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



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

Issued by The Department of Finance

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



ELECTED AND APPOINTED OFFICIALS

MAYOR

Donald L. Plusquellic

COUNCIL MEMBERS

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

CABINET OF THE MAYOR

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

March 2006



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

Exhibit Page

INTRODUCTORY SECTION:

| | | |
|--|--|----|
| List of Officials | | 1 |
| Organization Chart | | 2 |
| Table of Contents | | 3 |
| Finance Director's Letter of Transmittal | | 7 |
| Certificate of Achievement for Excellence in Financial Reporting | | 15 |

FINANCIAL SECTION:

| | | |
|--------------------------------------|--|----|
| Independent Accountants' Report | | 17 |
| Management's Discussion and Analysis | | 19 |

Basic Financial Statements

Government-wide Financial Statements:

| | | |
|-------------------------|---|----|
| Statement of Net Assets | 1 | 34 |
| Statement of Activities | 2 | 35 |

Fund Financial Statements:

| | | |
|---|----|----|
| Balance Sheet – Governmental Funds | 3 | 36 |
| Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds | 3a | 37 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 4 | 38 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds | 4a | 39 |
| Statement of Net Assets – Proprietary Funds | 5 | 40 |
| Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds | 6 | 43 |
| Statement of Cash Flows - Proprietary Funds | 7 | 44 |
| Statement of Net Assets – Fiduciary Funds | 8 | 46 |
| Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Funds | 9 | 47 |

Notes to Financial Statements

| | | |
|---|--|----|
| 1. Summary of Significant Accounting Policies | | 48 |
| 2. Pooled Cash and Investments | | 57 |
| 3. Receivables | | 60 |
| 4. Due From/To Other Governments | | 61 |
| 5. Due From/To Other Funds | | 62 |
| 6. Deposits | | 63 |

CITY OF AKRON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

(Continued)

| | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| Notes to Financial Statements (Continued) | | |
| 7. Capital Assets | | 63 |
| 8. Accrued Vacation and Leave | | 66 |
| 9. Pension and Other Post-Retirement Benefit Plans | | 68 |
| 10. Notes Payable | | 70 |
| 11. Long-Term Debt | | 73 |
| 12. Obligations Under Capitalized Leases | | 85 |
| 13. Self-Insurance Funds | | 87 |
| 14. Long-Term Liabilities | | 89 |
| 15. Compliance and Accountability | | 89 |
| 16. Income Taxes | | 91 |
| 17. Property Taxes | | 91 |
| 18. JEDD Revenues | | 92 |
| 19. Transfers | | 93 |
| 20. Contingencies | | 93 |
| 21. Closure and Post-Closure Care Costs | | 93 |
| 22. Jointly Governed Organizations | | 94 |
| 23. Subsequent Event | | 94 |
| <u>Required Supplementary Information</u> | | |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Non-GAAP Budget Basis | | |
| • General Fund | A-1 | 95 |
| • Community Learning Centers Fund | A-2 | 98 |
| Notes to Budgetary Comparison Schedule | | |
| • Budgetary Data | | 99 |
| <u>Supplementary Information</u> | | |
| Non-Major Governmental Funds: | | 102 |
| Combining Balance Sheet – Non-Major Governmental Funds | | |
| | B-1 | 104 |
| Combining Statement of Revenues, Expenditures, and Changes In Fund Balances – Non-Major Governmental Funds | | |
| | B-2 | 111 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Non-GAAP Budget Basis | | |
| • Income Tax Collection Fund | B-3 | 118 |
| • Emergency Medical Service Fund | B-4 | 119 |
| • Special Assessment Fund | B-5 | 120 |
| • Police Pension Employer's Liability Fund | B-6 | 121 |
| • Fire Pension Employer's Liability Fund | B-7 | 122 |
| • Income Tax Capital Improvement Fund | B-8 | 123 |

CITY OF AKRON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

(Continued)

| | <u>Exhibit</u> | <u>Page</u> |
|--|-----------------------|--------------------|
| • Street and Highway Maintenance Fund | B-9 | 124 |
| • Street Assessment Fund | B-10 | 125 |
| • Community Development Fund | B-11 | 126 |
| • Air Pollution Control Fund | B-12 | 127 |
| • Community Environment Grants Fund | B-13 | 128 |
| • Akron Metropolitan Area Transportation Study Fund | B-14 | 129 |
| • Summer Lunch Program Fund | B-15 | 130 |
| • H.O.M.E. Program Fund | B-16 | 131 |
| • K.A.B. Litter Control Fund | B-17 | 132 |
| • Tax Equivalency Fund | B-18 | 133 |
| • E.D.A. Revolving Loans Fund | B-19 | 134 |
| • Joint Economic Development Districts Fund | B-20 | 135 |
| • Akron Municipal Court Information System Fund | B-21 | 136 |
| • Public Health Fund | B-22 | 137 |
| • Police Grants Fund | B-23 | 138 |
| • Various Domestic Violence Fund | B-24 | 139 |
| • Safety Programs Fund | B-25 | 140 |
| • Health Grants Fund | B-26 | 141 |
| • City Facilities Operating Fund | B-27 | 142 |
| • Various Purpose Funding Fund | B-28 | 144 |
| • Deposits Fund | B-29 | 145 |
| • General Bond Payment Fund | B-30 | 146 |
| • Non-appropriated Capital Projects Fund | B-31 | 147 |
| • Road and Bridge Improvements Fund | B-32 | 148 |
| • Streets Fund | B-33 | 149 |
| • Information Technology and Improvements Fund | B-34 | 150 |
| • Transportation Fund | B-35 | 151 |
| • Parks and Recreation Fund | B-36 | 152 |
| • Public Facilities and Improvements Fund | B-37 | 153 |
| • Public Parking Fund | B-38 | 154 |
| • Economic Development Fund | B-39 | 155 |
| Non-Major Enterprise Funds: | | 157 |
| Statement of Net Assets – Non-Major Enterprise Funds | C-1 | 158 |
| Combining Statement of Revenues, Expenses, and Changes in Net Assets – Non-Major Enterprise Funds | C-2 | 159 |
| Combining Statement of Cash Flows – Non-Major Enterprise Funds | C-3 | 160 |
| Internal Service Funds: | | 163 |

CITY OF AKRON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(Continued)

| | <u>Exhibit</u> | <u>Page</u> |
|--|----------------|-------------|
| Combining Statement of Net Assets – Internal Service Funds | D-1 | 164 |
| Combining Statement of Revenues, Expenses, and Changes in Net Assets – Internal Service Funds | D-2 | 166 |
| Combining Statement of Cash Flows – Internal Service Funds | D-3 | 168 |
| Fiduciary Funds: | | 173 |
| Combining Statement of Net Assets - Fiduciary Funds | E-1 | 174 |
| Combining Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds | E-2 | 175 |
| Combining Statement of Changes in Assets and Liabilities – Agency Funds | E-3 | 176 |

| | <u>Schedule</u> | <u>Page</u> |
|--|-----------------|-------------|
|--|-----------------|-------------|

STATISTICAL SECTION:

| | | |
|---|----|-----|
| Net Assets by Component, Last Five Fiscal Years | 1 | 177 |
| Changes in Net Assets, Last Five Fiscal Years | 2 | 178 |
| Fund Balances, Governmental Funds, Last Five Fiscal Years | 3 | 180 |
| Changes in Fund Balances, Governmental Funds, Last Five Fiscal Years | 4 | 181 |
| Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years | 5 | 183 |
| Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years | 6 | 184 |
| Principal Property Tax Payers 12/31/2005 and 12/31/1996 | 7 | 185 |
| Property Tax Levies and Collections, Last Six Years | 8 | 186 |
| Income Tax Collections by Annual Collection Amount (Withholding and Direct Accounts), Fiscal Years 2004 and 2005 | 9 | 187 |
| Ratios of Outstanding Debt by Type, Last Ten Fiscal Years | 10 | 188 |
| Legal Debt Margin Information Unvoted Debt Limit (5 ½%), Last Ten Years | 11 | 189 |
| Legal Debt Margin Information Total Debt Limit (10 ½%), Last Ten Years | 12 | 190 |
| Computation of Direct and Overlapping Debt as of December 31, 2005 | 13 | 191 |
| Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years | 14 | 192 |
| Pledged-Revenue Coverage, Last Ten Fiscal Years | 15 | 193 |
| Demographic and Economic Statistics, Last 10 years | 16 | 194 |
| Principal Employers 6/1/2005 and 4/15/1996 | 17 | 195 |
| Full-Time Equivalent City Government Employees by Function/Program, Last 7 Years | 18 | 196 |
| Operating Indicators by Function/Program, Last Ten Fiscal Years | 19 | 198 |
| Capital Asset Statistics by Function/Program, Last Ten Fiscal Years | 20 | 199 |

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

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



Donna M. Urdiales
Executive Assistant

Donald L. Plusquellic
Mayor

DEPARTMENT OF FINANCE

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

June 29, 2006

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

Dear Mayor Plusquellic and Council Members:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Akron for the year ended December 31, 2005. This report fully presents financial and operating information about the City's activities during 2005 that should be useful to citizens and taxpayers. The report, prepared by the Department of Finance, contains a comprehensive analysis of the City's financial position and activities for the year.

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

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

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

- The Introductory Section, which includes this letter of transmittal, contains information pertinent to the City's management and organization, the Table of Contents, and the GFOA Certificate of Achievement. References in this section to Note 1, Note 2, etc., are to Notes to the Financial Statements contained in the Financial Section of this report.
- The Financial Section contains the Independent Accountants' Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information (RSI) and various other Statements and Schedules pertaining to the City's funds and activities.
- The Statistical Section contains numerous tables of financial and demographic information. Much of this information is shown with comparative data for the ten-year period from 1996 through 2005.

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

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

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

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

Economic Conditions and Outlook

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

general fund increased by 15.3% and the state's local government revenue to the City increased by approximately .25%. The strengths of the local economy are reflected by the growth over the past five years in the fields of medical and health services, legal and professional services, communications, public utilities, and finance and related service industries. Income tax receipts from the 12 largest economic sectors in the City have increased just over 9% since 2001 and, combined, account for nearly 80% of total tax collections. Receipts from the 13 fastest growing economic sectors have increased by more than 24%. No one sector makes up more than 16.8% of the total collected.

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

Despite the economy in 2005, the City of Akron finds itself in a healthy financial state and continues to see economic growth. Relative to many other U.S. cities, Akron's fiscal position is very good considering it is one of only a few mid- to large-sized cities that have not been forced to lay off employees. Our assessed valuation on real and personal property increased by 4.8% for tax year 2005 (collection year 2006). The revenue collected from our four Joint Economic Development Districts (JEDDs), approximately \$14 million in 2005, is an additional funding source to encourage and promote economic development and to secure a solid tax base.

Major Initiatives

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

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

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

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

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

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

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

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

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

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

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

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

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

Reporting Standards

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

Governmental funds:

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

Special Revenue Funds – Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City ordinances or federal or state statutes specify the uses and limitations of each Special Revenue Fund. During 2005 the City had 29 Special Revenue Funds.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2005 the City had ten Debt Service Funds.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2005 the City had nine Capital Projects Funds.

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

Proprietary funds:

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

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

Fiduciary funds:

Private Purpose Trust Funds – Private purpose trust funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. During 2005 the City had three Private Purpose Trust Funds.

Agency Funds – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The City had one Agency Fund during 2005.

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

Basis of Accounting:

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

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

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

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

Cash Management

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

advantage of State of Ohio investment opportunities. However, the local investment policy continues to be conservative with the highest priority given to safeguarding assets. For 2005, investment interest income averaged a yield of 3.58% compared to a yield of 2.35% in 2004. The interest earnings are maximized by investing to projected payment dates on a competitive bid basis and by investing bank balances daily. This resulted in an average book balance investment of 124.54%.

Risk Management

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

Pension

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

Independent Annual Audit

We appreciate the cooperation of State Auditor Betty Montgomery and her staff in completing the City's audit in a timely and highly professional manner.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Akron, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2004. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Akron, Ohio, has received Certificates of Achievement for the last 21 consecutive years (1984 through 2004). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The 2005 Comprehensive Annual Financial Report could not have been accomplished without the dedication of the professionals in the Audit and Budget Division of the Department of Finance. Special acknowledgment must go to John R. Wheeler, CPA, Audit and Budget Manager, and his staff for the many hours of quality service they have provided to the City in the formulation of this report. I further wish to thank you, Mayor, for continuing to provide to the department the necessary support and leadership required to enhance the City's overall fiscal position and its financial reporting practices. We trust that this timely, complete, and fully readable Comprehensive Annual Financial Report satisfies your needs and those of City Council for responsible financial planning and reporting.

Respectfully,

A handwritten signature in black ink, appearing to read "Diane L. Miller-Dawson", with a stylized flourish at the end.

Diane L. Miller-Dawson
Director of Finance

DLMD/dmu

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Akron,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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



Carla E. Perry

President

Jeffrey R. Emen

Executive Director

(This page intentionally left blank)



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Summit County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Summit County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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



Betty Montgomery
Auditor of State

June 29, 2006

CITY OF AKRON, OHIO MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of the City of Akron, Ohio financial performance provides an overview of Akron's financial activities for the fiscal year ended December 31, 2005. Please read it in conjunction with the transmittal letter on page 7 and the City's financial statements, which begin on page 34.

FINANCIAL HIGHLIGHTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

The City of Akron maintains 49 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund,

Community Learning Centers Fund, CLC Bond Payment Fund and the Special Assessment Bond Payment Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to

support the City of Akron's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-94 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City of Akron's General Fund and Community Learning Centers Fund budgetary comparison. Required Supplementary Information (RSI) can be found on pages 95-99 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds and internal service funds are presented immediately following the Required Supplementary Information (RSI) and can be found on pages 101-176 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Akron, assets exceeded liabilities by \$653,901,691 at the close of the most recent fiscal year.

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

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

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

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

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

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

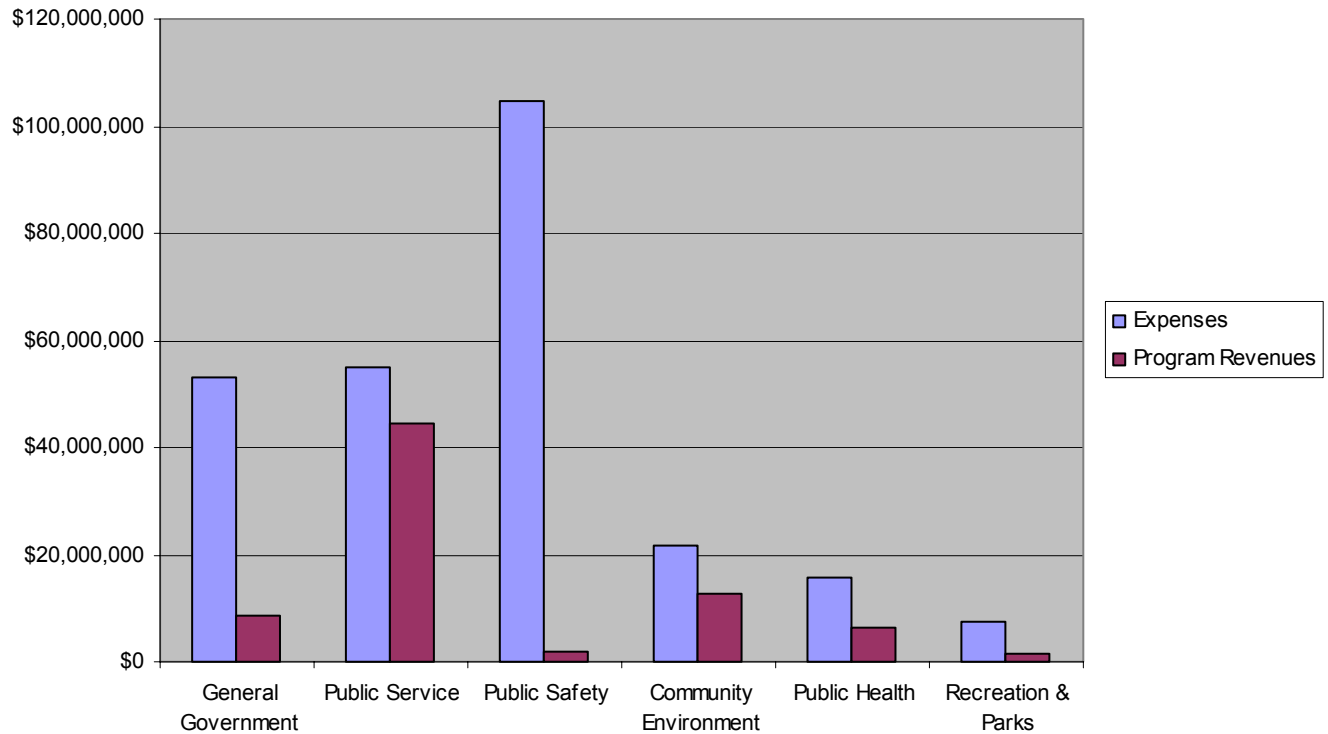
For the governmental activities, the unrestricted deficit results from having insufficient assets set side for long-term obligations such as compensated absences. The City finances such obligations on a year-to-year basis as they come due and must be paid. The deficit is also a result of having ongoing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

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

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

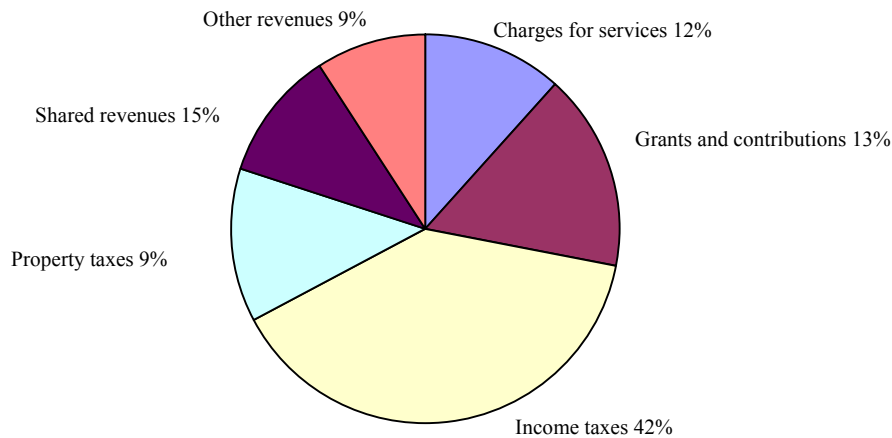
| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|------------|--------------------------|------------|------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for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

Expenses and Program Revenues - Governmental Activities



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

Revenues by Sources Governmental Activities



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

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the City of Akron's governmental funds reported a combined ending fund balance of \$250,958,172, an increase of \$28,822,366 in comparison to the prior year. The unreserved fund balance at the end of the current year is \$213,218,263. The remainder of fund balance is reserved to indicate that it is not

available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$27,898,288) and (2) to reserve for loans receivable (\$9,841,621).

The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,608,934, while the total fund balance is \$11,012,089. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 5.82% of total General Fund expenditures, while total fund balance represents 7.44% of that same amount.

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

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

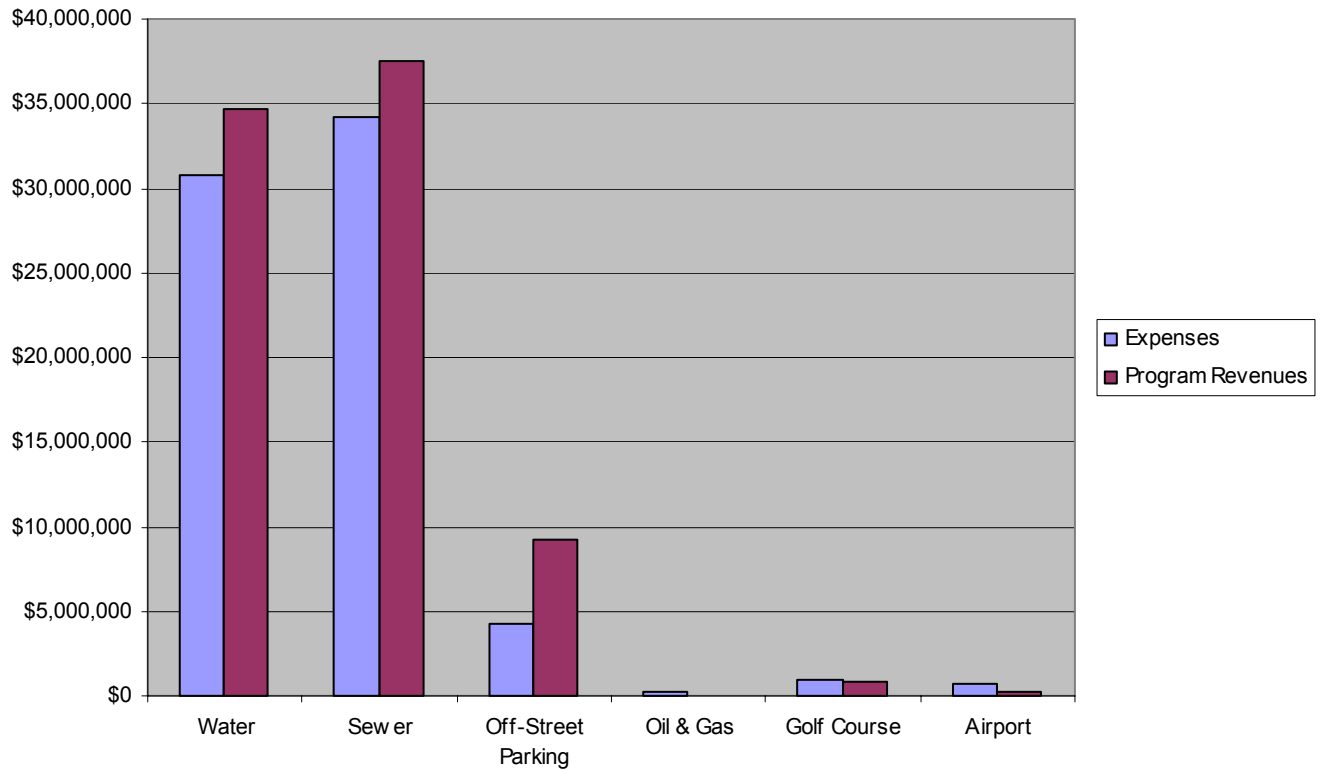
The Community Learning Centers Fund has a total fund balance of \$143,939,747. The net increase in the Community Learning Centers Fund from the prior year was \$6,740,932. The increase in fund balance is due mainly to the following:

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

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

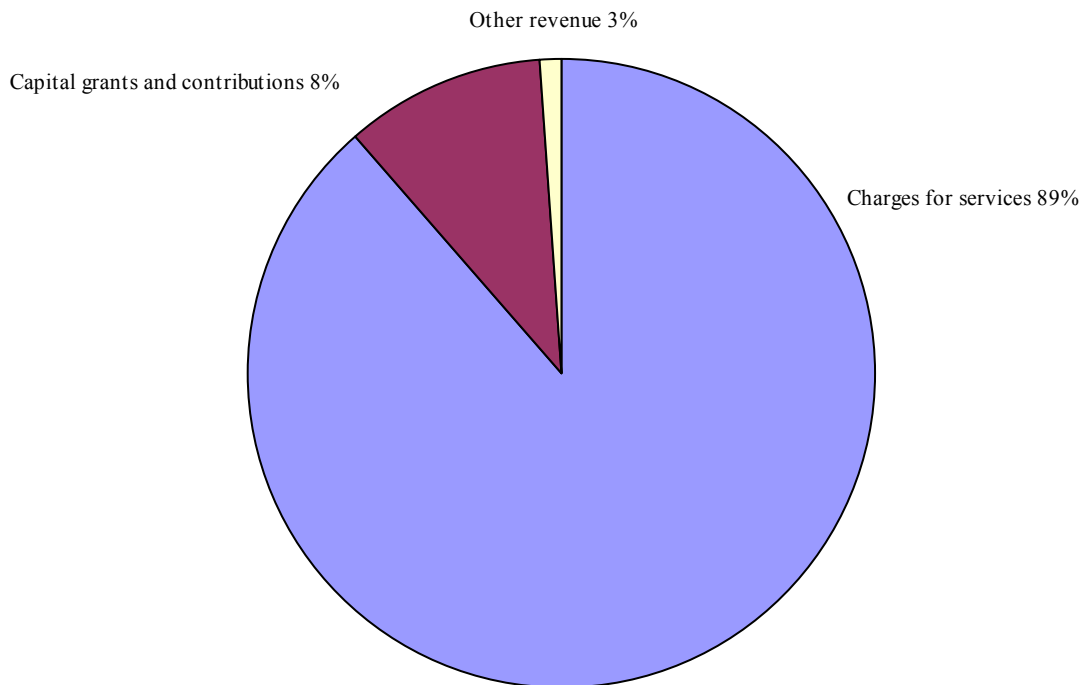
For fiscal year 2005 the Special Assessment Bond Payment Fund revenues and bond proceeds exceeded expenditures by \$282,313.

Expenses and Program Revenues - Business-type Activities



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

Revenues by Sources - Business-type Activities



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

Unrestricted net assets of the Water fund at the end of the year were \$5,450; for the Sewer fund \$15,976,734; and for the Off-Street Parking fund (\$763,477). Net income for the Water, Sewer and Off-Street Parking Funds were \$4,634,152, \$958,625, and \$3,494,646 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Akron's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City of Akron's investment in capital assets for its government and business-type activities as of December 31, 2005, amounts to \$1,164,868,348 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the City of Akron's investment in capital assets for the current fiscal year was 2.37% (a 2.62% increase for governmental activities and a 1.99% increase for business-type activities).

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

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

[illegible]

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

Long-term debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$675,500,283. All general obligation and special assessment bonds and notes are backed by the full faith and credit of the City. The remainder of the City of Akron's debt represents bonds secured solely by specified revenue sources.

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

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

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

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

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

property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of total assessed value of property. The City of Akron's total debt limit (10.5%) is \$352,287,495, and the total unvoted net debt limit (5.5%) is \$184,531,545.

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

Economic Factors and Next Year's Budgets and Rates

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

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

Request for Information

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

BASIC FINANCIAL STATEMENTS

City of Akron, Ohio
Statement of Net Assets
December 31, 2005

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

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

City of Akron, Ohio
Statement of Activities
For the Year Ended December 31, 2005

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

* Excludes depreciation included in program expenses.

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

City of Akron, Ohio

Balance Sheet - Governmental Funds

December 31, 2005

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

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

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

December 31, 2005

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

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

City of Akron, Ohio

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

For the Year Ended December 31, 2005

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

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

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

For the Year Ended December 31, 2005

Increase in fund balances - total governmental funds (Exhibit 4) \$ 28,822,366

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 (\$39,175,627) exceeded depreciation (\$20,542,143) in the current period. 18,633,484

The net effect of selling capital assets decreased net assets. 1,659,116

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,509,486

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 | (149,085,719) | |
| Payment of debt | 130,720,641 | |
| Premium on debt | (7,289,095) | |
| Bond issuance expenditures | <u>2,215,424</u> | |
| | | (23,438,749) |

Some of the expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (18,574,125)

Certain net revenues (expenses) of the internal service funds are reported with governmental activities in the statement of activities. (1,027,042)

| | |
|---|----------------------------|
| Decrease in net assets of governmental activities (Exhibit 2) | <u><u>\$ 7,584,536</u></u> |
|---|----------------------------|

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

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2005

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

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:
 Net assets of business-type activities

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

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2005

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

(This page intentionally left blank)

City of Akron, Ohio

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

For the Year Ended December 31, 2005

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

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

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

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

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

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

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

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

| | Water | Sewer | Off-Street Parking | Other Enterprise Funds | Total | Governmental Activities Internal Service Funds |
|---|---------------|---------------|-----------------------|------------------------------|---------------|---|
| Operating income (loss) | \$ 6,075,954 | \$ 4,462,653 | \$ (817,393) | \$ (632,614) | \$ 9,088,600 | \$ (3,294,304) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | | |
| Depreciation, depletion and amortization | 4,927,294 | 7,569,641 | 1,554,235 | 239,028 | 14,290,198 | 921,381 |
| (Increase) decrease in operating assets: | | | | | | |
| Receivables | 567,921 | (464,692) | (9,419) | (25,528) | 68,282 | 12,010 |
| Due from other funds | 371,377 | (113,556) | - | 3,067 | 260,888 | (300,375) |
| Inventories | 51,928 | (8,105) | - | 4,982 | 48,805 | (44,975) |
| Increase (decrease) in operating liabilities: | | | | | | |
| Accounts payable | 67,721 | (609,961) | 99,486 | 25,717 | (417,037) | (33,271) |
| Due to other funds | (373,190) | (94,678) | 35,787 | 7,820 | (424,261) | 37,127 |
| Due to other governments | - | (58,139) | - | - | (58,139) | - |
| Accrued liabilities | 11,246 | 8,558 | - | (2,301) | 17,503 | 19,125 |
| Accrued wages | (32,900) | (17,457) | - | (3,913) | (54,270) | (13,593) |
| Accrued vacation and leave | (145,280) | (184,410) | - | (64,078) | (393,768) | 87,436 |
| Estimated liability for unpaid claims | - | - | - | - | - | 1,394,538 |
| Net cash provided by (used for) operating activities | \$ 11,522,071 | \$ 10,489,854 | \$ 862,696 | \$ (447,820) | \$ 22,426,801 | \$ (1,214,881) |
| Non-cash capital and investing activities: | | | | | | |
| Due from other governments | \$ - | \$ 275,000 | \$ - | \$ - | \$ 275,000 | \$ - |
| OPWC loan | - | 275,000 | - | - | 275,000 | - |
| Increase from State of Ohio OPWC Loan | | | | | | |

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

City of Akron, Ohio

Statement of Net Assets
Fiduciary Funds

December 31, 2005

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

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

City of Akron, Ohio

Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2005

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

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

City of Akron, Ohio

Notes to the Financial Statements

Year Ended December 31, 2005

1. Summary of Significant Accounting Policies

The City of Akron (the City) was incorporated in 1836 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services as authorized by its Charter: public safety, public service, public health, recreation and development. The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, in that the financial statements include those activities and functions for which the City is accountable. The City has no component units as defined by GASB 14 and 39. The City is associated with certain organizations which are defined as jointly governed organizations. These organizations are presented in Note 22 to the basic financial statements. These organizations are the Akron Metropolitan Area Transportation Study (AMATS) and the Akron/Summit Convention and Visitors' Bureau. The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

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

A. *Government-wide and fund financial statements*

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

Basic Financial Statements:

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

The Water enterprise fund accounts for financial activity related to operating the City's water supply, treatment and distribution system. In addition to over 83,000 customers in the City, the Water enterprise fund also serves five other municipalities and parts of six adjacent townships. Revenues consist primarily of charges for services.

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

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

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

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

Required Supplementary Information:

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

B. *Financial reporting presentation*

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

GOVERNMENTAL FUNDS

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

1. Summary of Significant Accounting Policies (Continued)

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

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

1. Summary of Significant Accounting Policies (Continued)

C. *Measurement focus and basis of accounting*

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

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

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

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

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the City follows GASB guidance as applicable to its governmental and business-type activities, and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989

1. Summary of Significant Accounting Policies (Continued)

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

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

D. *Budgetary Procedures*

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

- (1) The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) According to state law, the budget must be enacted through passage of an ordinance by April 1.
- (4) The City Finance Director is authorized by City Council to transfer funds already appropriated within departments within any fund or category of expenditures; however, any revisions that alter the total appropriation of said department must be individually approved by the City Council. During 2005, supplemental appropriations were passed by City Council. The effects of these supplemental appropriations were not material in relation to the original appropriations.
- (5) Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Unencumbered appropriations lapse at year-end.

E. *Cash, Cash Equivalents, and Investments*

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

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

For purposes of the Statement of Cash Flows, equity in pooled cash and investments, as well as segregated investments with original maturities of three months or less at the time they are

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

purchased by the City, are considered to be cash equivalents. Investments with maturities of more than three months are not considered to be cash equivalents.

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

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

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

The City's interfund receivables and payables at December 31, 2005 are presented in Note 5. Interfund transfers are presented in Note 19.

- K. ***Post-retirement Benefits*** – In addition to the post-retirement benefits provided by the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System of Ohio (see Note 9), the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Currently, 1,918 retirees meet those eligibility requirements. The City pays 100% of the cost of health care and life insurance benefits. These benefits are financed on a pay-as-you go basis; as such, the cost of retiree health care and life insurance benefits is recognized as expenditure/expense as claims are incurred. For 2005, those costs totaled \$2,925,265.

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

- L. ***Debt Issuance Costs, Premiums, Discounts, and Losses on Refundings*** – Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Losses on advance refundings are deferred and amortized over the life of the new debt, or the life of the advance refunded debt, whichever is shorter.
- M. ***New Accounting Standards*** – March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*. This statement amends Statement No. 3 and addresses additional cash and investment risks to which governments are exposed. Generally, this statement requires that state and local governments communicate key information about such risks in four principal areas: investment credit risks, including credit quality information issued by rating agencies; interest rate disclosures that include investment maturity information; interest rate sensitivity for investments that are highly sensitive to changes in interest rates; and foreign exchange exposures that would indicate the foreign investment's denomination. The provisions of this statement are effective for financial statements for the year ending December 31, 2005. The City implemented this statement during 2003.

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

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

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

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

2. Pooled Cash and Investments

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

Deposits:

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

At December 31, 2005, the carrying amount of the City's deposits was \$2,443,503, and the bank balance was \$4,582,167. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$300,000 was covered by federal depository insurance, \$4,270,742 was uninsured but collateralized with unregistered securities held by the pledging financial institution's trust department in the City's name, and \$11,425 was uninsured and uncollateralized as defined by the GASB (securities are pledged with the pledging financial institution's trust department or agent, but not in the City's name).

Total cash and investments are reported as follows:

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

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

Investments:

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

Under the fair value method of recording investments, the City is required to report realized and unrealized gains and losses arising from market fluctuations as well as the sale and maturity of various investments above or below their beginning-of-the-year fair value or their purchase price, when

2. Pooled Cash and Investments (Continued)

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

The repurchase agreement investment maturity is less than one year.

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

Credit Risk. City ordinances authorize the treasurer to invest in obligations of the United States Treasury, agencies and instrumentalities and direct obligations of the State of Ohio, including any subdivisions of the state. As of December 31, 2005, the investments held by the bond trustees and STAROhio were rated AAAM by Standard & Poor's. All municipal bonds and notes are rated A2 or better by Moody's or A or better by Standard & Poor's.

The City invests funds in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's office which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2005.

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

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

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

2. Pooled Cash and Investments (Continued)

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

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

3. Receivables

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

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

Delinquent special assessment receivables amounted to \$2,238,596 at December 31, 2005 and were fully reserved for in the allowance for uncollectibles in the Special Assessment Bond Payment fund.

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

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

4. Due From/To Other Governments

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

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

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

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

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

Business-type Activities:

| | | | | |
|-------------------|------|-----------|------|-----------|
| Enterprise Funds: | | | | |
| Sewer | \$ - | \$ 29,023 | \$ - | \$ 29,023 |

The following amounts are also included in the government-wide and proprietary statement of net assets:

| | | | | |
|---|----------|----------------|----------|----------------|
| liabilities due in more than one year (Note 14) | <u>-</u> | <u>427,827</u> | <u>-</u> | <u>427,827</u> |
|---|----------|----------------|----------|----------------|

Total Enterprise Funds/

| | | | | |
|---------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| Business-type Activities | <u><u>\$ -</u></u> | <u><u>\$ 456,850</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 456,850</u></u> |
|---------------------------------|--------------------|--------------------------|--------------------|--------------------------|

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

4. Due From/To Other Governments (Continued)

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

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

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

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

5. Due From/To Other Funds

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

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

6. Deposits

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

7. Capital Assets

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

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

7. Capital Assets (Continued)

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

7. Capital Assets (Continued)

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

Governmental Activities:

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

Business-type Activities:

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

7. Capital Assets (Continued)

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

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

8. Accrued Vacation and Leave

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

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

Sick leave is earned by substantially all employees. Unused sick leave is accumulated up to 960 hours per employee and vests upon reaching certain age and service requirements. The vested portion of accumulated sick leave and amounts earned through December 31, 2005 and expected to vest in the future has been accrued in the government-wide statement of net assets for all City employees. Amounts related to the City's proprietary fund operations are also accrued for in the proprietary fund statement of net assets due to the nature of these funds.

8. Accrued Vacation and Leave (Continued)

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

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

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

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

9. Pension and Other Post-Retirement Benefit Plans

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

OPERS

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employees of local governments are required to contribute 8.5% of their covered payroll to OPERS. The 2005 and 2004 employer contribution rate for local government employer units was 13.55% of covered payroll including 4.0%, which is used to fund post-retirement health care benefits. The City's total contributions to OPERS for pension benefits (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2005, 2004, and 2003 were \$6,932,558, \$6,946,564 and \$6,219,691 respectively, which were equal to 100% of the required employer contributions for each year.

In addition to the pension benefits, OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is also available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-retirement health care based on authority granted by State statute. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. During 2005 and 2004, \$2,903,648 and \$2,909,514 respectively, of the City's total contribution to OPERS was used for post-retirement benefits.

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

The assumptions and calculations below were based on OPERS's latest actuarial review performed as of December 31, 2004. OPEB are advanced-funded using the entry-age normal actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. Other significant actuarial assumptions include a rate of return on investments of 8.0% and a salary increase of 4.0% for inflation and between .50% and 6.3% based on seniority and merit. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.0% to 6.0% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4.0% (the projected wage inflation rate).

The Traditional Pension and Combined Plans had 376,109 active contributing participants as of December 31, 2005. The number of active contributing participants for both plans used in the December 31, 2004 actuarial valuation was 355,287. Actuarial contribution requirements are determined for the retirement plan as a whole, not for the individual employers. Net assets available for payment of benefits at December 31, 2004 (latest information available) were approximately \$10.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were approximately \$29.5 billion and \$18.7 billion, respectively.

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

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

Ohio Police and Fire Pension Fund

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary, while employers are required to contribute 19.5% and 24% respectively for police officers and firefighters. Required employer contributions to the Ohio Police and Fire Pension Fund are equal to the amounts actually paid by the City each year. The City's total contributed amounts for Police (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2005, 2004, and 2003 were \$3,137,410, \$3,093,245 and \$3,071,237 respectively. The City's total contributed amounts for Fire (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2005, 2004, and 2003 were \$3,559,328, \$3,460,666 and \$3,390,407 respectively.

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

In addition to pension benefits, the Police and Fire plan provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending at least on a 2/3 basis. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the fund's Board of Trustees to provide health care coverage to all eligible individuals. The Ohio Revised Code provides that health care costs paid from the funds of Police and Fire shall be included in the employer's contribution rate (the board-defined allocations are 7.75% in 2005 and 2004, of covered payroll). Health care funding and accounting is on a pay-as-you-go basis. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. The total health care costs paid by the Police and Fire plan were \$102.2 million, which was net of member contributions of \$55.7 million, for the year ended December 31, 2004 (latest information available). The City's contributions for Police for 2005 and 2004 used to pay post-retirement health care were \$2,065,591 and \$2,036,515 respectively. The City's contributions for Fire for 2005 and 2004 used to pay post-retirement health care were \$1,698,173 and \$1,651,101 respectively. Eligible benefit recipients totaled 13,812 and 10,528 for uniformed police and fire personnel, respectively, for the year ended December 31, 2004 for the entire fund.

10. Notes Payable

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

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

10. Notes Payable (Continued)

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

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

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

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

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

10. Notes Payable (Continued)

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

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

11. Long-Term Debt

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

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

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

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

11. Long-Term Debt (Continued)

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

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

11. Long-Term Debt (Continued)

Governmental Activities (Continued):

OPWC Loans:

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

Ohio Department of Development Loans:

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

Non-Tax Revenue Bonds:

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

Income Tax Revenue:

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

Special Revenue:

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

11. Long-Term Debt (Continued)

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

11. Long-Term Debt (Continued)

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

11. Long-Term Debt (Continued)

| Issued | Rate % | Issue | Final Maturity | Amount |
|---|--------|-------|-----------------|----------------------|
| <u>Business-type Activities (Continued):</u> | | | | |
| <u>Enterprise OWDA Loans:</u> | | | | |
| May 28, 1981 | 10.71 | Water | July 1, 2006 | \$ 314,975 |
| December 31, 1981 | 10.71 | Sewer | July 1, 2006 | 1,049,916 |
| May 6, 1982 | 12 | Sewer | January 1, 2010 | 3,194,520 |
| March 30, 1995 | 4.56 | Sewer | July 1, 2015 | 9,363,637 |
| April 27, 1995 | 4.56 | Sewer | July 1, 2015 | 10,918,121 |
| September 30, 1999 | 2.01 | Water | July 1, 2019 | 938,151 |
| May 25, 2000 | 4.64 | Water | July 1, 2021 | 6,717,365 |
| April 26, 2001 | 3.9 | Water | July 1, 2011 | 334,949 |
| July 25, 2002 | 3.89 | Water | July 1, 2021 | 2,079,486 |
| January 29, 2004 | 3.5 | Water | January 1, 2014 | 2,526,712 |
| September 30, 2004 | 3.81 | Sewer | July 1, 2015 | 8,109,648 |
| December 16, 2004 | 3.35 | Sewer | July 1, 2014 | 10,754,763 |
| | | | | <u>\$ 56,302,243</u> |
| <u>Enterprise OPWC Loans:</u> | | | | |
| July 1, 1995 | 0 | Water | July 1, 2016 | \$ 691,305 |
| December 1, 1995 | 0 | Sewer | January 1, 2017 | 266,369 |
| July 1, 1996 | 0 | Sewer | July 1, 2017 | 635,086 |
| July 1, 1997 | 0 | Sewer | July 1, 2018 | 446,250 |
| July 1, 2000 | 0 | Water | July 1, 2021 | 827,875 |
| July 1, 2005 | 0 | Sewer | July 1, 2025 | 275,000 |
| | | | | <u>\$ 3,141,885</u> |

11. Long-Term Debt (Continued)

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

| Fiscal Year Ending December 31 | Governmental Activities | | | | | |
|---|-----------------------------|------------------|-----------------|-------------|--|---------------|
| | General Obligation Bonds | | OPWC Loan | | Ohio Department of Development Notes | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2006 | 10,015 | 9,628 | 308 | - | 54 | 13 |
| 2007 | 11,918 | 8,494 | 308 | - | 56 | 11 |
| 2008 | 12,155 | 8,033 | 466 | - | 116 | 29 |
| 2009 | 11,063 | 7,580 | 466 | - | 119 | 26 |
| 2010 | 11,153 | 7,173 | 466 | - | 121 | 23 |
| 2011-2015 | 53,014 | 28,632 | 2,328 | - | 393 | 79 |
| 2016-2020 | 49,076 | 16,522 | 2,207 | - | 353 | 44 |
| 2021-2025 | 33,169 | 4,816 | 1,367 | - | 151 | 8 |
| 2026-2030 | 3,090 | 155 | 316 | - | - | - |
| 2031-2035 | - | - | - | - | - | - |
| | <u>\$ 194,653</u> | <u>\$ 91,033</u> | <u>\$ 8,232</u> | <u>\$ -</u> | <u>\$ 1,363</u> | <u>\$ 233</u> |

| Fiscal Year Ending December 31 | Non-Tax Revenue Bonds | | Income Tax Revenue | | Special Revenue Bonds | |
|---|--------------------------|------------------|-----------------------|-------------------|--------------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2006 | 1,465 | 1,372 | 3,455 | 10,467 | 2,075 | 2,231 |
| 2007 | 1,530 | 1,304 | 3,970 | 10,266 | 2,150 | 2,156 |
| 2008 | 1,605 | 1,232 | 4,500 | 10,176 | 2,235 | 2,077 |
| 2009 | 1,680 | 1,155 | 5,005 | 10,057 | 2,320 | 1,985 |
| 2010 | 1,775 | 1,059 | 5,550 | 9,919 | 2,420 | 1,889 |
| 2011-2015 | 10,550 | 3,628 | 33,445 | 45,525 | 13,890 | 7,647 |
| 2016-2020 | 7,720 | 785 | 33,970 | 37,041 | 17,620 | 3,776 |
| 2021-2025 | - | - | 41,150 | 27,640 | 3,605 | 254 |
| 2026-2030 | - | - | 50,050 | 16,716 | - | - |
| 2031-2035 | - | - | 36,490 | 3,709 | - | - |
| | <u>\$ 26,325</u> | <u>\$ 10,535</u> | <u>\$ 217,585</u> | <u>\$ 181,516</u> | <u>\$ 46,315</u> | <u>\$ 22,015</u> |

| Fiscal Year Ending December 31 | Special Assessment Bonds | | State Infrastructure Bank Loans | | Internal Service General Obligation Bonds | |
|---|-----------------------------|-----------------|---------------------------------------|-----------------|---|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2006 | 2,792 | 640 | - | 118 | 32 | 140 |
| 2007 | 2,503 | 506 | 664 | 300 | 33 | 133 |
| 2008 | 2,384 | 406 | 985 | 240 | 35 | 126 |
| 2009 | 1,851 | 312 | 1,211 | 240 | 10 | 119 |
| 2010 | 5,773 | 663 | 1,248 | 189 | 10 | 113 |
| 2011-2015 | 280 | 11 | 5,690 | 374 | 57 | 449 |
| 2016-2020 | - | - | 158 | 2 | 57 | 219 |
| 2021-2025 | - | - | - | - | - | 12 |
| 2026-2030 | - | - | - | - | - | - |
| 2031-2035 | - | - | - | - | - | - |
| | <u>\$ 15,583</u> | <u>\$ 2,538</u> | <u>\$ 9,956</u> | <u>\$ 1,463</u> | <u>\$ 234</u> | <u>\$ 1,311</u> |

11. Long-Term Debt (Continued)

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

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

| Fiscal Year Ending December 31 | Governmental Activities Total | | Business-type Activities Total | | Grand Total | |
|---|-------------------------------------|-------------------|--------------------------------------|------------------|-------------------|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2006 | 20,196 | 24,609 | 13,624 | 6,074 | 33,820 | 30,683 |
| 2007 | 23,132 | 23,170 | 13,161 | 5,772 | 36,293 | 28,942 |
| 2008 | 24,481 | 22,319 | 14,332 | 5,227 | 38,813 | 27,546 |
| 2009 | 23,725 | 21,474 | 15,286 | 4,638 | 39,011 | 26,112 |
| 2010 | 28,516 | 21,028 | 15,517 | 4,000 | 44,033 | 25,028 |
| 2011-2015 | 119,647 | 86,345 | 66,863 | 10,552 | 186,510 | 96,897 |
| 2016-2020 | 111,161 | 58,389 | 13,337 | 1,082 | 124,498 | 59,471 |
| 2021-2025 | 79,442 | 32,730 | 353 | 10 | 79,795 | 32,740 |
| 2026-2030 | 53,456 | 16,871 | - | - | 53,456 | 16,871 |
| 2031-2035 | 36,490 | 3,709 | - | - | 36,490 | 3,709 |
| | <u>\$ 520,246</u> | <u>\$ 310,644</u> | <u>\$ 152,473</u> | <u>\$ 37,355</u> | <u>\$ 672,719</u> | <u>\$ 347,999</u> |

11. Long-Term Debt (Continued)

All bonds and notes are backed by the full faith and credit of the City except revenue bonds. Water Mortgage Revenue Bonds are collateralized by the capital assets of the Water System that had net carrying values of approximately \$142,349,000 at December 31, 2005. It is the City's policy to pay debt service of the Enterprise and Internal Service Funds from the receipts of those funds. Accordingly, such debt is reported in those funds. Any deficiency is paid from the City's General Fund. Revenue bonds and OWDA loans are retired entirely from the excess of operating revenues over operating expenses of the applicable enterprise activity. Therefore, the City is under no obligation to repay these long-term obligations from the City's General Fund.

Bond Indenture Agreements for the Waterworks System Mortgage Revenue Improvement Bond dated January 15, 1996, the Sanitary Sewer System Revenue Bonds dated June 1, 1996, the Sanitary Sewer System Revenue Bonds dated January 1, 1997, the Sanitary Sewer System Improvement and Refunding Revenue Bond dated April 1, 1998, the Waterworks System Mortgage Revenue Improvement Bonds dated February 1, 1998, and the Waterworks System Mortgage Revenue Improvement and Refunding Bonds dated July 1, 2003, require deposits to a Debt Service Fund based on a calculation of net operating revenues. The Sewer System Revenue Bond Indenture Agreement dated April 1, 1998 requires that a Debt Service Reserve Fund be created and maintained at a minimum of \$4,682,187 for the Series 1996 Bonds, the Series 1997 Bonds, and the Series 1998 Bonds. The balances in the Debt Service Reserve Fund and the Debt Service Fund at December 31, 2005 were as follows:

| | Waterworks System 1996 Issue | Waterworks System 1998 Issue | Waterworks System 2003 Issue | Sewer System 1996, 1997, and 1998 Issues |
|---|------------------------------------|------------------------------------|------------------------------------|---|
| Minimum balance of debt service reserve fund | \$ - | \$ - | \$ - | \$ 4,682,187 |
| Actual balance of debt service reserve fund | <u>856,255</u> | <u>1,260,386</u> | <u>2,193,398</u> | <u>5,045,161</u> |
| Excess | <u>\$ 856,255</u> | <u>\$ 1,260,386</u> | <u>\$ 2,193,398</u> | <u>\$ 362,974</u> |

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

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2005, the City's total net debt amounted to 3.9% of the total assessed value of all property within the City and unvoted net debt amounted to 3.9% of the total assessed value of all property within the City.

11. Long-Term Debt (Continued)

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

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

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

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

11. Long-Term Debt (Continued)

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

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

11. Long-Term Debt (Continued)

The City has defeased certain debt issues by placing investments in U.S. Government obligations in irrevocable escrow accounts. Such accounts will be used, together with interest earned thereon, to provide for the payment of all principal and interest on the defeased bonds on their scheduled due dates. Accordingly, the escrow accounts and the defeased bonds summarized below are not included in the accompanying financial statements at December 31, 2005:

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

11. Long-Term Debt (Continued)

During 2001, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Summit County Port Authority Revenue Bonds (Akron Civic Theatre Project), issued by the Summit County Port Authority. As of December 31, 2005, the principal amount outstanding was \$14,556,070. The City believes that the Summit County Port Authority is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2005.

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

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received by the bond trustees on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The bonds do not constitute a debt or pledge of the faith and credit of the City and, accordingly, have not been reported in the accompanying financial statements. As of December 31, 2005, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$770,000.

12. Obligations Under Capitalized Leases

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

Unspent funds of approximately \$174,000 provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying government-wide statement of net assets as of December 31, 2005. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

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

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

12. Obligations Under Capitalized Leases (Continued)

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

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

Unspent funds of approximately \$2.7 million provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying government-wide statement of net assets as of December 31, 2005. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

The City has defeased certain certificate issues by placing investments in U.S. Government obligations in irrevocable escrow accounts. Such accounts will be used, together with interest earned thereon, to provide for the payment of all principal and interest on the defeased certificates on their scheduled due dates. Accordingly, the escrow accounts and the defeased certificates summarized below are not included in the accompanying financial statements at December 31, 2005:

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

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

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

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

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

12. Obligations Under Capitalized Leases (Continued)

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

| Year | <u>Governmental Activities</u> | | | <u>Internal Service</u> |
|-----------------------------------|--------------------------------|----------------------|------------------------|---------------------------|
| | <u>COPS Stadium</u> | <u>COPS Parking</u> | <u>Radio Equipment</u> | <u>Computer Equipment</u> |
| 2006 | \$ 2,922,250 | \$ 2,845,779 | \$ 258,719 | \$ 201,006 |
| 2007 | 3,828,500 | 2,961,644 | 258,719 | 184,255 |
| 2008 | 3,831,000 | 2,928,244 | 258,719 | - |
| 2009 | 3,827,500 | 2,892,169 | - | - |
| 2010 | 3,828,000 | 2,865,219 | - | - |
| 2011-2015 | 19,152,750 | 13,744,294 | - | - |
| 2016-2020 | 3,827,250 | 11,650,869 | - | - |
| 2021-2025 | - | 505,613 | | |
| Total lease payments | 41,217,250 | 40,393,831 | 776,157 | 385,261 |
| Less amount representing interest | 10,272,250 | 12,987,073 | 104,876 | 76,110 |
| Present value of lease payments | <u>\$ 30,945,000</u> | <u>\$ 27,406,758</u> | <u>\$ 671,281</u> | <u>\$ 309,151</u> |
| Net book value of leased assets * | <u>\$ 24,356,516</u> | <u>\$ 47,704,202</u> | <u>\$ 651,000</u> | <u>\$ 2,786,757</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 1,212 vehicles for combined single-limit liability of \$1,000,000. There has been no significant reduction in coverage from the prior year, and settled claims have not exceeded the City's insurance coverage in any of the past three years.

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

13. Self-Insurance Funds (Continued)

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

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

The claims liabilities of \$2,404,227, \$8,832,129 and \$647,300 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2005, are in accordance with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These GASB statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities recorded include the estimated incremental expenses to be incurred to settle the claims, including legal fees. Claims liabilities are based on evaluations of individual claims and a review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The claims liabilities represent the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Estimated future recoveries on settled and unsettled claims, such as subrogations, if any, are evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Any adjustments resulting from the actual settlement of the claims are reflected in the financial statements at the time the adjustments are determined. Changes in the funds' claims liabilities (both current and long-term) amounts in fiscal 2004 and 2005 were:

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

14. Long-term Liabilities

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

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

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

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

15. Compliance and Accountability

A. *Legal compliance*

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

15. Compliance and Accountability (Continued)

B. *Deficit fund balances*

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

Special Revenue Funds:

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

Capital Project Funds:

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

Internal Service Funds:

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

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

The capital project funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed from debt issuances and/or interfund transfers. The City carries out programs in its capital budget for which pooled cash is spent up front. The Economic Development Fund contains several large projects that will request grant funds, use shared revenues, receive charges for services, and issue bonds to cover the current deficit.

The internal service funds, that have deficit net assets balances at year-end, have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. The Workers' Compensation Reserve Fund has budgeted an increase in charges for services for 2006. The City's policy is to transfer funds from the pertinent division's operating budget for actual claim settlements to reimburse the Self-Insurance Settlement Fund. The Engineering Bureau will review its applied overhead rate charged to capital projects to address its deficit. The deficit in the Management

15. Compliance and Accountability (Continued)

Information Systems Fund has decreased more than \$.5 million from the prior year, and the remaining deficit is the result of issuing bonds to cover the costs of implementing new and updated technology, including the network infrastructure, mainframe, accounting system, and payroll and personnel systems. The bonds are being repaid with user fees charged to each division's operating budget.

16. Income Taxes

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

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

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

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

17. Property Taxes

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

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

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

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

17. Property Taxes (Continued)

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

Under the current allocation method, the City's share was 1.030% (10.30 mills) of assessed value in 2005 for collection in 2006. The City's Charter limits the maximum total tax rate that could be levied without a vote of the electors to 1.05% (10.5 mills).

The Fiscal Officer collects property taxes on behalf of all taxing districts in the County including the City of Akron and periodically remits to the City its portion of the taxes collected. Current real property and tangible personal property tax collections for the year ended December 31, 2005, including delinquencies from prior years, were 98.4% and 98.3%, respectively, of the current year tax levy.

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

18. JEDD Revenues

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

In 1998 the City entered into a JEDD contract with Bath Township (Bath) and the City of Fairlawn (Fairlawn). This contract was approved by voters in November 1998 and became effective on January 1, 1999. As in the other JEDDs, a 2% income tax has been levied by the District. In accordance with the City of Akron's income tax increase, as of January 1, 2006, Bath's income tax rate increased to 2.25%. As stated in the contract, the net JEDD revenues are allocated to the City and Fairlawn, with the City providing water and sewer services. A payment representing 10% of the net revenues for six years commencing January 1, 2000 will be delivered to Bath Township on or before March 15, 2006. The City of Akron's portion of it is \$1,641,194 and has been recorded in the Joint Economic Development District Fund as due to other governments. In addition, Bath Township receives an annual payment of \$250,000 for ten years from the City. The City has recorded the \$1,000,000 remaining balance as of December 31, 2005 due to Bath Township on the financial statements with \$250,000 as a current liability and a noncurrent liability of \$750,000.

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

19. Transfers

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

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

20. Contingencies

(1) Litigation

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

(2) Federal and State Grants

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

21. Closure and Post-Closure Care Costs

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

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

22. Jointly Governed Organizations

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

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

23. Subsequent Event

On June 5, 2006 City Council passed ordinance number 289-2006 authorizing the issuance and sale of Waterworks System Mortgage Revenue Improvement and Refunding Bonds, Series 2006, for the purpose of paying costs of improving the municipal water supply, treatment and distribution system and providing the funds necessary to refund Waterworks System Mortgage Revenue Improvement Refunding Bonds, Series 1996, and Waterworks System Mortgage Revenue Improvement Refunding Bonds, Series 1998, both previously issued by the City.

City of Akron, Ohio

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

For the Year Ended December 31, 2005

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

City of Akron, Ohio

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

For the Year Ended December 31, 2005

(continued)

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

City of Akron, Ohio

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

For the Year Ended December 31, 2005

(continued)

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

City of Akron, Ohio

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

For the Year Ended December 31, 2005

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

City of Akron, Ohio

Notes to the Budgetary Comparison Schedule

General Fund and Community Learning Centers Fund

For the Year Ended December 31, 2005

Budgetary Data

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

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

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

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

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

(This page intentionally left blank)

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

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

To Account for Special Purposes:

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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

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

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

To Account for Grant Revenue and Other Funding Sources:

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

| Special Revenue Funds | | | | | | | | |
|---|--------------------------|-----------------------------|------------------------------------|--|----------|----------------------------|---------------------|-----------------------------|
| | Community Development | Air Pollution Control | Community Environment Grants | Akron | | Summer Lunch Program | H.O.M.E. Program | K.A.B. Litter Control |
| | | | | Metro. Area Transportation Study | | | | |
| Assets | | | | | | | | |
| Pooled cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Restricted cash and investments | - | - | - | - | - | - | - | - |
| Receivables, net of allowances for uncollectibles | 6,865 | 7,160 | - | - | - | - | - | - |
| Loans receivable | 152,994 | - | 1,141,100 | - | - | - | 2,152,877 | - |
| Due from other governments | 2,201,517 | 40,040 | 254,009 | 29,164 | 7,309 | - | - | 15,785 |
| Due from other funds | 53,338 | 2,299,878 | 6,769 | - | - | - | 1,514,973 | - |
| Total assets | \$ 2,414,714 | \$ 2,347,078 | \$ 1,401,878 | \$ 29,164 | \$ 7,309 | \$ 3,667,850 | \$ 15,785 | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 325,992 | \$ 9,088 | \$ - | \$ 690 | \$ - | \$ 52,225 | \$ - | - |
| Customer deposits | - | - | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - | - | - |
| Due to other funds | 2,808,859 | 5,236 | - | 21,558 | 7,433 | - | - | 25,267 |
| Due to others | - | - | - | - | - | - | - | - |
| Deferred grant revenue | - | - | - | - | - | 770,508 | - | - |
| Deferred revenue | - | - | - | - | - | - | - | - |
| Matured bonds payable | - | - | - | - | - | - | - | - |
| Matured interest payable | - | - | - | - | - | - | - | - |
| Accrued liabilities | 54,409 | 31,244 | - | 28,311 | - | - | - | - |
| Accrued wages | 51,683 | 30,951 | - | 28,474 | - | - | - | - |
| Accrued vacation and leave | 37,556 | - | - | - | - | - | - | - |
| Total liabilities | 3,278,499 | 76,519 | - | 79,033 | 7,433 | 822,733 | 25,267 | |
| Fund balances | | | | | | | | |
| Fund balance: | | | | | | | | |
| Reserved for encumbrances | 362,747 | 13,659 | 397,519 | 33,867 | - | 503,411 | - | - |
| Reserved for loans receivable | 152,994 | - | 1,141,100 | - | - | 2,152,877 | - | - |
| Unreserved designated for pre-encumbrances | 87,654 | 90 | - | 648 | - | - | - | - |
| Unreserved reported in special revenue funds | (1,467,180) | 2,256,810 | (136,741) | (84,384) | (124) | 188,829 | (9,482) | |
| Unreserved reported in debt service funds | - | - | - | - | - | - | - | - |
| Unreserved reported in capital project funds | - | - | - | - | - | - | - | - |
| Total fund balances | (863,785) | 2,270,559 | 1,401,878 | (49,869) | (124) | 2,845,117 | (9,482) | |
| Total liabilities and fund balances | \$ 2,414,714 | \$ 2,347,078 | \$ 1,401,878 | \$ 29,164 | \$ 7,309 | \$ 3,667,850 | \$ 15,785 | |

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

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

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

December 31, 2005
(continued)

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

| Debt Service Funds | | Capital Project Funds | | | | | |
|---|-------------------------|---|---------------------------------------|--------------|--|----------------|----------------------------|
| | JEDD Bond Payment | Non-appropriated Capital Projects | Road and Bridge Improvements | Streets | Information Technology and Improvements | Transportation | Parks and Recreation |
| Assets | | | | | | | |
| Pooled cash and investments | \$ - | \$ - | \$ 6,047,651 | \$ - | \$ 29,542 | \$ - | \$ - |
| Restricted cash and investments | 4,627,839 | - | - | - | - | - | - |
| Receivables, net of allowances for uncollectibles | - | - | 1,139,981 | - | - | - | - |
| Loans receivable | - | - | - | - | - | - | - |
| Due from other governments | - | - | 86,450 | 492,660 | - | 870,295 | - |
| Due from other funds | - | - | 177,915 | 1,135,205 | - | - | - |
| Total assets | \$ 4,627,839 | \$ - | \$ 7,451,997 | \$ 1,627,865 | \$ 29,542 | \$ 870,295 | \$ - |
| Liabilities | | | | | | | |
| Accounts payable | \$ - | \$ 29,384 | \$ 27,005 | \$ 29,795 | \$ - | \$ 60,701 | \$ 55,177 |
| Customer deposits | - | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - | - |
| Due to other funds | - | 2,162,695 | 2,452 | 14,023,011 | - | 2,054,479 | 838,136 |
| Due to others | - | - | - | - | - | - | - |
| Deferred grant revenue | - | - | - | - | - | - | - |
| Deferred revenue | - | - | 960,472 | - | - | - | - |
| Matured bonds payable | - | - | - | - | - | - | - |
| Matured interest payable | - | - | - | - | - | - | - |
| Accrued liabilities | - | 6,948 | 116,597 | 1,002,151 | - | 6,665 | 63,586 |
| Accrued wages | - | - | - | 1,661 | - | 1,188 | 206 |
| Accrued vacation and leave | - | - | - | - | - | - | - |
| Total liabilities | - | 2,199,027 | 1,106,526 | 15,056,618 | - | 2,123,033 | 957,105 |
| Fund balances | | | | | | | |
| Fund balance: | | | | | | | |
| Reserved for encumbrances | - | 189,738 | 454,439 | 5,656,788 | 28,600 | 932,497 | 587,999 |
| Reserved for loans receivable | - | - | - | - | - | - | - |
| Unreserved designated for pre-encumbrances | - | - | - | 664,681 | - | - | - |
| Unreserved reported in special revenue funds | - | - | - | - | - | - | - |
| Unreserved reported in debt service funds | 4,627,839 | - | - | - | - | - | - |
| Unreserved reported in capital project funds | - | (2,388,765) | 5,891,032 | (19,750,222) | 942 | (2,185,235) | (1,545,104) |
| Total fund balances | 4,627,839 | (2,199,027) | 6,345,471 | (13,428,753) | 29,542 | (1,252,738) | (957,105) |
| Total liabilities and fund balances | \$ 4,627,839 | \$ - | \$ 7,451,997 | \$ 1,627,865 | \$ 29,542 | \$ 870,295 | \$ - |

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2005
(continued)

| Capital Project Funds | | | | | | | |
|---|------------------------------------|-------------|----------------|----------------------|-------|--------------|------------|
| | Public Facilities and Improvements | | Public Parking | Economic Development | Total | | |
| Assets | | | | | | | |
| Pooled cash and investments | \$ | - | \$ | 2,197,155 | \$ | 8,549,271 | |
| Restricted cash and investments | | - | | - | | 13,960,218 | |
| Receivables, net of allowances for uncollectibles | | - | | 354,444 | | 23,021,510 | |
| Loans receivable | | - | | 5,784,097 | | 9,273,589 | |
| Due from other governments | | - | | - | | 4,150,739 | |
| Due from other funds | | - | | - | | 33,538,471 | |
| Total assets | \$ | - | \$ | 2,197,155 | \$ | 6,138,541 | |
| Liabilities | | | | | | | |
| Accounts payable | \$ | 38,964 | \$ | - | \$ | 280,474 | |
| Customer deposits | | - | | - | | - | |
| Due to other governments | | - | | - | | 4,310,000 | |
| Due to other funds | | 769,716 | | 3,719 | | 4,841,872 | |
| Due to others | | - | | - | | - | |
| Deferred grant revenue | | - | | - | | - | |
| Deferred revenue | | - | | - | | - | |
| Matured bonds payable | | - | | - | | - | |
| Matured interest payable | | - | | - | | - | |
| Accrued liabilities | | 207,501 | | 49,147 | | 192,139 | |
| Accrued wages | | 31 | | - | | 115 | |
| Accrued vacation and leave | | - | | - | | - | |
| Total liabilities | | 1,016,212 | | 52,866 | | 9,624,600 | |
| Fund balances | | | | | | | |
| Fund balance: | | | | | | | |
| Reserved for encumbrances | | 1,221,132 | | 98,914 | | 7,175,651 | |
| Reserved for loans receivable | | - | | - | | 5,784,097 | |
| Unreserved designated for pre-encumbrances | | - | | - | | 1,500 | |
| Unreserved reported in special revenue funds | | - | | - | | - | |
| Unreserved reported in debt service funds | | - | | - | | - | |
| Unreserved reported in capital project funds | | (2,237,344) | | 2,045,375 | | (16,447,307) | |
| Total fund balances | | (1,016,212) | | 2,144,289 | | (3,486,059) | |
| Total liabilities and fund balances | \$ | - | \$ | 2,197,155 | \$ | 6,138,541 | |
| | | | | | | \$ | 92,493,798 |

City of Akron, Ohio

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

Year Ended December 31, 2005

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

City of Akron, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended December 31, 2005
(continued)

| Special Revenue Funds | | | | | | | | | |
|--|-----------------------|-----------------------|------------------------------|--|----------------------|------------------|-----------------------|--|--------|
| | Community Development | Air Pollution Control | Community Environment Grants | Akron Metro. Area Transportation Study | Summer Lunch Program | H.O.M.E. Program | K.A.B. Litter Control | | |
| Revenues | | | | | | | | | |
| Income taxes | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | | |
| Property taxes | 46,042 | - | - | - | - | - | - | | |
| JEDD revenues | - | - | - | - | - | - | - | | |
| Special assessments | - | - | - | - | - | - | - | | |
| Grants and subsidies: | | | | | | | | | |
| Community development | 7,918,503 | - | 432,089 | - | - | 2,529,886 | - | | |
| Other | - | 648,789 | 231,759 | 1,179,008 | 145,860 | 46,227 | 78,925 | | |
| Investment earnings | - | - | 16,124 | - | - | - | - | | |
| Shared revenues | - | - | - | - | - | 69,234 | - | | |
| Licenses, fees and fines | 213,687 | 147,136 | 1,644 | - | - | - | - | | |
| Charges for services | 760 | 774,728 | - | 112,419 | - | - | - | | |
| Miscellaneous | 343,052 | 5 | 168,018 | - | - | 195,789 | - | | 1,099 |
| | 8,522,044 | 1,570,658 | 849,634 | 1,291,427 | 145,860 | 2,841,136 | - | | 80,024 |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | 44 | - | - | - | - | - | | - |
| Public service | - | - | - | - | 5,376 | - | - | | - |
| Public safety | - | - | - | - | - | - | - | | - |
| Community environment | 8,628,659 | - | 788,893 | 1,375,489 | - | 1,978,154 | 83,659 | | |
| Public health | 155,941 | 1,447,265 | - | 28 | - | - | - | | - |
| Recreation and parks | - | - | - | - | 139,865 | - | - | | - |
| Capital outlay | 13,978 | - | - | - | - | - | - | | - |
| Debt service: | | | | | | | | | |
| Principal Retirement | 52,532 | - | - | - | - | - | - | | - |
| Interest | - | - | - | - | - | - | - | | - |
| Bond issuance expenditures | - | - | - | - | - | - | - | | - |
| | 8,851,110 | 1,447,309 | 788,893 | 1,375,517 | 145,241 | 1,978,154 | 83,659 | | |
| Excess (deficiency) of revenues over expenditures | (329,066) | 123,349 | 60,741 | (84,090) | 619 | 862,982 | (3,635) | | |
| Other financing sources (uses) | | | | | | | | | |
| Issuance of general obligation bonds | - | - | - | - | - | - | - | | - |
| Issuance of general obligation notes | - | - | - | - | - | - | - | | - |
| Premium on G.O. Debt | - | - | - | - | - | - | - | | - |
| Issuance of refunding obligations | - | - | - | - | - | - | - | | - |
| Payment for refund obligations | - | - | - | - | - | - | - | | - |
| Transfers-in | - | - | - | - | - | - | 31,570 | | - |
| Transfers-out | - | - | - | - | - | - | - | | - |
| | - | - | - | - | - | - | 31,570 | | - |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (329,066) | 123,349 | 60,741 | (84,090) | 619 | 862,982 | 27,935 | | |
| Fund balances (deficits), January 1, 2005 | (534,719) | 2,147,210 | 1,341,137 | 34,221 | (743) | 1,982,135 | (37,417) | | |
| Fund balances (deficits), December 31, 2005 | (863,785) \$ | 2,270,559 \$ | 1,401,878 \$ | (49,869) \$ | (124) \$ | 2,845,117 \$ | (9,482) \$ | | |

City of Akron, Ohio

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

Year Ended December 31, 2005
(continued)

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

City of Akron, Ohio

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

Year Ended December 31, 2005
(continued)

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

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

Year Ended December 31, 2005
(continued)

116

City of Akron, Ohio

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

Year Ended December 31, 2005
(continued)

| | Capital Project Funds | | | | Total |
|---|--------------------------------------|-------------------|-------------------------|------|---------------|
| | Public Facilities Improvements | Public Parking | Economic Development | | |
| Revenues | | | | | |
| Income taxes | \$ 16,169 | \$ - | \$ - | \$ - | 35,398,351 |
| Property taxes | - | - | - | - | 10,058,188 |
| JEDD revenues | - | - | - | - | 13,257,613 |
| Special assessments | - | - | - | - | 9,056,655 |
| Grants and subsidies: | | | | | |
| Community development | - | - | - | - | 12,861,997 |
| Other | 97,198 | - | 1,409,179 | - | 13,606,842 |
| Investment earnings | - | - | 101,088 | - | 1,276,261 |
| Shared revenues | - | - | 2,111,452 | - | 15,944,406 |
| Licenses, fees and fines | - | - | - | - | 1,585,950 |
| Charges for services | - | - | - | - | 8,873,350 |
| Miscellaneous | 386,478 | - | 1,270,950 | - | 9,732,495 |
| | 499,845 | - | 4,892,669 | - | 131,652,108 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | - | - | 312,326 | - | 15,783,637 |
| Public service | 3,480,929 | 2,404,963 | 5,445,953 | - | 66,471,392 |
| Public safety | 20,000 | - | - | - | 14,736,285 |
| Community environment | - | - | 423,145 | - | 14,940,455 |
| Public health | - | - | - | - | 8,454,591 |
| Recreation and parks | - | - | - | - | 1,198,525 |
| Capital outlay | 74,931 | - | - | - | 192,958 |
| Debt service: | | | | | |
| Principal Retirement | 335,000 | - | 444,707 | - | 25,417,838 |
| Interest | 14,237 | - | 390,748 | - | 8,343,443 |
| Bond issuance expenditures | - | - | - | - | 2,215,424 |
| | 3,925,097 | 2,404,963 | 7,016,879 | - | 157,754,548 |
| | (3,425,252) | (2,404,963) | (2,124,210) | - | (26,102,440) |
| Other financing sources (uses) | | | | | |
| Issuance of general obligation bonds | 3,660,000 | 6,120,000 | 21,638,000 | - | 50,360,419 |
| Issuance of general obligation notes | - | - | - | - | 1,115,300 |
| Premium on G.O. Debt | - | - | - | - | 7,289,095 |
| Issuance of refunding obligations | - | - | - | - | 95,235,000 |
| Payment for refund obligations | - | - | - | - | (96,873,368) |
| Transfers-in | - | - | 3,961,231 | - | 12,069,774 |
| Transfers-out | - | - | (5,344) | - | (12,518,544) |
| | 3,660,000 | 6,120,000 | 25,593,887 | - | 56,677,676 |
| | 234,748 | 3,715,037 | 23,469,677 | - | 30,575,236 |
| | (1,250,960) | (1,570,748) | (26,955,736) | - | (8,100,373) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | | | | | |
| Fund balances (deficits), January 1, 2005 | \$ (1,016,212) | \$ 2,144,289 | \$ (3,486,059) | \$ - | \$ 22,474,863 |

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

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

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

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

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

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

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

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

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Fire Pension Employer's Liability Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2005

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|---|-------------------------|---------------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | |
| Revenues and other sources | | | |
| Revenues: | | | |
| Licenses and permits | \$ 293,430 | \$ 293,430 | \$ 146,164 |
| Governmental revenue | 274,930 | 274,930 | 175,929 |
| Service revenue | 1,187,320 | 1,187,320 | 371,720 |
| Miscellaneous revenue | 213,830 | 213,830 | 89,316 |
| | <u>1,969,510</u> | <u>1,969,510</u> | <u>783,129</u> |
| Other sources: | | | |
| Interfund transfers | 31,590 | 31,590 | - |
| Previous year's encumbrances | 115,365 | 115,365 | 115,365 |
| | <u>146,955</u> | <u>146,955</u> | <u>115,365</u> |
| Total revenues and other sources | 2,116,465 | 2,116,465 | 898,494 |
| Expenditures | | | |
| Expenditures: | | | |
| Court Clerk: | | | |
| Other | 150,000 | - | - |
| | <u>150,000</u> | <u>-</u> | <u>-</u> |
| Public Health: | | | |
| Wages/benefits | 584,150 | 634,150 | 550,760 |
| Other | 369,395 | 519,395 | 296,789 |
| | <u>953,545</u> | <u>1,153,545</u> | <u>847,549</u> |
| Total expenditures | 1,103,545 | 1,153,545 | 847,549 |
| Excess of revenues and other sources over expenditures | 1,012,920 | 962,920 | 50,945 |
| Fund balance, January 1, 2005 | <u>705,588</u> | <u>705,588</u> | <u>705,588</u> |
| Fund balance, December 31, 2005 | <u>\$ 1,718,508</u> | <u>\$ 1,668,508</u> | <u>\$ 756,533</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, 2005

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(This page intentionally left blank)

NON-MAJOR ENTERPRISE FUNDS

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

- Oil and Gas
- Golf Course
- Airport

City of Akron, Ohio

Statement of Net Assets - Non-Major Enterprise Funds

December 31, 2005

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

City of Akron, Ohio

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

For the Year Ended December 31, 2005

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

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

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

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

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

(This page intentionally left blank)

INTERNAL SERVICE FUNDS

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

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

Combining Statement of Net Assets - Internal Service Funds

December 31, 2005

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

Combining Statement of Net Assets - Internal Service Funds

December 31, 2005

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

City of Akron, Ohio

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

For the Year Ended December 31, 2005

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

City of Akron, Ohio

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

For the Year Ended December 31, 2005

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

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

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

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

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

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

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

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

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

(This page intentionally left blank)

FIDUCIARY FUNDS

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

Claire Merrix Trust
Holocaust Memorial Trust
Police/Fire Beneficiary Trust

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

City of Akron, Ohio

Combining Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2005

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

City of Akron, Ohio

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

For the Year Ended December 31, 2005

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

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended December 31, 2005

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

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

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | | | | | |
| Restricted | \$ 330,404,704 | \$ 322,483,517 | \$ 342,937,788 | \$ 347,553,024 | \$ 354,911,430 |
| Unrestricted | 37,540,147 | 39,710,686 | 40,319,154 | 305,806,875 | 305,806,875 |
| | <u>(36,817,038)</u> | <u>(44,766,982)</u> | <u>(68,256,422)</u> | <u>(342,848,212)</u> | <u>(342,622,082)</u> |
| Total Governmental Activities Net Assets | <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> |
| Business-Type Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | | | | | |
| Restricted | 268,152,473 | 285,012,294 | 298,087,580 | 305,496,572 | 312,958,242 |
| Unrestricted | 8,037,590 | 8,017,156 | 9,237,606 | 8,890,371 | 8,890,371 |
| | <u>17,726,838</u> | <u>21,545,227</u> | <u>14,462,481</u> | <u>12,254,737</u> | <u>13,956,855</u> |
| Total Business-Type Activities Net Assets | <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> |
| Primary Government | | | | | |
| Invested in Capital Assets, Net of Related Debt | | | | | |
| Restricted | 598,557,177 | 607,495,811 | 641,025,368 | 653,049,596 | 667,869,672 |
| Unrestricted | 45,577,737 | 47,727,842 | 49,556,760 | 314,697,246 | 314,697,246 |
| | <u>(19,090,200)</u> | <u>(23,221,755)</u> | <u>(53,793,941)</u> | <u>(330,593,475)</u> | <u>(328,665,227)</u> |
| Total Primary Government Net Assets | <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> |

Source: City of Akron, Ohio Finance Department

Schedule 2

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

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

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

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

Source: City of Akron, Ohio Finance Department

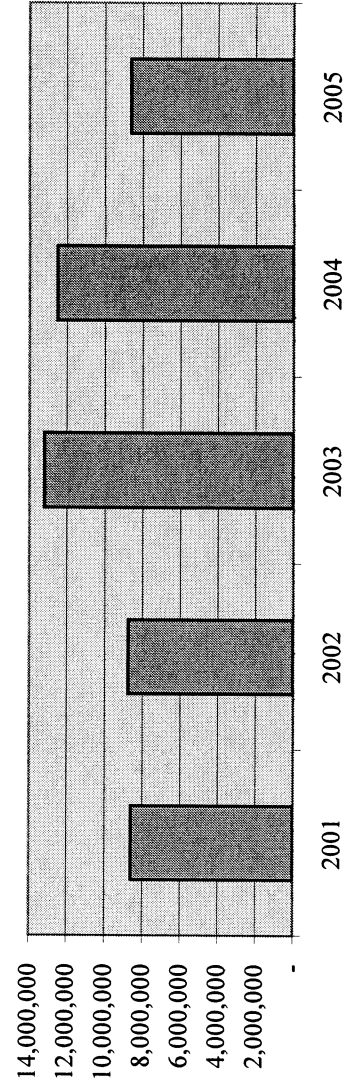
City of Akron, Ohio
Fund Balances, Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)

Schedule 3

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

Source: City of Akron, Ohio Finance Department

Unreserved General Fund Balance



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

Schedule 4

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

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

Schedule 4

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

Source: City of Akron, Ohio Finance Department

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

| Tax Collection Year | Real Property | | Personal Property | | Public Utilities | | Total | | Percent of Total Assessed Value to Total Estimated Actual Value |
|---------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|--|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| 1997 | \$2,102,773 | \$6,007,925 | \$ 395,098 | \$1,580,392 | \$ 167,796 | \$ 190,677 | \$2,665,667 | \$7,778,994 | 34.27 % |
| 1998 | 2,110,844 | 6,030,983 | 386,865 | 1,547,460 | 166,939 | 189,702 | 2,664,648 | 7,768,145 | 34.30 |
| 1999 | 2,124,127 | 6,068,934 | 396,770 | 1,587,083 | 167,948 | 190,849 | 2,688,845 | 7,846,866 | 34.27 |
| 2000 | 2,324,149 | 6,640,426 | 405,265 | 1,621,060 | 166,661 | 189,387 | 2,896,075 | 8,450,873 | 34.27 |
| 2001 | 2,339,016 | 6,682,903 | 403,913 | 1,615,652 | 153,577 | 174,518 | 2,896,506 | 8,473,073 | 34.18 |
| 2002 | 2,368,179 | 6,766,226 | 438,484 | 1,753,936 | 122,332 | 139,013 | 2,928,995 | 8,659,176 | 33.83 |
| 2003 | 2,743,691 | 7,839,117 | 391,104 | 1,564,416 | 126,710 | 506,100 | 3,261,505 | 9,909,633 | 32.91 |
| 2004 | 2,725,682 | 7,787,663 | 323,378 | 1,293,512 | 126,329 | 504,569 | 3,175,389 | 9,585,744 | 33.13 |
| 2005 | 2,751,773 | 7,862,209 | 321,452 | 1,285,808 | 128,371 | 512,763 | 3,201,596 | 9,660,780 | 33.14 |
| 2006 | 3,004,852 | 8,585,291 | 234,182 | 936,728 | 116,085 | 463,549 | 3,355,119 | 9,985,568 | 33.60 |

Source: City of Akron, Ohio Finance Department

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

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

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

Source: City of Akron, Ohio Finance Department

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

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

Source: City of Akron, Ohio Finance Department

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

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

Source: City of Akron, Ohio Finance Department

Note: Information prior to 2000 was not available.

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

| Fiscal Year 2004 | | | | |
|-------------------------|-----------------------|------------------------|---------------------------------|------------------------|
| Collection Level | Number of Accounts | Percentage of Total | Total Income Tax Collections | Percentage of Total |
| \$1,000 and under | 23,349 | 79.38% | \$ 5,143,817.16 | 4.74% |
| \$1,001 - \$2,500 | 2,807 | 9.54% | 4,368,735.44 | 4.02% |
| \$2,501 - \$5,000 | 1,315 | 4.47% | 4,663,832.99 | 4.30% |
| \$5,001 - \$10,000 | 808 | 2.75% | 5,780,222.81 | 5.33% |
| \$10,001 - \$50,000 | 876 | 2.98% | 18,309,392.18 | 16.87% |
| \$50,001 - \$100,000 | 140 | 0.48% | 9,516,516.56 | 8.77% |
| \$100,001 - \$250,000 | 79 | 0.27% | 11,594,287.31 | 10.68% |
| \$250,001 - \$1,000,000 | 27 | 0.09% | 12,447,550.63 | 11.47% |
| Over \$1,000,001 | 14 | 0.05% | 36,721,556.67 | 33.83% |
| | 29,415 | 100.00% | \$ 108,545,911.75 | 100.00% |
| Fiscal Year 2005 | | | | |
| Collection Level | Number of Accounts | Percentage of Total | Total Income Tax Collections | Percentage of Total |
| \$1,000 and under | 36,487 | 84.82% | \$ 6,296,183.25 | 5.04% |
| \$1,001 - \$2,500 | 3,125 | 7.26% | 4,868,981.30 | 3.89% |
| \$2,501 - \$5,000 | 1,346 | 3.13% | 4,735,378.39 | 3.79% |
| \$5,001 - \$10,000 | 845 | 1.96% | 5,909,672.23 | 4.73% |
| \$10,001 - \$50,000 | 928 | 2.16% | 19,334,527.67 | 15.46% |
| \$50,001 - \$100,000 | 157 | 0.36% | 10,859,627.71 | 8.68% |
| \$100,001 - \$250,000 | 80 | 0.19% | 11,645,211.50 | 9.31% |
| \$250,001 - \$1,000,000 | 35 | 0.08% | 14,751,494.20 | 11.80% |
| Over \$1,000,001 | 15 | 0.03% | 46,637,985.35 | 37.30% |
| | 43,018 | 100.00% | \$ 125,039,061.60 | 100.00% |

Source: City of Akron, Ohio Finance Department

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

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

Schedule 10

| Fiscal Year | Governmental Activities | | | | | | | | | | Internal Service General Obligation |
|--------------------------|--------------------------------|--------------|--------------------|--------------------------|--------------------|-----------------|--------------------|------------------|--------------|-------------------------|-------------------------------------|
| | Ohio Depart. of | | | Governmental Activities | | | | | | | |
| | General Obligation | OPWC Loan | Development Loans | Non-Tax Revenue | Income Tax Revenue | Special Revenue | Special Assessment | SIB Loans | | | |
| 1996 | \$ 109,815,674 | \$ 296,186 | \$ - | \$ - | \$ - | \$ - | \$ 14,422,916 | \$ - | \$ 3,835,256 | | |
| 1997 | 120,797,994 | 1,026,791 | 745,245 | - | - | - | 14,189,379 | - | 8,646,345 | | |
| 1998 | 126,154,666 | 2,654,023 | 702,378 | - | - | - | 14,638,028 | - | 14,031,702 | | |
| 1999 | 134,142,190 | 3,770,233 | 658,207 | - | 9,950,000 | - | 13,009,037 | - | 12,886,327 | | |
| 2000 | 139,560,038 | 4,672,353 | 612,692 | 32,770,000 | 9,705,000 | - | 13,797,818 | - | 10,763,904 | | |
| 2001 | 152,905,041 | 5,475,764 | 565,793 | 31,585,000 | 9,450,000 | 27,285,000 | 11,796,009 | - | 8,593,232 | | |
| 2002 | 173,398,605 | 5,201,518 | 517,467 | 30,350,000 | 9,185,000 | 51,945,000 | 11,473,873 | - | 6,343,299 | | |
| 2003 | 198,325,413 | 5,797,627 | 978,212 | 29,065,000 | 8,910,000 | 50,260,000 | 11,924,332 | - | 4,032,034 | | |
| 2004 | 184,235,042 | 5,336,703 | 1,416,362 | 27,725,000 | 220,625,000 | 48,325,000 | 15,807,918 | 7,758,500 | 2,739,522 | | |
| 2005 | 194,652,842 | 8,232,378 | 1,363,491 | 26,325,000 | 217,585,000 | 46,315,000 | 15,582,562 | 9,955,500 | 233,610 | | |
| Business-Type Activities | | | | | | | | | | | |
| Fiscal Year | Governmental Activities cont'd | | | Business-Type Activities | | | | | | | |
| | Economic Development | JEDD Revenue | General Obligation | Mortgage Revenue | Revenue | OWDA | OPWC | Total Government | | Per Capita ^a | |
| 1996 | \$ - | \$ - | \$ 17,059,070 | \$ 58,050,000 | \$ 25,000,000 | \$ 50,581,538 | \$ 3,164,572 | \$ 282,225,212 | \$ 1,265 | | |
| 1997 | 35,000,000 | - | 16,529,285 | 56,015,000 | 36,965,000 | 48,469,498 | 3,453,763 | \$ 341,838,300 | 1,533 | | |
| 1998 | 35,000,000 | - | 7,601,880 | 65,655,000 | 53,985,000 | 46,195,988 | 3,401,108 | \$ 370,019,773 | 1,659 | | |
| 1999 | 33,905,000 | - | 6,534,355 | 62,915,000 | 51,980,000 | 44,759,413 | 3,000,044 | \$ 377,509,806 | 1,693 | | |
| 2000 | | 27,650,000 | 5,483,554 | 60,065,000 | 49,935,000 | 50,271,144 | 3,735,163 | \$ 409,021,666 | 1,884 | | |
| 2001 | - | - | 5,528,796 | 57,095,000 | 47,840,000 | 47,615,793 | 3,545,533 | \$ 409,280,961 | 1,885 | | |
| 2002 | - | - | 4,661,456 | 53,830,000 | 45,690,000 | 47,009,590 | 3,376,903 | \$ 442,982,711 | 2,041 | | |
| 2003 | - | - | 3,763,196 | 59,045,000 | 43,465,000 | 43,091,983 | 3,229,272 | \$ 461,887,069 | 2,128 | | |
| 2004 | - | - | 2,856,881 | 54,035,000 | 41,135,000 | 60,518,215 | 3,059,266 | \$ 675,573,409 | 3,112 | | |
| 2005 | | | 1,339,672 | 49,205,000 | 42,485,000 | 56,302,243 | 3,141,885 | \$ 672,719,183 | 3,099 | | |

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

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

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

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio

Legal Debt Margin Information

Total Debt Limit (10 1/2%)

Last Ten Years

Schedule 12

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

Source: City of Akron, Ohio Finance Department

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

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

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

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

Source: City of Akron, Ohio Finance Department

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

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

Source: City of Akron, Ohio Finance Department

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

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

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

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

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

| Fiscal Year | Water Revenue Bonds | | | | Special Assessment Bonds | | | |
|----------------|---------------------------|---|-----------------------------|--------------|--------------------------------------|--------------|----------|----------|
| | Water Gross Revenue | Less: Operating Expenses ¹ | Net Available Revenue | Debt Service | Special Assessment Collections | Debt Service | | Coverage |
| | | | | | | Principal | Interest | |
| 1996 | \$ 33,466 | \$ 28,502 | \$ 4,964 | \$ 1,845 | \$ 3,552 | \$ 2,155 | \$ 752 | 3.56 |
| 1997 | 35,341 | 26,532 | 8,809 | 2,035 | 3,216 | 2,148 | 726 | 3.89 |
| 1998 | 33,297 | 27,169 | 6,128 | 2,125 | 3,309 | 2,128 | 697 | 3.90 |
| 1999 | 33,505 | 23,486 | 10,019 | 2,740 | 3,258 | 1,943 | 689 | 4.06 |
| 2000 | 32,452 | 22,767 | 9,685 | 2,850 | 3,139 | 2,118 | 599 | 3.91 |
| 2001 | 33,115 | 22,907 | 10,208 | 2,970 | 3,011 | 2,128 | 674 | 4.04 |
| 2002 | 34,192 | 23,470 | 10,722 | 3,265 | 2,871 | 2,026 | 535 | 4.31 |
| 2003 | 29,444 | 27,616 | 1,828 | 3,425 | 2,141 | 2,243 | 509 | 4.09 |
| 2004 | 35,616 | 30,151 | 5,465 | 5,010 | 2,530 | 2,204 | 547 | 4.10 |
| 2005 | 33,682 | 22,679 | 11,003 | 4,830 | 2,186 | 2,572 | 671 | 3.58 |

Source: City of Akron, Ohio Finance Department

¹Net of Depreciation

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

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

Source: 1) U. S. Census Bureau

3) Ohio Department of Job and Family Services

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

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

Schedule 17

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

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last 7 years* Schedule 18

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

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

Schedule 18

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

Source: City of Akron, Ohio Finance Department

*Data prior to 1999 not available

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

Schedule 19

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

*Mud Run Golf Course was not completed until 2003.

Source: City of Akron, Ohio Finance Department

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

| Function/Program | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Police | | | | | | | | | | |
| Number of Uniformed Police Officers | N/A | N/A | 473 | 505 | 481 | 461 | 499 | 484 | 477 | 468 |
| Number of Districts | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 11 | 12 | 12 |
| Fire | | | | | | | | | | |
| Number of Firefighters and Officers | N/A | N/A | 382 | 372 | 390 | | 363 | 366 | 359 | 375 |
| Number of Stations | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Parks and Recreation | | | | | | | | | | |
| City Park System (in acres) | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 |
| City Owned/Operated Golf Courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Water | | | | | | | | | | |
| Miles of Pipe | 1,030 | 1,040 | 1,075 | 1,085 | 1,097 | 1,097 | 1,097 | 1213 | 1,213 | 1,215 |
| Average Daily Pumpage (in millions of gallons) | 43 | 42 | 41 | 42 | 40 | 41 | 40 | 41 | 38 | 37 |
| Distribution-Storage Reservoirs | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Sewer | | | | | | | | | | |
| Sanitary Sewers (miles) | 1,100 | 828 | 829 | 832 | 833 | 833 | 834 | 835 | 837 | 649 |
| Storm Sewers (miles) | N/A | N/A | 253 | 257 | 258 | 258 | 260 | 262 | 268 | 269 |
| Storm and Combined Sewer Inlets (miles) | N/A | N/A | 94 | 95 | 95 | 95 | 95 | 96 | 97 | 286 |
| Pump Stations | N/A | 29 | 29 | 29 | 29 | 33 | 33 | 33 | 33 | 33 |
| Other Public Works | | | | | | | | | | |
| Oil Wells | 12 | 12 | 12 | 12 | 12 | 14 | 14 | 14 | 13 | 13 |
| Parking Decks | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 10 | 10 |

Source: City of Akron, Ohio Finance Department

(This page intentionally left blank)