,957	123,812,322	112,983,694	109,950,785	113,141,469	112,374,172
Community Environment	25,985,445	21,514,112	94,412,387	50,882,056	42,181,020	35,724,084	36,971,008	58,355,271	66,174,345	88,673,453
Public Health	16,556,343	15,832,640	17,204,170	17,568,811	16,288,130	16,833,245	16,584,773	3,517,378	3,982,604	3,921,672
Recreation and Parks	5,035,419	7,603,460	2,552,319	5,800,662	5,621,234	6,270,738	5,704,548	5,801,457	6,906,906	7,690,836
Interest	27,403,295	27,077,616	26,808,875	27,325,682	28,172,429	24,194,932	24,845,202	22,212,625	35,466,855	26,324,712
Unallocated Depreciation	10,476,870	11,389,516	12,069,428	12,818,481	13,654,482	14,158,196	14,740,666	15,358,939	15,559,132	15,468,193
Total Governmental Activities Expenses	282,847,827	296,252,414	365,898,614	333,391,902	335,092,003	345,045,583	373,930,802	314,182,881	337,330,906	355,328,321
Business-Type Activities										
Water	37,959,261	30,733,296	33,312,219	33,459,745	29,839,906	33,622,159	34,399,758	35,228,188	28,050,701	31,075,633
Sewer	37,797,875	37,224,648	33,322,391	35,287,533	35,843,446	34,847,213	39,299,082	46,730,809	58,124,815	54,959,359
Oil & Gas	286,140	284,733	179,995	204,153	933,312	123,202	479,640	250,643	279,689	202,341
Parking Facilities	5,637,623	5,966,776	5,702,299	1,317,386	4,431,405	6,797,185	7,248,743	7,355,958	7,780,158	6,929,930
Golf Course	1,366,476	1,381,619	1,353,376	786,711	1,347,435	1,327,158	1,270,474	1,193,071	1,176,344	1,243,395
Airport	712,909	764,876	679,883	5,974,113	985,551	695,864	686,012	1,005,792	653,852	683,251
Total Business-Type Activities Expenses	83,760,284	76,355,948	74,550,163	77,029,641	73,381,055	77,412,871	83,383,709	91,764,461	96,065,559	95,093,909
Total Primary Government Expenses	\$ 366,608,111	\$ 372,608,362	\$ 440,448,777	\$ 410,421,543	\$ 408,473,058	\$ 422,458,454	\$ 457,314,511	\$ 405,947,342	\$ 433,416,465	\$ 450,422,230

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

Schedule 2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental Activities	\$ (204,363,291)	\$ (220,667,615)	\$ (283,826,061)	\$ (244,151,578)	\$ (250,995,574)	\$ (262,163,404)	\$ (246,870,451)	\$ (222,198,324)	\$ (256,443,967)	\$ (255,886,703)
Business-Type Activities	1,759,127	5,038,133	5,838,036	4,352,137	14,762,170	3,697,552	7,860,694	2,949,687	6,084,539	13,141,106
Total Primary Government Net Expense	(202,604,164)	(215,629,482)	(277,988,025)	(239,799,441)	(236,233,404)	(258,465,852)	(239,009,757)	(219,248,637)	(250,359,428)	(242,745,597)
General Revenue and										
Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Income Taxes	114,352,078	126,766,520	121,875,043	144,647,307	130,610,516	120,914,118	119,257,796	134,473,083	131,601,798	141,289,710
Property Taxes	28,193,761	27,850,829	37,242,477	30,154,104	33,326,060	28,160,321	29,013,731	25,831,020	24,003,912	19,627,342
JEDD Revenues	13,607,119	13,946,982	16,550,254	16,551,588	17,831,880	15,603,044	15,190,788	16,826,153	20,706,211	18,485,942
Investment Earnings	2,620,285	6,195,543	6,546,494	4,820,973	3,557,435	2,411,286	534,263	643,612	439,005	553,699
Unrestricted Shared Revenues	32,235,453	45,169,402	106,744,240	65,033,815	51,291,763	60,374,803	57,043,369	51,162,387	69,710,284	92,823,194
Miscellaneous	9,186,760	7,662,219	12,787,733	10,899,487	9,964,899	13,832,819	20,122,026	30,059,892	8,337,078	10,657,380
Gain (loss) on Sale of Capital Assets	(107,274)	1,659,116	-	223,635	-	-	1,539	95,999	60,045	31,307
Transfers	(213,724)	(998,460)	268,251	352,150	357,899	(890,160)	(393,067)	(529,996)	(308,000)	(338,360)
Total Governmental Activities	199,874,458	228,252,151	302,014,492	272,683,059	246,940,452	240,406,231	240,770,445	258,562,150	254,550,333	283,130,214
Business-Type Activities:										
Investment Earnings	108,993	280,566	460,615	504,738	204,914	11,377	6,945	626	785	854
Miscellaneous	2,767,615	2,833,804	945,762	2,090,792	4,975,510	1,557,957	2,824,106	1,350,658	2,438,212	1,087,065
Gain (loss) on Sale of Capital Assets	4,554	12,825	-	-	-	-	-	-	-	-
Transfers	213,724	998,460	(268,251)	(352,150)	(357,899)	890,160	393,067	529,996	308,000	338,360
Total Business-Type Activities	3,094,886	4,125,655	1,138,126	2,243,380	4,822,525	2,459,494	3,224,118	1,881,280	2,746,997	1,426,279
Total Primary Government	202,969,344	232,377,806	303,152,618	274,926,439	251,762,977	242,865,725	243,994,563	260,443,430	257,297,330	284,556,493
Change in Net Position										
Governmental Activities	(4,488,833)	7,584,536	18,188,431	28,531,481	(4,055,122)	(21,757,173)	(6,100,006)	36,363,826	(1,893,634)	27,243,511
Business-Type Activities	4,854,013	9,163,788	6,976,162	6,595,517	19,584,695	6,157,046	11,084,812	4,830,967	8,831,536	14,567,385
Total Primary Government Change in Net Position	\$ 365,180	\$ 16,748,324	\$ 25,164,593	\$ 35,126,998	\$ 15,529,573	\$ (15,600,127)	\$ 4,984,806	\$ 41,194,793	\$ 6,937,902	\$ 41,810,896

Source: City of Akron, Ohio Finance Department

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

Schedule 3

	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$ 1,680,684	\$ 2,403,155	\$ 2,014,480	\$ 963,366	\$ 2,386,705	\$ 2,177,149	\$ 1,122,215
Unreserved	12,516,302	8,608,934	7,885,122	12,649,039	6,827,641	1,768,399	4,967,367
Total General Fund	14,196,986	11,012,089	9,899,602	13,612,405	9,214,346	3,945,548	6,089,582
All Other Governmental Funds							
Reserved	35,591,716	35,336,754	32,654,441	34,820,649	36,305,482	41,808,901	42,689,767
Unreserved, Reported in:							
Special Revenue funds	148,315,752	155,814,840	105,278,827	98,975,199	92,806,560	86,496,275	79,439,815
Debt Service funds	89,894,236	84,744,936	128,340,399	107,977,695	81,470,862	21,195,871	42,601,924
Capital Projects funds	(65,862,884)	(35,950,447)	(38,860,992)	(30,530,366)	(58,810,627)	(62,640,775)	(30,112,902)
Total All Other Governmental Funds	207,938,820	239,946,083	227,412,675	211,243,177	151,772,277	86,860,272	134,618,604
Total Governmental Funds	\$ 222,135,806	\$ 250,958,172	\$ 237,312,277	\$ 224,855,582	\$ 160,986,623	\$ 90,805,820	\$ 140,708,186

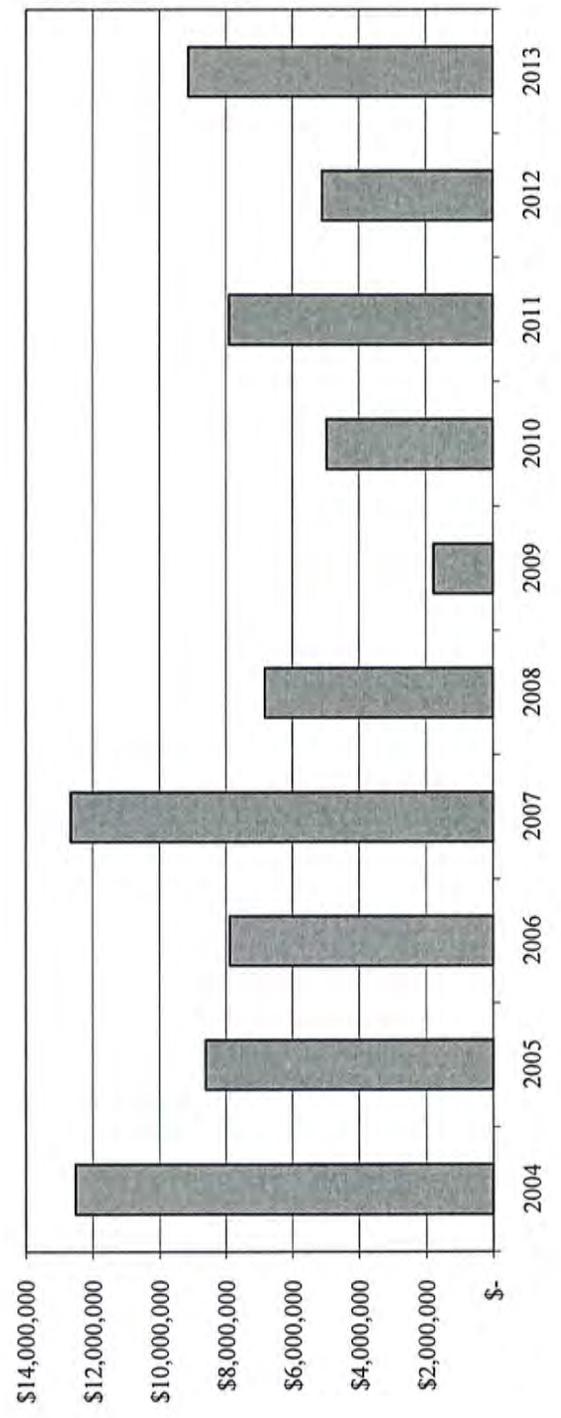
190

	2011	2012	2013
General Fund			
Committed	\$ -	\$ 266,687	\$ 290,658
Assigned	1,242,472	1,236,966	1,809,776
Unassigned	7,901,719	5,102,134	9,132,562
Total General Fund	9,144,191	6,605,787	11,232,996
All Other Governmental Funds			
Nonspendable	3,085,645	3,085,645	3,325,815
Restricted	142,850,022	117,789,306	109,458,792
Committed	5,448,281	13,502,981	7,490,896
Assigned	-	375,380	-
Unassigned	(40,623,253)	(27,448,292)	(25,968,790)
Total All Other Governmental Funds	110,760,695	107,305,020	94,306,713
Total Governmental Funds	\$ 119,904,886	\$ 113,910,807	\$ 105,539,709

Source: City of Akron, Ohio Finance Department

*Schedule 3 has been prepared in conformity of GASB Statement #54, Fund Balance Reporting and Governmental Fund Type Definitions beginning with 2011.

Unreserved/Unassigned General Fund Balance



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

Schedule 4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Income Taxes	\$ 112,668,881	\$ 124,572,314	\$ 127,928,669	\$ 142,933,003	\$ 133,917,849	\$ 120,606,323	\$ 119,438,082	\$ 135,345,234	\$ 131,090,435	\$ 139,960,898
Property Taxes	28,193,761	27,896,871	32,427,784	29,786,617	34,008,937	27,917,658	28,070,162	24,111,972	24,573,729	20,471,016
JEDD Revenues	13,332,783	14,057,613	16,861,380	17,829,829	16,020,928	15,476,781	15,462,316	16,577,998	20,811,614	18,090,127
Special Assessments	13,924,427	13,236,631	12,754,375	13,778,724	14,412,033	15,567,437	14,675,422	6,312,847	14,965,865	28,524,445
Grants and Subsidies:										
Community Development	14,274,362	12,861,997	11,605,228	12,478,212	11,604,598	6,006,871	11,853,749	7,795,876	-	-
Other	17,559,226	13,843,621	17,604,596	20,183,088	19,177,807	21,556,728	45,241,004	45,841,289	43,315,295	34,746,020
Investment Earnings	2,921,080	7,267,257	7,389,680	5,234,435	2,383,263	2,709,994	821,213	772,109	517,882	584,383
Shared Revenues	32,461,563	46,266,621	105,766,818	65,507,619	52,410,270	60,312,501	56,132,211	52,491,818	68,768,384	94,579,755
Licenses, Fees and Fines	8,358,074	10,642,221	9,623,800	10,142,722	9,901,876	7,456,839	8,422,362	7,682,875	8,011,431	8,627,454
Charges for Services	23,544,847	24,283,315	28,670,461	28,800,007	27,410,285	29,564,397	24,678,776	24,002,116	17,759,520	24,247,409
Miscellaneous	11,503,832	10,681,121	12,655,993	12,752,168	11,104,742	15,331,816	20,073,582	28,533,349	8,662,590	10,228,894
Total Revenues	278,742,836	305,609,582	383,288,784	359,426,424	332,352,588	322,507,345	344,868,879	349,467,483	338,476,745	380,060,401
Expenditures										
Current:										
General Government	33,314,886	38,532,903	41,985,087	40,124,206	36,852,582	40,365,547	39,428,651	42,400,285	42,710,925	33,176,262
Public Service	69,852,895	87,267,701	106,364,245	103,565,149	116,321,398	103,175,779	112,534,126	71,513,740	59,446,860	78,804,139
Public Safety	102,644,931	104,460,027	108,252,675	110,120,643	117,083,540	110,995,872	110,080,622	110,814,070	109,643,467	109,458,512
Community Environment	28,624,126	23,995,474	112,504,139	81,741,762	66,515,907	70,119,083	69,931,132	77,037,268	91,645,889	103,125,618
Public Health	16,249,087	15,753,502	16,571,533	16,916,380	15,932,888	16,670,607	16,808,854	3,957,653	4,004,247	3,900,892
Recreation and Parks	4,746,079	7,580,781	2,420,510	5,567,820	5,615,714	6,281,860	5,448,715	5,480,847	6,946,793	7,792,669
Capital Outlay	16,986,611	192,958	3,022,789	220,829	1,433,944	192,751	34,536	-	-	-
Debt service:										
Principal Retirement	29,645,607	33,847,273	24,356,115	29,352,928	30,849,415	32,699,777	55,294,176	42,815,931	29,088,580	43,956,837
Interest	26,951,543	19,064,159	27,795,926	28,311,670	28,876,343	25,125,146	25,657,874	33,620,136	28,600,017	30,353,162
Bond Issuance Expenditures	1,441,316	2,215,424	413,476	1,096,121	-	306,768	2,331,621	1,458,659	2,304,239	679,072
Total Expenditures	330,457,081	332,910,202	443,686,495	417,017,508	419,481,831	405,933,190	437,550,307	389,098,589	374,391,017	411,247,163
Excess of Revenues Under Expenditures	\$ (51,714,245)	\$ (27,300,620)	\$ (60,397,711)	\$ (57,591,084)	\$ (87,129,243)	\$ (83,425,845)	\$ (92,681,428)	\$ (39,631,106)	\$ (35,914,272)	\$ (31,186,762)

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

Schedule 4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)										
Issuance of General Obligation Bond	\$ 219,049,460	\$ 52,735,419	\$ 43,250,000	\$ 39,759,106	\$ 20,150,000	\$ 12,884,092	\$ 127,285,840	\$ 10,703,000	\$ 26,870,000	\$ 4,849,484
Issuance of General Obligation Notes	3,418,530	1,115,300	2,072,575	1,831,645	-	-	-	-	-	-
Issuance of Special Assessment Notes	-	-	-	-	2,752,385	-	-	-	-	-
Issuance of Loans	-	-	-	2,285,818	-	574,903	239,569	-	-	1,000,000
Issuance of COP's	-	-	-	1,470,894	-	-	13,200,000	-	-	2,365,000
Issuance of Refunding Obligations	-	-	-	-	-	-	-	-	-	14,910,000
Proceeds of Refunding Bonds Premium	-	-	-	-	-	-	-	4,360,193	24,186,215	-
Loan Proceeds	3,041,694	-	1,241,581	-	-	-	-	-	-	-
Premium on G.O. Debt	8,475,316	7,289,095	456,909	419,776	-	676,207	2,601,452	205,387	1,696,315	179,540
Proceeds of Refund Obligations	-	95,235,000	-	-	-	-	-	97,633,009	170,925,000	-
Payment for Refunding Obligations	-	(96,873,368)	-	-	-	-	-	(93,235,293)	(193,384,337)	-
Issuance of Capital Lease	-	-	9,050,203	-	-	-	-	-	8,227,250	1,557,829
Lease - Financed Capital Assets	5,756,980	16,040,091	(9,050,203)	5,329,997	3,580,999	31,868,200	43,172,287	12,145,484	(8,227,250)	(1,357,829)
Transfers-in	(5,970,704)	(19,418,551)	(3,501,050)	(5,962,847)	(3,223,100)	(32,758,360)	(43,915,354)	(12,706,505)	(7,414,704)	8,100,091
Transfers-out	-	-	-	-	-	-	-	-	-	(8,588,451)
Total Other Financing Sources (Uses)	233,771,276	56,122,986	46,751,816	45,134,389	23,260,284	13,245,042	142,583,794	19,105,275	29,920,193	22,815,664
Net Change in Fund Balance	\$ 182,057,031	\$ 28,822,366	\$ (13,645,895)	\$ (12,456,695)	\$ (63,868,959)	\$ (70,180,803)	\$ 49,902,366	\$ (20,525,831)	\$ (5,994,079)	\$ (8,371,098)
Debt Service as a Percentage of Noncapital Expenditures	19.46%	18.01%	14.43%	17.10%	17.74%	17.28%	22.30%	22.67%	17.49%	21.57%

Source: City of Akron, Ohio Finance Department

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

Tax Collection Year	Real Property		Personal Property		Public Utilities		Total		Total Direct Rate	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		
2005	\$ 2,751,773	\$ 7,862,209	\$ 321,452	\$ 1,285,808	\$ 128,371	\$ 512,763	\$ 3,201,596	\$ 9,660,780	10.30	33.14 %
2006	3,004,852	8,585,291	234,182	936,728	116,085	463,549	3,355,119	9,985,568	10.30	33.60
2007	3,006,951	8,591,289	160,595	642,380	112,615	450,190	3,280,161	9,683,859	10.30	33.87
2008	2,991,842	8,548,120	80,493	321,972	97,027	387,821	3,169,362	9,257,913	10.30	34.23
2009	2,921,073	8,345,923	-	-	96,579	386,009	3,017,652	8,731,932	10.30	34.56
2010	2,911,817	8,319,477	-	-	93,107	274,050	3,004,924	8,593,527	10.30	34.97
2011	2,928,343	8,366,694	-	-	88,008	251,451	3,016,351	8,618,145	10.30	35.00
2012	2,580,090	7,371,686	-	-	92,022	262,920	2,672,112	7,634,606	10.30	35.00
2013	2,550,584	7,287,383	-	-	111,892	319,691	2,662,476	7,607,074	10.30	35.00
2014	2,493,126	7,123,217	-	-	126,778	362,223	2,619,904	7,485,440	10.30	35.00

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	
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	
2009	9.28	0.30	0.30	0.42	10.30	71.66	14.78	1.46	
2010	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46	
2011	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46	
2012	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46	
2013	9.28	0.30	0.30	0.42	10.30	79.56	14.84	1.46	
2014	9.28	0.30	0.30	0.42	10.30	79.56	14.81	1.46	

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Principal Property Tax Payers
12/31/2013 and 12/31/2004
(in thousands of dollars)

	December 31, 2013		December 31, 2004	
Taxpayer	Taxable Assessed Value	Percentage of Taxable Assessed Value	Taxable Assessed Value	Percentage of Taxable Assessed Value
Ohio Edison	\$ 76,101	2.90 %	\$ 69,390	2.17 %
American Transmission	23,537	0.90	39,888	1.25
East Ohio Gas	12,205	0.47	27,013	0.84
Albrecht Incorporated	11,660	0.45	20,043	0.63
CHM Akron LLC	10,233	0.39	16,914	0.53
Ohio Edison Tower Limited Liability	8,154	0.31	12,838	0.40
Bernard B. Busson	7,501	0.29	12,399	0.39
Hampton Knoll Apartments LLC	7,455	0.28	12,222	0.38
Plaza Chapel Hill Ltd	6,592	0.25	10,908	0.34
Akron Management Corporation	6,328	0.24	10,779	0.34
	<u>\$ 169,766</u>	<u>6.48 %</u>	<u>\$ 232,394</u>	<u>7.27 %</u>

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Property Tax Levies and Collections
 Last Ten 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	Percentage of Levy		Amount	Percentage of Levy
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
2008	31,706,811	29,288,188	92.4	1,930,460	31,218,648	98.5
2009	30,939,477	28,423,391	91.9	1,653,009	30,099,260	97.3
2010	30,874,452	28,383,628	91.9	1,701,324	30,084,952	97.4
2011	31,064,531	27,798,721	89.5	1,927,137	29,726,017	95.7
2012	27,518,858	24,477,858	88.9	1,838,523	26,316,381	95.6
2013	27,419,596	25,174,172	91.8	1,828,647	27,002,819	98.5

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Income Tax Collections by Annual Collection Amount (Withholding and Direct Accounts)
 Fiscal Years 2012 and 2013

Fiscal Year 2012				
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections	Percentage of Total
\$1,000 and under	27,660	81.38 %	\$ 5,265,245	3.98 %
\$1,001 - \$2,500	2,816	8.28	4,474,479	3.38
\$2,501 - \$5,000	1,347	3.96	4,712,427	3.56
\$5,001 - \$10,000	864	2.54	6,049,719	4.57
\$10,001 - \$50,000	1,007	2.96	21,184,139	16.00
\$50,001 - \$100,000	143	0.42	9,925,829	7.49
\$100,001 - \$250,000	101	0.30	15,312,895	11.56
\$250,001 - \$1,000,000	42	0.12	18,515,019	13.98
Over \$1,000,001	12	0.04	46,999,659	35.49
	33,992	100.00 %	\$ 132,439,411	100.00 %
Fiscal Year 2013				
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections	Percentage of Total
\$1,000 and under	27,995	81.21 %	\$ 5,362,742	3.84 %
\$1,001 - \$2,500	2,943	8.54	4,690,712	3.36
\$2,501 - \$5,000	1,344	3.90	4,718,268	3.38
\$5,001 - \$10,000	881	2.56	6,184,492	4.43
\$10,001 - \$50,000	996	2.89	21,217,404	15.21
\$50,001 - \$100,000	148	0.43	10,404,333	7.46
\$100,001 - \$250,000	102	0.30	15,411,178	11.05
\$250,001 - \$1,000,000	46	0.13	20,976,745	15.03
Over \$1,000,001	14	0.04	50,564,449	36.24
	34,469	100.00 %	\$ 139,530,323	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	Development Services Agency Loan	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment	Capital Leases	SIB Loans	Percentage Personal Income ^a	
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	\$ 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	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	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	168,214	
2008	202,790,378	12,290,973	1,140,066	60,350,000	205,660,000	39,855,000	11,185,513	79,186,932	7,253,784	133,129	
2009	202,648,923	11,654,067	995,219	58,145,000	200,655,000	37,535,000	8,780,422	75,051,348	6,756,297	123,488	
2010	248,558,640	10,750,755	845,086	55,795,000	240,105,000	35,115,000	8,382,097	68,759,067	5,782,826	-	
2011	240,483,180	10,706,454	5,689,471	50,835,000	234,095,000	27,165,000	11,240,502	62,314,778	4,475,878	-	
2012	228,843,318	9,845,763	5,582,645	50,080,000	248,230,000	27,165,000	8,591,829	55,605,348	3,129,427	-	
2013	215,139,753	9,241,963	5,482,636	48,475,000	244,487,135	27,165,000	6,220,758	75,510,213	1,742,279	-	

Fiscal Year	Governmental Activities					Business-Type Activities					Percentage Personal Income ^a
	Internal Service Revenue	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Capital Leases	Total Government	Per Capita ^a		
2004	\$ -	\$ 2,856,881	\$ 54,035,000	\$ 41,135,000	\$ 60,518,215	\$ 3,059,266	\$ 510,157	\$ 699,461,973	\$ 3,222	18.31 %	
2005	-	1,339,672	49,205,000	42,485,000	56,302,243	3,141,885	309,151	732,051,373	3,372	19.17	
2006	-	922,222	57,565,000	39,665,000	50,996,798	2,852,601	180,539	767,758,727	3,537	20.10	
2007	-	800,792	51,845,000	37,380,000	46,142,221	2,651,087	515,964	768,875,109	3,542	20.13	
2008	-	673,927	45,845,000	34,425,000	40,586,608	2,449,574	330,456	744,156,340	3,428	19.48	
2009	-	638,680	47,375,000	30,910,000	34,769,136	2,348,817	426,430	718,812,827	3,311	18.82	
2010	-	632,925	43,925,000	27,260,000	34,216,816	2,147,303	515,999	782,791,514	3,931	19.99	
2011	-	637,827	40,365,000	23,470,000	28,255,744	1,945,789	453,909	742,133,532	3,727	18.95	
2012	2,000,000	634,450	37,175,000	19,515,000	51,142,305	1,744,275	387,152	749,671,512	3,765	19.15	
2013	1,615,000	631,556	33,835,000	15,385,000	73,495,595	1,542,762	321,250	760,290,900	3,818	19.42	

Source: City of Akron, Finance Department
^a See Schedule 16 for population and personal income data.

City of Akron, Ohio

Legal Debt Margin Information

Unvoted Debt Limit (5 1/2%)

Last Ten Fiscal Years

Schedule 11

	2004	2005	2006	2007	2008
Debt limit	\$ 176,087,780	\$ 184,531,545	\$ 180,408,855	\$ 174,314,910	\$ 165,970,886
Total net debt applicable to limit	148,161,046	134,204,723	149,035,885	157,065,630	153,258,194
Legal debt margin	\$ 27,926,734	\$ 50,326,822	\$ 31,372,970	\$ 17,249,280	\$ 12,712,692
Total net debt applicable to limit as a percentage of debt limit	84.14%	72.73%	82.61%	90.10%	92.34%
Total unvoted net debt as a percentage of total assessed value of all property	4.60%	3.90%	4.50%	4.95%	5.08%
	2009	2010	2011	2012	2013
Debt limit	\$ 165,270,819	\$ 165,899,335	\$ 146,966,147	\$ 146,436,165	\$ 144,094,717
Total net debt applicable to limit	145,155,121	122,132,898	156,428,662	125,904,916	115,903,682
Legal debt margin	\$ 20,115,698	\$ 43,766,437	\$ (9,462,515)	\$ 20,531,249	\$ 28,191,035
Total net debt applicable to limit as a percentage of debt limit	87.83%	73.62%	106.44%	85.98%	80.44%
Total unvoted net debt as a percentage of total assessed value of all property	4.83%	4.05%	5.85%	4.73%	4.42%

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

	2004	2005	2006	2007	2008
Debt limit	\$ 336,167,580	\$ 352,287,495	\$ 344,416,905	\$ 332,783,010	\$ 316,853,509
Total net debt applicable to limit	148,561,046	134,204,723	149,035,885	157,065,630	153,258,194
Legal debt margin	<u>\$ 187,606,534</u>	<u>\$ 218,082,772</u>	<u>\$ 195,381,020</u>	<u>\$ 175,717,380</u>	<u>\$ 163,595,315</u>
Total net debt applicable to limit as a percentage of debt limit	44.19%	38.10%	43.27%	47.20%	48.37%
Total net debt as a percentage of total assessed value of all property	4.60%	3.90%	4.50%	4.95%	5.08%
	2009	2010	2011	2012	2013
Debt limit	\$ 315,517,018	\$ 316,716,912	\$ 280,571,736	\$ 279,559,951	\$ 275,089,915
Total net debt applicable to limit	145,155,119	122,132,898	156,428,662	125,904,916	115,903,682
Legal debt margin	<u>\$ 170,361,899</u>	<u>\$ 194,584,014</u>	<u>\$ 124,143,074</u>	<u>\$ 153,655,035</u>	<u>\$ 159,186,233</u>
Total net debt applicable to limit as a percentage of debt limit	46.01%	38.56%	55.75%	45.04%	42.13%
Total net debt as a percentage of total assessed value of all property	4.83%	4.05%	5.85%	4.73%	4.42%

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Computation of Direct and Overlapping Debt
 As of December 31, 2013

Political Subdivision	Amount of Debt	Percent Applicable to City	City's Share
Direct			
City of Akron	\$ 681,809,737	100.00 %	\$ 681,809,737
Total direct debt	<u>\$ 681,809,737</u>		<u>\$ 681,809,737</u>
Overlapping			
Summit County	\$ 43,145,000	23.32	\$ 10,061,414
Copley-Fairlawn City School District	895,000	4.55	40,723
Coventry Local School District	50,000,004	9.40	4,700,000
Revere Local School District	2,795,666	3.15	88,063
Springfield Local School District	32,665,000	7.84	2,560,936
Akron Metro Regional Transit Authority	105,000	23.32	24,486
Woodridge Local School District	7,560,000	30.21	2,283,876
Summit County Library District	31,630,000	34.51	10,915,513
Total overlapping debt	<u>\$ 168,795,670</u>		<u>\$ 30,675,011</u>
Total direct and overlapping debt	<u>\$ 850,605,407</u>		<u>\$ 712,484,748</u>

Sources: Debt outstanding for overlapping governments, taken from Ohio Municipal Advisory Council (OMAC) as of 1/1/2014 and City of Akron, Ohio Finance Department

Note: Percentages determined by dividing the amount of assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivisions.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property		Per Capita ²
				\$	%	
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
2008	214,783	2,121	212,662	2.44		980
2009	212,192	2,790	209,402	2.44		965
2010	257,574	2,367	255,207	2.96		1,281
2011	252,362	2,823	249,539	3.27		1,253
2012	238,070	2,301	235,769	3.09		1,184
2013	221,992	955	221,037	2.95		1,110

Source: City of Akron, Ohio Finance Department

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

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

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

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

Schedule 15

Fiscal Year	Sewer Revenue Bonds and OWDA Loans						JEDD			JEDD Bonds		
	Sewer Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage	JEDD Gross Revenue	Debt Service		Coverage	JEDD Bonds	
				Principal ²	Interest			Principal	Interest		Principal	Interest
2004	\$ 34,696	\$ 26,318	\$ 8,378	\$ 2,330	\$ 2,344	%	\$ 13,333	\$ 1,935	\$ 2,365	3.10	\$ 2,365	%
2005	37,499	25,466	12,033	2,440	2,231	2.58	14,058	2,010	2,300	3.26	2,300	3.26
2006	35,800	22,730	13,070	2,820	1,922	2.76	16,861	2,075	2,231	3.92	2,231	3.92
2007	36,772	24,194	12,578	2,285	1,767	3.10	17,830	2,150	2,156	4.14	2,156	4.14
2008	38,507	25,477	13,030	2,995	1,674	2.79	16,021	2,235	2,074	3.72	2,074	3.72
2009	35,831	24,671	11,160	3,515	1,565	2.20	15,477	2,320	1,985	3.60	1,985	3.60
2010	45,948	28,956	16,992	8,397	2,521	1.56	15,462	2,420	1,884	3.59	1,884	3.59
2011	49,674	36,169	13,505	8,423	2,250	1.27	16,578	2,535	1,774	3.85	1,774	3.85
2012	57,229	47,571	9,658	8,983	2,016	0.88	20,812	-	1,085	19.18	1,085	19.18
2013	63,288	44,947	18,341	11,352	2,133	1.36	18,090	-	1,149	15.74	1,149	15.74

Fiscal Year	Water Revenue Bonds and OWDA Loans						Non-Tax Revenue Bonds				
	Water Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage	Non-Tax Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2004	\$ 35,616	\$ 30,151	\$ 5,465	\$ 5,010	\$ 2,530	%	\$ 78,790	\$ 1,340	\$ 1,494	27.80	%
2005	33,682	22,679	11,003	4,830	2,186	1.57	99,140	1,400	1,435	34.97	34.97
2006	34,720	25,276	9,444	4,980	2,034	1.35	164,107	1,465	1,372	57.85	57.85
2007	34,036	24,254	9,782	5,720	2,431	1.20	122,437	2,030	2,318	28.16	28.16
2008	33,652	22,486	11,166	6,000	2,164	1.37	103,210	2,130	2,563	21.99	21.99
2009	33,890	18,493	15,397	6,220	1,916	1.89	115,375	2,205	3,644	19.73	19.73
2010	35,496	26,745	8,751	4,707	2,398	1.23	111,323	2,350	3,521	18.96	18.96
2011	35,249	27,933	7,316	4,931	2,282	1.01	112,710	2,610	3,385	18.80	18.80
2012	33,448	21,681	11,767	4,126	2,050	1.91	103,202	755	2,677	30.07	30.07
2013	35,633	25,323	10,310	4,369	1,924	1.64	137,684	1,605	2,648	32.37	32.37

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

Schedule 15

Fiscal Year	CLC Bonds				Income Tax Revenue Bonds			
	CLC Collections	Debt Service Principal ³	Interest	Coverage	Income Tax Collections	Debt Service Principal	Interest	Coverage
2004	\$ 9,820	\$ 3,000	\$ 9,434	0.79	\$ 102,849	\$ 5,077	\$ 2,617	13.37
2005	12,433	2,745	10,232	0.96	112,139	5,062	2,608	14.62
2006	13,671	3,150	10,067	1.03	114,258	4,573	2,356	16.49
2007	13,074	3,650	9,878	0.97	129,859	4,933	2,541	17.37
2008	14,915	4,165	9,801	1.07	119,003	5,054	2,604	15.54
2009	12,425	4,660	9,697	0.87	108,181	4,954	2,508	14.50
2010	12,806	5,190	10,401	0.82	106,632	4,930	2,865	13.68
2011	16,822	5,750	11,845	0.96	118,523	2,939	5,988	13.28
2012	18,064	5,225	6,057	1.60	113,026	-	155	729.20
2013	14,880	5,570	10,568	0.92	125,081	1,407	1,274	46.65

Source: City of Akron, Ohio Finance Department

¹Net of Depreciation

²The 2013 amount includes the final principal payment of \$1,155,000 and interest payment of \$62,081 for a bond that was retired during the year.

³The 2013 amount includes the final principal payment of \$5,570,000 and interest payment of \$279 for a bond that was retired during the year.

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)
2013	199,110	\$ 3,915,299,040	\$ 19,664	\$ 34,359	35.5	20 %	56,760	7.6 %
2012	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	7.6
2011	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	9.4
2010	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	9.5
2009	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	11.4
2008	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	6.7
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

Source: (1) U. S. Census Bureau
(2) Ohio Department of Job and Family Services

City of Akron, Ohio
Principal Employers
12/31/2013 and 12/31/2004

December 31, 2013		December 31, 2004					
Employer	Full-Time Employees	Rank	Percentage of Total City Employment	Employer	Full-Time Employees	Rank	Percentage of Total City Employment
Summa Health System	11,000 *	1	11.96 %	Summa Health System	6,100	1	6.21 %
FirstMerit Corporation	4,894	2	5.32	Goodyear Tire & Rubber Company	4,000	2	4.07
Akron General Health Systems	3,843	3	4.18	Akron General Health System	3,705	3	3.77
Akron Children's Hospital	3,220	4	3.50	Akron City School District	3,500	4	3.56
Goodyear Tire & Rubber Company	3,000	5	3.26	County of Summit	3,470	5	3.53
County of Summit	2,969	6	3.23	The University of Akron	2,845	6	2.90
Akron Public Schools	2,827	7	3.07	City of Akron	2,420	7	2.46
The University of Akron	2,622	8	2.85	First Energy Corporation	2,300	8	2.34
FirstEnergy Corp	2,500	9	2.72	Children's Hospital Medical Center	1,980	9	2.02
Sterling Jewelers Inc	2,300	10	2.50	Sterling, Inc. Headquarters	1,800	10	1.83
	<u>39,175</u>		42.58 %		<u>32,120</u>		32.71 %

Source: City of Akron, Ohio Finance Department

*Employees include satellite facilities not located in Akron and subcontractors.

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

Schedule 18

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government:										
City Council	3	3	2	2	2	3	3	3	3	3
Courts	91	91	92	95	95	89	88	87	89	90
Mayor's Office - Administration	1	1	1	1	1	-	-	-	-	-
Elected and Appointed Officials	51	51	51	52	54	45	45	44	43	44
Economic Development	11	10	9	8	8	4	5	5	4	4
Labor Relations	2	2	2	1	1	-	-	-	-	-
Human Relations	2	-	-	-	-	-	-	-	-	-
Finance Department	96	94	105	102	98	80	78	75	101	100
Civil/Criminal	12	13	11	10	10	8	8	8	8	8
Personnel Department	22	19	14	15	13	11	10	8	9	9
Planning Department	-	-	1	1	1	-	-	-	-	-
Police Department	-	-	-	-	-	-	-	-	-	-
Engineering Bureau	-	-	-	-	1	-	1	1	-	-
Public Safety:										
Elected and Appointed Officials	-	-	-	-	1	-	-	-	-	1
Finance Department	2	2	1	1	1	-	-	-	-	-
Health Department	2	2	2	2	2	1	1	-	-	-
Building Inspection	22	20	19	20	12	-	-	-	-	-
Communications	18	19	20	19	20	17	17	15	15	16
Weights & Measures	4	3	1	-	-	-	-	-	-	-
Safety Communications	62	64	63	64	61	55	54	57	58	57
Fire Department	385	401	389	379	408	331	363	348	345	381
Police Department	521	511	494	517	514	503	488	445	454	453
Traffic Engineering	31	32	30	30	29	23	22	20	18	21
Customer Service	-	-	2	-	-	-	-	-	-	-
Engineering Bureau	-	-	-	1	1	-	-	-	-	-
Public Health:										
Health Department	166	158	156	154	152	137	110	-	-	-

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

Schedule 18

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Service:										
City Council	1	1	1	-	-	-	-	-	-	-
Elected and Appointed Officials	5	5	4	4	4	3	4	4	4	4
Building Inspection	-	-	-	1	-	-	-	-	-	-
Fire Department	-	-	-	-	-	11	10	-	-	-
Public Service Administration	4	4	4	4	4	2	2	2	1	3
Customer Service	14	12	10	8	7	8	19	10	12	12
Housing	-	-	-	-	-	-	-	9	9	12
Plans and Permits Center	4	4	4	3	3	2	2	2	1	2
Customer Service Response	13	12	12	13	11	9	9	7	8	8
Engineering Bureau	71	68	66	60	59	53	46	43	54	55
Airport	6	5	5	5	5	4	2	1	-	-
Building Maintenance	30	27	27	32	32	28	28	26	24	26
Motor Equipment	38	39	36	35	36	31	31	31	30	28
Golf Course	6	6	6	6	5	4	3	3	3	3
Public Utilities Administration	3	3	3	3	3	2	1	1	-	-
Utilities Services	67	62	58	56	54	52	50	48	56	61
Water Department	270	260	246	251	226	198	200	200	148	154
Public Works Administration	7	7	7	9	9	8	6	6	8	7
Highway Maintenance	74	68	64	70	67	62	59	55	50	56
Sanitation Services	66	65	63	45	43	38	38	38	39	42
Street Cleaning	37	37	34	37	39	37	37	35	32	37
Parks Maintenance	30	30	28	29	28	26	25	24	24	33
Engineering Services	7	7	6	6	5	6	6	4	-	-
Community Environment:										
Elected and Appointed Officials	2	2	2	2	-	1	1	1	-	1
Economic Development	-	-	1	1	1	-	-	-	-	-
Planning Department	76	70	67	66	65	54	58	53	52	52
Recreation Bureau	24	24	23	23	23	20	21	21	23	19
Totals:	2,359	2,314	2,242	2,243	2,214	1,966	1,951	1,740	1,725	1,802

Source: City of Akron, Ohio Finance Department

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
*Building Department:										
Commercial & Right Away Plan Review	701	710	876	1,229	1,001	-	-	-	-	-
New House Permits	295	300	111	114	100	-	-	-	-	-
Zoning Complaint Investigation	347	350	377	576	435	-	-	-	-	-
Total Number of Permits Issued	2,257	2,202	2,165	6,031	2,406	1,130	1,100	1,073	522	1,156
City Council Ordinances Passed	670	664	621	649	557	549	414	395	414	385
Fire										
Emergency Responses	31,373	31,112	31,533	32,422	32,941	32,044	32,754	34,246	34,294	34,059
Fire/Rescue	7,601	7,884	7,280	7,930	7,500	6,912	6,346	6,812	7,283	7,236
Police										
Calls for Service	177,008	174,640	165,503	158,243	165,832	167,225	153,577	146,337	143,885	142,743
Civil Division Cases Filed	13,651	14,846	15,088	15,435	15,582	12,474	11,742	11,525	12,052	10,229
Criminal/Traffic Division Cases Filed	43,157	42,114	40,690	38,880	39,274	40,170	36,227	32,453	32,298	33,417
Parking Division Cases Filed	22,815	26,645	23,636	20,201	15,656	21,878	34,402	23,571	29,126	24,199
Parks and Recreation										
Good Park Golf Course Attendance	31,219	33,100	32,931	31,681	31,096	32,561	36,690	30,061	33,691	37,324
Mud Run Golf Course Attendance	9,302	9,350	10,913	10,661	10,742	11,282	12,332	10,806	13,494	12,884
Business Services										
Curb Service Accounts	-	-	-	-	-	62,556	61,692	61,411	61,270	61,039
Sewer										
Sewer Accounts	81,346	81,035	80,909	79,721	79,835	78,745	78,985	78,653	78,653	77,012
Sewer Amounts Billed (in thousands)	\$ 33,328	\$ 34,481	\$ 32,074	\$ 37,120	\$ 37,416	\$ 36,303	\$ 37,723	\$ 39,011	\$ 53,756	\$ 55,538
Water										
Water Accounts	82,955	82,448	82,944	84,037	83,765	82,516	84,348	83,794	83,550	83,643
Water Amounts Billed (in thousands)	\$ 27,508	\$ 30,060	\$ 29,022	\$ 28,316	\$ 28,751	\$ 27,077	\$ 31,579	\$ 30,033	\$ 33,125	\$ 31,951

* The City of Akron Building Department merged with the County of Summit at the beginning of 2009.

Source: City of Akron, Ohio Finance Department

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Number of Uniformed Police Officers	477	468	451	474	470	457	443	406	412	412
Number of Districts	12	12	12	12	12	12	12	12	12	12
Fire										
Number of Firefighters and Officers	359	375	359	353	382	317	350	329	325	360
Number of Stations	13	13	13	13	13	13	13	13	13	13
Parks and Recreation										
City Park System (in acres)	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
City Owned/Operated Golf Courses	2	2	2	2	2	2	2	2	2	2
Water										
Miles of Pipe	1,213	1,215	1,213	1,213	1,221	1,223	1,223	1,225	1,225	1,226
Average Daily Pumpage (in millions of gallons)	38	37	35	38	37	34	34	35	35	34
Distribution-Storage Reservoirs	15	15	15	15	15	15	15	15	15	15
Sewer										
Sanitary Sewers (miles)	837	649	701	649	649	680	680	681	681	685
Storm Sewers (miles)	268	269	382	382	382	382	382	382	382	382
Storm and Combined Sewer Inlets (miles)	97	286	309	309	309	309	309	309	309	309
Pump Stations	33	33	33	33	33	33	33	33	33	33
Other Public Works										
Oil Wells	13	13	13	13	13	13	13	13	13	13
Parking Decks	10	10	10	10	10	10	10	10	10	10

Source: City of Akron, Ohio Finance Department

(This page intentionally left blank)



Dave Yost • Auditor of State

CITY OF AKRON
SUMMIT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	3
Supplemental Schedule of Expenditures of Federal Awards.....	7
Notes to Supplemental Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs.....	11
Corrective Action Plan.....	14
Schedule of Prior Audit Findings.....	15

THIS PAGE INTENTIONALLY LEFT BLANK.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 20, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

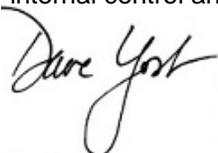
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

June 20, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the City Council:

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Akron, Summit County, Ohio, (the City) with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City's major federal programs for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings and questioned costs identifies the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002. These findings did not require us to modify our compliance opinion on each major federal program.

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

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies, described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002.

The City's responses to the internal control over compliance findings we identified are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of *Federal Awards Required by OMB Circular A-133*

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 of Akron, Summit County, Ohio, (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 20, 2014. We conducted our audit to opine on the City's basic financial statements. We have not performed any procedures to the audited financial statements subsequent to June 20, 2014. The accompanying schedule of expenditures of federal awards presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements.

We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

September 23, 2014, except for the Supplemental Schedule of Expenditures of Federal Awards which is dated June 20, 2014.

THIS PAGE INTENTIONALLY LEFT BLANK.

CITY OF AKRON, OHIO

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF AGRICULTURE		
Passed through the Ohio Department of Health:		
Summer Food Service Program for Children	10.559	\$ 147,175
Total Department of Agriculture		<u>147,175</u>
DEPARTMENT OF EDUCATION		
Passed through the Ohio Department of Education:		
Twenty-First Century Community Learning Centers	84.287	1,278,667
Total Department of Education		<u>1,278,667</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs:		
CDBG - Entitlement Grants Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	4,898,406
Neighborhood Stabilization Program	14.218	2,174,866
Total CDBG Entitlement Grants Cluster		<u>7,073,272</u>
Emergency Shelter Grants Program	14.231	892,931
HOME Investment Partnership Program	14.239	1,268,210
Healthy Homes Production Grant Program	14.913	1,051,059
Lead-Based Paint:		
Lead Hazard Reduction Demonstration Grant Program	14.905	1,507,317
Passed through the Ohio Development Services Agency:		
Community Development Block Grants/State's program and Non-Entitlement Grants		
Neighborhood Stabilization Program	14.228	268,697
Total Department of Housing and Urban Development		<u>12,061,486</u>
DEPARTMENT OF JUSTICE		
Direct Programs:		
Joint Law Enforcement Operations (JLEO)	16.111	313,447
Juvenile Accountability Incentive Block Grants	16.523	11,414
Violence Against Women	16.588	33,728
Bulletproof Vest Partnership Program	16.607	2,049
Equitable Sharing Program	16.922	5,779
Passed through the Governor's Office of Criminal Justice Services:		
ARRA - Public Safety Partnership and Community Policing Grants	16.710	94,497
JAG Program Cluster:		
Edward Byrne Memorial Justice Assistance - Formula Grants	16.738	179,327
ARRA - Grants to Units of Local Government	16.804	232,888
Total JAG Program Cluster		<u>412,215</u>
Total Department of Justice		<u>873,129</u>

CITY OF AKRON, OHIO

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
ENVIRONMENTAL PROTECTION AGENCY		
Direct Program:		
Brownfields Assessment and Cleanup	66.818	86,620
Passed through the Ohio Environmental Protection Agency:		
Capitalization Grants for Clean Water State Revolving Funds	66.458	14,155,796
Nonpoint Source Implementation (Little Cuyahoga River Restoration Phase II)	66.460	160,808
Total Environmental Protection Agency		<u>14,403,224</u>
DEPARTMENT OF TRANSPORTATION		
Passed through the Federal Aviation Administration:		
Airport Improvement Program	20.106	65,432
Passed through the Ohio Department of Highway Safety:		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	9,746
Alcohol Traffic Safety and Drunk Driving Prevention Program	20.601	60,394
Total Highway Safety Cluster:		<u>70,140</u>
Passed through the Ohio Department of Transportation:		
Highway Planning and Construction Cluster:		
ODOT - Akron Metropolitan Area Transportation Study, PID #95260	20.205	22,628
ODOT - Akron Metropolitan Area Transportation Study, PID #92736	20.205	828,059
ODOT - Akron Metropolitan Area Transportation Study, PID #95219	20.205	387,004
ODOT - Akron Metropolitan Area Transportation Study - Rideshare, PID # 83369	20.205	55,156
ODOT - Akron Metropolitan Area Transportation Study - Rideshare, PID #90473	20.205	12,664
Total Akron Metroploitan Area Transportation Study		<u>1,305,511</u>
ODOT - All American Bridge, PID #86383	20.205	1,733
ODOT - East Market Street Signalization, PID #87783	20.205	467,072
ODOT - Evans Avenue, PID #80684	20.205	96,654
ARRA - ODOT - Frank Boulevard, PID #86385	20.205	24,620
ODOT - Manchester Road-PH2, PID #79989	20.205	219,291
ODOT - Smith Road Riverview Road Roundabout, PID #83628	20.205	11,928
ARRA - ODOT - South Main Street, PID #86493	20.205	29,756
ODOT - Tallmadge Avenue Widening, PID #77198	20.205	63,799
ODOT - Thornton Street Bridge, PID #89456	20.205	560,423
ODOT - White Pond- Phase 3, PID #90890	20.205	144,096
ODOT - Northside Train Station, PID #88552	20.205	109,517
ODOT - Eagle Street, PID #84398	20.205	1,173,563
ODOT - Massillon Road, PID #84399	20.205	510,533
ODOT - Seiberling Way Phase 1, PID #84397	20.205	57,667
ODOT - Seiberling Way Phase 2, PID #84907	20.205	3,102,978
ODOT - Akron Innerbelt, PID #75436	20.205	29,403
Total Highway Planning and Construction Cluster		<u>7,908,544</u>
Total Department of Transportation		<u>8,044,116</u>

CITY OF AKRON, OHIO

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through the County of Summit:		
Temporary Assistance for Needy Families	93.558	166,783
Total Department of Health and Human Services		<u>166,783</u>
EXECUTIVE OFFICE OF THE PRESIDENT		
Office of National Drug Control Policy		
Passed through the City of Shaker Heights, Ohio:		
High Intensity Drug Trafficking Area	95.001	50,400
Total Executive Office of the President		<u>50,400</u>
DEPARTMENT OF HOMELAND SECURITY		
Direct Programs:		
Staffing for Adequate Fire and Emergency Response 2011	97.083	3,233,405
Staffing for Adequate Fire and Emergency Response 2012	97.083	721,000
Passed through the Federal Emergency Management Agency		
Assistance to Firefighters Grant	97.044	487,882
Total Department of Homeland Security		<u>4,442,287</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 41,467,267</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, 2013

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 cash basis of accounting except expenditures passed through the Ohio Department of Transportation which are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUBRECIPIENTS

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

Program Title	Federal CFDA No.	Amount Provided to Subrecipients
CDBG- Entitlement and (HUD-Administered) Small Cities Cluster - Community Development Block Grant/Entitlement Grants	14.218	\$1,419,933
Neighborhood Stabilization Program - Federal Direct	14.218	1,295,000
Neighborhood Stabilization Program - Pass thru	14.228	183,300
Emergency Shelter Grants Program	14.231	1,059,714
HOME Investment Partnership Program	14.239	703,585
Lead Hazard Reduction Demonstration Grant Program	14.905	1,488,355
Edward Byrne Memorial Formula Grant Program	16.738	21,199
Total		<u>\$6,171,086</u>

3. LOANS OUTSTANDING

The City of Akron, Ohio, had the following loan balances outstanding at December 31, 2013, which had continuing compliance requirements.

Program Title	CFDA No.	Outstanding
Community Development Block Grants/Entitlement Grants	14.218	\$ 66,898
Empowerment Zone Program	14.244	387,548
HOME Investment Partnership Program	14.239	3,502,877

CITY OF AKRON
SUMMIT COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #20.205 - Highway Planning and Construction CFDA #66.458 - Capitalization Grants for Clean Water CFDA # 14.905 - Lead Hazard Reduction Demonstration Grant Program CFDA #16.738 / #16.804 Justice Assistance Grant (JAG) Program Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type AIB Programs	Type A: > \$1,244,018 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Highway Planning and Construction Program Monthly Prevailing Wage/EEO Reporting

Finding Number	2013-001
CFDA Title and Number	Highway Planning and Construction – CFDA #20.205
Federal Award Number / Year	2013
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	Ohio Department of Highway Safety

NONCOMPLIANCE AND SIGNIFICANT DEFICIENCY

The Ohio Department of Transportation (ODOT) Locally Administered Transportation Projects Manual of Procedures, Local Public Agencies (LPA) Construction Contract Administration Chapter states in part that the LPA is required to monitor the Contractor and Subcontractors to ensure prevailing wages are paid to all laborers and mechanics employed on the project.

It is the LPA's responsibility to spot check 30% of the payrolls submitted to ensure those employees working in crafts covered by the prevailing wage laws are being paid the correct wage and fringe benefits for the craft they are performing. These should be the prevailing wages supplied in the bidding documents. Additionally, apprentice ratios must be monitored to ensure that not more than the allowable number of apprentices for any given craft is being used by the Contractor.

The LPA will be required to submit the LPA Prevailing Wage / EEO Report monthly to the ODOT District Prevailing Wage / EEO Coordinator detailing prevailing wage and EEO monitoring efforts for the previous month for each active project.

Of the six Federally-funded Highway Planning and Construction Program projects selected for testing, there was no evidence the required 30% spot check for compliance with the wage and fringe benefit rates in the bidding documents for five projects was conducted by the City for certified payrolls submitted by the contractors and/or subcontractors.

The City should develop internal controls and procedures to ensure the required 30% spot check of certified payrolls are being performed. The certified payrolls should clearly demonstrate the contractor's employees selected for testing against the bid documents, if there were any exceptions, follow-up action for any exceptions, and have the appropriate number of contractor's employees tested against the bid documents.

Official's Response: See corrective action plan.

2. Lead Hazard Reduction - Cash Management

Finding Number	2013-002
CFDA Title and Number	Lead Hazard Reduction Demonstration Grant Program – CFDA #14.905
Federal Award Number / Year	2013
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A

QUESTIONED COST, NONCOMPLIANCE, AND SIGNIFICANT DEFICIENCY

31 CFR Section 205.12 (b)(5) states that reimbursable funding means that a Federal Program Agency transfers Federal funds to a State after that State has already paid out the funds for Federal assistance program purposes.

While testing 3 drawdown requests out of 11 requests for the year, we noted the City requested reimbursement for \$19,750 in expenditures in one request of \$200,350 that were neither incurred nor liquidated by the City. We will therefore question costs of \$19,750. Upon further inquiry, the City's Housing Rehab Loan Specialist indicated an error was detected after year end in which the partner project delivery was double counted in the excel spreadsheet maintained, resulting in the City overdrawing funds in partner project delivery. Since the discovery of the error, the City has reduced drawdown requests to compensate for the excess.

The City should only request reimbursement for liquidated costs incurred and within the period of available funding. Someone independent of the person preparing the drawdown requests should review for accuracy before submitting the requests.

Official's Response: See corrective action plan.

CITY OF AKRON, OHIO

CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
YEAR ENDED DECEMBER 31, 2013

Finding 2013-001:

- A. Name of Contact Person: Diane L. Miller-Dawson, Director of Finance
- B. Corrective Action Plan:
 - 1. The City's Engineering Division has already taken steps to ensure evidence of payroll review is kept in the project file.
- C. Proposed Completion Date:
 - 1. This will be resolved by December 31, 2014.

Finding 2013-002:

- A. Name of Contact Person: Diane L. Miller-Dawson, Director of Finance
- B. Corrective Action Plan:
 - 1. The City's Planning Department will take additional steps to ensure draw request match actual expenses posted through the City's financial system.
- C. Proposed Completion Date:
 - 1. This will be resolved by December 31, 2014.

**CITY OF AKRON
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Highway Planning and Construction - CFDA #20.205 – The City did not perform required 30% verification of contractor payrolls for compliance with Prevailing Wage requirements.	No	Partially Corrected. Reissued as Finding 2013-001.

This page intentionally left blank.



Dave Yost • 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
OCTOBER 9, 2014**