



Mary Taylor, CPA
Auditor of State

**CITY OF AKRON
SUMMIT COUNTY**

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Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Summit County, Ohio, (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

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

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

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

City of Akron
Summit County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2007-001 and 2007-002.

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

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

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



Mary Taylor, CPA
Auditor of State

July 18, 2008



Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

Compliance

We have audited the compliance of the City of Akron, Summit County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2007. The summary of auditor's results section of the accompanying Schedule of Findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Akron complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying Schedule of Findings as item 2007-003.

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

Internal Control Over Compliance

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

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

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

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

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

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

City of Akron
Summit County
Independent Accountants' Report on Compliance With Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133
Page 3

Supplemental Schedule of Expenditures of Federal Awards

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2007, and have issued our report thereon dated July 18, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplemental Schedule of Expenditures of Federal Awards provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

July 18, 2008

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

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

CITY OF AKRON, OHIO

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

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

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

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

See notes to supplemental schedule of expenditures of federal awards.

CITY OF AKRON, OHIO

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

1. BASIS OF PRESENTATION

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

2. SUBRECIPIENTS

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

| Program Title | Federal CFDA No. | Amount Provided to Subrecipients |
|--|---------------------|--|
| Special Supplemental Food Program for Women, Infants and Children | 10.557 | \$796,643 |
| CDBG- Entitlement and (HUD-Administered) | | |
| Small Cities Cluster - Community Development Block | | |
| Grant/Entitlement Grants | 14.218 | 943,918 |
| Emergency Shelter Grants Program | 14.231 | 293,231 |
| HOME Investment Partnership Program | 14.239 | 798,376 |
| Lead-Based Paint Hazard Control in Privately Owned Housing | 14.900 | 897,051 |
| Protecting Inmates and Safeguarding Communities Discretionary Grant Program | 16.735 | 78,585 |
| Centers for Disease Control and Prevention Investigations and Technical Assistance | 93.283 | 412,992 |
| Outpatient Early Intervention Services - HIV Disease | 93.918 | 363,961 |
| HIV Prevention Activities | 93.940 | 199,639 |
| Preventive Health and Health Services Block Grant | 93.977 | 25,000 |
| Metropolitan Medical Response System | 97.071 | 13,551 |
| Buffer Zone Protection Program | 97.078 | 30,520 |

3. LOANS OUTSTANDING

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

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

**CITY OF AKRON
SUMMIT COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2007-001

Noncompliance Citation

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

At December 31, 2007, the following funds (aggregated at the level used for preparing the financial statements) had negative cash fund balances:

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

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

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

FINDING NUMBER 2007-001 (Continued)

Maintaining positive cash fund balances is not only required by statute but is a key control in the cash management process to assure funds are available to pay obligations. To improve controls over cash management and disbursements and to help reduce the possibility of the City's funds not having adequate balances to pay incurred obligations, we recommend the City monitor fund activity to prevent future expenditures in excess of available resources. In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Rev. Code. Use of formal advances, approved by the City Council, will allow management to determine exactly which funds cash is being used to offset deficit cash balances. This should help ensure compliance with grant and other funding restrictions as well as provide a reasonable basis for assigning "Due from Other Funds" receivables.

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

FINDING NUMBER 2007-002

Noncompliance Citation

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

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

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

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

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

In addition, the City did not always obtain certificates from the County Fiscal Officer that appropriations from each fund do not exceed the total Amended Official Estimate of Resources for certain appropriation and estimated resource amendments.

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

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

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

Federal Noncompliance/Significant Deficiency

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

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

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

**CITY OF AKRON
SUMMIT COUNTY**

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

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain |
|----------------|--|------------------|---|
| 2006-001 | Ohio Rev. Code Section 5705.10 – Certain funds had negative cash fund balances which indicates that money from one fund was used to cover the expenditures of another fund. | No | Not Corrected, reissued as Finding 2007-001 |
| 2006-002 | Ohio Rev. Code Section 5705.39 – Certain funds had total appropriations that exceeded total estimated resources. | No | Not Corrected, reissued as Finding 2007-002 |
| 2006-003 | Questioned Cost/Significant Deficiency -OMB Circular A-87 Attachment A, Section C(1)(h) states in part that to be allowable under Federal awards, costs must not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation. During 2006 the City reported approximately \$12,618 in Economic Development Facilities expenses related to in-house employee benefits charges for the Engineering Division. | Yes | Corrected |

City of Akron
 Summit County
 Schedule of Prior Audit Findings and Questioned Costs
 Page 2

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

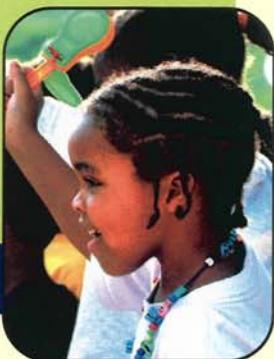
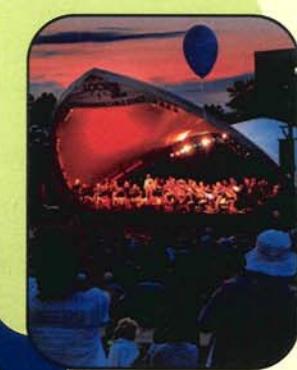
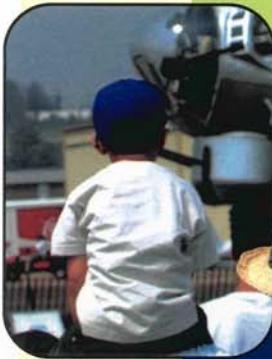
COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF AKRON, OHIO

For the Fiscal Year Ended December 31, 2007



Donald L. Plusquellic
Mayor



City of Akron, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

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



ELECTED AND APPOINTED OFFICIALS

MAYOR Donald L. Plusquellic

COUNCIL MEMBERS

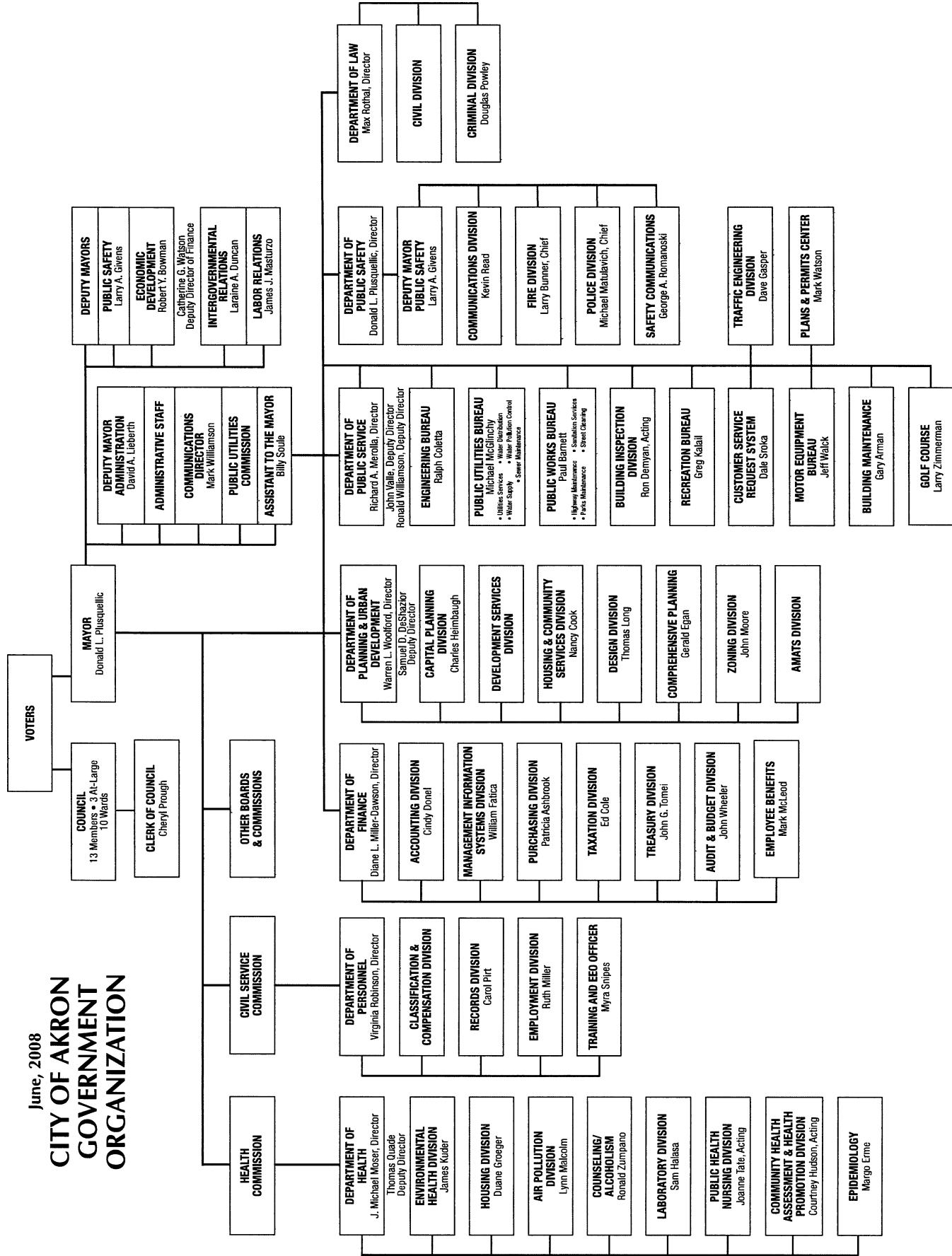
| | |
|---|---------------------|
| James P. Hurley III | 1st Ward |
| Bruce Kilby | 2nd Ward |
| Marco S. Sommerville , Council President | 3rd Ward |
| Reneé L. Greene , Council Vice President | 4th Ward |
| Kenneth L. Jones | 5th Ward |
| Dr. Teresa H. Albanese | 6th Ward |
| Tina Merlini | 7th Ward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

CABINET OF THE MAYOR

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

June, 2008
**CITY OF AKRON
GOVERNMENT
ORGANIZATION**

2008



CITY OF AKRON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Diane L. Miller-Dawson
Director of Finance
E-mail: milledi@ci.akron.oh.us



Donna M. Urdiales
Executive Assistant

Donald L. Plusquellic
Mayor

DEPARTMENT OF FINANCE

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

FAX: (330) 375-2291

July 18, 2008

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

Dear Mayor Plusquellic and Council Members:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Akron for the year ended December 31, 2007. This report presents financial and operating information about the City's activities during 2007 that should be useful to citizens and taxpayers. The report, prepared by the Department of Finance, contains a comprehensive analysis of the City's financial position and activities for the year.

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

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

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Akron's MD&A can be found immediately following the Independent Accountants' Report.

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

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

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

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

Economic Conditions and Outlook

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

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

Goodyear Tire and Rubber Company's \$900 million development, the Metro \$15 million Intermodal Transit Center, the \$19 million Long-term Acute Care Facility on East Market Street, the \$12.6 million parking deck near the Federal Building, the \$15 million development on Main Street between Civic Theatre and Bowery, and the Akron City School District's estimated \$800 million Community Learning Centers, perhaps the most anticipated City-wide project, to be built over the next 12 years.

Despite the economy in 2007, the City of Akron finds itself in a healthy financial state and continues to see economic growth. Relative to many other U.S. cities, Akron's fiscal position is good considering it is one of only a few mid- to large-sized cities that have not been forced to lay off employees. The revenue collected from our four Joint Economic Development Districts (JEDDs), approximately \$17.8 million in 2007, is an additional funding source to encourage and promote economic development and to secure a solid tax base.

Long-term Financial Policies

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

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

Relevant Financial Policies

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

Major Initiatives

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

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

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

Akron's designation as an enterprise community by the federal government has generated critical federal funds to assist neighborhoods. The housing petition and H.O.M.E. programs, already part of the City's economic growth program, are very successful. Neighborhoods petition for special allocation of federal community development dollars, which assist homeowners in paying for home improvements and reducing assessments for public improvements. In 2007, the City completed 117 rehabilitation cases, reduced lead hazard in 63 units, and assisted 93 lower income homeowners with improvements, and demolished 449 dilapidated residential and commercial structures.

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

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

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

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

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

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

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

Reporting Standards

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

Governmental funds:

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

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City ordinances or federal or state statutes specify the uses and limitations of each Special Revenue Fund. During 2007, the City had 28 Special Revenue Funds.

Debt Service Funds – The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2007, the City had 11 Debt Service Funds.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2007, the City had nine Capital Projects Funds.

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

Proprietary funds:

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

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

Fiduciary funds:

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

Agency Funds – The Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The City had two Agency Funds during 2007.

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

Basis of Accounting:

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

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

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

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

Cash Management

Effective cash management is recognized as essential to good fiscal management. The primary objectives of the City’s investment activities are the preservation of capital and the protection of investment principal. The Treasurer’s Office within the Department of Finance invests all cash, following the City’s own investment ordinance, in various securities which consist of fixed-rate City bonds and notes, certificates of deposit, fully collateralized repurchase agreements, and U.S. government obligations. The City’s investment ordinance was modified in late 1986 to take advantage of State of Ohio investment opportunities. However, the local investment policy

continues to be conservative with the highest priority given to safeguarding assets. For 2007, investment interest income averaged a yield of 4.87% compared to a yield of 4.63% in 2006. The interest earnings are maximized by investing to projected payment dates on a competitive bid basis and by investing bank balances daily. This resulted in an average book balance investment of 131.38%.

Risk Management

The City has been self-insured for liability coverage for non-auto-related incidents since 1985. This program was established in response to the dramatic rise in premiums in the mid-1980's and the increases in exclusions written into standard insurance policies. Additionally, the City is primarily self-insured for employee medical benefits, including major medical, dental, and vision care. This has proven to be the most cost-effective program for this type of coverage. The City also has in place reserve funds for workers' compensation and medical benefits. For other types of coverage, such as property insurance, airport liability, employee life, auto liability, and boiler and machinery coverage, the City has secured traditional insurance. The City is assisted in its insurance program by an independent consulting firm that writes no insurance but has expertise in the insurance industry. The City relies on the advice offered by the consultant in securing any insurance.

Pension

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

Independent Annual Audit

We appreciate the cooperation of State Auditor Mary Taylor, CPA, and her staff in completing the City's audit in a timely and highly professional manner.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Akron, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting

principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Akron, Ohio, has received Certificates of Achievement for the last 23 consecutive years (1984 through 2006). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The 2007 Comprehensive Annual Financial Report could not have been accomplished without the dedication of the professionals in the Audit and Budget Division of the Department of Finance. Special acknowledgment must go to the Audit and Budget staff for the many hours of quality service they have provided to the City in the formulation of this report. I further wish to thank you, Mayor, for continuing to provide to the department the necessary support and leadership required to enhance the City's overall fiscal position and its financial reporting practices. We trust that this timely, complete, and fully readable Comprehensive Annual Financial Report satisfies your needs and those of City Council for responsible financial planning and reporting.

Respectfully,



Diane L. Miller-Dawson
Director of Finance

DLMD/dmu

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Akron
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



Clare S. Cox

President

Jeffrey R. Ecker

Executive Director

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Summit County, Ohio, (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Summit County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

City of Akron
Summit County
Independent Accountants' Report
Page 2

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



Mary Taylor, CPA
Auditor of State

July 18, 2008

CITY OF AKRON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of the City of Akron, Ohio financial performance provides an overview of Akron's financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the transmittal letter on page 7 and the City's financial statements, which begin on page 34.

FINANCIAL HIGHLIGHTS

- The assets of the City of Akron, Ohio exceeded its liabilities at December 31, 2007 by \$714,193,282 (net assets). Of this amount \$145,735,049 is restricted for debt service.
- The governmental activities' total net assets increased by \$28,531,481 and the business-type activities' total net assets increased by \$6,595,517 for a net increase in the City's total net assets of \$35,126,998.
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$224,855,582, a decrease of \$12,456,695 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$12,649,039, or 8.53% of total general fund expenditures, and a 60.42% increase compared to the prior year.
- The City of Akron's total long-term debt decreased by \$13,920,114 (1.99%) during the current year. On December 3, 2007, the City of Akron issued \$20,735,000 of G.O. Bonds and on December 20, 2007 issued \$19,610,000 COPS. Also during the year, the City retired \$12,072,882 of G.O. Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

The City of Akron maintains 49 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Learning Centers Fund, Income Tax Capital Improvement Fund, CLC Bond Payment Fund and the Special Assessment Bond Payment Fund, which are considered to be major funds.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Akron adopts an annual appropriated budget for its General Fund, and for special revenue, some debt service, enterprise and internal service funds. The General Fund, Community Learning Centers Fund, and Income Tax Capital Improvement Fund budgetary schedules (non-GAAP budgetary basis) have been provided as Required Supplementary Information (RSI) to demonstrate compliance with this budget.

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-99 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City of Akron's General Fund, Community Learning Centers Fund, and Income Tax Capital Improvement Fund budgetary comparison. Required Supplementary Information (RSI) can be found on pages 101-107 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds and internal service funds are presented immediately following the Required Supplementary Information (RSI) and can be found on pages 110-183 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Akron, assets exceeded liabilities by \$714,193,282 at the close of the most recent fiscal year.

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

An additional portion of the City of Akron's net assets (20.41%) is restricted for the payment of debt service.

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

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

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

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

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

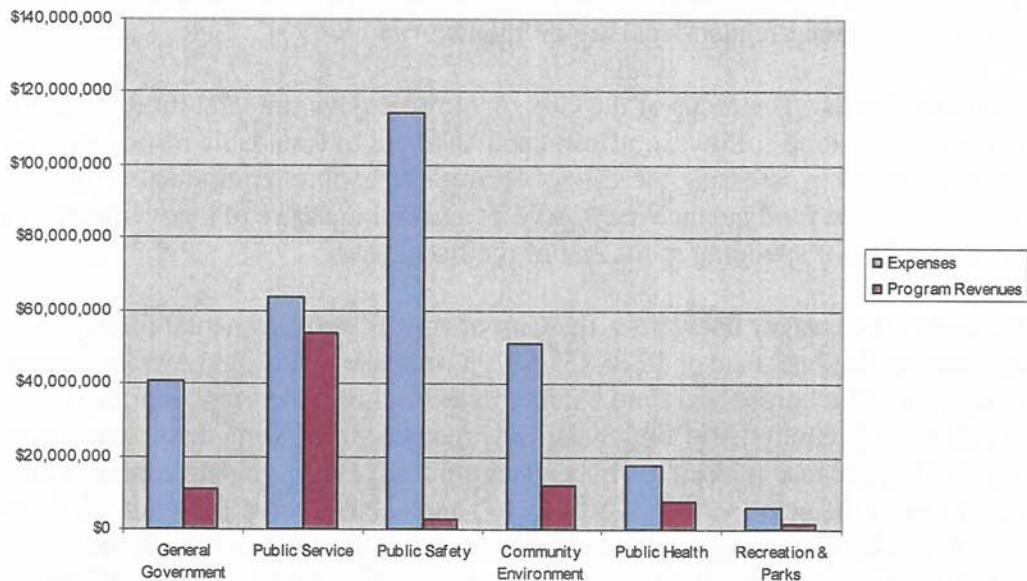
The following table shows total revenues for 2007 were \$22,470,000 lower than the prior year. Income tax revenue increased by \$22,773,000 from the prior year and shared revenues decreased by \$41,710,000 from 2006. Property taxes decreased by \$7,087,000 from 2006. For the remaining revenues, there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

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

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

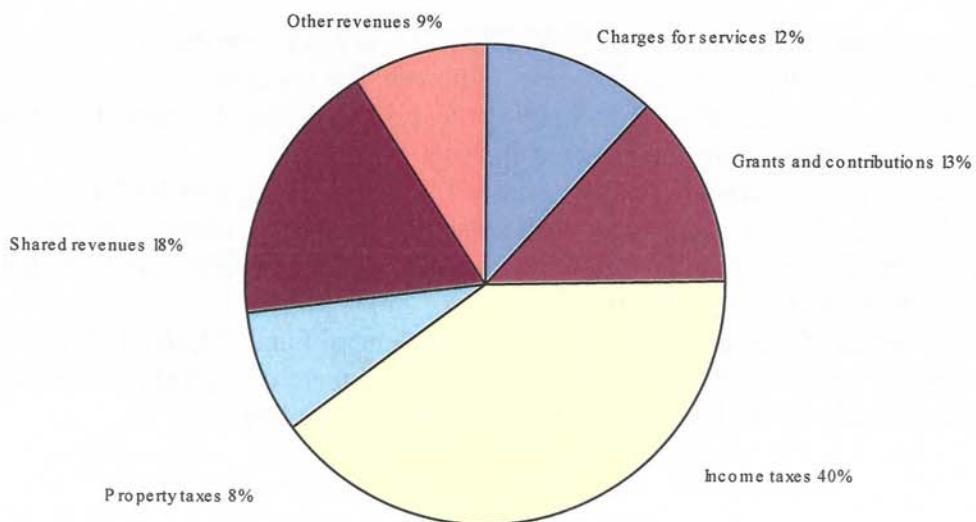
| | Governmental Activities | | Business-type Activities | | Total | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 |
| Revenues: | |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

Expenses and Program Revenues - Governmental Activities

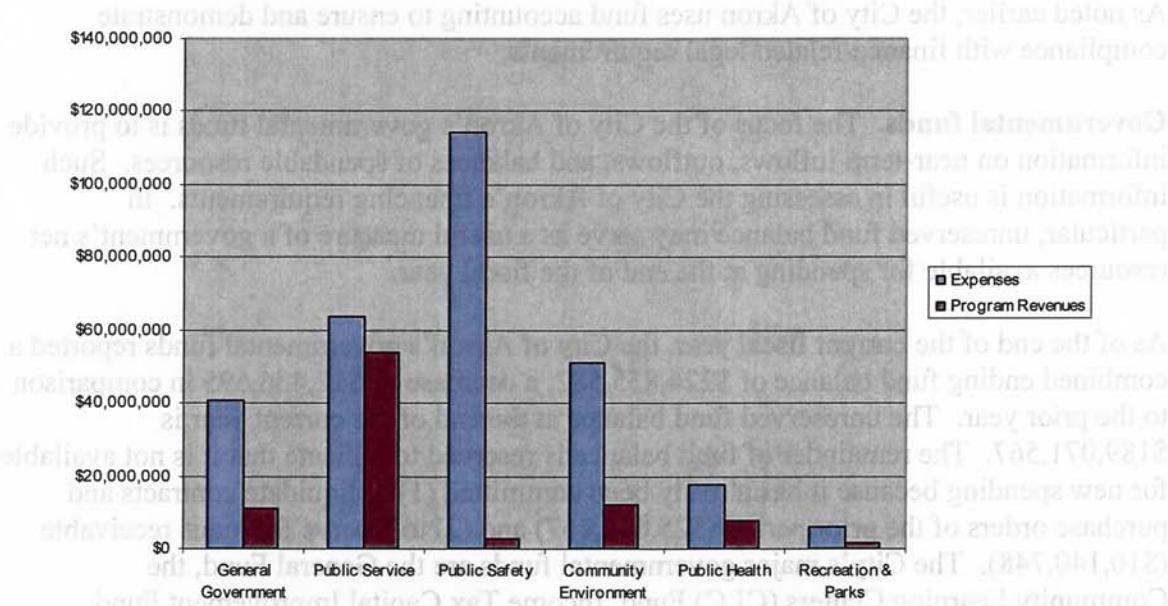


The above chart shows the revenue generated by the various programs of the City of Akron and the expenses relating to each program. As shown below, the primary source of revenue that funds these programs is reported in the financial statements as income taxes.

Revenues By Sources Governmental Activities

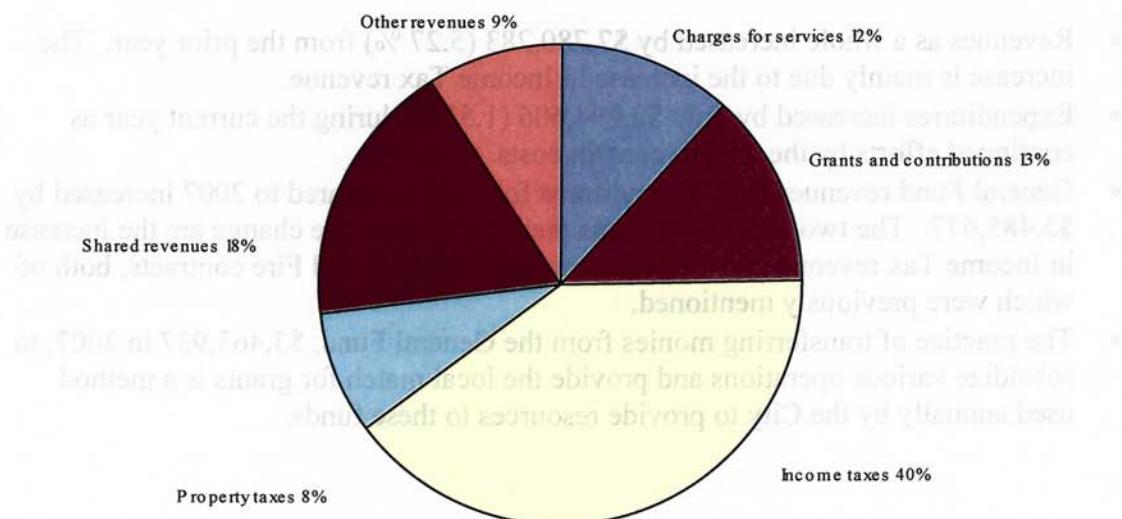


MANAGING FINANCIALS OF THE GOVERNMENTAL FUNDS Expenses and Program Revenues - Governmental Activities



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

Revenues By Sources Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the City of Akron's governmental funds reported a combined ending fund balance of \$224,855,582, a decrease of \$12,456,695 in comparison to the prior year. The unreserved fund balance at the end of the current year is \$189,071,567. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$25,643,267) and (2) to reserve for loans receivable (\$10,140,748). The City's major governmental funds are the General Fund, the Community Learning Centers (CLC) Fund, Income Tax Capital Improvement Fund, Special Assessment Bond Payment Fund, and the CLC Bond Payment Fund.

The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$12,649,039, while the total fund balance is \$13,612,405. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 8.53% of total General Fund expenditures, while total fund balance represents 9.18% of that same amount.

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

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

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

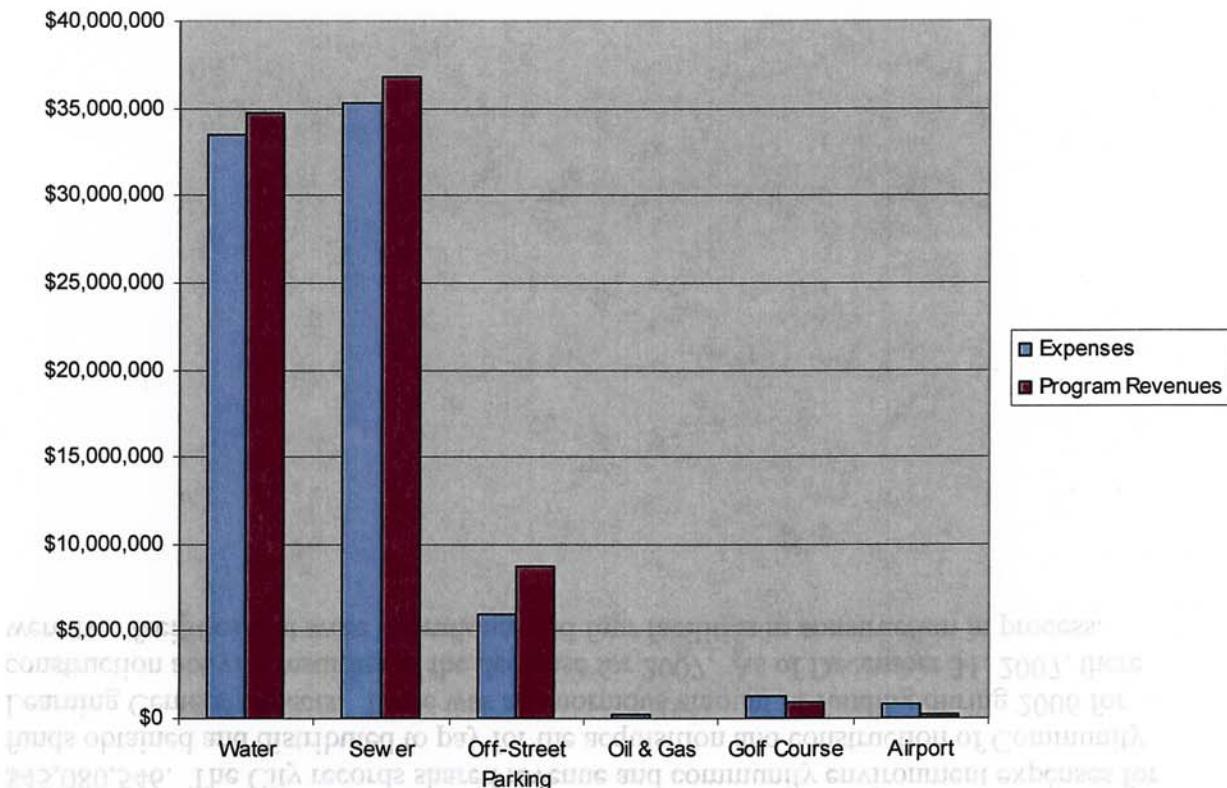
- Investment earnings were \$2,212,273 less than the prior year. As previously mentioned, the 2006 Community Learning Center project costs were funded by reducing the investments held directly impacting the amount of investment earnings.
- Community environment expenditures were \$10,937,760 in 2007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

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

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

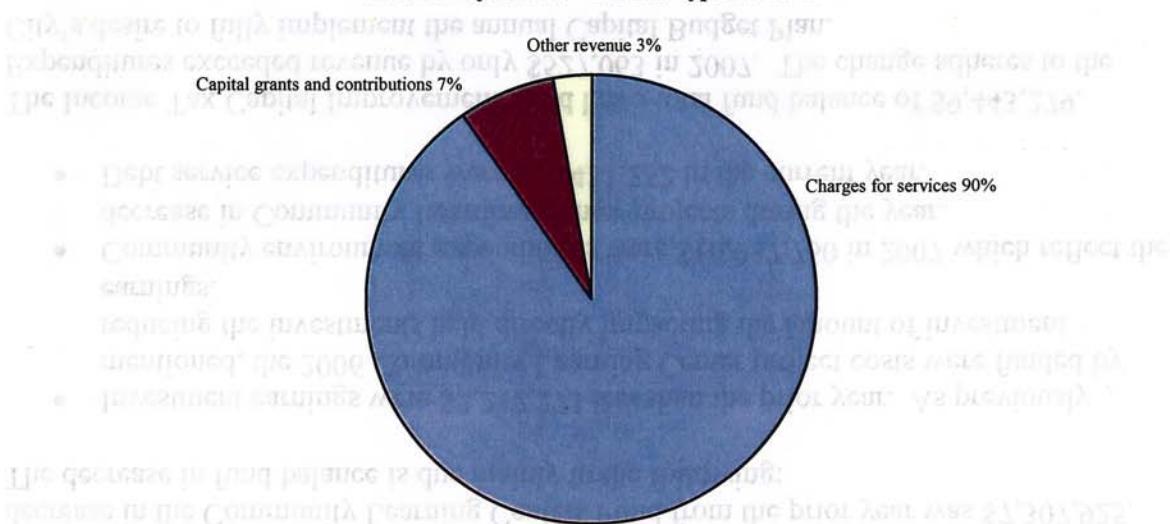
For the current fiscal year in the CLC Bond Payment Fund, expenditures exceeded revenues by \$19,988,669. This is directly related to the decrease in shared revenue of \$45,080,546. The City records shared revenue and community environment expenses for funds obtained and distributed to pay for the acquisition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

Expenses and Program Revenues - Business-type Activities



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

Revenues by Sources - Business-type Activities



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

Proprietary funds. The City of Akron's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City's major enterprise funds are the Water, Sewer, and Off-Street Parking.

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

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

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City of Akron's investment in capital assets for its government and business-type activities as of December 31, 2007, amounts to \$1,283,523,250 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the City of Akron's investment in capital assets for the current fiscal year was 4.36% (a 7.31% increase for governmental activities and a 0.38% decrease for business-type activities).

City of Akron
Capital Assets
(net of accumulated depreciation)

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

Additional information on the City of Akron's capital assets can be found in Note 1. G. on page 54 and Note 7 starting on page 65.

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

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

Long-term debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$686,720,000. All general obligation bonds are backed by the full faith and credit of the City. Special assessment bonds and notes are covered by special assessment collections and are backed by the full faith and credit of the City. The remainder of the City of Akron's debt represents bonds secured solely by specified revenue sources.

| | City of Akron Outstanding Debt (in thousands) | | | | | |
|-------------------------------------|---|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 |
| General Obligation Bonds | \$207,280 | \$216,063 | \$922 | \$801 | \$ 208,202 | \$ 216,864 |
| OPWC Loan | 9,931 | 10,361 | 2,853 | 2,651 | 12,784 | 13,012 |
| Ohio Department of Development Loan | 1,309 | 1,253 | - | - | 1,309 | 1,253 |
| Non-Tax Revenue Bonds | 44,360 | 42,330 | - | - | 44,360 | 42,330 |
| Income Tax Revenue Bonds | 214,130 | 210,160 | - | - | 214,130 | 210,160 |
| Special Revenue Bonds | 44,240 | 42,090 | - | - | 44,240 | 42,090 |
| Special Assessment Bonds and Notes | 17,433 | 16,286 | - | - | 17,433 | 16,286 |
| SIB Loan | 9,956 | 9,358 | - | - | 9,956 | 9,358 |
| Mortgage Revenue Bonds | - | - | 57,565 | 51,845 | 57,565 | 51,845 |
| Revenue Bonds | - | - | 39,665 | 37,380 | 39,665 | 37,380 |
| OWDA Loan | - | - | 50,997 | 46,142 | 50,997 | 46,142 |
| | <u>\$ 548,639</u> | <u>\$ 547,901</u> | <u>\$ 152,002</u> | <u>\$ 138,819</u> | <u>\$ 700,641</u> | <u>\$ 686,720</u> |

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

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

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

The Ohio Revised Code provides that the outstanding general obligation bonds less self-supporting debt (e.g., income tax-backed projects) of the municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of total assessed value of property. The City of Akron's total debt limit (10.5%) is \$332,783,010 and the total unvoted net debt limit (5.5%) is \$174,314,910.

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

Economic Factors and Next Year's Budgets and Rates

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

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

Request for Information

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

BASIC FINANCIAL STATEMENTS

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

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

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

City of Akron, Ohio
Statement of Activities
For the Year Ended December 31, 2007

| Functions/Programs | Program Revenues | | | | | Net (Expense) Revenue and Changes in Net Assets | |
|--------------------------------------|-------------------------|-----------------------|--|----------------------|--|--|-----------------------------|
| | Charges for Services | | Operating Grants and Contributions | | Capital Grants and Contributions | Governmental Activities | Business-type Activities |
| | Expenses | | | | | | Total |
| General government activities: | | | | | | | |
| General government | \$ 40,750,017 | \$ 11,187,070 | \$ 136,420 | \$ 24,822,927 | \$ (29,562,947) | \$ (10,196,679) | \$ (29,562,947) |
| Public service | 63,895,682 | 28,759,656 | 1,412,948 | - | (111,437,805) | - | (111,437,805) |
| Public safety | 114,350,511 | 1,499,758 | 12,096,236 | - | (38,772,354) | - | (38,772,354) |
| Community environment | 50,882,056 | 13,466 | 6,773,599 | - | (10,120,614) | - | (10,120,614) |
| Public health | 17,568,811 | 674,598 | 1,520,094 | - | (3,917,016) | - | (3,917,016) |
| Recreation and parks | 5,800,662 | 363,552 | - | - | (27,325,682) | - | (27,325,682) |
| Interest | 27,325,682 | - | - | - | (12,818,481) | - | (12,818,481) |
| Unallocated depreciation* | 12,818,481 | - | - | - | - | - | - |
| Total government activities | <u>\$ 333,391,902</u> | <u>42,478,100</u> | <u>21,939,297</u> | <u>24,822,927</u> | <u>\$ (244,151,578)</u> | <u>\$ (244,151,578)</u> | <u>\$ (244,151,578)</u> |
| Business-type activities: | | | | | | | |
| Water | 33,459,745 | 33,313,008 | - | 1,431,810 | - | 1,285,073 | 1,285,073 |
| Sewer | 35,287,533 | 36,113,694 | - | 679,620 | - | 1,505,781 | 1,505,781 |
| Oil & gas | 204,153 | 18,544 | - | - | - | (185,609) | (185,609) |
| Golf course | 1,317,386 | 891,709 | - | - | - | (425,677) | (425,677) |
| Airport | 786,711 | 143,520 | - | 62,555 | - | (580,636) | (580,636) |
| Parking facilities | 5,974,113 | 4,982,704 | - | 3,744,614 | - | 2,753,205 | 2,753,205 |
| Total business-type activities | <u>\$ 77,029,641</u> | <u>75,463,179</u> | <u>-</u> | <u>5,918,599</u> | <u>-</u> | <u>4,352,137</u> | <u>4,352,137</u> |
| Total Government | <u>\$ 410,421,543</u> | <u>\$ 117,941,279</u> | <u>\$ 21,939,297</u> | <u>\$ 30,741,526</u> | <u>\$ (244,151,578)</u> | <u>\$ 4,352,137</u> | <u>\$ (239,799,441)</u> |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Income taxes | | | | | \$ 144,647,307 | \$ - | \$ 144,647,307 |
| Property taxes | | | | | 30,154,104 | - | 30,154,104 |
| JEDD revenues | | | | | 16,551,588 | - | 16,551,588 |
| Investment earnings | | | | | 4,820,973 | 504,738 | 5,325,711 |
| Unrestricted shared revenues | | | | | 65,033,815 | - | 65,033,815 |
| Miscellaneous | | | | | 10,899,487 | 2,090,792 | 12,990,279 |
| Gain on sale of capital assets | | | | | 223,635 | - | 223,635 |
| Transfers | | | | | 352,150 | (352,150) | - |
| Total general revenues and transfers | | | | | <u>272,683,059</u> | <u>2,243,380</u> | <u>274,926,439</u> |
| Change in net assets | | | | | <u>28,531,481</u> | <u>6,595,517</u> | <u>35,126,998</u> |
| Net assets - beginning | | | | | <u>336,284,654</u> | <u>342,781,630</u> | <u>679,066,284</u> |
| Net assets - ending | | | | | <u>\$ 364,816,135</u> | <u>\$ 349,377,147</u> | <u>\$ 714,193,282</u> |

* Excludes depreciation included in program expenses.

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

City of Akron, Ohio

Balance Sheet - Governmental Funds

December 31, 2007

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

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

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

December 31, 2007

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

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

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

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

For the Year Ended December 31, 2007

| | |
|--|--------------------------|
| Net changes in fund balances - total governmental funds (Exhibit 4) | \$(12,456,695) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$79,785,038) exceeded depreciation (\$20,542,143) in the current period. | 55,602,217 |
| The net effect of selling capital assets increased net assets. | |
| | 223,635 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 5,057,681 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items. | |
| Issuance of debt | (45,347,463) |
| Payment of debt | 29,352,928 |
| Premium on debt | (419,776) |
| Bond issuance expenditures | <u>1,096,121</u> |
| | (15,318,190) |
| Some of the expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | (2,383,180) |
| The revenues and expenses of the internal service funds are included in the governmental activities in the statement of activities. | (2,193,987) |
| Increase in net assets of governmental activities (Exhibit 2) | <u>\$ 28,531,481</u> |

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

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2007

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

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

Net assets of business-type activities

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

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2007

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

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City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

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

Change in net assets of business-type activities

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

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

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

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

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

| | Water | Sewer | Off-Street Parking | Other Enterprise Funds | Total | Governmental Activities Internal Service Funds |
|---|----------------------|----------------------|-----------------------|------------------------------|----------------------|---|
| Operating income (loss) | \$ 4,473,759 | \$ 4,810,986 | \$ (937,377) | \$ (540,380) | \$ 7,806,988 | \$ (3,174,617) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | | |
| Depreciation, depletion and amortization | 5,309,117 | 7,767,028 | 2,189,226 | 227,730 | 15,493,101 | 479,983 |
| (Increase) decrease in operating assets: | | | | | | |
| Receivables | (121) | 176,052 | 49,353 | 6,157 | 231,441 | (4,852) |
| 25,720 | 109,086 | - | 5,868 | 140,674 | (99,156) | |
| Inventories | 307,948 | 27,439 | - | (28,108) | 307,279 | (253,485) |
| Increase (decrease) in operating liabilities: | | | | | | |
| Accounts payable | (473,292) | (89,077) | (64,462) | 85,050 | (541,781) | (1,157,663) |
| Due to other funds | 501,126 | (13,632) | 2,278 | (4,547) | 485,225 | (6,796) |
| Due to other governments | 119,337 | (20,269) | 194,539 | - | 293,607 | - |
| Accrued liabilities | 245,440 | 168,688 | - | 16,746 | 430,874 | 127,530 |
| Accrued wages | 4,940 | (188) | - | (383) | 4,369 | (4,011) |
| Accrued vacation and leave | 80,610 | (19,062) | - | 29,042 | 90,590 | (88,468) |
| Estimated liability for unpaid claims | - | - | - | - | - | 3,173,249 |
| Net cash provided by (used for) operating activities | <u>\$ 10,594,584</u> | <u>\$ 12,917,051</u> | <u>\$ 1,433,557</u> | <u>\$ (202,825)</u> | <u>\$ 24,742,367</u> | <u>\$ (1,008,286)</u> |

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

City of Akron, Ohio

Statement of Net Assets
Fiduciary Funds

December 31, 2007

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

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

City of Akron, Ohio

Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2007

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

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

City of Akron, Ohio

Notes to the Financial Statements

Year Ended December 31, 2007

1. Summary of Significant Accounting Policies

The City of Akron (the City) was incorporated in 1836 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services as authorized by its Charter: public safety, public service, public health, recreation and development. The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, in that the financial statements include those activities and functions for which the City is accountable. The City has no component units as defined by GASB 14 and 39. The City is associated with certain organizations which are defined as jointly governed organizations and related organizations. These organizations are presented in Notes 23 and 24 to the basic financial statements. These organizations are the Akron Metropolitan Area Transportation Study (AMATS), the Akron/Summit Convention and Visitors' Bureau and the Summit Medina Business Alliance (SMBA). The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

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

A. *Government-wide and fund financial statements*

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

Basic Financial Statements:

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

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

Interfund receivables and payables, and bonds and notes issued by the City and held by the City as investments, within governmental and business-type activities have been eliminated in the government-wide statement of net assets. Related interest amounts are eliminated in the government-wide statement of activities.

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

The City's major governmental funds are the General Fund, the Community Learning Centers (CLC) Fund, Income Tax Capital Improvement Fund, Special Assessment Bond Payment Fund, and CLC Bond Payment Fund. Of the City's business-type activities, the Water, Sewer, and Off-Street Parking Funds are considered major funds.

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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

The Water Enterprise Fund accounts for financial activity related to operating the City's water supply, treatment and distribution system. In addition to over 84,000 customers in the City, the Water Enterprise Fund also serves five other municipalities and parts of six adjacent townships. Revenues consist primarily of charges for services.

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

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

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

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

Required Supplementary Information:

Required supplementary information such as Management's Discussion and Analysis and budgetary comparison schedules are also required by GASB Statement No. 34.

B. *Financial reporting presentation*

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

GOVERNMENTAL FUNDS

1. **General Fund** – The General Fund is the general operating fund of the City and is appropriated. It is used to account for all financial resources except those required to be accounted for in another fund.

1. Summary of Significant Accounting Policies (Continued)

2. **Special Revenue Funds** – Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each Special Revenue Fund are specified by City ordinances or federal or state statutes.
3. **Debt Service Funds** – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
4. **Capital Projects Funds** - The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital projects (other than those financed by proprietary funds).
5. **Permanent Funds** – Permanent Funds are for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government's programs. The City, however, does not utilize Permanent Funds at this time.

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

1. **Private-Purpose Trust Funds** – Private-Purpose Trust Funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the Private-Purpose Trust Funds are accounted for using the economic resources measurement focus (essentially the same manner as proprietary funds). The City utilizes three Private-Purpose Trust Funds. The Claire Merrix Trust was established in memory of a former City of Akron employee and is to fund tennis-related activities; the Holocaust Memorial Trust pays for annual holocaust services throughout the City; and the Police/Fire Beneficiary Trust was recently established to provide scholarships for dependents of those serving in the Police and Fire departments.
2. **Agency Funds** – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. For accounting measurement purposes, the Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has two Agency Funds, the first one is the Municipal Court Agency Fund and it is used to account for assets held by the Municipal Court Clerk for individuals, private organizations and other governments. The second one is the Police Property Monetary Evidence Fund and is used to account for funds held by the Police Department that will be returned to other agencies.

1. Summary of Significant Accounting Policies (Continued)

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

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

C. *Measurement focus and basis of accounting*

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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

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

D. *Budgetary Procedures*

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

- (1) The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) According to state law, the budget must be enacted through passage of an ordinance by April 1.
- (4) The City Finance Director is authorized by City Council to transfer funds already appropriated within departments within any fund or category of expenditures; however, any revisions that alter the total appropriation of said department must be individually approved by the City Council. During 2007, supplemental appropriations were passed by City Council. The effects of these supplemental appropriations were not material in relation to the original appropriations.
- (5) Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are recorded as the equivalent of expenditures. Unencumbered appropriations lapse at year-end.
- (6) The majority of all funds have a legally adopted annual budget.
- (7) The City appropriates an annual budget for the Police Pension Employer's Liability Fund and the Fire Pension Employer's Liability Fund which are required due to their funding source. On a GAAP basis, the two funds are combined with the General Fund.

E. *Cash, Cash Equivalents, and Investments*

Cash balances of the individual funds are combined to form a pool of cash held by the City Treasurer and invested in authorized investments (see Note 2). Earnings from these investments are credited to the General Fund in accordance with the City Charter except

1. Summary of Significant Accounting Policies (Continued)

where the terms of a grant or regulation specify otherwise. Certain cash balances are held on behalf of the City by outside agents (see Note 2). Earnings from these investments are credited to the General Fund and certain other funds pursuant to the City Charter and federal and state requirements.

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

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

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

G. ***Capital Assets*** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City's capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of five years and an individual cost of more than \$5,000 for land; \$10,000 for equipment and vehicles; \$25,000 for land improvements, buildings, and improvements other than buildings; and \$100,000 for infrastructure. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed capital assets are recorded at their estimated fair market value at the date contributed. Infrastructure acquired prior to fiscal years ended after June 30, 1980, is also reported as a component of the above-mentioned capital assets.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the governmental capital assets. Interest accrued during the construction of capital assets utilized by the proprietary funds is also capitalized.

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

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

| <u>Asset</u> | <u>Years</u> |
|---|--------------|
| Buildings, bridges, and storm sewers | 50 |
| Improvements, skywalks, and paving | 40 |
| Sewer and water mains | 40 |
| Sidewalks, curbs, electrical and lighting | 30 |
| Traffic control system and bridge repairs | 25 |
| Land improvements | 20 |
| Equipment | 3-20 |
| CLC Building Equity Interest | 70 |

1. Summary of Significant Accounting Policies (Continued)

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

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

I. ***Fund Balances*** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Reservations include amounts for open encumbrances and loans receivable. Designations of fund balance represent tentative management plans that are subject to change. These designations include reservations of fund equity for pre-encumbrances (purchase requisitions that have not yet been processed into purchase orders).

J. ***Interfund Transactions*** – During the course of normal operations, the City records numerous transactions between funds including expenditures and transfers of resources to provide services, subsidize operations, and service debt. The City has the following types of transactions among funds:

- (1) Reciprocal interfund services provided and used – Purchases and sales of goods and services between funds for a price approximating their external exchange value.
- (2) Nonreciprocal interfund transfers – Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. This includes operating transfers to subsidize various funds.
- (3) Nonreciprocal interfund reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

The City's interfund receivables and payables at December 31, 2007 are presented in Note 5. Interfund transfers are presented in Note 20.

K. ***Post-retirement Benefits*** – In addition to the post-retirement benefits provided by the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System of Ohio, the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees (see note 9).

1. Summary of Significant Accounting Policies (Continued)

- L. ***Debt Issuance Costs, Premiums, Discounts, and Losses on Refundings*** – Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Losses on advance refundings are deferred and amortized over the life of the new debt, or the life of the advance refunded debt, whichever is shorter.
- M. ***New Accounting Standards*** – In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Benefits*. This Statement establishes standards for the measurement, recognition, and display of Other Postemployment Benefit (OPEB) expenses and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. For the City, this Statement is effective for periods beginning after December 15, 2006. The City's financial statements have been prepared in conformance with this Statement.

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

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

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

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

2. Pooled Cash and Investments

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

2. Pooled Cash and Investments (Continued)

Deposits:

City ordinances require that all deposits be secured by collateral securities pledged at market value in an amount equal to at least 100% of the deposit, less any amount covered by federal deposit insurance. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City does not have a deposit policy for custodial credit risk. The Ohio Revised Code requires banks to secure all of their public deposits over and above the \$100,000 FDIC coverage.

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

Total cash and investments are reported as follows:

Balance Sheet - Governmental Funds:

| | |
|---------------------------------|---------------|
| Pooled cash and investments | \$ 21,231,483 |
| Restricted cash and investments | 88,114,498 |

Statement of Net Assets - Proprietary Funds:

| | |
|---------------------------------|------------|
| Enterprise Funds | |
| Pooled cash and investments | 10,781,127 |
| Restricted cash and investments | 11,860,728 |
| Internal Service Funds | |
| Pooled cash and investments | 4,713,167 |

Statement of Net Assets - Fiduciary Funds:

| | |
|-------|----------------|
| Total | <u>794,387</u> |
|-------|----------------|

| | |
|-------|--------------------|
| Total | <u>137,495,390</u> |
|-------|--------------------|

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

Investments:

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

Under the fair value method of recording investments, the City is required to report realized and unrealized gains and losses arising from market fluctuations as well as the sale and maturity of various investments above or below their beginning-of-the-year fair value or their purchase price, when purchased during the current fiscal year. Realized gains and losses, on investments that had been held in more than one fiscal year and sold in the current year, may have been recognized as an increase or decrease in the fair value of the investments reported in the prior year. The net effect of these realized and unrealized gains and losses (\$86,641 net unrealized loss in 2007) is reflected in the investment income on the operating statement of the appropriate fund.

The repurchase agreement investment maturity is less than one year.

2. Pooled Cash and Investments (Continued)

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

Credit Risk. City ordinances authorize the treasurer to invest in obligations of the United States Treasury, agencies and instrumentalities and direct obligations of the State of Ohio, including any subdivisions of the state. As of December 31, 2007, the investments held by the bond trustees and STAROhio were rated AAAm by Standard & Poor's. All municipal bonds and notes are rated A2 or better by Moody's or A or better by Standard & Poor's.

The City invests funds in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's office which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2007.

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

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

At December 31, 2007, \$99,975,226 of cash and investments was restricted for the following purposes: \$54,384 was restricted for lease costs for Canal Park Stadium; \$4,131,916 was restricted for Off-Street Parking Deck COPs; \$25,565,362 was restricted solely for retirement of City obligations; and the balance of \$70,223,564 was held by the trustee for payment of debt service on the Community Learning Centers' Income Tax Revenue Bonds.

2. Pooled Cash and Investments (Continued)

As of December 31, 2007 the City had the following investments.

| <u>Investment Types</u> | <u>Fair Value</u> | Investment Maturities (In Years) | | |
|---|-----------------------|----------------------------------|----------------------|-------------------|
| | | <u>Less Than 1</u> | <u>1-5</u> | <u>6-10</u> |
| Repurchase agreement | \$ 8,700,000 | \$ 8,700,000 | \$ - | \$ - |
| U.S. Treasuries or Agencies | 12,470,506 | 12,470,506 | - | - |
| STAROhio | 5,000,000 | 5,000,000 | - | - |
| Municipal Bonds | 1,479,105 | 391,717 | 562,388 | 525,000 |
| City of Akron Assessment Debt | 7,401,063 | 1,155,800 | 5,798,872 | 446,391 |
| Investments held by bond trustees: | | | | |
| U.S. Government Securities | 9,514,013 | 9,514,013 | - | - |
| U.S. Treasuries or Agencies | 12,120,160 | 12,120,160 | - | - |
| Tax Exempt Ohio Municipals | 54,386 | 54,386 | - | - |
| Municipal Bonds and Notes | 1,805,786 | 1,805,786 | - | - |
| Investments held by Community Learning Center trustees: | | | | |
| U.S. Treasuries or Agencies | 15,543,695 | 15,543,695 | - | - |
| Municipal Bonds and Notes | 54,634,805 | 48,174,442 | 6,460,363 | - |
| Total | <u>\$ 128,723,519</u> | <u>\$ 114,930,505</u> | <u>\$ 12,821,623</u> | <u>\$ 971,391</u> |

3. Receivables

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

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

3. Receivables (Continued)

Delinquent special assessment receivables amounted to \$2,091,614 at December 31, 2007 and were fully reserved for in the allowance for uncollectibles in the Special Assessment Bond Payment fund.

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

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

4. Due From/To Other Governments

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

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

4. Due From/To Other Governments (Continued)

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

| | Federal | State | County | Local | Total |
|---|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Governmental Activities: | | | | | |
| Governmental Funds: | | | | | |
| General Fund | \$ - | \$ - | \$ 1,297,970 | \$ - | \$ 1,297,970 |
| Community Learning Center | - | - | 7,995 | - | 7,995 |
| Income Tax Capital Improvement | - | - | 5,735 | - | 5,735 |
| Other Governmental Funds | <u>3,075,000</u> | <u>1,000,000</u> | <u>579,761</u> | <u>1,404,175</u> | <u>6,058,936</u> |
| Total Governmental Funds | <u>3,075,000</u> | <u>1,000,000</u> | <u>1,891,461</u> | <u>1,404,175</u> | <u>7,370,636</u> |
| The following amounts are also included in the government-wide statement of net assets: | | | | | |
| Due to other governments | - | - | 379,000 | 250,000 | 629,000 |
| Liabilities due in more than one year (Note 14) | <u>-</u> | <u>-</u> | <u>3,026,000</u> | <u>250,000</u> | <u>3,276,000</u> |
| Total Governmental Activities | <u>\$ 3,075,000</u> | <u>\$ 1,000,000</u> | <u>\$ 5,296,461</u> | <u>\$ 1,904,175</u> | <u>\$ 11,275,636</u> |

Of the \$3,075,000 Federal and the \$1,000,000 State amounts shown in Other Governmental Funds, \$198,096 is shown in the government-wide statement of net assets as Due to other governments. The remaining \$3,876,904 is shown as liabilities due in more than one year.

Business-type Activities:

| | | | | | | |
|---|--------------------|--------------------|--------------------------|--------------------|--------------------------|--|
| Enterprise Funds: | | | | | | |
| Water | \$ - | \$ - | \$ 119,337 | \$ - | \$ 119,337 | |
| Sewer | - | - | 29,076 | - | 29,076 | |
| Off-Street Parking | <u>-</u> | <u>-</u> | <u>194,539</u> | <u>-</u> | <u>194,539</u> | |
| Total Enterprise Funds | <u>-</u> | <u>-</u> | <u>342,952</u> | <u>-</u> | <u>342,952</u> | |
| The following amounts are also included in the government-wide and proprietary statement of net assets: | | | | | | |
| Liabilities due in more than one year (Note 14) | <u>-</u> | <u>-</u> | <u>378,482</u> | <u>-</u> | <u>378,482</u> | |
| Total Enterprise Funds/ Business-type Activities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 721,434</u> | <u>\$ -</u> | <u>\$ 721,434</u> | |

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

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

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

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

The local amount is related to the JEDD contract between the City, Bath Township, and the City of Fairlawn (see note 18).

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

5. Due From/To Other Funds

Interfund receivable and payable balances at December 31, 2007 consist of the following individual fund receivables and payables:

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

6. Deposits

On December 15, 2003, the City of Akron entered into a cooperative agreement for Community Learning Centers (CLC) with the Board of Education of the Akron City School District (District). The cooperative agreement is the foundation for all the activity associated with the City's .25% income tax and the ownership relating to the CLCs. As of December 31, 2007, the District had \$92,050,905 of unspent City funds that are recorded as Deposits on the City's Statement of Net Assets and are recorded on the District's financial statements as "due to City of Akron".

7. Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

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

7. **Capital Assets (Continued)**

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

7. Capital Assets (Continued)

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

Governmental Activities:

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

Business-type Activities:

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

7. Capital Assets (Continued)

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

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

8. Accrued Vacation and Leave

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

Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to governmental fund types have been recorded as liabilities in the governmental funds only if they have matured. The balance has been recorded on the statement of net assets. Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to proprietary fund types are expensed when earned and recorded as liabilities in the government-wide statement of net assets and in the proprietary fund statement of net assets.

Sick leave is earned by substantially all employees. Unused sick leave is accumulated up to 960 hours per employee and vests upon reaching certain age and service requirements. The vested portion of accumulated sick leave and amounts earned through December 31, 2007 and expected to vest in the future has been accrued in the government-wide statement of net assets for all City employees. Amounts related to the City's proprietary fund operations are also accrued for in the proprietary fund statement of net assets due to the nature of these funds.

8. Accrued Vacation and Leave (Continued)

As of December 31, 2007, the accrued vacation, paid leave, sick leave, and compensatory time is recorded as a current liability (due within one year) in the Statement of Net Assets as follows:

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

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

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

9. Pension and Other Post-Retirement Benefit Plans

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

OPERS

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employees of local governments are required to contribute 9.5% of their covered payroll to OPERS. The 2007 and 2006 employer contribution rate for local government employer units was 13.85% and 13.70%, respectively, of covered payroll including 5.0% from January 1 through June 30, 2007, 6.0 % from July 1 through December 31, 2007 and 4.5% in 2006, which is used to fund post-retirement health care benefits. The City's total contributions to OPERS for pension benefits (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2007, 2006, and 2005 were \$6,093,645, \$6,718,768, and \$6,932,558, respectively, which were equal to 100% of the required employer contributions for each year.

In addition to the pension benefits, OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is also available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-retirement health care based on authority granted by state statute. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. During 2007 and 2006, \$4,002,467 and \$3,286,843, respectively, of the City's total contribution to OPERS was used for post-retirement benefits.

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

The assumptions and calculations below were based on OPERS's latest actuarial review performed as of December 31, 2006. OPEB are advanced-funded using the entry-age normal actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. Other significant actuarial assumptions include a rate of return on investments of 6.5% and a salary increase of 4.0% for inflation and between .5% and 6.3% based on seniority and merit. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.5% to 5.0% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4.0% (the projected wage inflation rate).

The Traditional Pension and Combined Plans had 374,979 active contributing participants as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130. Actuarial contribution requirements are determined for the retirement plan as a whole, not for the individual employers. Net assets available for payment of benefits at December 31, 2006 (latest information available) were approximately \$12.0 billion. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were approximately \$30.7 billion and \$18.7 billion, respectively.

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

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

Ohio Police and Fire Pension Fund

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary, while employers are required to contribute 19.5% and 24% respectively for police officers and firefighters. Required employer contributions to the Ohio Police and Fire Pension Fund are equal to the amounts actually paid by the City each year. The City's total contributed amounts for Police (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2007, 2006, and 2005 were \$3,579,976, \$3,261,595, and \$3,137,410, respectively. The City's total contributed amounts for Fire (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2007, 2006, and 2005 were \$3,924,754, \$3,727,172, and \$3,559,328, respectively.

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

In addition to pension benefits, the Police and Fire plan provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending at least on a 2/3 basis. The health care coverage provided by the retirement system is considered to be an “other post-employment benefit” (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the fund’s Board of Trustees to provide health care coverage to all eligible individuals. The Ohio Revised Code provides that health care costs paid from the funds of Police and Fire shall be included in the employer’s contribution rate (the board-defined allocations are 6.75% in 2007 and 2006, of covered payroll). Health care funding and accounting is on a pay-as-you-go basis. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. The total health care costs paid by the Police and Fire plan were \$120.4 million, which was net of member contributions of \$58.5 million, for the year ended December 31, 2006 (latest information available). The City’s contributions for Police for 2007 and 2006 used to pay post-retirement health care were \$1,893,993 and \$2,147,352, respectively. The City’s contributions for Fire for 2007 and 2006 used to pay post-retirement health care were \$1,533,874 and \$1,778,752, respectively. Eligible benefit recipients totaled 14,120 and 10,563 for uniformed police and fire personnel, respectively, for the year ended December 31, 2006 for the entire fund.

Other Post-retirement Benefits (OPEB)

In addition to the post-retirement benefits provided by the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System of Ohio, the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. Substantially all of the City’s employees may become eligible for those benefits if they reach normal retirement age while working for the City. Currently, 1894 retirees meet those eligibility requirements. The City pays 100% of the cost of health care and life insurance benefits. These benefits are financed on a pay-as-you go basis; as such, the cost of retiree health care and life insurance benefits is recognized as expenditure/expense as claims are incurred. For the years ended 2007, 2006 and 2005 those costs were \$3,510,910, \$3,149,495 and \$2,925,265 respectively.

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

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

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

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

10. Notes Payable

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

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

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

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

10. Notes Payable (Continued)

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

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

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

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

The weighted average interest rates on special assessment notes at December 31, 2007 was 4.00%.

11. Long-Term Debt

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

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

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

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

11. Long-Term Debt (Continued)

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

| Issued | Rate % | Issue | Final Maturity | Amount |
|---|--------------|-----------------------------|------------------|-----------------------|
| <u>Governmental Activities:</u> | | | | |
| <u>General Obligation Bonds:</u> | | | | |
| Urban Renewal Public Improvement Bonds: | | | | |
| February 21, 1991 | 8 | Series 1990 | December 1, 2020 | \$ 835,232 |
| December 10, 1991 | 8 | Series 1991 | December 1, 2021 | 1,448,000 |
| Various Purpose Improvement Bonds: | | | | |
| August 1, 1995 | 4.9 to 5.5 | - | December 1, 2008 | 225,000 |
| December 1, 1998 | 4.25 to 4.75 | - | December 1, 2019 | 6,867,835 |
| November 1, 2001 | 3.0 to 5.5 | - | December 1, 2022 | 30,213,820 |
| December 1, 2002 | 2.0 to 5.25 | - | December 1, 2023 | 26,910,000 |
| October 1, 2003 | 2.0 to 5.25 | - | December 1, 2024 | 33,400,000 |
| September 1, 2005 | 3.5 to 5.0 | Series 2005 | December 1, 2026 | 72,819,999 |
| December 21, 2006 | 3.75 to 5.0 | | December 1, 2027 | 22,440,000 |
| December 3, 2007 | 3.75 to 5.0 | | December 1, 2028 | 20,735,000 |
| | | | | <u>\$ 215,894,886</u> |
| <u>OPWC Loans:</u> | | | | |
| July 1, 1997 | 0 | Boxwood Ave. | July 1, 2018 | \$ 399,000 |
| July 1, 1998 | 0 | Lakeshore Blvd. | January 1, 2020 | 633,750 |
| July 1, 1998 | 0 | Tallmadge Ave. | July 1, 2021 | 533,527 |
| July 1, 1999 | 0 | Lakeshore Blvd. | July 1, 2022 | 171,358 |
| July 1, 1999 | 0 | Bye Street | July 1, 2022 | 197,438 |
| July 1, 1999 | 0 | Wooster/East Ave. | July 1, 2022 | 418,950 |
| July 1, 2000 | 0 | Bishop Street | July 1, 2022 | 88,450 |
| July 1, 2000 | 0 | NW Storm Outlets | July 1, 2022 | 335,179 |
| July 1, 2000 | 0 | N. Arlington Bridge | July 1, 2022 | 240,345 |
| July 1, 2001 | 0 | Darrow Road | July 1, 2023 | 659,031 |
| July 1, 2003 | 0 | US 244 Phase II | July 1, 2024 | 780,030 |
| December 1, 2004 | 0 | Bettes Corners Bridges | July 1, 2027 | 105,000 |
| July 1, 2005 | 0 | Manchester Rd Ph I | July 1, 2027 | 54,000 |
| July 1, 2005 | 0 | Arlington St Signalization | July 1, 2027 | 1,784,100 |
| July 1, 2005 | 0 | E. Market St Widening | July 1, 2027 | 1,123,000 |
| July 1, 2006 | 0 | W. Market Street | July 1, 2028 | 988,000 |
| July 1, 2006 | 0 | Tallmadge Ave Singalization | July 1, 2027 | 179,790 |
| July 1, 2006 | 0 | Brown and Power St. | July 1, 2027 | 834,000 |
| July 1, 2007 | 0 | Tallmadge Ave Widening | July 1, 2028 | 836,200 |
| | | | | <u>\$ 10,361,148</u> |

11. Long-Term Debt (Continued)

| Issued | Rate % | Issue | Final Maturity | Amount |
|---|---------------|-------------------|------------------|-------------------|
| Governmental Activities (Continued) | | | | |
| <u>Ohio Department of Development Loans:</u> | | | | |
| November 26, 1996 | 3 | 1997 | February 1, 2012 | \$ 252,877 |
| March 1, 2003 | 1/2 Prime | 2003 Univ Tech Pk | March 1, 2018 | <u>1,000,000</u> |
| | | | | \$ 1,252,877 |
| <u>Non-Tax Revenue Bonds:</u> | | | | |
| November 1, 1997 | 4 to 6 | 1997 | December 1, 2018 | \$ 23,330,000 |
| December 15, 2006 | 5.01 to 5.61 | 2006 | December 1, 2026 | <u>19,000,000</u> |
| | | | | \$ 42,330,000 |
| <u>Income Tax Revenue:</u> | | | | |
| April 15, 1999 | 3.3 to 5.25 | 1999 | December 1, 2023 | \$ 7,705,000 |
| January 1, 2004 | 4.0 to 5.25 | 2004A | December 1, 2033 | 165,000,000 |
| January 1, 2004 | 2.0 to 6.0 | 2004B | December 1, 2014 | <u>37,455,000</u> |
| | | | | \$ 210,160,000 |
| <u>Special Revenue:</u> | | | | |
| July 1, 2000 | 4.55 to 5.625 | 2000 | December 1, 2020 | \$ 10,625,000 |
| August 1, 2000 | 4.45 to 6 | 2000 | December 1, 2020 | 10,635,000 |
| September 1, 2002 | 2.0 to 5.25 | 2002 | December 1, 2022 | 12,735,000 |
| November 1, 2002 | 2.0 to 5.25 | 2002 | December 1, 2022 | <u>8,095,000</u> |
| | | | | \$ 42,090,000 |

11. Long-Term Debt (Continued)

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

11. Long-Term Debt (Continued)

Enterprise General Obligation Bonds:

Off-Street Parking Facility Bonds:

| | | | | |
|------------------|------------|------------|------------------|------------|
| November 1, 2001 | 3.0 to 5.5 | Canal/Tell | December 1, 2022 | \$ 707,560 |
|------------------|------------|------------|------------------|------------|

Radio Communications System Bonds:

| | | | | |
|------------------|------------|---|------------------|---------------|
| November 1, 2001 | 3.0 to 5.5 | - | December 1, 2022 | <u>93,232</u> |
|------------------|------------|---|------------------|---------------|

\$ 800,792

Enterprise Mortgage Revenue Bonds:

Waterworks System Bonds:

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

\$ 51,845,000

Enterprise Revenue Bonds:

Sewer System Improvement Bonds:

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

\$ 37,380,000

11. Long-Term Debt (Continued)

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

11. Long-Term Debt (Continued)

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

| Fiscal Year Ending | Governmental Activities | | | | | | | | | |
|--------------------------|-----------------------------|------------------|-------------------|-------------------|---------------------------------------|------------------|----------|---|----------|-----------|
| | General Obligation Bonds | | | | OPWC Loan | | | Ohio Department of Development Loans | | |
| | December 31 | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal |
| 2008 | \$ 13,105 | \$ 9,889 | \$ 517 | \$ - | \$ 116 | \$ 29 | | | | |
| 2009 | 13,008 | 9,402 | 608 | - | 118 | 26 | | | | |
| 2010 | 13,168 | 8,920 | 608 | - | 122 | 23 | | | | |
| 2011 | 13,139 | 8,383 | 608 | - | 125 | 19 | | | | |
| 2012 | 13,458 | 7,811 | 608 | - | 73 | 17 | | | | |
| 2013-2017 | 62,593 | 30,388 | 3,039 | - | 332 | 65 | | | | |
| 2018-2022 | 56,334 | 15,662 | 2,665 | - | 367 | 30 | | | | |
| 2023-2027 | 29,935 | 3,718 | 1,617 | - | - | - | | | | |
| 2028-2032 | 1,155 | 52 | 91 | - | - | - | | | | |
| 2033-2037 | - | - | - | - | - | - | | | | |
| | \$ 215,895 | \$ 94,225 | \$ 10,361 | \$ - | \$ 1,253 | \$ 209 | | | | |
| Fiscal Year Ending | Non-Tax Revenue Bonds | | | | Income Tax Revenue | | | Special Revenue Bonds | | |
| | December 31 | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal |
| | | | | | | | | | | |
| 2008 | \$ 2,130 | \$ 2,262 | \$ 4,500 | \$ 10,176 | \$ 2,235 | \$ 2,077 | | | | |
| 2009 | 2,205 | 2,158 | 5,005 | 10,057 | 2,320 | 1,985 | | | | |
| 2010 | 2,350 | 2,035 | 5,550 | 9,919 | 2,420 | 1,888 | | | | |
| 2011 | 2,510 | 1,899 | 6,125 | 9,752 | 2,535 | 1,774 | | | | |
| 2012 | 2,620 | 1,755 | 6,220 | 9,448 | 2,650 | 1,659 | | | | |
| 2013-2017 | 16,070 | 6,477 | 33,830 | 42,179 | 15,210 | 6,274 | | | | |
| 2018-2022 | 8,515 | 2,788 | 37,085 | 33,461 | 14,720 | 1,971 | | | | |
| 2023-2027 | 5,930 | 854 | 43,925 | 23,464 | - | - | | | | |
| 2028-2032 | - | - | 55,150 | 11,689 | - | - | | | | |
| 2033-2037 | - | - | 12,770 | 639 | - | - | | | | |
| | \$ 42,330 | \$ 20,228 | \$ 210,160 | \$ 160,784 | \$ 42,090 | \$ 17,628 | | | | |
| Fiscal Year Ending | Special Assessment Bonds | | | | State Infrastructure Bank Loans | | | Internal Service General Obligation Bonds | | |
| | December 31 | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal |
| | | | | | | | | | | |
| 2008 | \$ 2,847 | \$ 546 | \$ 1,180 | \$ 272 | \$ 35 | \$ 8 | | | | |
| 2009 | 2,340 | 424 | 1,215 | 236 | 10 | 6 | | | | |
| 2010 | 2,075 | 330 | 1,252 | 185 | 10 | 6 | | | | |
| 2011 | 1,614 | 247 | 1,290 | 147 | 10 | 5 | | | | |
| 2012 | 1,482 | 185 | 1,329 | 107 | 11 | 5 | | | | |
| 2013-2017 | 3,149 | 260 | 3,092 | 98 | 63 | 16 | | | | |
| 2018-2022 | - | - | - | - | 29 | 2 | | | | |
| 2023-2027 | - | - | - | - | - | - | | | | |
| 2028-2032 | - | - | - | - | - | - | | | | |
| 2033-2037 | - | - | - | - | - | - | | | | |
| | \$ 13,507 | \$ 1,992 | \$ 9,358 | \$ 1,045 | \$ 168 | \$ 48 | | | | |

11. Long-Term Debt (Continued)

| Fiscal Year Ending | December 31 | Business-type Activities | | | | | | | | | |
|--------------------------|-------------------|-----------------------------|-------------------|------------------|-------------------|-----------------------------|----------|-----------|----------|----------------|--|
| | | General Obligation Bonds | | | | Mortgage Revenue | | | | Revenue | |
| | | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | | |
| 2008 | \$ 127 | \$ 39 | \$ 6,000 | \$ 2,164 | \$ 2,955 | \$ 1,674 | | | | | |
| 2009 | 35 | 33 | 6,220 | 1,916 | 3,515 | 1,565 | | | | | |
| 2010 | 37 | 32 | 6,515 | 1,651 | 3,650 | 1,434 | | | | | |
| 2011 | 39 | 31 | 6,765 | 1,359 | 3,790 | 1,292 | | | | | |
| 2012 | 40 | 29 | 6,220 | 1,045 | 3,955 | 1,125 | | | | | |
| 2013-2017 | 228 | 116 | 11,840 | 2,865 | 19,515 | 2,691 | | | | | |
| 2018-2022 | 295 | 48 | 4,625 | 1,269 | - | - | | | | | |
| 2023-2027 | - | - | 3,660 | 338 | - | - | | | | | |
| 2028-2032 | - | - | - | - | - | - | | | | | |
| 2033-2037 | - | - | - | - | - | - | | | | | |
| | \$ 801 | \$ 328 | \$ 51,845 | \$ 12,607 | \$ 37,380 | \$ 9,781 | | | | | |
| Fiscal Year Ending | December 31 | OWDA Loans | | | | OPWC Loans | | | | | |
| | | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | | |
| | | | | | | | | | | | |
| 2008 | \$ 5,504 | \$ 1,890 | \$ 201 | \$ - | | | | | | | |
| 2009 | 5,785 | 1,645 | 202 | - | | | | | | | |
| 2010 | 5,604 | 1,385 | 201 | - | | | | | | | |
| 2011 | 5,385 | 1,145 | 202 | - | | | | | | | |
| 2012 | 5,573 | 925 | 201 | - | | | | | | | |
| 2013-2017 | 16,318 | 1,697 | 1,008 | - | | | | | | | |
| 2018-2022 | 1,973 | 152 | 537 | - | | | | | | | |
| 2023-2027 | - | - | 99 | - | | | | | | | |
| 2028-2032 | - | - | - | - | | | | | | | |
| 2033-2037 | - | - | - | - | | | | | | | |
| | \$ 46,142 | \$ 8,839 | \$ 2,651 | \$ - | | | | | | | |
| Fiscal Year Ending | December 31 | Governmental Activities | | | | Business-type Activities | | | | Grand Total | |
| | | Total | | Total | | Total | | Total | | | |
| | | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | | |
| 2008 | \$ 26,665 | \$ 25,259 | \$ 14,787 | \$ 5,767 | \$ 41,452 | \$ 31,026 | | | | | |
| 2009 | 26,829 | 24,294 | 15,757 | 5,159 | 42,586 | 29,453 | | | | | |
| 2010 | 27,555 | 23,306 | 16,007 | 4,502 | 43,562 | 27,808 | | | | | |
| 2011 | 27,956 | 22,226 | 16,181 | 3,827 | 44,137 | 26,053 | | | | | |
| 2012 | 28,451 | 20,987 | 15,989 | 3,124 | 44,440 | 24,111 | | | | | |
| 2013-2017 | 137,378 | 85,757 | 48,909 | 7,369 | 186,287 | 93,126 | | | | | |
| 2018-2022 | 119,715 | 53,914 | 7,430 | 1,469 | 127,145 | 55,383 | | | | | |
| 2023-2027 | 81,407 | 28,036 | 3,759 | 338 | 85,166 | 28,374 | | | | | |
| 2028-2032 | 56,396 | 11,741 | - | - | 56,396 | 11,741 | | | | | |
| 2033-2037 | 12,770 | 639 | - | - | 12,770 | 639 | | | | | |
| | \$ 545,122 | \$ 296,159 | \$ 138,819 | \$ 31,555 | \$ 683,941 | \$ 327,714 | | | | | |

11. Long-Term Debt (Continued)

All bonds and notes are backed by the full faith and credit of the City except revenue bonds. Water Mortgage Revenue Bonds are collateralized by the capital assets of the Water System that had net carrying values of approximately \$142,899,215 at December 31, 2007. It is the City's policy to pay debt service of the Enterprise and Internal Service Funds from the receipts of those funds.

Accordingly, such debt is reported in those funds. Any deficiency is paid from the City's General Fund. Revenue bonds and OWDA loans are retired entirely from the excess of operating revenues over operating expenses of the applicable enterprise activity. Therefore, the City is under no obligation to repay these long-term obligations from the City's General Fund.

Bond Indenture Agreements for the Waterworks System Mortgage Revenue Improvement Bond dated January 15, 1996, the Sanitary Sewer System Revenue Bonds dated June 1, 1996, the Sanitary Sewer System Revenue Bonds dated January 1, 1997, the Sanitary Sewer System Improvement and Refunding Revenue Bond dated April 1, 1998, the Waterworks System Mortgage Revenue Improvement Bonds dated February 1, 1998, the Waterworks System Mortgage Revenue Improvement and Refunding Bonds dated July 1, 2003, and the Waterworks System Mortgage Revenue Improvement Bond dated August 10, 2006 require deposits to a Debt Service Fund based on a calculation of net operating revenues. The Sewer System Revenue Bond Indenture Agreement dated April 1, 1998 requires that a Debt Service Reserve Fund be created and maintained at a minimum of \$1,217,306 for the Series 1996 Bonds, the Series 1997 Bonds, and the Series 1998 Bonds. The balances in the Debt Service Reserve Fund and the Debt Service Fund at December 31, 2007 were as follows:

| | Waterworks System 1996 Issue | Waterworks System 1998 Issue | Waterworks System 2003 Issue | Waterworks System 2006 Issue | Sewer System 1996, 1997, and 1998 Issues |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---|
| Minimum balance of debt service reserve fund | \$ - | \$ - | \$ - | \$ - | \$ 1,217,306 |
| Actual balance of debt service reserve fund | <u>1,853,350</u> | <u>508,405</u> | <u>2,284,642</u> | <u>489,558</u> | <u>4,467,540</u> |
| Excess | <u><u>\$ 1,853,350</u></u> | <u><u>\$ 508,405</u></u> | <u><u>\$ 2,284,642</u></u> | <u><u>\$ 489,558</u></u> | <u><u>\$ 3,250,234</u></u> |

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

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2007, the City's total net debt amounted to 4.95% of the total assessed value of all property within the City and unvoted net debt amounted to 4.95% of the total assessed value of all property within the City.

11. Long-Term Debt (Continued)

The City has defeased certain debt issues by placing investments in U.S. Government obligations in irrevocable escrow accounts. Such accounts will be used, together with interest earned thereon, to provide for the payment of all principal and interest on the defeased bonds on their scheduled due dates. Accordingly, the escrow accounts and the defeased bonds summarized below are not included in the accompanying financial statements at December 31, 2007:

| Issue | Defeasance Date | Original Amount | | Principal Outstanding at 12/31/07 |
|--|-----------------|-----------------|---------------|-----------------------------------|
| | | Defeased | Escrowed | |
| Waterworks System First Mortgage Revenue Bonds Series 1991 | 1996 | \$ 19,090,000 | \$ 20,726,104 | \$ 11,835,000 |
| Sewer System Improvement General Obligation Bonds | 1998 | 7,800,000 | 8,317,677 | 1,800,000 |
| Various Purpose Improvement Bonds, Series 1991 | 2001 | 1,265,000 | 1,330,320 | 460,000 |
| Various Purpose Improvement Bonds, Series 1992 | 2001 | 10,785,000 | 11,869,971 | 3,890,000 |
| Street Improvement Bonds, Series 1992 | 2001 | 1,940,000 | 2,135,164 | 300,000 |
| Various Purpose Improvement Bonds, Series 1994 | 2001 | 15,825,000 | 18,761,930 | 6,910,000 |
| Waterworks System Mortgage Revenue Bonds Series 1994 | 2003 | 19,405,000 | 20,820,490 | 14,720,000 |
| Various Purpose Improvement Bonds, Series 1993 | 2005 | 5,555,000 | | 3,990,000 |
| Various Purpose Improvement Bonds, Series 1995-2 | 2005 | 3,855,000 | | 2,565,000 |
| Various Purpose Improvement Bonds, Series 1996 | 2005 | 2,600,000 | | 2,250,000 |
| Various Purpose Improvement Bonds, Series 1996-2 | 2005 | 7,900,000 | | 6,510,000 |
| Various Purpose Improvement Bonds, Series 1997 | 2005 | 11,960,000 | | 9,620,000 |
| Various Purpose Improvement Bonds, Series 1999 | 2005 | 14,310,000 | | 12,450,000 |
| Various Purpose Improvement Bonds, Series 2000 | 2005 | 14,265,000 | | 13,050,000 |
| | | 60,445,000 | 40,208,751 | 50,435,000 |
| Sanitary Sewer System Revenue Bonds, Series 1996 | 2005 | 12,655,000 | | 11,055,000 |
| Sanitary Sewer System Revenue Bonds, Series 1997 | 2005 | 11,245,000 | | 10,995,000 |
| Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 1998 | 2005 | 6,165,000 | | 6,165,000 |
| | | 30,065,000 | 30,839,036 | 28,215,000 |
| | | | | <u><u>\$ 118,565,000</u></u> |

11. Long-Term Debt (Continued)

During 2001, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Summit County Port Authority Revenue Bonds (Akron Civic Theatre Project), issued by the Summit County Port Authority. As of December 31, 2007, the principal amount outstanding was \$14,381,070. The City believes that the Summit County Port Authority is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2007.

During 2004, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of The Goodyear Tire & Rubber Company for the Summit County Port Authority Bonds, Series 2005B. As of December 31, 2007, the principal amount outstanding was \$2,750,000. The City believes that Goodyear Tire & Rubber Company is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2007.

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

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

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

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received by the bond trustees on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The bonds do not constitute a debt or pledge of the faith and credit of the City and, accordingly, have not been reported in the accompanying financial statements. As of December 31, 2007, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$720,000.

12. Obligations Under Capitalized Leases

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

Unspent funds of approximately \$54,000 provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying government-wide statement of net assets as of December 31, 2007. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

The City has defeased certain certificate issues by placing investments in U.S. Government obligations in irrevocable escrow accounts. Such accounts will be used, together with interest earned thereon, to provide for the payment of all principal and interest on the defeased certificates on their scheduled due dates. Accordingly, the escrow accounts and the defeased certificates summarized below are not included in the accompanying financial statements at December 31, 2007:

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

The City also has three other capital leases, one for computer hardware, software and licenses, one for emergency vehicle radio equipment and one for the redesign of the City's sanitation trash collection system. The cost of the computer lease agreement is \$515,964 and is included in the City's capital assets in the Management Information Systems Fund.

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

The cost of the sanitation redesign equipment is \$9,050,203 and is included in the City's capital assets in the Statement of Net Assets – Governmental Activities.

12. Obligations Under Capitalized Leases (Continued)

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

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

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

| <u>Year</u> | <u>Governmental Activities</u> | | | <u>Internal Service</u> |
|-----------------------------------|--------------------------------|----------------------|----------------------------|---------------------------|
| | <u>COPS Stadium</u> | <u>COPS Parking</u> | <u>Sanitation Redesign</u> | <u>Computer Equipment</u> |
| 2008 | \$ 3,831,000 | \$ 3,698,045 | \$ 1,152,972 | \$ 258,719 |
| 2009 | 3,827,500 | 4,359,863 | 1,152,972 | - |
| 2010 | 3,828,000 | 4,331,713 | 1,152,972 | - |
| 2011 | 3,827,000 | 4,291,338 | 1,152,972 | - |
| 2012 | 3,834,250 | 4,259,063 | 1,152,972 | - |
| 2013-2017 | 15,318,750 | 21,050,238 | 4,611,888 | - |
| 2018-2022 | - | 16,459,006 | - | - |
| 2023-2027 | - | 9,366,275 | - | - |
| 2028-2032 | - | 1,466,469 | - | - |
| Total lease payments | 34,466,500 | 69,282,009 | 10,376,748 | 258,719 |
| Less amount representing interest | 7,246,500 | 20,707,009 | 2,003,600 | 8,708 |
| Present value of lease payments | <u>\$ 27,220,000</u> | <u>\$ 48,575,000</u> | <u>\$ 8,373,148</u> | <u>\$ 250,011</u> |
| Net book value of leased assets | * <u>\$ 23,116,052</u> | <u>\$ 50,157,761</u> | <u>\$ 7,692,673</u> | <u>\$ 279,000</u> |
| | | | | <u>\$ 464,368</u> |

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

13. Self-Insurance Funds

The City is exposed to various risks of loss including employee health-care costs and accidents, torts and legal judgments, and damage or destruction of assets. The City purchases fire and extended coverage insurance on all buildings and contents up to \$125,000,000 per occurrence, with a variety of deductibles beginning at \$100,000. Coverage is purchased on 1,256 vehicles for combined single-limit liability of \$1,000,000. There has been no significant reduction in coverage from the prior year, and settled claims have not exceeded the City's insurance coverage in any of the past three years.

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

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

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

The claims liabilities of \$2,773,886, \$10,721,419 and \$712,910 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2007, are in accordance with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These GASB statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities recorded include the estimated incremental expenses to be incurred to settle the claims, including legal fees. Claims liabilities are based on evaluations of individual claims and a review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The claims liabilities represent the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Estimated future recoveries on settled and unsettled claims, such as subrogations, if any, are evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Any adjustments resulting from the actual settlement of the claims are reflected in the financial statements at the time the adjustments are determined.

13. Self-Insurance Funds (Continued)

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

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

14. Long-term Liabilities

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

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

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

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

15. **Compliance and Accountability**

A. *Legal compliance*

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

B. *Deficit fund balances*

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

Special Revenue Funds:

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

Capital Project Funds:

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

Internal Service Funds:

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

The Special Revenue Funds that have deficit fund balances at year-end have incurred expenditures that have not yet received the revenue under federal or state grant agreements or as a reimbursement from other funds. The Community Development Fund requested grant draws are based on actual cash basis expenditures.

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

The Internal Service Funds, that have deficit net assets balances at year-end, have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. The Workers' Compensation Reserve Fund has budgeted an increase in charges for services for 2008. The City's policy is to transfer funds from the pertinent division's operating budget for actual claim settlements to reimburse the Self-Insurance Settlement Fund. The Engineering Bureau will review its applied overhead rate charged to capital projects to address its deficit.

16. Income Taxes

The City levies a tax at the rate of 2.25% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income earned outside the City. However, a credit is allowed for income taxes paid to other municipalities.

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

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

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

17. Property Taxes

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

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

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

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

| Tax Year | Percentage |
|-----------------|-------------------|
| 2006 | 18.75% |
| 2007 | 12.50% |
| 2008 | 6.25% |
| 2009 | 0.00% |

17. Property Taxes (Continued)

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

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

Under the current allocation method, the City's share was 1.030% (10.30 mills) of assessed value in 2007 for collection in 2008. The City's Charter limits the maximum total tax rate that could be levied without a vote of the electors to 1.05% (10.5 mills).

The Fiscal Officer collects property taxes on behalf of all taxing districts in the County including the City of Akron and periodically remits to the City its portion of the taxes collected. Current real property and tangible personal property tax collections for the year ended December 31, 2007, including delinquencies from prior years, were 95.7% and 100.6%, respectively, of the current year tax levy. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue, while the remainder of the tax receivable is deferred.

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

18. JEDD Revenues

In an effort to promote regional growth and economic development, the City has entered into contracts with four surrounding townships and a bordering municipality to create Joint Economic Development Districts (JEDDs). The City entered into separate contracts with Copley, Coventry, and Springfield Townships to create JEDDs in 1994. Voters in each township approved the respective JEDD contracts in the November 1994 election, which became effective January 1, 1995. In accordance with state law, each of the Districts' Board of Trustees levied a 2% income tax effective January 1, 1995. In accordance with the City of Akron's income tax increase, as of January 1, 2005, Copley, Coventry and Springfield's income tax rate increased to 2.25%. The proceeds of that tax are allocated, in accordance with the contract, primarily to the City. The City has utilized these JEDD revenues, in part, to construct water and sewer lines so that the JEDDs have access to the City's water and sewer system and to encourage and promote economic development.

In 1998 the City entered into a JEDD contract with Bath Township (Bath) and the City of Fairlawn (Fairlawn). This contract was approved by voters in November 1998 and became effective on January 1, 1999. As in the other JEDDs, a 2% income tax has been levied by the District. In accordance with the City of Akron's income tax increase, as of January 1, 2006, Bath's income tax rate increased to 2.25%. As stated in the contract, the net JEDD revenues are allocated to the City and Fairlawn, with the City providing water and sewer services. Commencing January 1, 2000, Bath Township will receive an annual payment of \$250,000 for ten years from the City. The City has recorded the \$500,000 remaining balance as of December 31, 2007 due to Bath Township on the financial statements with \$250,000 as a current liability and a noncurrent liability of \$250,000.

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

19. Pledged Revenues

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

Water System Revenues

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

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

Sewer System Revenues

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

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

19. Pledged Revenues (Continued)

JEDD Revenues

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

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

Non-Tax Revenues

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

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

19. Pledged Revenues (Continued)

Income Tax Revenues

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

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

19. Pledged Revenues (Continued)

CLC Income Tax Revenues

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

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

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

20. Transfers

For the year ended December 31, 2007 transfers presented in conformity with generally accepted accounting principles (GAAP) are listed in the following table. Interfund transfers are made to cover expenditures/expenses in various funds or to consolidate inactive funds.

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

21. Contingencies

(1) Litigation

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

(2) Federal and State Grants

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

(3) Other Obligations

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

22. Closure and Post-Closure Care Costs

Pursuant to a ruling by the Ohio EPA, the Hardy Road Landfill officially closed on June 30, 2002. The City has begun diverting its waste to Waste Management's American Landfill located in Stark County. As part of a 1998 agreement, the City agreed to use landfill facilities controlled by Akron Regional Landfill, Inc., (a subsidiary of Waste Management) for disposal of ninety percent of the refuse collected by the City's sanitation division.

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

23. Jointly Governed Organizations

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

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

24. Related Organization

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

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City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007
(continued)

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007
(continued)

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

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City of Akron, Ohio

Notes to the Budgetary Comparison Schedule

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

For the Year Ended December 31, 2007

Budgetary Data

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

The major differences between budget basis and GAAP basis in the General Fund, the Community Learning Centers Fund, and Income Tax Capital Improvement are:

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

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

| | General | Community Learning Centers | Income Tax Capital Improvement |
|--|---------------------|-----------------------------------|---------------------------------------|
| Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis) | \$ 172,321 | \$ 3,337,763 | \$ (492,332) |
| Adjustments: | | | |
| To adjust revenues for accruals | (1,438,353) | (1,181,819) | 5,066,607 |
| To adjust expenditures for accruals | 2,312,797 | (9,571,469) | (5,393,420) |
| To adjust for encumbrances | <u>2,666,038</u> | <u>107,600</u> | <u>505,745</u> |
| Net change in fund balance (GAAP basis) | <u>\$ 3,712,803</u> | <u>\$ (7,307,925)</u> | <u>\$ (313,400)</u> |

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SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

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

To Account for Special Purposes:

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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

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

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

To Account for Grant Revenue and Other Funding Sources:

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007

Special Revenue Funds

| | | Air Pollution Control | | | | | | |
|---|---------------------|-----------------------|---------------------------|---------------------|--------------------------------|---------------------|-----------------------|--------|
| | | Income Tax Collection | Emergency Medical Service | Special Assessment | Street and Highway Maintenance | Street Assessment | Community Development | |
| Assets | | | | | | | | |
| Pooled cash and investments | \$ - | \$ - | \$ 9,997 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted cash and investments | - | - | 11,031,038 | - | 3,555,485 | - | - | 27,240 |
| Receivables, net of allowances for uncollectibles | - | - | - | - | - | - | - | - |
| Loans receivable | - | - | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | - | - | - | - |
| Due from other funds | 5,427,184 | 234,042 | 246,546 | 320,646 | 804,992 | 500,435 | 2,535,987 | |
| Total assets | \$ 5,427,184 | \$ 11,275,077 | \$ 246,546 | \$ 3,856,131 | \$ 804,992 | \$ 2,863,557 | \$ 2,598,731 | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 351,274 | \$ 42,948 | \$ 16,704 | \$ 181,851 | \$ 1,515,079 | \$ 194,774 | \$ 1,920 | |
| Customer deposits | - | - | - | - | - | - | - | - |
| Due to other governments | 62,575 | 38,383 | 12,259 | 1,256,624 | 242,571 | 2,953,943 | 6,872 | |
| Due to other funds | - | - | - | - | - | - | - | - |
| Due to others | - | - | - | - | - | - | - | - |
| Deferred grant revenue | - | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - | - |
| Matured bonds payable | - | - | - | - | - | - | - | - |
| Matured interest payable | - | - | - | - | - | - | - | - |
| Accrued liabilities | 55,229 | 432,479 | 7,873 | 188,323 | 111,274 | 45,355 | 33,584 | |
| Accrued wages | 886 | 252,796 | - | 12,399 | - | - | - | - |
| Total liabilities | 469,964 | 11,041,224 | 36,836 | 3,135,838 | 1,868,924 | 3,300,584 | 42,376 | |
| Fund balances | | | | | | | | |
| Fund balance: | | | | | | | | |
| Reserved for encumbrances | 81,631 | 166,986 | 6,765 | 143,810 | 229,549 | 411,664 | 8,776 | |
| Reserved for loans receivable | - | - | - | - | - | 95,398 | - | - |
| Unreserved designated for pre-encumbrances | 793 | 20,391 | 440 | 53,652 | - | - | - | 11,200 |
| Unreserved reported in special revenue funds | 4,874,796 | 46,476 | 202,505 | 522,831 | (1,293,481) | (944,289) | 2,536,379 | |
| Unreserved reported in debt service funds | - | - | - | - | - | - | - | - |
| Unreserved reported in capital project funds | - | - | - | - | - | - | - | - |
| Total fund balances (deficits) | 4,957,220 | 233,853 | 209,710 | 720,293 | (1,063,932) | (437,027) | 2,556,355 | |
| Total liabilities and fund balances | \$ 5,427,184 | \$ 11,275,077 | \$ 246,546 | \$ 3,856,131 | \$ 804,992 | \$ 2,863,557 | \$ 2,598,731 | |

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007
(continued)

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007
(continued)

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007
(continued)

| | Special Revenue Funds | | | Debt Service Funds | | | Debt Service Bond Payment |
|---|-----------------------|-------------------|---------------------------|-------------------------|---------------------|----------------------|---------------------------|
| | Safety Programs | Health Grants | City Facilities Operating | Various Purpose Funding | Deposits | General Bond Payment | |
| Assets | | | | | | | |
| Pooled cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted cash and investments | 12,065 | - | - | 6,055 | 44,260 | 114,469 | 1,617,480 |
| Receivables, net of allowances for uncollectibles | - | - | - | - | - | - | - |
| Loans receivable | - | - | - | - | 102,705 | - | - |
| Due from other governments | 47,400 | 271,438 | - | - | 34,984 | 2,668,574 | - |
| Due from other funds | - | 496,761 | 9,622 | - | - | - | - |
| Total assets | \$ 2,632,389 | \$ 768,199 | \$ 15,677 | \$ 181,949 | \$ 2,783,043 | \$ 1,939,033 | \$ 3,254,480 |
| Liabilities | | | | | | | |
| Accounts payable | \$ 72,526 | \$ 366,680 | \$ 313,150 | \$ 324,290 | \$ 146,872 | \$ 16,680 | \$ - |
| Customer deposits | - | 180,543 | 75,937 | - | 671,021 | - | - |
| Due to other governments | 638 | 15,606 | 3,182,220 | 397,659 | 1,477,140 | - | 864 |
| Due to other funds | - | - | - | - | 936,125 | - | - |
| Deferred grant revenue | 269,410 | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | 1,541,860 | - |
| Matured bonds payable | - | - | - | - | - | - | 95,000 |
| Matured interest payable | - | - | - | - | - | - | 50,609 |
| Accrued liabilities | 7,430 | 69,630 | 5,523 | 10,600 | 933,555 | - | - |
| Accrued wages | - | - | - | 15,595 | - | 9,314 | - |
| Accrued vacation and leave | - | - | - | - | - | - | - |
| Total liabilities | 350,004 | 632,459 | 3,576,830 | 748,144 | 4,164,713 | 1,568,718 | 145,609 |
| Fund balances | | | | | | | |
| Fund balance: | | | | | | | |
| Reserved for encumbrances | 663,689 | 45,034 | 2,009,485 | 1,329,564 | 4,220 | 2,550 | - |
| Reserved for loans receivable | - | - | - | - | - | - | - |
| Unreserved designated for pre-encumbrances | 3,196 | - | - | - | - | - | - |
| Unreserved reported in special revenue funds | 1,615,500 | 90,706 | (5,570,638) | (1,895,759) | (1,385,890) | - | - |
| Unreserved reported in debt service funds | - | - | - | - | - | 367,765 | 3,108,871 |
| Unreserved reported in capital project funds | - | - | - | - | - | - | - |
| Total fund balances (deficits) | 2,282,385 | 135,740 | (3,561,153) | (566,195) | (1,381,670) | 370,315 | 3,108,871 |
| Total liabilities and fund balances | \$ 2,632,389 | \$ 768,199 | \$ 15,677 | \$ 181,949 | \$ 2,783,043 | \$ 1,939,033 | \$ 3,254,480 |

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007
(continued)

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007
(continued)

| Capital Project Funds | | Road and Bridge Improvements | Streets | Information Technology and Improvements | Transportation | Parks and Recreation | Public Facilities and Improvements |
|---|-------------|------------------------------|--------------|---|----------------|----------------------|------------------------------------|
| Non-appropriated Capital Projects | | | | | | | |
| \$ | \$ | \$ 3,720,331 | \$ - | \$ 29,542 | \$ - | \$ - | \$ - |
| Assets | | | | | | | |
| Pooled cash and investments | | | | | | | |
| Restricted cash and investments | | 2,338,844 | 138,345 | | | | |
| Receivables, net of allowances for uncollectibles | | | | | | | |
| Loans receivable | | | | | | | |
| Due from other governments | | | 1,497,207 | | | | |
| Due from other funds | | 195,254 | 108,066 | | | | |
| Total assets | | \$ 6,254,429 | \$ 1,743,618 | \$ 29,542 | \$ 933,865 | \$ 746,064 | \$ - |
| Liabilities | | | | | | | |
| Accounts payable | \$ 7,718 | \$ 45 | \$ 2,023,517 | \$ - | \$ 1,169,150 | \$ 34,945 | \$ 283,990 |
| Customer deposits | - | - | 1,421 | - | 986 | - | - |
| Due to other governments | 2,513,858 | 14,982 | 18,003,917 | - | 2,165,459 | 2,625,166 | 742,361 |
| Due to other funds | - | - | - | - | - | - | - |
| Due to others | - | - | - | - | - | - | - |
| Deferred grant revenue | - | 1,722,733 | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| Matured bonds payable | - | - | - | - | - | - | - |
| Matured interest payable | - | 7,497 | 594,201 | - | 119,174 | 167,922 | 187,129 |
| Accrued liabilities | - | 180 | 622 | - | - | 154 | - |
| Accrued wages | - | - | - | - | - | - | - |
| Accrued vacation and leave | - | - | - | - | - | - | - |
| Total liabilities | 2,521,576 | 1,745,437 | 20,623,678 | - | 3,454,769 | 2,834,952 | 1,218,480 |
| Fund balances | | | | | | | |
| Fund balance: | | | | | | | |
| Reserved for encumbrances | 152,771 | 137,912 | 3,828,977 | - | 3,856,625 | 2,786,942 | 770,184 |
| Reserved for loans receivable | - | - | - | - | - | - | - |
| Unreserved designated for pre-encumbrances | - | - | - | - | - | - | - |
| Unreserved reported in special revenue funds | - | - | - | - | - | - | - |
| Unreserved reported in debt service funds | (2,674,347) | 4,371,080 | (22,709,037) | 29,542 | (6,377,529) | (4,875,830) | (1,988,664) |
| Total fund balances (deficits) | (2,521,576) | 4,508,992 | (18,880,060) | 29,542 | (2,520,904) | (2,058,888) | (1,218,480) |
| Total liabilities and fund balances | \$ - | \$ 6,254,429 | \$ 1,743,618 | \$ 29,542 | \$ 933,865 | \$ 746,064 | \$ - |

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2007
(continued)

| <u>Capital Project Funds</u> | | <u>Public Parking</u> | <u>Economic Development</u> | <u>Total</u> |
|---|----------------------|---------------------------|---------------------------------|---------------|
| Assets | | | | |
| Pooled cash and investments | \$ 16,052,310 | \$ - | \$ - | \$ 20,138,704 |
| Restricted cash and investments | - | - | - | 17,628,277 |
| Receivables, net of allowances for uncollectibles | - | - | - | 21,125,556 |
| Loans receivable | - | 5,950,832 | - | 9,477,614 |
| Due from other governments | - | 2,641,941 | - | 9,847,414 |
| Due from other funds | - | 318,742 | - | 26,013,327 |
| Total assets | \$ 16,052,310 | \$ 8,911,515 | \$ 104,230,892 | |
| Liabilities | | | | |
| Accounts payable | \$ 396,747 | \$ 2,293,819 | \$ 11,297,372 | |
| Customer deposits | - | - | - | 671,021 |
| Due to other governments | 28,096 | 4,260,992 | - | 6,058,936 |
| Due to other funds | - | 1,802,926 | - | 41,653,626 |
| Due to others | - | - | - | 936,125 |
| Deferred grant revenue | - | - | - | 333,002 |
| Deferred revenue | - | - | - | 15,915,215 |
| Matured bonds payable | - | - | - | 95,000 |
| Matured interest payable | 206,827 | 47,608 | - | 50,609 |
| Accrued liabilities | - | 289 | 860,049 | 2,901,668 |
| Accrued wages | - | - | - | 860,049 |
| Accrued vacation and leave | - | - | - | 13,285 |
| Total liabilities | 631,670 | 8,405,634 | 80,785,908 | |
| Fund balances | | | | |
| Fund balance: | | | | |
| Reserved for encumbrances | 1,355,954 | 4,725,316 | 24,929,199 | |
| Reserved for loans receivable | - | 5,950,832 | 9,477,614 | |
| Unreserved designated for pre-encumbrances | 61 | - | - | 170,601 |
| Unreserved reported in special revenue funds | - | - | - | 5,733,864 |
| Unreserved reported in debt service funds | - | - | - | 13,664,133 |
| Unreserved reported in capital project funds | 13,864,625 | (10,170,267) | (30,530,427) | |
| Total fund balances (deficits) | 15,420,640 | 505,881 | 23,444,984 | |
| Total liabilities and fund balances | \$ 16,052,310 | \$ 8,911,515 | \$ 104,230,892 | |

City of Akron, Ohio

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

Year Ended December 31, 2007

| Special Revenue Funds | | Air Pollution Control | | | | | |
|--|-----------------------|---------------------------|--------------------|--------------------------------|-------------------|-----------------------|-----------------------|
| | Income Tax Collection | Emergency Medical Service | Special Assessment | Street and Highway Maintenance | Street Assessment | Community Development | Air Pollution Control |
| Revenues | | | | | | | |
| Income taxes | \$ 8,014,161 | \$ 7,690,535 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - | - | - | - |
| JEDD revenues | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Grants and subsidies: | - | - | - | - | - | - | - |
| Community development | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Investment earnings | - | 234,042 | - | - | - | - | - |
| Shared revenues | - | 1,824,097 | - | 4,333,334 | - | - | - |
| Licenses, fees and fines | - | - | - | 46,899 | - | - | - |
| Charges for services | 150,277 | 1,427,043 | - | 3,579,798 | 128 | 879 | 130,122 |
| Miscellaneous | 60 | 2,298 | 512 | 75,751 | 58,994 | 104,353 | 736,909 |
| | 8,164,498 | 11,178,015 | 1,050,502 | 8,035,782 | 13,826 | 630,635 | - |
| | | | | | 7,734,003 | 9,085,734 | 1,580,230 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | 4,061,847 | 9,291 | 1,122,656 | - | 8,276,885 | 9,983,310 | - |
| Public service | - | 1,807 | - | - | 1,110,926 | - | 834,290 |
| Public safety | - | 11,730,112 | - | - | - | - | - |
| Community environment | - | - | - | - | - | - | 7,272,044 |
| Public health | - | - | - | - | - | - | 65,075 |
| Recreation and parks | - | - | - | - | - | - | 1,415,239 |
| Capital outlay | - | - | - | - | - | - | - |
| Debt service: | - | - | - | - | - | - | - |
| Principal Retirement | - | - | - | - | - | - | - |
| Interest | - | 4,155 | - | - | 49,962 | 19,722 | 361,967 |
| Bond issuance expenditures | - | - | - | - | 4,363 | 1,722 | 468,420 |
| | 4,061,847 | 11,745,365 | 1,122,656 | 9,442,136 | 10,004,754 | 9,001,796 | 1,415,239 |
| | 4,102,651 | (367,350) | (72,154) | (1,406,354) | (2,270,751) | 83,938 | 164,991 |
| Excess (deficiency) of revenues over expenditures | | | | | | | |
| Other financing sources (uses) | | | | | | | |
| Issuance of general obligation bonds | - | - | - | - | - | - | - |
| Issuance of general obligation notes | - | - | - | - | - | - | - |
| Issuance of Loans | - | - | - | - | - | - | - |
| Issuance of COPs | - | - | - | - | - | - | - |
| Premium on G.O. Debt | - | - | - | - | - | - | - |
| Transfers-in | - | 622,560 | - | 1,999,920 | - | - | - |
| Transfers-out | - | 622,560 | - | 1,999,920 | - | - | - |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | | | | | | | |
| Fund balances (deficits), January 1, 2007 | 4,102,651 | 55,210 | (72,154) | 593,566 | (2,270,751) | 83,938 | 164,991 |
| Fund balances (deficits), December 31, 2007 | 834,569 | 178,643 | 281,864 | 126,727 | 1,206,819 | (520,965) | 2,391,364 |
| | \$ 4,957,220 | \$ 233,853 | \$ 209,710 | \$ 720,293 | \$ (1,063,932) | \$ (437,027) | \$ 2,556,355 |

City of Akron, Ohio

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

Year Ended December 31, 2007
(continued)

| Special Revenue Funds | | Community Environment Grants | Akron Metro. Area Transportation Study | Summer Lunch Program | H.O.M.E. Program | K.A.B. Litter Control | Tax Equivalency | E.D.A. Revolving Loans |
|--|---------------------|------------------------------|--|----------------------|------------------|-----------------------|------------------|------------------------|
| Revenues | | | | | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - | - | - | - | - |
| JEDD revenues | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Grants and subsidies: | | | | | | | | |
| Community development | 340,028 | 1,550,339 | | 136,419 | | 1,726,498 | | |
| Other | 1,297 | - | | | | 34,505 | | |
| Investment earnings | - | - | - | - | - | - | - | - |
| Shared revenues | - | - | - | - | - | - | - | - |
| Licenses, fees and fines | - | - | - | - | - | - | - | - |
| Charges for services | - | 198,172 | 1 | - | - | - | - | - |
| Miscellaneous | 14,433 | 935 | 146 | 711,610 | 502 | 330,579 | 1,019 | |
| | 355,758 | 1,749,446 | 136,566 | 2,472,613 | 502 | 767,760 | 1,019 | |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | 4,745 | - | - | - | - | - |
| Public service | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Community environment | 345,027 | 1,275,310 | - | 2,664,257 | 7,988 | 53,393 | | |
| Public health | - | - | 132,117 | - | - | - | - | - |
| Recreation and parks | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Debt service: | - | - | - | - | - | - | - | - |
| Principal Retirement | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Bond issuance expenditures | 345,027 | 1,275,310 | 136,862 | 2,664,257 | 7,988 | 488,289 | | |
| | 10,731 | 474,136 | (296) | (191,644) | (7,486) | 279,471 | 1,019 | |
| Excess (deficiency) of revenues over expenditures | | | | | | | | |
| Other financing sources (uses) | | | | | | | | |
| Issuance of general obligation bonds | - | - | - | - | - | - | - | - |
| Issuance of general obligation notes | - | - | - | - | - | - | - | - |
| Issuance of Loans | - | - | - | - | - | - | - | - |
| Issuance of COPs | - | - | - | - | - | - | - | - |
| Premium on G.O. Debt | - | - | - | - | - | - | - | - |
| Transfers-in | - | - | - | - | - | 23,597 | | |
| Transfers-out | - | - | - | - | - | - | - | - |
| | | | | | | 23,597 | - | |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | | | | | | | | |
| Fund balances (deficits), January 1, 2007 | 10,731 | 474,136 | (296) | (191,644) | 16,111 | 279,471 | 1,019 | |
| Fund balances (deficits), December 31, 2007 | 1,309,240 | (194,864) | (110) | 3,068,334 | (16,111) | 674,669 | 46,473 | |
| | \$ 1,319,971 | \$ 279,272 | \$ (406) | \$ 2,876,690 | \$ - | \$ 954,140 | \$ 47,492 | |

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds
 Year Ended December 31, 2007
 (continued)

| Special Revenue Funds | | Joint Economic Development Districts | | Akron Muni. Court Information System | | Canal Park Stadium COPs | | Off-Street Parking COPs | | Public Health | | Police Grants | | Various Domestic Violence | |
|--|--|--------------------------------------|------|--------------------------------------|------|-------------------------|-----------|-------------------------|-----------|---------------|-------------|---------------|----------|---------------------------|----------|
| Revenues | | \$ 1,187,540 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Income taxes | | 12,996,894 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Property taxes | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| JEDD revenues | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special assessments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Grants and subsidies: | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community development | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment earnings | | 60,000 | - | 301,102 | - | - | 133,696 | - | - | - | - | - | - | - | - |
| Shared revenues | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Licenses, fees and fines | | 566,332 | - | - | - | - | - | - | - | 153,754 | - | - | - | - | - |
| Charges for services | | 634,028 | - | - | - | 18,324 | - | - | - | 496,023 | - | 5,765 | - | - | - |
| Miscellaneous | | 15,464,794 | - | 301,102 | - | 22,575 | 133,696 | - | - | 47,853 | - | 32,823 | - | - | - |
| | | | | | | | | | | 697,630 | - | 695,644 | - | - | 109,890 |
| Expenditures | | | | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | | | | |
| General government | | 8,039,877 | - | 118,712 | - | 352 | - | - | - | 40,000 | - | - | - | - | 10,208 |
| Public service | | 5,907,368 | - | - | - | - | - | - | - | - | - | 16,800 | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - | - | 552,188 | - | - | - |
| Community environment | | 1,661,575 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Public health | | 1,326 | - | - | - | - | - | - | - | 867,626 | - | - | - | - | - |
| Recreation and parks | | 351,859 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | | 15,576 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt service: | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Retirement | | 2,372,389 | - | - | - | - | - | - | - | 68,584 | - | - | - | - | - |
| Interest | | 2,196,909 | - | - | - | - | - | - | - | 945,765 | - | - | - | - | - |
| Bond issuance expenditures | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | 20,546,879 | - | 118,712 | - | 352 | 1,014,349 | - | - | 907,626 | - | 568,988 | - | - | 110,208 |
| | | (5,082,085) | - | 182,390 | - | 22,223 | (880,653) | - | (209,996) | - | 126,656 | - | - | - | (318) |
| Excess (deficiency) of revenues over expenditures | | | | | | | | | | | | | | | |
| Other financing sources (uses) | | | | | | | | | | | | | | | |
| Issuance of general obligation bonds | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Issuance of general obligation notes | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Issuance of Loans | | - | - | - | - | - | - | - | - | 1,470,894 | - | - | - | - | - |
| Issuance of COPs | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Premium on G.O. Debt | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers-in | | - | - | - | - | - | - | - | - | 882,310 | - | - | - | - | 110,000 |
| Transfers-out | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | 2,353,204 | - | - | - | - | 110,000 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | | | | | | | | | | | | | | | |
| Fund balances (deficits), January 1, 2007 | | 5,082,085 | - | 182,390 | - | 22,223 | 1,472,551 | - | (209,996) | - | 236,656 | - | - | - | (318) |
| Fund balances (deficits), December 31, 2007 | | 7,605,314 | - | 470,911 | - | 32,161 | 2,659,365 | - | 898,175 | - | (1,212,805) | - | (94,126) | - | (94,444) |

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

Year Ended December 31, 2007
(continued)

| Special Revenue Funds | | Debt Service Funds | | | | | Debt Service Bond Payment |
|--|--------------|--------------------|----------------|---------------------------|-------------------------|------------|---------------------------|
| | | Safety Programs | Health Grants | City Facilities Operating | Various Purpose Funding | Deposits | |
| Revenues | | \$ - | \$ - | \$ - | \$ 38,877 | \$ 301,682 | \$ - |
| Income taxes | | | | | | | |
| Property taxes | | | | | | | |
| JEDD revenues | | | | | | | |
| Special assessments | | | | | | | |
| Grants and subsidies: | | | | | | | |
| Community development | | | | | | | |
| Other | | | | | | | |
| Investment earnings | | | | | | | |
| Shared revenues | | | | | | | |
| Licenses, fees and fines | | | | | | | |
| Charges for services | | | | | | | |
| Miscellaneous | | | | | | | |
| | 2,553,777 | 6,899,393 | 3,287,211 | 1,966,802 | 3,379,332 | 468,243 | 1,753,216 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | | | | | | | |
| Public service | | | | | | | |
| Public safety | | | | | | | |
| Community environment | | | | | | | |
| Public health | | | | | | | |
| Recreation and parks | | | | | | | |
| Capital outlay | | | | | | | |
| Debt service: | | | | | | | |
| Principal Retirement | | | | | | | |
| Interest | | | | | | | |
| Bond issuance expenditures | | | | | | | |
| | 1,192,040 | 6,623,870 | 7,449,371 | 2,677,818 | 1,568,300 | 526,797 | 2,769,838 |
| Excess (deficiency) of revenues over expenditures | 1,361,737 | 275,523 | (4,162,160) | (711,016) | 1,811,032 | (58,554) | (1,036,622) |
| Other financing sources (uses) | | | | | | | |
| Issuance of general obligation bonds | | | | | | | |
| Issuance of general obligation notes | | | | | | | |
| Issuance of Loans | | | | | | | |
| Issuance of COPs | | | | | | | |
| Premium on G.O. Debt | | | | | | | |
| Transfers-in | | | | | | | |
| Transfers-out | | | | | | | |
| | 27,700 | - | 2,650,000 | - | - | - | 377,964 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 1,389,437 | 275,523 | (1,512,160) | (711,016) | 1,811,032 | (58,554) | (658,658) |
| Fund balances (deficits), January 1, 2007 | 892,948 | (139,783) | (2,048,993) | 144,821 | (3,192,702) | 428,869 | 3,767,529 |
| Fund balances (deficits), December 31, 2007 | \$ 2,282,385 | \$ 135,740 | \$ (3,561,153) | \$ (566,195) | \$ (1,381,670) | \$ 370,315 | \$ 3,108,871 |

City of Akron, Ohio

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

Year Ended December 31, 2007
(continued)

| Debt Service Funds | | Main Place Bond Payment | Market Valley Urban Renewal Bond Payment | Downtown Hotel Bond Payment | Non-Tax Revenue Bond Payment | Pension Obligation Refunding | JEDD Bond Payment | JEDD Bond Payment | Taxable Revenue Bond Payment |
|--|------------|-------------------------|--|-----------------------------|------------------------------|------------------------------|-------------------|-------------------|------------------------------|
| Revenues | | | | | | | | | |
| Income taxes | \$ 317,743 | | | | | | | | |
| Property taxes | | | | | | | | | |
| JEDD revenues | | | | | | | | | |
| Special assessments | | | | | | | | | |
| Grants and subsidies: | | | | | | | | | |
| Community development | | | | | | | | | |
| Other | 20,180 | | | | | | | | |
| Investment earnings | | | | | | | | | |
| Shared revenues | | | | | | | | | |
| Licenses, fees and fines | | | | | | | | | |
| Charges for services | | | | | | | | | |
| Miscellaneous | 337,923 | | | | | | | | |
| | | | | | | | | | |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | | | | | | | | | |
| Public service | | | | | | | | | |
| Public safety | | | | | | | | | |
| Community environment | | | | | | | | | |
| Public health | | | | | | | | | |
| Recreation and parks | | | | | | | | | |
| Capital outlay | | | | | | | | | |
| Debt service: | | | | | | | | | |
| Principal Retirement | 166,157 | | | | | | | | |
| Interest | 94,651 | | | | | | | | |
| Bond issuance expenditures | 260,808 | | | | | | | | |
| | | | | | | | | | |
| Excess (deficiency) of revenues over expenditures | 77,115 | | | | | | | | |
| Other financing sources (uses) | | | | | | | | | |
| Issuance of general obligation bonds | | | | | | | | | |
| Issuance of general obligation notes | | | | | | | | | |
| Issuance of Loans | | | | | | | | | |
| Issuance of COPs | | | | | | | | | |
| Premium on G.O. Debt | | | | | | | | | |
| Transfers-in | | | | | | | | | |
| Transfers-out | | | | | | | | | |
| | | | | | | | | | |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 77,115 | | | | | | | | |
| | | | | | | | | | |
| Fund balances (deficits), January 1, 2007 | 350,080 | | 3,009 | 4 | 2,922,658 | 88,294 | 4,731,041 | | 1,701,633 |
| Fund balances (deficits), December 31, 2007 | \$ 427,195 | | \$ 3,009 | \$ 4 | \$ 3,048,346 | \$ 113,454 | \$ 4,789,703 | \$ 1,805,786 | |

City of Akron, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds
 Year Ended December 31, 2007
 (continued)

| Capital Project Funds | | Road and Bridge Improvements | Streets | Information Technology and Improvements | Transportation | Parks and Recreation | Public Facilities and Improvements |
|--|----------------|------------------------------|-----------------|---|----------------|----------------------|------------------------------------|
| Non-appropriated Capital Projects | | | | | | | |
| Revenues | | | | | | | |
| Income taxes | \$ 11,801 | \$ - | \$ 391,248 | \$ 133,566 | \$ - | \$ - | \$ 264,091 |
| Property taxes | - | - | - | - | - | - | - |
| JEDD revenues | - | - | 526,499 | - | - | - | 15,935 |
| Special assessments | - | - | - | - | - | - | - |
| Grants and subsidies: | | | | | | | |
| Community development | - | - | 800,772 | - | - | - | - |
| Other | 130,975 | - | 3,696,054 | - | 5,093,606 | - | 1,520,094 |
| Investment earnings | - | 195,254 | - | - | - | - | - |
| Shared revenues | - | 4,101,742 | 175,246 | - | 916,337 | - | - |
| Licenses, fees and fines | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | 30,368 | - |
| Miscellaneous | 17,770 | - | 770,808 | - | 5,587 | 624,932 | 38,456 |
| | 160,546 | 4,296,996 | 6,360,627 | 6,149,096 | 2,191,349 | 402,547 | |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | - | 548,219 | 10,215,126 | 13,529,903 | - | 7,161,163 | 3,101,967 |
| Public service | - | - | - | - | - | - | 3,688,075 |
| Public safety | - | - | - | - | - | - | 218,716 |
| Community environment | - | - | - | - | - | - | 5,391 |
| Public health | - | - | - | - | - | - | - |
| Recreation and parks | - | - | - | - | - | 537,167 | - |
| Capital outlay | 7,670 | - | - | - | 23,508 | 31,631 | 1,134 |
| Debt service: | | | | | | | |
| Principal Retirement | - | - | 103,838 | 166,392 | - | - | - |
| Interest | - | - | - | - | - | 66,404 | - |
| Bond issuance expenditures | - | 555,889 | 10,318,964 | 13,696,295 | - | 7,184,671 | 3,742,560 |
| | (395,343) | (6,021,968) | (7,335,668) | - | (1,035,575) | (1,551,211) | (3,505,378) |
| Excess (deficiency) of revenues over expenditures | | | | | | | |
| Other financing sources (uses) | | | | | | | |
| Issuance of general obligation bonds | - | 318,000 | 3,591,662 | - | 1,836,338 | 1,723,000 | 4,172,000 |
| Issuance of general obligation notes | - | - | 1,831,645 | - | - | - | - |
| Issuance of Loans | 354,387 | 103,838 | 1,630,526 | - | - | 66,404 | - |
| Issuance of COPs | - | - | - | - | - | - | - |
| Premium on G.O. Debt | - | - | - | - | - | - | - |
| Transfers-in | - | - | - | - | - | - | - |
| Transfers-out | - | 354,387 | 421,838 | 7,053,833 | - | 1,836,338 | 1,789,404 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (40,956) | (\$500,130) | (281,835) | - | 800,763 | 238,193 | 666,622 |
| Fund balances (deficits), January 1, 2007 | (2,480,620) | 10,109,122 | (18,598,225) | 29,542 | (3,321,667) | (2,327,981) | (1,885,102) |
| Fund balances (deficits), December 31, 2007 | \$ (2,521,576) | \$ 4,508,992 | \$ (18,880,060) | \$ 29,542 | \$ (2,520,904) | \$ (2,088,388) | \$ (1,218,480) |

City of Akron, Ohio

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

Year Ended December 31, 2007
(continued)

| <u>Capital Project Funds</u> | | | | |
|--|---------------------------|---------------------------------|----------------------|--|
| | <u>Public Parking</u> | <u>Economic Development</u> | <u>Total</u> | |
| Revenues | | | | |
| Income taxes | \$ 676,788 | \$ 275,856 | \$ 1,321,930 | |
| Property taxes | - | - | 10,341,269 | |
| JEDD revenues | - | - | 13,012,829 | |
| Special assessments | - | 259,855 | 9,942,600 | |
| Grants and subsidies: | | | | |
| Community development | - | - | 12,478,212 | |
| Other | - | 866,941 | 20,049,484 | |
| Investment earnings | - | 94,670 | 1,631,602 | |
| Shared revenues | - | 2,717,557 | 15,699,642 | |
| Licenses, fees and fines | - | - | 1,487,010 | |
| Charges for services | - | 318,742 | 10,937,336 | |
| Miscellaneous | - | 1,661,918 | 11,163,362 | |
| | <u>676,788</u> | <u>6,195,539</u> | <u>118,125,296</u> | |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | 9,520 | 16,977,765 | |
| Public service | 3,201,948 | 9,938,894 | 81,432,692 | |
| Public safety | - | 103,600 | 16,945,013 | |
| Community environment | - | 803,373 | 14,910,438 | |
| Public health | - | - | 9,195,425 | |
| Recreation and parks | - | - | 2,034,041 | |
| Capital outlay | 117,899 | - | 209,442 | |
| Debt service: | | | | |
| Principal Retirement | - | 469,837 | 4,405,599 | |
| Interest | - | 292,507 | 6,930,235 | |
| Bond issuance expenditures | 730,918 | 11,617,731 | 1,096,121 | |
| | <u>4,050,765</u> | <u>11,617,731</u> | <u>154,136,771</u> | |
| Excess (deficiency) of revenues over expenditures | (3,373,977) | (5,422,192) | (36,011,475) | |
| Other financing sources (uses) | | | | |
| Issuance of general obligation bonds | 18,178,106 | 5,387,000 | 38,791,106 | |
| Issuance of general obligation notes | - | - | 1,831,645 | |
| Issuance of Loans | - | - | 2,155,155 | |
| Issuance of C.O.Ps | - | - | 1,470,894 | |
| Premium on G.O. Debt | 141,812 | - | 419,776 | |
| Transfers-in | - | - | 5,329,997 | |
| Transfers-out | - | - | (2,498,910) | |
| | <u>18,319,918</u> | <u>5,387,000</u> | <u>47,499,563</u> | |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | | | | |
| Fund balances (deficits), January 1, 2007 | 14,945,941 | (35,192) | 11,483,188 | |
| | <u>474,699</u> | <u>541,073</u> | <u>11,956,796</u> | |
| Fund balances (deficits), December 31, 2007 | <u>\$ 15,420,640</u> | <u>\$ 505,881</u> | <u>\$ 23,444,984</u> | |

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

For the Year Ended December 31, 2007

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

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

For the Year Ended December 31, 2007

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

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

For the Year Ended December 31, 2007

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Police Pension Employer's Liability Fund, Non-GAAP Budget Basis**
For the Year Ended December 31, 2007

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

Schedule of Revenues, Expenditures and
 Changes in Fund Balance-Budget and Actual-
 Fire Pension Employer's Liability Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2007

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

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

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

For the Year Ended December 31, 2007

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

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

For the Year Ended December 31, 2007

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

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

For the Year Ended December 31, 2007

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

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

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

Schedule of Revenues, Expenditures and
 Changes in Fund Balance-Budget and Actual-
 Akron Metropolitan Area Transportation Study Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2007

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

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

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
H.O.M.E. Program Fund, Non-GAAP Budget Basis**

For the Year Ended December 31, 2007

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

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
K.A.B. Litter Control Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2007

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

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

For the Year Ended December 31, 2007

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

Schedule of Revenues, Expenditures and
 Changes in Fund Balance-Budget and Actual-
 E.D.A. Revolving Loans Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2007

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

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Joint Economic Development Districts Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2007

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

Schedule of Revenues, Expenditures and
 Changes in Fund Balance-Budget and Actual-
 Akron Municipal Court Information System Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2007

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

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

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

For the Year Ended December 31, 2007

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

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

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

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

For the Year Ended December 31, 2007

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

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

For the Year Ended December 31, 2007

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
City Facilities Operating Fund, Non-GAAP Budget Basis**

For the Year Ended December 31, 2007

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
City Facilities Operating Fund, Non-GAAP Budget Basis**

For the Year Ended December 31, 2007
(continued)

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Various Purpose Funding Fund, Non-GAAP Budget Basis**

For the Year Ended December 31, 2007

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

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

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

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

For the Year Ended December 31, 2007

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Non-appropriated Capital Projects Fund, Non-GAAP Budget Basis**
For the Year Ended December 31, 2007

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

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

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

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

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

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

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

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

For the Year Ended December 31, 2007

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

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

For the Year Ended December 31, 2007

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

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

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

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

For the Year Ended December 31, 2007

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

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

For the Year Ended December 31, 2007

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

NON-MAJOR ENTERPRISE FUNDS

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

Oil and Gas
Golf Course
Airport

City of Akron, Ohio

Statement of Net Assets - Non-Major Enterprise Funds

December 31, 2007

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

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

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

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

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

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INTERNAL SERVICE FUNDS

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

- Motor Equipment
- Medical Self-Insurance
- Workers' Compensation Reserve
- Self-Insurance Settlement
- Storeroom
- Telephone System
- Engineering Bureau
- Management Information Systems

Combining Statement of Net Assets - Internal Service Funds

December 31, 2007

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

Combining Statement of Net Assets - Internal Service Funds

December 31, 2007

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

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

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

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

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

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

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

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

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

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FIDUCIARY FUNDS

Private Purpose Trust Funds - are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. The City has the following Private Purpose Trust Funds:

Claire Merrix Trust
Holocaust Memorial Trust
Police/Fire Beneficiary Trust

Municipal Court Agency Fund - is used to account for assets held by the Municipal Court Clerk for individuals, private organizations, and other governments.

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

City of Akron, Ohio

Combining Statement of Fiduciary Net Assets
Private Purpose Trust Funds

December 31, 2007

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

City of Akron, Ohio

Combining Statement of Fiduciary Net Assets
Agency Funds

December 31, 2007

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

City of Akron, Ohio

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

For the Year Ended December 31, 2007

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

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended December 31, 2007

| | Balance | | | Balance |
|--|--------------------|-----------|------------|----------------------|
| | January 1, 2007 | Additions | Deductions | December 31, 2007 |

Municipal Court

| | | | | |
|--------------------------|-------------------|------------------|-------------|-------------------|
| Assets | | | | |
| Cash | \$ 712,246 | \$ 62,543 | \$ - | <u>\$ 774,789</u> |
| Liabilities | | | | |
| Due to other governments | <u>\$ 712,246</u> | <u>\$ 62,543</u> | <u>\$ -</u> | <u>\$ 774,789</u> |

Police Property Monetary Evidence

| | | | | |
|---------------|------------------|-------------|-------------|------------------|
| Assets | | | | |
| Cash | \$ 15,000 | \$ - | \$ - | <u>\$ 15,000</u> |
| Liabilities | | | | |
| Due to others | <u>\$ 15,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,000</u> |

Total All Agency Funds

| | | | | |
|--------------------------|-------------------|------------------|-------------|-------------------|
| Assets | | | | |
| Cash | \$ 727,246 | \$ 62,543 | \$ - | <u>\$ 789,789</u> |
| | <u>\$ 727,246</u> | <u>\$ 62,543</u> | <u>\$ -</u> | <u>\$ 789,789</u> |
| Liabilities | | | | |
| Due to other governments | \$ 712,246 | \$ 62,543 | \$ - | <u>\$ 774,789</u> |
| Due to others | <u>15,000</u> | <u>-</u> | <u>-</u> | <u>\$ 15,000</u> |
| | <u>\$ 727,246</u> | <u>\$ 62,543</u> | <u>\$ -</u> | <u>\$ 789,789</u> |

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Statistical Section

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

| <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 are income tax and property tax. | 193 |
| 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. | 198 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the City. | 204 |
| 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. | 206 |

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

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Schedule 1

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

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 330,404,704 | \$ 322,483,517 | \$ 342,937,788 | \$ 347,553,024 | \$ 354,911,430 | \$ 343,894,860 | \$ 350,900,710 |
| Restricted | 37,540,147 | 39,710,686 | 40,319,154 | 305,806,875 | 305,806,875 | 154,998,029 | 136,131,553 |
| Unrestricted | (36,817,038) | (44,766,982) | (68,256,422) | (342,848,212) | (342,622,082) | (162,608,235) | (122,216,128) |
| Total Governmental Activities Net Assets | <u>331,127,813</u> | <u>317,427,221</u> | <u>315,000,520</u> | <u>310,511,687</u> | <u>318,096,223</u> | <u>336,284,654</u> | <u>364,816,135</u> |
| Business-Type Activities | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 268,152,473 | 285,012,294 | 298,087,580 | 305,496,572 | 312,958,242 | 319,708,498 | 331,088,686 |
| Restricted | 8,037,590 | 8,017,156 | 9,237,606 | 8,890,371 | 8,890,371 | 9,762,791 | 9,603,496 |
| Unrestricted | 17,726,838 | 21,545,227 | 14,462,481 | 12,254,737 | 13,956,855 | 13,310,341 | 8,684,965 |
| Total Business-Type Activities Net Assets | <u>293,916,901</u> | <u>314,574,677</u> | <u>321,787,667</u> | <u>326,641,680</u> | <u>335,805,468</u> | <u>342,781,630</u> | <u>349,377,147</u> |
| Primary Government | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 598,557,177 | 607,495,811 | 641,025,368 | 653,049,596 | 667,869,672 | 663,603,358 | 681,989,396 |
| Restricted | 45,577,737 | 47,727,842 | 49,556,760 | 314,697,246 | 314,697,246 | 164,760,820 | 145,735,049 |
| Unrestricted | (19,090,200) | (23,221,755) | (53,793,941) | (330,593,475) | (328,665,227) | (149,297,894) | (113,531,163) |
| Total Primary Government Net Assets | <u>\$ 625,044,714</u> | <u>\$ 632,001,898</u> | <u>\$ 636,788,187</u> | <u>\$ 637,153,367</u> | <u>\$ 653,901,691</u> | <u>\$ 679,066,284</u> | <u>\$ 714,193,282</u> |

Source: City of Akron, Ohio Finance Department

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

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

Schedule 2

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Program Revenues | | | | | | | |
| Governmental Activities | | | | | | | |
| Charges for Services: | | | | | | | |
| General Government | \$ 13,063,377 | \$ 9,724,962 | \$ 10,558,403 | \$ 10,199,944 | \$ 8,768,534 | \$ 10,203,648 | \$ 11,187,070 |
| Public Service | 15,521,690 | 12,758,526 | 12,047,337 | 13,685,910 | 24,515,742 | 1,221,943 | 28,739,656 |
| Public Safety | 1,856,550 | 1,530,128 | 2,088,367 | 4,661,113 | 1,079,551 | 634,517 | 1,499,758 |
| Community Environment | 223,243 | 109,080 | 195,500 | 276,244 | 64,412 | 27,488,539 | 13,466 |
| Public Health | 2,506,311 | 4,051,803 | 5,459,085 | 3,302,809 | 583,033 | 27,244 | 674,598 |
| Recreation and Parks | 557,324 | 570,320 | 660,397 | 600,501 | 339,674 | 387,161 | 363,352 |
| Operating Grants and Contributions | 18,173,638 | 16,280,190 | 18,489,411 | 18,798,602 | 20,736,629 | 20,085,504 | 21,939,297 |
| Capital Grants and Contributions | 24,937,475 | 24,865,553 | 28,011,341 | 26,959,413 | 19,497,224 | 22,023,997 | 24,822,927 |
| Total Governmental Activities Program Revenues | <u>76,839,508</u> | <u>69,891,162</u> | <u>77,510,741</u> | <u>78,484,536</u> | <u>75,584,799</u> | <u>82,072,553</u> | <u>89,240,324</u> |
| Business-Type Activities | | | | | | | |
| Charges for Services: | | | | | | | |
| Water | 32,222,070 | 33,641,151 | 26,531,458 | 33,897,438 | 32,677,553 | 34,203,720 | 33,313,008 |
| Sewer | 32,297,145 | 35,249,456 | 32,592,385 | 34,489,974 | 36,365,900 | 35,658,036 | 36,113,694 |
| Oil & Gas | 11,168 | 4,126 | 3,938 | - | - | 1,136 | 18,544 |
| Parking Facilities | 4,139,961 | 4,252,628 | 4,187,879 | 4,109,336 | 4,921,793 | 4,921,361 | 4,982,704 |
| Golf Course | 815,239 | 792,900 | 866,188 | 889,957 | 878,878 | 903,859 | 891,709 |
| Airport | 143,747 | 156,507 | 144,498 | 180,169 | 193,369 | 162,557 | 143,520 |
| Capital Grants and Contributions | 17,586,640 | 8,379,210 | 15,866,370 | 11,952,537 | 6,356,388 | 4,537,330 | 5,918,599 |
| Total Business-Type Activities Program Revenues | <u>87,215,770</u> | <u>82,475,978</u> | <u>80,193,316</u> | <u>85,519,411</u> | <u>81,394,081</u> | <u>80,388,199</u> | <u>81,381,778</u> |
| Total Primary Government Program Revenues | <u>\$ 164,055,378</u> | <u>\$ 152,367,140</u> | <u>\$ 157,704,057</u> | <u>\$ 164,003,947</u> | <u>\$ 156,978,880</u> | <u>\$ 162,460,752</u> | <u>\$ 170,622,102</u> |
| Expenses | | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | \$ 38,768,317 | \$ 35,442,919 | \$ 41,985,779 | \$ 33,154,330 | \$ 33,063,391 | \$ 38,206,653 | \$ 40,750,017 |
| Public Service | 55,687,143 | 55,103,262 | 56,239,734 | 57,321,381 | 54,923,173 | 64,832,236 | 63,895,682 |
| Public Safety | 93,139,875 | 102,587,713 | 101,498,621 | 106,914,744 | 104,848,506 | 109,812,346 | 114,350,511 |
| Community Environment | 16,738,817 | 15,284,636 | 17,363,752 | 25,985,445 | 21,514,112 | 94,412,387 | 50,882,056 |
| Public Health | 14,907,272 | 16,170,030 | 17,534,327 | 16,556,343 | 17,204,170 | 17,382,640 | 17,568,811 |
| Recreation and Parks | 4,859,938 | 5,570,393 | 4,895,539 | 5,035,419 | 7,603,460 | 2,552,319 | 5,800,662 |
| Interest | 14,205,615 | 15,452,328 | 17,723,691 | 27,403,295 | 27,077,616 | 26,808,875 | 27,325,682 |
| Unallocated Depreciation | 8,330,330 | 8,987,929 | 9,607,943 | 10,476,870 | 11,389,516 | 12,063,428 | 12,818,481 |
| Total Governmental Activities Expenses | <u>246,637,307</u> | <u>254,599,210</u> | <u>266,851,386</u> | <u>282,847,827</u> | <u>296,252,414</u> | <u>365,898,614</u> | <u>333,391,902</u> |
| Business-Type Activities | | | | | | | |
| Water | 30,038,479 | 30,783,062 | 35,835,251 | 37,959,261 | 30,733,296 | 33,312,219 | 33,459,745 |
| Sewer | 30,546,648 | 34,227,439 | 32,068,358 | 37,797,875 | 37,224,648 | 33,322,391 | 35,287,533 |
| Oil & Gas | 322,762 | 289,346 | 224,349 | 286,140 | 284,733 | 179,995 | 204,153 |
| Parking Facilities | 4,222,739 | 4,297,816 | 5,126,382 | 5,637,623 | 5,966,776 | 5,702,299 | 1,317,386 |
| Golf Course | 859,773 | 908,345 | 1,302,587 | 1,366,476 | 1,381,619 | 1,355,376 | 786,711 |
| Airport | 619,396 | 696,180 | 576,004 | 712,909 | 764,876 | 679,883 | 5,974,113 |
| Total Business-Type Activities Expenses | <u>66,609,997</u> | <u>71,202,888</u> | <u>75,133,131</u> | <u>83,760,284</u> | <u>76,355,948</u> | <u>74,550,163</u> | <u>77,029,641</u> |
| Total Primary Government Expenses | <u>\$ 313,247,304</u> | <u>\$ 325,802,098</u> | <u>\$ 341,984,517</u> | <u>\$ 366,608,111</u> | <u>\$ 372,608,362</u> | <u>\$ 440,448,777</u> | <u>\$ 410,421,543</u> |

Schedule 2

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

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net (Expense)/Revenue | | | | | | | |
| Governmental Activities | | | | | | | |
| Business-Type Activities | | | | | | | |
| Total Primary Government Net Expense | \$ (149,191,926) | \$ (173,434,958) | \$ (184,280,460) | \$ (202,604,164) | \$ (215,629,482) | \$ (277,988,025) | \$ (239,799,441) |
| General Revenue and Other Changes in Net Assets | | | | | | | |
| Governmental Activities: | | | | | | | |
| Taxes: | | | | | | | |
| Income Taxes | \$ 97,365,573 | \$ 97,066,959 | \$ 101,802,168 | \$ 114,352,078 | \$ 126,766,520 | \$ 121,875,043 | \$ 144,647,307 |
| Property Taxes | 26,511,099 | 31,443,342 | 30,374,275 | 28,193,761 | 27,850,829 | 37,242,477 | 30,154,104 |
| JEDD Revenues | 14,772,847 | 13,945,913 | 12,084,490 | 13,607,119 | 13,946,982 | 16,550,254 | 16,551,388 |
| Investment Earnings | 3,835,238 | 1,625,475 | 1,032,073 | 2,620,285 | 6,195,343 | 6,546,494 | 4,820,973 |
| Shared Revenues | 29,654,718 | 27,289,295 | 31,105,413 | 32,235,453 | 45,169,402 | 106,744,240 | 65,033,815 |
| Miscellaneous | 8,540,740 | 7,112,663 | 11,109,869 | 9,186,760 | 7,662,219 | 12,787,733 | 10,899,487 |
| Gain (Loss) on Sale of Capital Assets | (239,961) | 884,970 | - | (107,274) | 1,659,116 | - | 223,635 |
| Transfers | 791,379 | (8,361,161) | (594,344) | (213,724) | (998,460) | 268,251 | 352,150 |
| Total Governmental Activities | \$ 174,981,633 | \$ 171,007,456 | \$ 186,913,944 | \$ 199,874,458 | \$ 228,252,151 | \$ 302,014,492 | \$ 272,683,059 |
| Business-Type Activities: | | | | | | | |
| Investment Earnings | \$ 379,423 | \$ 153,364 | \$ 93,242 | \$ 108,993 | \$ 280,566 | \$ 460,615 | \$ 504,738 |
| Miscellaneous | 818,560 | 875,069 | 1,409,184 | 2,767,615 | 2,833,804 | 945,762 | 2,090,792 |
| Gain (Loss) on Sale of Capital Assets | (14,468) | (4,908) | 56,035 | 4,554 | 12,825 | - | - |
| Transfers | (791,379) | 8,361,161 | 594,344 | 213,724 | 998,460 | (268,251) | (352,150) |
| Total Business-Type Activities | \$ 392,136 | \$ 9,384,686 | \$ 2,152,805 | \$ 3,094,886 | \$ 4,125,655 | \$ 1,138,126 | \$ 2,243,380 |
| Total Primary Government | \$ 175,373,769 | \$ 180,392,142 | \$ 189,066,749 | \$ 202,969,344 | \$ 232,377,806 | \$ 303,152,618 | \$ 274,926,439 |
| Change in Net Assets | | | | | | | |
| Governmental Activities | \$ 5,183,934 | \$ (13,700,592) | \$ (2,426,701) | \$ (4,488,833) | \$ 7,584,536 | \$ 18,188,431 | \$ 28,531,481 |
| Business-Type Activities | 20,997,909 | 20,657,776 | 7,212,990 | 4,854,013 | 9,163,788 | 6,976,62 | 6,595,517 |
| Total Primary Government Change in Net Assets | \$ 26,181,843 | \$ 6,957,184 | \$ 4,786,289 | \$ 365,180 | \$ 16,748,324 | \$ 25,164,593 | \$ 35,126,998 |

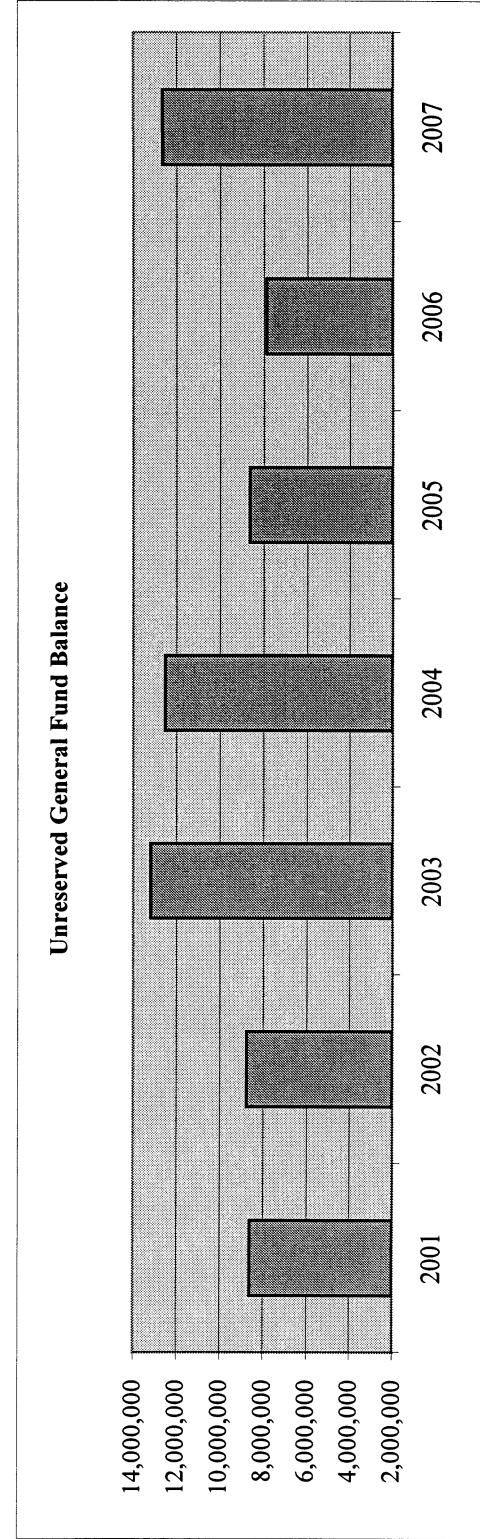
Source: City of Akron, Ohio Finance Department

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

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

Schedule 3

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| General Fund | | | | | | | |
| Reserved | \$ 2,320,635 | \$ 3,053,854 | \$ 1,223,303 | \$ 1,680,684 | \$ 2,403,155 | \$ 2,014,480 | \$ 963,366 |
| Unreserved | 8,596,094 | 8,753,973 | 13,198,625 | 12,516,302 | 8,608,934 | 7,885,122 | 12,649,039 |
| Total General Fund | 10,916,729 | 11,807,827 | 14,431,928 | 14,196,986 | 11,012,089 | 9,899,602 | 13,612,405 |
| | | | | | | | |
| All Other Governmental Funds | | | | | | | |
| Reserved | 41,873,934 | 53,376,063 | 41,592,028 | 35,591,716 | 35,336,754 | 32,654,441 | 34,820,649 |
| Unreserved, Reported in: | | | | | | | |
| Special Revenue funds | 26,756,707 | 28,104,809 | 23,238,226 | 148,315,752 | 155,814,840 | 105,278,827 | 98,975,199 |
| Debt Service funds | 12,793,227 | 15,386,870 | 14,290,672 | 89,894,236 | 84,744,936 | 128,340,399 | 107,977,695 |
| Capital Projects funds | (36,831,939) | (54,266,570) | (53,474,079) | (65,862,884) | (35,950,447) | (38,860,992) | (30,530,366) |
| Total All Other Governmental Funds | 44,591,929 | 42,601,172 | 25,646,847 | 207,938,820 | 239,946,083 | 227,412,675 | 211,243,177 |
| Total Governmental Funds | \$ 55,508,658 | \$ 54,408,999 | \$ 40,078,775 | \$ 222,135,806 | \$ 250,958,172 | \$ 237,312,277 | \$ 224,855,582 |



Source: City of Akron, Ohio Finance Department

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

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

Schedule 4

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

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

Schedule 4

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|------------------------|-----------------------|------------------------|-----------------------|----------------------|------------------------|------------------------|
| Other Financing Sources (Uses) | | | | | | | |
| Issuance of General Obligation Bond | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 52,735,419 | \$ 43,250,000 |
| Issuance of General Obligation Notes | \$ - | \$ - | \$ - | \$ - | \$ 1,115,300 | \$ 2,072,575 | \$ 39,759,106 |
| Issuance of Loans | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,831,645 | \$ 2,285,818 |
| Issuance of COP's | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,470,894 |
| Proceeds of General Obligation Bonds | 23,714,000 | 61,285,000 | 41,000,540 | 219,049,460 | \$ - | \$ - | \$ - |
| Proceeds of General Obligation Notes | 6,494,940 | 3,428,300 | 1,871,200 | 3,418,530 | \$ - | \$ - | \$ - |
| Proceeds of Refunding Bonds | 28,185,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Proceeds of Refunding Bonds Premium | 1,591,482 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Loan Proceeds | \$ - | \$ - | \$ - | \$ - | \$ 3,041,694 | \$ - | \$ 1,241,581 |
| Premium on G.O. Debt | \$ - | 1,824,130 | 1,011,980 | 8,475,316 | 7,289,095 | \$ 456,909 | \$ 419,776 |
| Proceeds of Refund Obligations | \$ - | \$ - | \$ - | \$ - | 95,235,000 | \$ - | \$ - |
| Payment for Refunding Obligations | \$ - | \$ - | \$ - | \$ - | (96,873,368) | \$ - | \$ - |
| Advance Refunding Escrow | (28,737,105) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special Item - Loss on Debt Forgiveness | (6,250,000) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Issuance of Capital Lease | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,050,203 | \$ - |
| Lease - Financed Capital Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (9,050,203) | \$ - |
| Transfers-in | 38,409,368 | 54,033,835 | 2,806,868 | 5,756,980 | 16,040,091 | 3,231,301 | 5,329,997 |
| Transfers-out | (35,463,472) | (60,178,961) | (3,607,267) | (5,970,704) | (19,418,551) | (3,501,050) | (5,962,847) |
| Total Other Financing Sources (Uses) | \$ 27,944,213 | \$ 60,392,304 | \$ 43,083,321 | \$ 233,771,276 | \$ 56,122,986 | \$ 46,751,816 | \$ 45,134,389 |
| Net Change in Fund Balance | \$ (21,193,289) | \$ (1,099,659) | \$ (14,330,224) | \$ 182,057,031 | \$ 28,822,366 | \$ (13,645,895) | \$ (12,456,695) |
| Debt Service as a Percentage of Noncapital Expenditures | 13.77% | 14.33% | 14.24% | 18.51% | 16.57% | 11.93% | 17.44% |

Source: City of Akron, Ohio Finance Department

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

Schedule 5

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

| Tax Collection Year | Real Property | | | Personal Property | | | Public Utilities | | | Total | | | Percent of Total Assessed Value to Total Estimated Actual Value |
|---------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|--|
| | Assessed Value | Estimated Actual Value | |
| 1999 | \$2,124,127 | \$6,068,934 | \$ 396,770 | \$1,587,083 | \$ 167,948 | \$ 190,849 | \$2,688,845 | \$7,846,866 | | | | | 34.27 % |
| 2000 | 2,324,149 | 6,640,426 | 405,265 | 1,621,060 | 166,661 | 189,387 | 2,896,075 | 8,450,873 | | | | | 34.27 |
| 2001 | 2,339,016 | 6,682,903 | 403,913 | 1,615,652 | 153,577 | 174,518 | 2,896,506 | 8,473,073 | | | | | 34.18 |
| 2002 | 2,368,179 | 6,766,226 | 438,484 | 1,753,936 | 122,332 | 139,013 | 2,928,995 | 8,659,176 | | | | | 33.83 |
| 2003 | 2,743,691 | 7,839,117 | 391,104 | 1,564,416 | 126,710 | 506,100 | 3,261,505 | 9,909,633 | | | | | 32.91 |
| 2004 | 2,725,682 | 7,787,663 | 323,378 | 1,293,512 | 126,329 | 504,569 | 3,175,389 | 9,585,744 | | | | | 33.13 |
| 2005 | 2,751,773 | 7,862,209 | 321,452 | 1,285,808 | 128,371 | 512,763 | 3,201,596 | 9,660,780 | | | | | 33.14 |
| 2006 | 3,004,852 | 8,585,291 | 234,182 | 936,728 | 116,085 | 463,549 | 3,355,119 | 9,985,568 | | | | | 33.60 |
| 2007 | 3,006,951 | 8,591,289 | 160,595 | 642,380 | 112,615 | 450,190 | 3,280,161 | 9,683,859 | | | | | 33.87 |
| 2008 | 2,991,842 | 8,548,120 | 80,493 | 321,972 | 97,027 | 312,223 | 3,169,362 | 9,182,315 | | | | | 34.52 |

Source: City of Akron, Ohio Finance Department

Note: For real property, the estimated actual value is derived by dividing the assessed value by 35%; for personal property, divide the assessed value by 25%.
 The assessed value estimated actual value for public utilities is the combination of two figures.

Schedule 6

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

| Tax Collection Year | Operating | City Direct Rates | | | | Overlapping Rates | | |
|---------------------------|-----------|-------------------|-----------------|--------------------|----------------------|-------------------------------|------------------|----------------------|
| | | Police Pension | Fire Pension | Debt Retirement | Total Direct Rate | Akron City School District | Summit County | Akron Metro Parks |
| 1999 | 8.15 | 0.30 | 0.30 | 0.30 | 9.05 | 54.86 | 13.21 | 0.85 |
| 2000 | 8.15 | 0.30 | 0.30 | 0.29 | 9.04 | 54.86 | 12.81 | 0.85 |
| 2001 | 8.15 | 0.30 | 0.30 | 0.29 | 9.04 | 54.86 | 13.61 | 0.85 |
| 2002 | 8.15 | 0.30 | 0.30 | 0.34 | 9.09 | 63.76 | 13.57 | 0.85 |
| 2003 | 8.15 | 0.30 | 0.30 | 0.34 | 9.09 | 63.76 | 13.81 | 0.85 |
| 2004 | 8.15 | 0.30 | 0.30 | 0.34 | 9.09 | 63.76 | 13.00 | 0.85 |
| 2005 | 9.15 | 0.30 | 0.30 | 0.55 | 10.30 | 63.76 | 14.36 | 0.85 |
| 2006 | 9.28 | 0.30 | 0.30 | 0.42 | 10.30 | 63.76 | 14.26 | 0.85 |
| 2007 | 9.28 | 0.30 | 0.30 | 0.42 | 10.30 | 71.66 | 15.14 | 1.46 |
| 2008 | 9.28 | 0.30 | 0.30 | 0.42 | 10.30 | 71.66 | 14.87 | 1.46 |

Source: City of Akron, Ohio Finance Department

Schedule 7

City of Akron, Ohio
 Principal Property Tax Payers
 12/31/2007 and 12/31/1998
(in thousands of dollars)

| Taxpayer | December 31, 2007 | | December 31, 1998 | |
|--------------------------------------|------------------------------|---|----------------------------------|---|
| | Taxable Assessed Value | Percentage of Taxable Assessed Value | Taxpayer | Percentage of Taxable Assessed Value |
| First Energy | \$ 74,961 | 2.37 % | First Energy | \$ 89,253 |
| LMA Commerce | 19,568 | 0.62 | Ameritech | 52,240 |
| Goodyear Tire & Rubber Co. | 14,871 | 0.47 | Goodyear Tire & Rubber Co. | 40,836 |
| Busson, Bernard D. | 14,571 | 0.46 | Aircraft Braking Systems | 23,926 |
| Children's Hospital I Medical Center | 12,846 | 0.41 | East Ohio Gas | 23,853 |
| American Transmission | 11,715 | 0.37 | Bridgestone/Firestone | 19,349 |
| SBC | 11,573 | 0.37 | F.W. Albrecht Co. | 16,217 |
| Aircraft Braking Systems | 10,156 | 0.32 | Lockhead Martin Tactical Systems | 16,136 |
| Bridgestone/Firestone | 9,262 | 0.29 | Rolling Acres Properties | 10,368 |
| Dominion East Ohio | 8,407 | 0.27 | Time Warner Cable | 9,028 |
| | | | | |
| | \$187,930 | 5.95 % | | |
| | | | | |
| | | | \$301,206 | 11.21 % |

Source: City of Akron, Ohio Finance Department

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

| Fiscal Year Ending 12/31 | Tax Levied For The Fiscal Year | Collected within the Fiscal Year of the Levy | | Delinquent Tax Collections | Total Collections to Date | |
|--------------------------------|--------------------------------------|---|-----------------------|----------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2000 | \$ 22,505,782 | \$ 21,254,992 | 94.4 % | \$ 983,110 | \$ 22,238,102 | 98.8 % |
| 2001 | 22,651,092 | 21,172,023 | 93.5 | 1,048,160 | 22,220,183 | 98.1 |
| 2002 | 22,638,225 | 21,266,447 | 93.9 | 1,205,346 | 22,471,793 | 99.3 |
| 2003 | 26,092,082 | 23,970,195 | 91.9 | 1,423,773 | 25,393,968 | 97.3 |
| 2004 | 25,924,487 | 24,300,721 | 93.7 | 1,565,564 | 25,866,285 | 99.8 |
| 2005 | 29,665,733 | 27,657,423 | 93.2 | 1,528,312 | 29,185,735 | 98.4 |
| 2006 | 32,145,893 | 29,413,676 | 91.5 | 1,829,441 | 31,243,117 | 97.2 |
| 2007 | 32,131,608 | 29,150,861 | 90.7 | 1,590,480 | 30,741,341 | 95.7 |

Source: City of Akron, Ohio Finance Department

Note: Information prior to 2000 is not available.

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

| Fiscal Year 2006 | | | | | |
|-------------------------|--------------------|---------------------|------------------------------|---------------------|--|
| Collection Level | Number of Accounts | Percentage of Total | Total Income Tax Collections | Percentage of Total | |
| \$1,000 and under | 34,337 | 84.15 % | \$ 6,001,611 | 4.92 % | |
| \$1,001 - \$2,500 | 3,027 | 7.42 | 4,716,280 | 3.86 | |
| \$2,501 - \$5,000 | 1,350 | 3.31 | 4,785,272 | 3.92 | |
| \$5,001 - \$10,000 | 851 | 2.09 | 5,960,577 | 4.88 | |
| \$10,001 - \$50,000 | 952 | 2.33 | 20,032,655 | 16.41 | |
| \$50,001- \$100,000 | 156 | 0.38 | 10,905,811 | 8.93 | |
| \$100,001 - \$250,000 | 83 | 0.20 | 12,492,833 | 10.23 | |
| \$250,001 - \$1,000,000 | 35 | 0.09 | 15,561,534 | 12.75 | |
| Over \$1,000,001 | 13 | 0.03 | 41,626,229 | 34.10 | |
| | 40,804 | 100.00 % | \$ 122,082,803 | 100.00 % | |
| Fiscal Year 2007 | | | | | |
| Collection Level | Number of Accounts | Percentage of Total | Total Income Tax Collections | Percentage of Total | |
| \$1,000 and under | 32,035 | 83.25 % | \$ 5,815,130 | 4.34 % | |
| \$1,001 - \$2,500 | 2,956 | 7.68 | 4,668,366 | 3.48 | |
| \$2,501 - \$5,000 | 1,364 | 3.54 | 4,825,571 | 3.60 | |
| \$5,001 - \$10,000 | 852 | 2.21 | 5,990,042 | 4.47 | |
| \$10,001 - \$50,000 | 984 | 2.56 | 20,829,199 | 15.53 | |
| \$50,001- \$100,000 | 147 | 0.38 | 10,168,727 | 7.58 | |
| \$100,001 - \$250,000 | 96 | 0.25 | 14,040,366 | 10.47 | |
| \$250,001 - \$1,000,000 | 34 | 0.09 | 13,607,126 | 10.14 | |
| Over \$1,000,001 | 17 | 0.04 | 54,181,938 | 40.39 | |
| | 38,485 | 100.00 % | \$ 134,126,465 | 100.00 % | |

Source: City of Akron, Ohio Finance Department

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

City of Akron, Ohio
Ratios of Outstanding Debt and Capital Leases by Type
Last Ten Fiscal Years

Schedule 10

| Fiscal Year | General Obligation | Ohio Depart. of | | | Governmental Activities | | | | | Internal Service General Obligation | | |
|---------------------------------------|----------------------|-----------------|--------------------|------------------|-------------------------|--------------------|-----------------|----------------|----------------|-------------------------------------|-------------------------|--|
| | | OPWC | Development | Loans | Non-Tax Revenue | Income Tax Revenue | Special Revenue | Assessment | Capital Leases | SUB Loans | | |
| 1998 | \$ 126,154,666 | \$ 2,654,023 | \$ 702,378 | \$ - | \$ 9,950,000 | \$ - | \$ 14,638,028 | \$ - | \$ - | \$ 14,031,702 | | |
| 1999 | 134,142,190 | 3,770,233 | 658,207 | | 9,705,000 | | 13,009,037 | | | | 12,886,327 | |
| 2000 | 139,560,038 | 4,672,353 | 612,692 | 32,770,000 | 9,450,000 | 27,285,000 | 11,796,009 | 25,923,095 | | | 10,763,904 | |
| 2001 | 152,905,041 | 5,475,764 | 565,793 | 31,585,000 | 9,185,000 | 51,945,000 | 11,473,873 | 24,809,589 | | | 8,593,232 | |
| 2002 | 173,398,605 | 5,201,518 | 517,467 | 30,350,000 | | 50,260,000 | 11,924,332 | 23,666,965 | | | 6,343,299 | |
| 2003 | 198,325,413 | 5,797,627 | 978,212 | 29,065,000 | 8,910,000 | 48,325,000 | 15,807,918 | 23,378,407 | | | 4,032,034 | |
| 2004 | 184,235,042 | 5,336,703 | 1,416,362 | 27,725,000 | 220,625,000 | 46,315,000 | 15,582,562 | 59,023,039 | | | 2,739,522 | |
| 2005 | 194,652,842 | 8,232,378 | 1,363,491 | 26,325,000 | 217,585,000 | 44,240,000 | 14,586,695 | 69,784,688 | | | 23,610 | |
| 2006 | 207,077,924 | 9,931,118 | 1,309,013 | 44,360,000 | 214,130,000 | 42,090,000 | 13,506,503 | 84,418,159 | | | 201,629 | |
| 2007 | 215,894,886 | 10,361,148 | 1,252,877 | 42,330,000 | 210,160,000 | | | | | | 168,214 | |
| | | | | | | | | | | | | |
| <u>Governmental Activities cont'd</u> | | | | | | | | | | | | |
| Fiscal Year | Economic Development | JEDD | General Obligation | Mortgage Revenue | Revenue | OWDA | OPWC | Capital Leases | Total | Government | Per Capita ^a | |
| 1998 | \$ 35,000,000 | \$ - | \$ 7,601,880 | \$ 65,655,000 | \$ 53,985,000 | \$ 46,195,988 | \$ 3,401,108 | \$ - | \$ 370,019,773 | \$ - | \$ 1,659 | |
| 1999 | 33,905,000 | - | 6,534,355 | 62,915,000 | 51,980,000 | 44,759,413 | 3,000,044 | - | 377,509,806 | - | 1,693 | |
| 2000 | | 27,650,000 | 5,483,554 | 60,065,000 | 49,935,000 | 50,271,144 | 3,735,163 | - | 409,021,666 | - | 1,884 | |
| 2001 | - | - | 5,528,796 | 57,095,000 | 47,840,000 | 47,615,793 | 3,545,533 | - | | 435,204,056 | 2,005 | |
| 2002 | - | - | 4,661,456 | 53,830,000 | 45,690,000 | 47,009,590 | 3,376,903 | 893,688 | 468,685,988 | 2,159 | | |
| 2003 | - | - | 3,763,196 | 59,045,000 | 43,465,000 | 43,091,983 | 3,229,272 | 711,163 | 486,265,197 | 2,240 | | |
| 2004 | - | - | 2,856,881 | 54,035,000 | 41,135,000 | 60,518,215 | 3,059,266 | 510,157 | 699,461,973 | 3,222 | | |
| 2005 | - | - | 1,339,672 | 49,205,000 | 42,485,000 | 56,302,243 | 3,141,885 | 309,151 | 732,051,373 | 3,372 | | |
| 2006 | - | - | 922,222 | 57,565,000 | 39,665,000 | 50,996,798 | 2,852,601 | 180,539 | 767,758,727 | 3,537 | | |
| 2007 | - | - | 800,792 | 51,845,000 | 37,380,000 | 46,142,221 | 2,651,087 | 515,964 | 768,875,109 | 3,542 | | |

Source: City of Akron, Finance Department

^a See Schedule 16 for population data.

Schedule 11

City of Akron, Ohio
 Legal Debt Margin Information
 Unvoted Debt Limit (5 1/2%)
 Last Ten Fiscal Years

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

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

Schedule 12

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

Source: City of Akron, Ohio Finance Department

Schedule 13

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

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

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

| | |
|--------------------------|-----------------------------|
| General Obligation Bonds | \$230,369,113 |
| General Obligation Notes | <u>2,780,182</u> |
| | <u>\$233,149,295</u> |

Source: City of Akron, Ohio Finance Department

Schedule 14

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 | Value ¹ of Property | Percentage of Estimated Actual Taxable Per Capita ² |
|----------------|--------------------------------|--|------------|----|-------|--------------------------------|--|
| | | \$ | \$ | \$ | | | |
| 1998 | \$ 160,286 | \$ 3,062 | \$ 157,224 | | 2,00 | | \$ 705 |
| 1999 | 164,748 | 3,754 | 160,994 | | 1.91 | | 722 |
| 2000 | 168,492 | 3,523 | 164,969 | | 1.95 | | 760 |
| 2001 | 178,233 | 3,906 | 174,327 | | 2.01 | | 803 |
| 2002 | 195,624 | 4,777 | 190,847 | | 1.93 | | 879 |
| 2003 | 217,948 | 3,458 | 214,490 | | 2.24 | | 988 |
| 2004 | 205,570 | 2,401 | 203,169 | | 2.10 | | 936 |
| 2005 | 211,768 | 2,552 | 209,216 | | 2.10 | | 964 |
| 2006 | 222,777 | 3,383 | 219,394 | | 2.27 | | 1,011 |
| 2007 | 230,369 | 2,526 | 227,843 | | 2.48 | | 1,050 |

Source: City of Akron, Ohio Finance Department

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

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.

Schedule 15

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

| Fiscal Year | Sewer Gross Revenue | Sewer Revenue Bonds | | | | Special Assessment Bonds | | | |
|----------------|---------------------------|---|-----------|-----------------------------|--------------|--------------------------|--------------------------------------|----------|--------------|
| | | Less: Operating Expenses ¹ | | Net Available Revenue | Debt Service | | Special Assessment Collections | | Debt Service |
| | | Principal | Interest | Coverage | Principal | Interest | Principal | Interest | Coverage |
| 1998 | \$ 33,862 | \$ 21,550 | \$ 12,312 | \$ 2,120 | \$ 2,598 | 2.61 | \$ 11,012 | \$ 697 | 3.90 |
| 1999 | 36,654 | 22,258 | 14,396 | 2,005 | 2,816 | 2.99 | 10,677 | 1,943 | 4.06 |
| 2000 | 30,961 | 19,928 | 11,033 | 2,045 | 2,731 | 2.31 | 10,629 | 2,118 | 3.91 |
| 2001 | 32,400 | 19,348 | 13,052 | 2,095 | 2,642 | 2.76 | 11,331 | 2,128 | 4.04 |
| 2002 | 35,296 | 22,458 | 12,838 | 2,150 | 2,549 | 2.73 | 11,030 | 2,026 | 3.31 |
| 2003 | 32,774 | 22,497 | 10,277 | 2,225 | 2,450 | 2.20 | 11,262 | 2,243 | 5.09 |
| 2004 | 34,696 | 26,318 | 8,378 | 2,330 | 2,344 | 1.79 | 11,285 | 2,204 | 5.47 |
| 2005 | 37,499 | 25,466 | 12,033 | 2,440 | 2,231 | 2.58 | 11,610 | 2,572 | 671 |
| 2006 | 35,800 | 22,730 | 13,070 | 2,820 | 1,922 | 2.76 | 12,568 | 2,865 | 655 |
| 2007 | 36,772 | 24,194 | 12,578 | 2,285 | 1,767 | 3.10 | 13,023 | 2,699 | 593 |
| | | | | | | | | | 3.96 |

| Fiscal Year | Water Gross Revenue | Water Revenue Bonds | | | | Special Assessment Bonds | | | |
|----------------|---------------------------|---|----------|-----------------------------|--------------|--------------------------|--------------------------------------|----------|--------------|
| | | Less: Operating Expenses ¹ | | Net Available Revenue | Debt Service | | Special Assessment Collections | | Debt Service |
| | | Principal | Interest | Coverage | Principal | Interest | Principal | Interest | Coverage |
| 1998 | \$ 33,297 | \$ 27,169 | \$ 6,128 | \$ 2,125 | \$ 3,309 | 1.13 | | | |
| 1999 | 33,505 | 23,486 | 10,019 | 2,740 | 3,258 | 1.67 | | | |
| 2000 | 32,452 | 22,767 | 9,685 | 2,850 | 3,139 | 1.62 | | | |
| 2001 | 33,115 | 22,907 | 10,208 | 2,970 | 3,011 | 1.71 | | | |
| 2002 | 34,192 | 23,470 | 10,722 | 3,265 | 2,871 | 1.75 | | | |
| 2003 | 29,444 | 27,616 | 1,828 | 3,425 | 2,141 | 0.33 | | | |
| 2004 | 35,616 | 30,151 | 5,465 | 5,010 | 2,530 | 0.72 | | | |
| 2005 | 33,682 | 22,679 | 11,003 | 4,830 | 2,186 | 1.57 | | | |
| 2006 | 34,720 | 25,276 | 9,444 | 4,980 | 2,034 | 1.35 | | | |
| 2007 | 34,036 | 24,254 | 9,782 | 5,720 | 2,431 | 1.20 | | | |

Source: City of Akron, Ohio Finance Department

¹Net of Depreciation

City of Akron, Ohio
 Demographic and Economic Statistics
 Last Ten Fiscal Years

| Year | Population (1) | Personal Income (1) | Per Capita Personal Income (1) | Median Household Income (1) | Median Age* (1) | Education - Bachelor's Degree or Higher (1) | School Enrollment (1) | Unemployment Rate (2) |
|------|----------------|---------------------|--------------------------------|-----------------------------|-----------------|---|-----------------------|-----------------------|
| 2007 | 217,074 | \$ 3,819,634,104 | \$ 17,596 | \$ 31,835 | 34.2 | 18 | % | 59,258 |
| 2006 | 217,074 | 3,819,634,104 | 17,596 | 31,835 | 34.2 | 18 | | 59,258 |
| 2005 | 217,074 | 3,819,634,104 | 17,596 | 31,835 | 34.2 | 18 | | 59,258 |
| 2004 | 217,074 | 3,819,634,104 | 17,596 | 31,835 | 34.2 | 18 | | 59,258 |
| 2003 | 217,074 | 3,819,634,104 | 17,596 | 31,835 | 34.2 | 18 | | 59,258 |
| 2002 | 217,074 | 3,819,634,104 | 17,596 | 31,835 | 34.2 | 18 | | 59,258 |
| 2001 | 217,074 | 3,819,634,104 | 17,596 | 31,835 | 34.2 | 18 | | 59,258 |
| 2000 | 217,074 | 3,819,634,104 | 17,596 | 31,835 | 34.2 | 18 | | 59,258 |
| 1999 | 223,019 | 2,679,573,285 | 12,015 | 31,835 | N/A | 14.9 | | 58,099 |
| 1998 | 223,019 | 2,679,573,285 | 12,015 | 29,100 | N/A | 14.9 | | 58,099 |

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

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

Schedule 17

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

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

Source: City of Akron, Ohio Finance Department

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

Schedule 18

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|----------------------------------|-------|-------|-------|-------|-------|------|------|------|------|
| General Government: | | | | | | | | | |
| City Council | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 2 |
| Courts | 98 | 96 | 96 | 93 | 94 | 91 | 91 | 92 | 95 |
| Mayor's Office - Administration | 3 | 3 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Elected and Appointed Officials | 45 | 44 | 47 | 49 | 47 | 51 | 51 | 51 | 52 |
| Economic Development | 10 | 11 | 12 | 11 | 11 | 11 | 10 | 9 | 8 |
| Labor Relations | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 |
| Human Relations | 3 | 4 | 3 | 3 | 3 | 2 | - | - | - |
| Private Industrial Council (PIC) | 6 | - | - | - | - | - | - | - | - |
| Public Utilities Commission | 1 | 1 | - | - | - | - | - | - | - |
| Finance Department | 106 | 102 | 102 | 98 | 97 | 96 | 94 | 105 | 102 |
| Health Department | 1 | - | - | - | - | - | - | - | - |
| Civil/Criminal | 13 | 13 | 13 | 11 | 12 | 12 | 13 | 11 | 10 |
| Personnel Department | 24 | 24 | 23 | 22 | 22 | 22 | 19 | 14 | 15 |
| Planning Department | - | - | - | 1 | - | - | 1 | 1 | - |
| Police Department | - | - | - | 1 | 1 | - | - | - | - |
| Public Safety: | | | | | | | | | |
| Elected and Appointed Officials | 1 | 1 | 1 | 1 | 1 | - | - | - | - |
| Finance Department | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 |
| Health Department | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2 | 2 | 2 | 2 |
| Building Inspection | 25 | 24 | 23 | 21 | 21 | 22 | 20 | 19 | 20 |
| Communications | 20 | 20 | 19 | 19 | 19 | 18 | 19 | 20 | 19 |
| Weights & Measures | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 1 | - |
| Safety Communications | 70 | 69 | 67 | 69 | 68 | 62 | 64 | 63 | 64 |
| Fire Department | 398 | 415 | 404 | 388 | 391 | 385 | 401 | 389 | 379 |
| Police Department | 548 | 526 | 506 | 542 | 528 | 521 | 511 | 494 | 517 |
| Traffic Engineering | 36 | 36 | 34 | 34 | 32 | 31 | 32 | 30 | 30 |
| Customer Service | - | - | - | - | - | - | 2 | - | - |
| Engineering Bureau | - | - | - | - | - | - | - | 1 | 1 |
| Public Health: | | | | | | | | | |
| Health Department | 182.5 | 183.5 | 178.5 | 177.5 | 177.5 | 166 | 158 | 156 | 154 |

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

Schedule 18

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

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

Schedule 19

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

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

*Mud Run Golf Course was not completed until 2003.

Source: City of Akron, Ohio Finance Department

Schedule 20

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

| Function/Program | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Police | | | | | | | | | | |
| Number of Uniformed Police Officers | 473 | 505 | 481 | 461 | 499 | 484 | 477 | 468 | 451 | 474 |
| Number of Districts | 23 | 23 | 23 | 23 | 23 | 11 | 12 | 12 | 12 | 12 |
| Fire | | | | | | | | | | |
| Number of Firefighters and Officers | 382 | 372 | 390 | 363 | 366 | 359 | 375 | 359 | 353 | 353 |
| Number of Stations | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Parks and Recreation | | | | | | | | | | |
| City Park System (in acres) | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 |
| City Owned/Operated Golf Courses | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Water | | | | | | | | | | |
| Miles of Pipe | 1,075 | 1,085 | 1,097 | 1,097 | 1,097 | 1,213 | 1,213 | 1,213 | 1,213 | 1,213 |
| Average Daily Pumpage (in millions of gallons) | 41 | 42 | 40 | 41 | 40 | 41 | 38 | 37 | 35 | 38 |
| Distribution-Storage Reservoirs | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Sewer | | | | | | | | | | |
| Sanitary Sewers (miles) | 829 | 832 | 833 | 834 | 835 | 837 | 649 | 701 | 649 | 649 |
| Storm Sewers (miles) | 253 | 257 | 258 | 258 | 260 | 262 | 268 | 269 | 382 | 382 |
| Storm and Combined Sewer Inlets (miles) | 94 | 95 | 95 | 95 | 95 | 96 | 97 | 286 | 309 | 309 |
| Pump Stations | 29 | 29 | 29 | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| Other Public Works | | | | | | | | | | |
| Oil Wells | 12 | 12 | 12 | 14 | 14 | 14 | 13 | 13 | 13 | 13 |
| Parking Decks | 8 | 8 | 8 | 8 | 8 | 8 | 10 | 10 | 10 | 10 |

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Mary Taylor, CPA

Auditor of State

CITY OF AKRON

SUMMIT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2008**